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STEVE CRISAFULLI  
*Speaker of the House of  
Representatives*



September 28, 2016

Ms. Carlotta Stauffer, Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**Re: Docket No. 110254-WS, In re: Initiation of show cause proceedings against Four Points Utility Corporation in Polk County for violation of Commission rules and regulations as outlined in the Florida Public Service Commission's management audit for Four Points Utility Corporation and Bimini Bay Utilities Corporation issued June 2011.**

Dear Ms. Stauffer,

The Office of Public Counsel was provided a copy of the Joint Motion for the Appointment of Polk County as Successor Receiver for the Four Points Utility Corporation and The Bimini Bay Utilities Corporation (enclosed herewith). The hearing is scheduled for September 29, 2016. If you have any questions, please let us know.

If you have any questions, please let us know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Erik L. Saylor".

Erik L. Saylor  
Associate Public Counsel

ELS:bsr

Enclosure

cc: Patricia Daniel  
Danijela Janjic

IN THE CIRCUIT COURT OF THE TENTH JUDICIAL CIRCUIT  
IN AND FOR POLK COUNTY, FLORIDA

In re the Petition of POLK COUNTY,  
a political subdivision of the State of Florida,  
to Appoint a Receiver for the FOUR POINTS  
UTILITY CORPORATION and the  
BIMINI BAY UTILITIES CORPORATION  
pursuant to Section 367.165, Florida Statutes.

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Case No. 53-2012CA-1525  
Section 04

RECEIVER MICHAEL SMALLRIDGE AND POLK COUNTY'S  
JOINT MOTION FOR APPOINTMENT OF POLK COUNTY AS SUCCESSOR  
RECEIVER FOR THE FOUR POINTS UTILITY CORPORATION  
and THE BIMINI BAY UTILITIES CORPORATION

COMES NOW, MICHAEL SMALLRIDGE, as Receiver pursuant to a March 19, 2012 Order of this Court, and POLK COUNTY, a political subdivision of the State of Florida, who jointly move and file this Motion for Appointment of Polk County as Successor Receiver for the FOUR POINTS UTILITY CORPORATION and the BIMINI BAY UTILITIES CORPORATION, and in support thereof state, as follows:

1. On March 7, 2012, Polk County filed a petition with the Court for the appointment of a receiver in accordance with Section 367.165, Florida Statutes, after Polk County had received notice that the Four Points Utility Corporation and the Bimini Bay Utilities Corporation (each a "Utility;" together, the "Utilities") were abandoning their respective water and wastewater utilities.

2. On March 19, 2012, the Court appointed Michael Smallridge as Receiver (the "Receiver") for the Utilities effective March 23, 2012.

3. After his appointment the Receiver made certain system repairs necessary to improve service and to better account for the water being used by each Utility's customers. The Receiver also sought and obtained consent to increase the rate each Utility charges its customers for the services the Utilities provide.

4. Despite the system repairs and the rate increases each Utility has been unable to pay Polk County the monthly charges for the water and wastewater services Polk County has provided. Consequently, each Utility has incurred and will continue to incur late fees on the unpaid service charges.

5. As of May 30, 2016, the Bimini Bay Utility owed Polk County the sum of \$1,965,836.94 in unpaid water and wastewater charges and accrued late fees.

6. As of May 30, 2016, the Four Points Utility owed Polk County the sum of \$1,444,545.37 in unpaid water and wastewater charges and accrued late fees.

7. Because each Utility has limited financial resources, the Receiver is unable to make further system repairs or improvements that could possibly reduce the amount of water purchased from Polk County each month.

8. Without a reduction in the amount of water each Utility purchases from Polk County, the Receiver believes it unlikely that either Utility will be able to regularly pay their respective monthly water and wastewater charges to Polk County in full, or to reduce the past due and owing service charges and late fees.

9. If a Utility cannot pay past due and owing water and wastewater charges, Polk County will be required to discontinue water and wastewater service to that Utility, adversely

affecting all the Utility's customers, some of whom have regularly paid their respective portion of those charges to their providing Utility.

10. With the Receiver's consent, Polk County inquired whether each Utility's systems could eventually be improved to a state where the system could possibly be incorporated into the County owned and operated water and wastewater utility systems (collectively, the "County Utility Systems"). One requirement for any such incorporation into the County Utility Systems is that each Utility meet the County Utility Systems standards (the "2001 Standards") that were in effect when the Utilities were originally constructed.

