

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for transfer )  
of Certificate No. 285-S, in )  
Pasco County, Florida, from )  
Hacienda Village Utilities, Inc. )  
to Hacienda Utilities, Ltd. )

DOCKET NO.

981265-SUB

FILED  
OCT 6 1998  
TALLAHASSEE

285-S

285-S

APPLICATION FOR TRANSFER OF WASTEWATER CERTIFICATES

Applicant, HACIENDA UTILITIES, LTD. ("Buyer"), by and through its undersigned attorneys, and pursuant to Section 367.071(4)(a), Florida Statutes, and Rule 25-30.037(3), Florida Administrative Code, files this Application for approval of a transfer of the assets of Hacienda Village Utilities, Inc., which operates under Wastewater Certificate No. 285-S and is located in Pasco County, Florida, to the Buyer and submits the following:

1. The full name, address and telephone number of the Seller:

Hacienda Village Utilities, Inc.  
7107 Gibraltar Avenue  
New Port Richey, FL 34653-4014  
(813) 868-7418

2. The full name, address and telephone number of Buyer/Applicant is:

Hacienda Utilities, Ltd.  
4340 East West Highway, Ste. 206  
Bethesda, Maryland 20814  
(301) 718-7997

Check received with filing and  
forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check  
to RAR with proof of deposit.

Initials of person who forwarded check:

H.S.

DOCUMENT NUMBER-DATE

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3. The name, address and telephone number of the representative of the Applicant to contact concerning this Application is:

John L. Wharton, Esq.  
Rose, Sundstrom & Bentley  
2548 Blaiirstone Pines Drive  
Tallahassee, Florida 32301  
(904) 877-6555

4. The Buyer, Hacienda Utilities, Inc., is a Florida limited partnership. The Buyer was formed on 1998.

5. The Buyer is a limited partnership whose general partner is a limited liability corporation, Hacienda Utilities, L.C. The Manager of the limited liability company is Barry L. Haase. The Manager for the entity operating the utility (Hacienda Utilities, Ltd.) and the Manager of the Buyer's general partner (Hacienda Utilities, L.C., a Florida limited liability company) for the limited partnership are:

Barry L. Haase, Manager

Mr. Haase may be contacted through the address set forth under No. 2 above.

There are more than seventy limited partners of the limited partnership which will own the assets of Hacienda Utilities, Ltd. None of the limited partners of the limited partnership own more than 5%, and none of the limited partners exercise any management control.

6. While Mr. Haase has more than fourteen years experience in the ownership and management of more than forty mobile home

parks, including six of which have or had water and wastewater facilities, at the present time, neither the Buyer, Mr. Haase, nor any affiliates own any water or wastewater facilities.

It is the intention of the Buyer to leave the current operator of the plant (H2O Water Systems) in place. This will facilitate the continued smooth and efficient operation of the utility on a going-forward basis.

7. A true and accurate copy of the Mobile Home Park Purchase and Sale Agreement is attached hereto as **COMPOSITE EXHIBIT 'A.'**

8. Buyer is informed by the Seller that there are no deposits. There are no guaranteed revenue contracts, developer agreements, customer advances, utility debt, or leases applicable to the acquisition of this system.

9. Hacienda Village Manufactured Home Communities, Ltd., a Florida limited partnership, is purchasing Hacienda Village Mobile Home Park, Inc. and Hacienda Utilities, Ltd., a Florida limited partnership, is acquiring the assets of Hacienda Village Utilities, Inc. Hacienda Utilities, Ltd. will be assigned the assets from Diversified Investment Partners, Inc., the party to the Purchase and Sale Agreement.

The purchase price for the mobile home park, utility facilities, and the treatment plant (including land, equipment and personal property) is \$13 million. For PSC purposes, Hacienda Village Utilities, Inc. consists of a wastewater treatment facility.

The proposed net book value of the system as reflected in the Utility's Annual Report and as of December 31, 1997, is \$328,568. No acquisition adjustments are requested herein. The Seller has indicated that the books and records of the Seller are available for inspection by the Commission at the Commission's request.

10. The Buyer has attempted to obtain copies of all of the federal income tax returns of the Seller from the date the utility was first established, or rate base was last established, by the Commission. All of the income tax returns which the Seller could locate, upon diligent search, are attached hereto as **COMPOSITE EXHIBIT "B"**.

11. The transfer of the facility is in the public interest. The wastewater facility was previously owned by the same entity which operated the mobile home park which comprises a significant majority of the customer base (in terms of capacity) of the utility. That relationship will continue, as the Buyer of the mobile home park and the Buyer of the wastewater utility are related parties as described hereinabove. The Buyer clearly has the continuing interest to continue the efficient and effective operation of the wastewater utility both in order to protect its investment and to see that its tenants, and the other customers of the utility service, receive a high quality of service. Hacienda Utilities, Ltd. will be owned by a related party to Hacienda Village Manufactured Home Communities, Ltd. which is capitalized with approximately \$3 million of partners' capital

and \$10.2 million of long-term (10-year) debt from an institutional lender. Hacienda Village Manufactured Home Community, Ltd. will have approximately \$200,000 in cash reserves available for utility facilities. The Buyer will fulfill the commitments, obligations, and representations of the seller with regard to utility matters and will retain the current contract operator as the operator of the system.

12. There are no outstanding regulatory assessment fees, fines, or refunds owed.

13. A review of DEP's records reveals no notices of violations of any standards set by the DEP and, after reasonable investigation, the water and wastewater systems appear to be in satisfactory condition in compliance with all applicable standards set by DEP. Only minor repairs and maintenance on the system are planned and anticipated.

14 The Buyer will own the land on which the treatment facilities are located. Please see **COMPOSITE EXHIBIT "A."** Actual documentation of such ownership will be forwarded under separate cover as **LATE-FILED EXHIBIT "C."**

15. The original and two copies of the sample tariff sheet reflecting the change in ownership are attached hereto as **EXHIBIT "D."**

16. The utility's current Wastewater Certificate could not be located by the Seller upon diligent search. If the Certificate is located, it will be turned over to the applicant who will immediately convey the same to the staff of the Commission.

17. Proof of Notice as required by applicable rule shall be furnished under separate cover. A copy of the form of Notice is attached hereto as **EXHIBIT "E."**

18. This facility has the capacity to serve 357 ERC's. Accordingly, \$500.00 is enclosed as the appropriate application fee.

Respectfully submitted this 6th  
day of October, 1998, by:

ROSE, SUNDSTROM & BENTLEY  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(904) 877-6555



JOHN L. WHARTON, ESQ

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2. The full name, address and telephone number of Buy-

ROSE, SUNDSTROM & BENTLEY, LLP

20517

OPERATING ACCOUNT  
PH 877-8555  
2548 BLAIRSTONE PINES DRIVE  
TALLAHASSEE, FL 32301

DATE October 6, 1998

PAY TO THE ORDER OF Florida Public Service Commission

\$ 500.00

Five hundred and 00/100

DOLLARS



*[Handwritten signatures]*

FOR