

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

Docket No. 20260105-WU

In re: Application for Transfer of Majority Organizational Control of Bocilla Utilities, Inc.

REQUEST FOR 90-DAY DEFERRAL AND PUBLIC-INTEREST REVIEW

Dear Commissioners:

I am the President of the Palm Island Estates Association ("PIE"), representing approximately 240 homes for which Bocilla Utilities is the potable-water and fire-hydrant water provider. I am writing on behalf of our homeowners concerning the pending application to transfer majority organizational control of Bocilla Utilities to Mr. Keith Burge.

PIE objects to the proposed transfer. PIE believes the proposed transfer presents several issues that warrant further consideration by the Commission under the public-interest provisions of Chapter 367, Florida Statutes, particularly in light of the Commission's prior proceedings involving Bocilla Utilities and more recent concerns involving fire protection, hydrant testing, water pressure, homeowners insurance, and public access to information concerning the system, each impacting the public interest.

The Statutory Public-Interest Question

Section 367.071, Florida Statutes, requires Commission approval before majority organizational control of a regulated utility may be transferred and requires the Commission to determine that the proposed transfer is in the public interest and that the transferee will fulfill the utility's commitments, obligations, and representations.

That determination should also be considered in the context of Chapter 367's broader provisions. Section 367.011 declares regulation of utilities to be in the public interest and an exercise of the State's police power for the protection of public health, safety, and welfare. Section 367.111 requires regulated utilities to provide safe, efficient, and sufficient service consistent with the approved engineering design of the system and the reasonable and proper operation of the utility in the public interest.

Of particular relevance here, §367.0811 recognizes that promoting consolidation efforts with water utility systems is in the public interest.

In light of these statutory considerations, PIE respectfully requests that the Commission defer final action on the proposed transfer for 90 days to allow these public-interest issues to be more fully evaluated, including whether consolidation with an existing governmental water provider presents a feasible alternative that should be considered before another transfer of private control is completed.

The Proposed Transfer Requires a Public-Interest Review Under §367.071

Bocilla Utilities has placed the future control of the utility before the Commission by requesting approval to transfer majority organizational control to Mr. Keith Burge. Section 367.071 requires the Commission to determine that the proposed transfer is in the public interest and that the transferee will fulfill the utility's commitments, obligations, and representations.

The notice provided to customers (Exhibit A), identifies Mr. Burge as the proposed new controller, but does not appear to provide information concerning his qualifications or capabilities, explain why placing Bocilla Utilities under his control is in the public interest, or explain the basis for concluding that he will be able to fulfill the utility's commitments, obligations, and representations.

The notice is dated September 2, 2026 and provides customers 30 days from the date of the notice to file objections. However, as of September 15, PIE was aware of only one homeowner who had received the notice, while numerous other homeowners had not yet received it. We mention this not to raise a separate notice challenge, but to explain the limited opportunity homeowners have had thus far to learn about and evaluate the proposed change in control.

PIE therefore requests that, during the requested 90-day period or sooner, the Commission obtain from Bocilla Utilities sufficient information concerning Mr. Burge's qualifications, experience, financial and operational capabilities, proposed role, and any material regulatory complaints, findings, or enforcement matters involving utilities he has owned, controlled, or managed, together with the basis upon which Bocilla Utilities contends that the proposed transfer satisfies the public-interest requirements of §367.071. PIE further requests that this information be made available to affected customers so that they have a meaningful opportunity to evaluate the proposed change in control.

Exploring a Governmental Alternative During the 90-Day Period

Bocilla Utilities no longer produces the potable water delivered to its customers. Its potable water is already supplied by Englewood Water District ("EWD"), a governmental water provider, and Bocilla Utilities distributes that water through the island system.

Importantly, this is not a theoretical proposal involving an unrelated water provider or the construction of an entirely new water source. The governmental water source already exists, EWD already supplies the potable water used by the community, and the physical infrastructure connecting EWD water to the island system is already in place.

Because the community's potable water is already being supplied by a governmental provider through an existing physical connection, PIE is requesting the 90-day period to explore whether a consolidation or governmental acquisition could be structured in a manner consistent with §367.0811 and the other applicable provisions of Chapter 367. This would include discussions with EWD and, if appropriate, Charlotte County Utilities to determine whether there is governmental interest and whether such an alternative is legally, operationally, and financially feasible.

PIE is not asking the Commission to conduct that investigation for the homeowners. PIE is asking for the time to undertake that inquiry and then bring the results back to the Commission before final action is taken on the proposed transfer.

