



Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: May 20, 2016

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Kelley F. Corbari, Senior Attorney, Office of the General Counsel: RAS *KFC*

RE: **Closure of Docket No. 140031-WS** In Re: Initiation of show cause proceedings against Country Club Utilities, Inc. in Highlands County for violations of Rule 25-30.120, FAC, Regulatory Assessment Fees; Water and Wastewater Utilities

By Order No. PSC-14-0131-SC-WS, issued on March 17, 2014, the Commission ordered Country Club Utilities, Inc. (Country Club), to Show Cause why it should not be penalized for failing to remit statutory fees, penalties, and interest in violation of Commission statutes and rules.¹ On May 12, 2014, the Commission issued Order No. PSC-14-0225-AS-WS, approving a Settlement Agreement proffered by Country Club for the payment of its delinquent Regulatory Assessment Fees (RAFs) and finalizing the Show Cause Order issued by the Commission.² Country Club submitted three (3) payments to the Commission, totaling \$21,517.27, in compliance with the Commission's Final Show Cause Order, with the last payment received by the Commission on October 16, 2014.

On October 22, 2014, Country Club filed a Notice of Intent to Abandon the Utility's systems with the Commission, pursuant to §367.165, F.S. On December 17, 2014, the Tenth Circuit Court for Highlands County appointed the City of Sebring as Receiver of the Utility and approved an agreement for the sale of the Utility systems to Receiver. By Order No. PSC-15-0107-FOF-WS, issued February 17, 2015, the Commission acknowledged the appointment of the City of Sebring as Receiver, canceled the Utility's Certificate Nos. 540-W and 468-S, and dismissed Country Club's staff-assisted rate case.³

¹ Order No. PSC-14-0131-SC-WS, issued March 17, 2014, in Docket No. 140031-WS, In re: Initiation of show cause proceedings against Country Club Utilities, Inc. in Highlands County for violations of Rule 25-30.120, FAC, Regulatory Assessment Fees; Water and Wastewater Utilities.

² Order No. PSC-14-0225-AS-WS, issued May 12, 2014, in Docket No. 140031-WS, In re: Initiation of show cause proceedings against Country Club Utilities, Inc. in Highlands County for violations of Rule 25-30.120, FAC, Regulatory Assessment Fees; Water and Wastewater Utilities.

³ Order No. PSC-15-0107-FOF-WS, issued February 17, 2015, Docket No. 140208-WS In Re: Notice of abandonment of water and wastewater systems in Highlands County by Country Club Utilities, Inc.; and Docket No. 120172-WS In Re: Application for staff-assisted rate case in Highlands County by Country Club Utilities, Inc.

As of January 20, 2015, Country Club owed a total of \$41,490.62 in delinquent RAFs, and statutory penalties and interest, for the years 2010, 2011, 2012, and 2013. In addition, Country Club was obligated to submit RAFs in the amount of \$10,802.80 based on its 2014 revenues. Because the financial obligation owed by Country Club were not addressed in the Receivership Order or the Sale Agreement as required by Commission Order, the Office of the General Counsel filed a Motion to Intervene and a Petition For Enforcement of Agency Action, Declaratory Judgment, and For Relief of Judgment, in the receivership proceeding pending in the Highlands County Circuit Court on January 22, 2015, pursuant to Order No. PSC-14-0225-AS-WS,⁴ in order to secure the financial obligation owed by Country Club to this Commission.

In April 2015, the Commission reached an Agreement with the City of Sebring (Receiver/Purchaser), Country Club (Seller), and the Office of Public Counsel (OPC), whereby the statutory debt owed by Country Club to the Commission would be satisfied upon the closing of the sale of the Utility. Pursuant to the Agreement reached by the Parties, the Commission would receive payment of \$52,293.42 from the proceeds of the sale at closing in full satisfaction of the amounts owed under the Settlement Agreement executed by Country Club, inclusive of 2014 RAFs and all costs, attorney's fees, and penalties. On May 8, 2015, the Highlands County Circuit Court issued an Amended Agreed Order Appointing Receiver and Authorizing Sale, which included a Revised Agreement for the Sale and Purchase of Water and Sewer Systems.