11. After receiving further information from the Receiver regarding the condition of each Utility system, in September, 2014, Polk County engaged an engineer to evaluate the repairs and improvements necessary to bring each Utility system to the 2001 Standards. The 2014 review revealed that a significant amount of work was required to bring each Utility system to the required standards.

12. Based upon the September, 2014 report and its subsequent evaluation of the system, Polk County estimates the total cost to repair the Bimini Bay Utility system and bring it to the 2001 Standards is \$1.5 million.

13. Based upon the September, 2014 report and its subsequent evaluation of the system, Polk County estimates the total cost to repair the Four Points Utility system and bring it to the 2001 Standards is \$1.7 million.

14. As each Utility has been and remains unable to pay its respective monthly water and wastewater service charges in full, the Receiver believes he will be unable to obtain sufficient

funds through the respective Utilities' customers to make the improvements required to bring each Utility to the 2001 Standards.

15. Given the Utilities systems repairs already completed, the prior rate increases, the continued monthly water usage in excess of collected amounts, each Utility's limited financial resources, the condition of the Utilities as described in the September, 2014 report, and the estimated cost to bring each Utility to the 2001 Standards, the Receiver believes it is now in the best interest of each Utility and their respective customers that Polk County be named as the successor receiver to undertake the duties and responsibilities of operating and managing the Utilities.

16. Polk County is willing to temporarily serve as a successor receiver for each Utility for the time period necessary to bring each Utility system in compliance with the 2001 Standards, provided that in addition to all authority and power necessary to efficiently and effectively operate and manage each Utility in such capacity as set forth in the Court's March 19, 2012 Order appointing the Receiver and otherwise, the County is also specifically granted the following authority and power:

a. the ability, as the successor to each Utility, to repair, replace, improve, and expand each Utility system to include, without limitation, the Utility's right to utilize all public utility and private utility easements, licenses and other approvals or consents granted or reserved to each Utility for such purposes, together with the right of ingress and egress across all affected properties as necessary to reasonably exercise such rights;

b. the right to commence repair and improvement of each Utility system to the 2001 Standards by and on behalf of the properties specially benefitted by such repairs and improvements;

c. the right to establish Municipal Services Benefit Unit(s) in accordance with Florida Statutes, section 125.01(q), by and through which Polk County may assess against each property served by each Utility its separate, respective share of the costs Polk County has incurred and will incur to make the respective required repairs and improvements to each Utility system on behalf of those benefitted properties so each Utility system may be incorporated with and into the County Utility Systems; and

d. the right upon substantial completion of each Utility's repair and improvement to the 2001 Standards, and upon satisfaction of any and all applicatory statutory conditions, to convey and transfer all right, title and interest in and to each Utility's water and wastewater system, inclusive without limitation of all easements, licenses and all other property rights held by each Utility, to Polk County for incorporation with and into the County Utility Systems, and to execute all associated documents necessary for such conveyance and transfer;

all of which it may exercise without need of obtaining a further order from the Court. Unless otherwise relieved pursuant to a further order of the Court, the County's term as successor receiver for a Utility will end upon the conveyance and transfer of that Utility with and into the County Utility Systems and the receivership for that Utility will terminate.

17. Additionally, as it would make such records available to members of the public upon receipt of a request, during its tenure as successor receiver the County requests that it not be required to submit quarterly Utility financial and operational reports to the Court.

18. The Receiver is agreeable to resigning his position as receiver in favor of Polk County serving as the successor receiver for the Utilities.

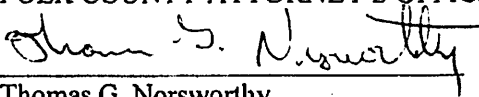
19. The Receiver is prepared to turn over all accounts, books, records, reports, audits and assets of each Utility to Polk County as a successor receiver.

20. The Receiver is also prepared to complete and submit a final report to the Court and to Polk County describing the Receiver's operation and management of each Utility from March 23, 2012 through the date Polk County assumes duties as the successor receiver which report shall include, without limitation, an accounting of the Receiver's receipt and disposition of each Utility's customer service payments and other assets during that same time period, and a listing of each Utility's current assets and liabilities.

WHEREFORE, the Receiver and Polk County, jointly, respectfully request that this Court enter an order consistent with this motion relieving Michael Smallridge, as Receiver for the Utilities, and appointing Polk County as Successor Receiver for the Utilities.

DATED THIS 9<sup>th</sup> day of <sup>September</sup> August, 2016.

  
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MICHAEL SMALLRIDGE

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