At the conclusion of the 90-day period, PIE would provide the Commission with the information developed concerning any governmental alternative. That information could then be considered alongside the information requested in this submission concerning Mr. Burge and Bocilla Utilities, including the condition and operation of the system, fire protection, hydrant maintenance and testing, water pressure, and compliance with prior Commission requirements.

The Commission would therefore have a more complete record upon which to evaluate the proposed transfer under the public-interest, health, safety, and service provisions of Chapter 367 and to determine whether a governmental alternative or any of the other matters raised in this submission warrant further consideration before final action is taken on another transfer of private control.

A governmental structure could potentially address several of the concerns raised in this submission at the same time. Governmental operation generally provides greater public transparency and accountability; established procedures for inspection, testing, and documentation of hydrants and fire-flow capability; and a governmental framework for addressing fire-protection and ISO classification issues. It may also provide the economies of scale and consolidation efficiencies contemplated by §367.0811, while eliminating the additional private-utility layer between EWD—the governmental entity already supplying the water—and the island customers who ultimately receive it.

These potential public-interest, health, safety, transparency, and fire-protection benefits are among the matters PIE intends to explore with EWD and any other appropriate governmental provider during the requested 90-day period.

Fire Protection, Hydrants, Homeowners Insurance and Public Safety

Our concerns extend considerably beyond rates and accounting.

Charlotte County Fire/EMS has confirmed in writing that properties along the Don Pedro Barrier Island with private water utilities and private hydrants did not receive an ISO protection-class rating. The County further confirmed that the Barrier Islands with private water and private hydrants do not receive an ISO

rating. A copy of the County's Fire Protection Class letter and its confirming correspondence are included with this submission for the Commission's reference (Exhibit B).

This distinction has a significant practical consequence for homeowners. Fire-protection classifications are an important factor in insurers' evaluation of community fire protection and fire risk. The inability of our community to obtain the ISO protection-class rating available to other communities can therefore directly affect homeowners' ability to obtain reasonably priced homeowners insurance relating to fire risk.

For that reason, PIE believes the private nature of the present water and hydrant system is itself an important public-interest consideration in evaluating the future of this utility. A transition from private utility control to an appropriate governmental water provider could provide greater public accountability for hydrant maintenance, testing, fire flow and system pressure and could provide a path toward having the community's fire-protection infrastructure evaluated within the governmental framework used elsewhere in Charlotte County.

That consideration is also consistent with Florida's stated policy favoring appropriate consolidation of water utility systems under §367.0811, Florida Statutes.

The Commission's own history with Bocilla Utilities makes the present issue particularly important. During Docket No. 160065-WU, hydrant maintenance, system reliability, water pressure, and customer-service concerns were considered.

Bocilla Utilities presented a fire-hydrant maintenance and exercise program covering 62 hydrants, including exercising the hydrants twice yearly to ensure proper function, and the Commission found the program prudent and recognized the associated costs in the prior rate proceeding (Exhibit C).

More recently, in attempting to address the community's fire-protection classification and resulting homeowners-insurance concerns, a homeowner requested from Bocilla Utilities information concerning its hydrant-maintenance procedures, water-pressure testing, the source of water supplied to the hydrants, and documentation demonstrating that the hydrants are tested and maintained. The request expressly explained that the information was being sought to assist in addressing the homeowner's insurance rating relating to fire risk, which had almost doubled to over \$31,000 due to the lack of an ISO rating.

On July 31, 2026, Bocilla Utilities declined the request, stating in writing: "Due to the recent change in control and leadership of Bocilla Utilities, Inc., the new management has decided not to release any internal records, policies & procedures or documentation for external use." The complete correspondence is attached as Exhibit D.

This response is particularly relevant in the context of the pending transfer. Bocilla Utilities is the regulated utility responsible for providing the water serving the community's fire hydrants, yet its new management has adopted a policy of withholding from customers the maintenance, testing, and operational documentation a homeowner sought in an effort to address fire protection and homeowners-insurance concerns. It also raises a direct question as to what Bocilla Utilities meant by a "recent change in control and leadership" in July 2026, how that change relates to the transfer of majority organizational control now pending before the Commission, and whether the actions of the new management for which approval is now being sought provide evidence that the customer-responsiveness concerns previously addressed by the Commission are continuing on issues critical to public safety and the community.

The question today is therefore broader than whether the hydrants are being exercised or whether the system continues to provide the fire-flow and pressure capability previously represented to the Commission. Given these actions, the Commission should determine whether Bocilla Utilities continues to meet the requirements and expectations established in its prior proceedings and whether its present operation of this essential potable-water and fire-protection service is consistent with the public interest, particularly as part of the Commission's review of the proposed transfer of control of this regulated utility to a third party.

The Recent Kettle Harbor Drive Fire

These concerns are no longer theoretical.