Pursuant to Order No. PSC-14-0225-AS-WS, this docket would be closed administratively once all the terms of the Settlement Agreement and all outstanding amounts owed by Country Club were satisfied. On May 18, 2016, the sale of Country Club to the City of Sebring closed. On May 19, 2016, the Commission received funds in the amount of \$52,293.42 from the closing proceeds, satisfying the statutory financial obligation owed by Country Club to the Commission. Therefore, this docket should be closed.

KFC

Attachment:

- Country Club RAF Payment Breakdown

⁴ Order No. PSC-14-0225-AS-WS, issued May 12, 2014, in Docket No. 140031-WS, In re: Initiation of show cause proceedings against Country Club Utilities, Inc. in Highlands County for violations of Rule 25-30.120, FAC, Regulatory Assessment Fees; Water and Wastewater Utilities.

SWAINE & HARRIS, P. A.
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PLEASE REPLY TO:
LAKE PLACID
SEBRING

May 18, 2016



via FedEx

Kelley F. Corbari, Esquire
Office of the General Counsel
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

re: Highlands County v. Country Club Utilities, Inc.
10th Judicial Circuit Court - Highlands County
Case No.: GC14-611

Docket No. 140031-WS

Dear Mr. Corbari:

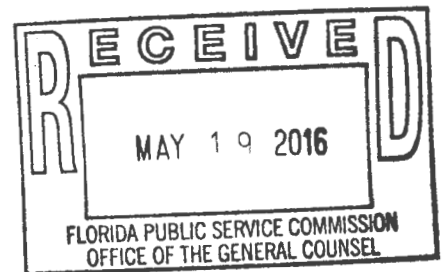
We closed on the sale of Country Club Utilities, Inc. to the City of Sebring this morning and I enclose our escrow check #2975 in the amount of \$52,293.42 for payment in full of the mortgage to the Commission.

If you have any questions, please call me.

Sincerely yours,

Nicolina Smith
Legal Assistant to
Robert S. Swaine

/ns
Enclosure - as stated



SWAINE & HARRIS, P.A.
REAL ESTATE ESCROW - SEBRING OFFICE

Date
5/18/2016

Payee
Florida Public Service Commission

Amount
\$52,293.42

Closing File
0571-119 CCU

Buyer: City of Sebring

Seller: Country Club Utilities, Inc.

Payoff mortgage loan - Docket No. 140031-WS - \$52,293.42

DoubleTime®

HOLD TO LIGHT TO VIEW WATERMARK IN PAPER. HEAT SENSITIVE RED IMAGE DISAPPEARS WITH HEAT. DETECTION CIRCLE REVEALS A LOCK WHEN TESTED.

2975

SWAINE & HARRIS, P.A.
REAL ESTATE ESCROW - SEBRING OFFICE
425 SOUTH COMMERCE AVENUE
SEBRING, FL 33870
(863) 385-1549 (863) 465-2811

Heartland National Bank
320 Hwy. 27 N.
Sebring, FL 33870
63-1479/631

Check Fraud
Protection for Business

Patents 6233340, 6548624, 6782110

CAC:333422584457

5/18/2016

***52,293.42

Fifty-Two Thousand Two Hundred Ninety-Three and 42/100

DATE

AMOUNT

PAY TO THE ORDER OF

Florida Public Service Commission

Payoff mortgage loan - Docket No. 140031-WS - 057

AUTHORIZED SIGNATURE

Security features. Details on back.

TOTAL RAFs, PENALTY & INTEREST OUTSTANDING

YEAR	REVENUES	RAF _s (4.5%)	PAYMENTS	PENALTY (25%)	INTEREST (1%)	TOTAL DUE
				(AS OF 01/22/15)	(AS OF 01/22/15)	
2010 *	\$238,846.00	\$10,748.08	\$10,748.08	\$2,687.02	\$3,804.27	\$6,491.29
2011 *	\$250,425.00	\$11,269.13	\$11,269.13	\$2,817.28	\$2,929.97	\$5,747.25
2012 **	\$250,957.00	\$11,293.07	\$2,000.00	\$2,823.27	\$2,414.48	\$14,530.82
2013 **	\$245,833.33	\$10,901.11	\$0.00	\$2,729.19	\$1,090.96	\$14,721.26
2014 ***	\$240,064.00	\$10,802.80	\$0.00	\$0.00	\$0.00	\$10,802.80
TOTALS	\$1,226,125.33	\$55,014.19	\$24,017.21	\$11,056.76	\$10,239.68	\$52,293.42

* **NOTE:** Penalty and Interest stopped accruing because principal balance of outstanding RAFs was paid in full.

** **NOTE:** Interest assessed up to January 22, 2015 (See explanation below)

*** **NOTE:** No Penalty and Interest assessed to 2014. (See explanation below)

TOTAL RAFs (2010-14): \$55,014.19
TOTAL PAYMENTS: - \$24,017.21
RAF_s OUTSTANDING: **\$30,996.98**

TOTAL P&I (2010-13): \$21,296.44
TOTAL RAFs (2010-14): + \$30,996.98
TOTAL BALANCE: **\$52,293.42**

OUTSTANDING RAFS BREAKDOWN BY SERVICE & YEAR

2010	REVENUES	RAFS (4.5%)	PAYMENTS	PENALTY (25%)	INTEREST (1%) <small>(ASOF 01/22/15)</small>	TOTAL DUE
WATER	\$144,853.00	\$6,518.39	\$6,518.39	\$1,629.60	\$2,336.97	\$3,966.57
SEWER	\$93,993.00	\$4,229.69	\$4,229.69	\$1,057.42	\$1,467.30	\$2,524.72
TOTALS	\$238,846.00	\$10,748.08	\$10,748.08	\$2,687.02	\$3,804.27	\$6,491.29

2011	REVENUES	RAFS (4.5%)	PAYMENTS	PENALTY (25%)	INTEREST (1%) <small>(ASOF 01/22/15)</small>	TOTAL DUE
WATER	\$149,425.00	\$6,724.13	\$6,724.13	\$1,681.03	\$1,748.27	\$3,429.30
SEWER	\$101,000.00	\$4,545.00	\$4,545.00	\$1,136.25	\$1,181.70	\$2,317.95
TOTALS	\$250,425.00	\$11,269.13	\$11,269.13	\$2,817.28	\$2,929.97	\$5,747.25

2012	REVENUES	RAFS (4.5%)	PAYMENTS	PENALTY (25%)	INTEREST (1%) <small>(ASOF 01/22/15)</small>	TOTAL DUE
WATER	\$151,060.00	\$6,797.70	\$1,000.00	\$1,699.43	\$1,460.51	\$8,957.64
SEWER	\$99,897.00	\$4,495.37	\$1,000.00	\$1,123.84	\$953.97	\$5,573.18
TOTALS	\$250,957.00	\$11,293.07	\$2,000.00	\$2,823.27	\$2,414.48	\$14,530.82

OUTSTANDING RAFs BREAKDOWN BY SERVICE & YEAR

2013	REVENUES	RAFs (4.5%)	PAYMENTS	PENALTY (25%)	INTEREST (1%) <small>(AS OF 01/22/15)</small>	TOTAL DUE
WATER	\$144,080.00	\$6,483.60	\$0.00	\$1,620.90	\$648.39	\$8,752.89
SEWER	\$98,167.00	\$4,417.51	\$0.00	\$1,108.29	\$442.57	\$5,968.37
TOTALS	\$242,247.00	\$10,901.11	\$0.00	\$2,729.19	\$1,090.96	\$14,721.26

2014	REVENUES	RAFs (4.5%)	PAYMENTS	PENALTY (25%)	INTEREST (1%) <small>(AS OF 01/22/15)</small>	TOTAL DUE
WATER	\$139,144.00	\$6,261.40	\$0.00	\$0.00	\$0.00	\$6,261.40
SEWER	\$100,920.00	\$4,541.40	\$0.00	\$0.00	\$0.00	\$4,541.40
TOTALS	\$240,064.00	\$10,802.80	\$0.00	\$0.00	\$0.00	\$10,802.80

NOTES: Utility abandoned in October 2014 and City of Sebring appointed Receiver on December 17, 2014. Pursuant to the Settlement Agreement negotiated by the Commission with purchaser of Utility (City of Sebring), Purchaser will pay \$52,293.42 to the Commission to satisfy amounts owed by Utility for 2014 RAFs, 2010 and 2011 P&I balance, and 2012 and 2013 RAFs (plus P&I). The amounts owed are as of January 22, 2015, which was the date the Commission filed a Motion for Intervention and Petition for Enforcement of Agency Action in the Utility's receivership proceeding in 10th Circuit Court for Highlands County. No Penalty and Interest assessed to 2014 RAFs pursuant to Settlement Agreement. The Settlement Agreement was approved by the Receivership Court on May 8, 2015.