During the many hours that a recent house fire on Kettle Harbor Drive was being fought, homeowners experienced a substantial drop in household water pressure, and some experienced a complete loss of water service.

PIE is not asking the Commission to assume the cause of that loss of pressure. We are asking the Commission to obtain the current information necessary to determine whether the system continues to provide the pressure and fire-flow capability expected of the system.

That question also relates directly to §367.111, Florida Statutes, which requires regulated utilities to provide safe, efficient, and sufficient service consistent with the approved engineering design of the system and its reasonable and proper operation in the public interest.

Prior Commission Findings and Requirements

There is also relevant Commission history concerning customer responsiveness and the quality of service provided by Bocilla Utilities.

In Order No. PSC-17-0209-PAA-WU, the Commission found Bocilla Utilities' overall quality of service unsatisfactory and imposed specified corrective measures, including measures addressing customer communications and complaint handling. Later in 2017, after further review, Commission staff recommended that the utility's quality of service be considered satisfactory at that time and that the related 50-basis-point reduction to return on equity be removed.

This history is not presented for the purpose of reopening the prior proceeding. Rather, it establishes a relevant benchmark for customer service, responsiveness, documentation, and utility operations that the Commission previously considered important.

The present transfer therefore provides an appropriate opportunity for the Commission to determine whether applicable requirements and expectations arising from those prior proceedings continue to be satisfied.

Information Requested From Bocilla Utilities

1. Current hydrant and fire-flow documentation, including records demonstrating performance of the twice-yearly hydrant exercise program previously presented to the Commission, significant hydrant maintenance or repairs, and the most recent fire-flow and system-pressure testing.
2. Current information concerning the system's ability to maintain adequate pressure and fire flow, including the condition and capacity of the pressure-booster system and any available utility records concerning the substantial pressure reduction or loss of water service experienced by homeowners during the recent Kettle Harbor Drive fire.
3. Documentation demonstrating compliance with applicable requirements previously imposed by the Commission, particularly those involving hydrants, fire flow, system operation, customer service, complaints, and communications, together with an explanation of Bocilla Utilities' present policy concerning release of hydrant, maintenance, testing, and operational information to customers.
4. Information concerning the proposed transferee, including Mr. Keith Burge's qualifications, experience, financial and operational capabilities, proposed role, and any material regulatory complaints, findings, or enforcement matters involving utilities he has owned, controlled, or managed, together with the basis upon which Bocilla Utilities contends that the transfer is in the public interest and that Mr. Burge can fulfill the utility's commitments, obligations, and representations.

PIE further requests that information responsive to these matters that is not lawfully confidential be made available to affected customers, so homeowners have a meaningful opportunity to understand the condition and operation of the utility and evaluate the proposed transfer of control.

Purpose of the 90-Day Deferral

PIE respectfully asks the Commission to defer final action for 90 days so that PIE can explore whether a legally, operationally, and financially feasible governmental alternative exists; Bocilla Utilities can provide

current information concerning the system and the proposed transferee; and affected homeowners can review that information.

At the conclusion of the 90-day period, PIE would provide the Commission with the information developed concerning any governmental alternative. The Commission would then have that information together with the information obtained from Bocilla Utilities and the proposed transferee, allowing it to consider the full record under the public-interest, health, safety, and service provisions of Chapter 367, including whether consolidation with an existing governmental water provider presents a feasible alternative that warrants further consideration before another transfer of private control is completed.

Given the fire-protection and homeowners-insurance concerns, the Commission's prior proceedings involving Bocilla Utilities, the recent experience of homeowners during the Kettle Harbor Drive fire, and the statutory requirement that the proposed transfer be found to be in the public interest, PIE respectfully submits that a 90-day deferral provides a reasonable opportunity to develop and evaluate this information before final action is taken.

Respectfully submitted,

Amy McCully
President
Palm Island Estates Association
Representing approximately 240 homes

Exhibits

Exhibit A – Notice of Transfer from Bocilla Utilities

Exhibit B.1 -- Charlotte County Public Safety correspondence dated May 29, 2026.

Exhibit B.2, B.3 -- Charlotte County Fire/EMS Fire Protection Class Notice dated May 21, 2026.

Exhibit C.1 – Fire Hydrant Maintenance and Testing Program, from Order No. PSC-17-0209-PAA-WU

Exhibit C.2 – Boost Station Rebuild, from Order No. PSC-17-0209-PAA-WU

Exhibit C.3 – Boost Station Control Package, from Order No. PSC-17-0209-PAA-WU

Exhibit D.1, D.2 – July 16–31, 2026 Bocilla Utilities email correspondence concerning requested hydrant, pressure-testing, and maintenance information.