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February 28, 2011

VIA HAND DELIVERY

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Ann Cole, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

DEPOSIT DATE

12 9 MAR 02 2011

110061-WS  
CC# 44236  
\$ 2,250.00  
2-28-11  
RT

RE: Docket No. \_\_\_\_\_; Application for Authority to Transfer the Assets of Service Management Systems, Inc., and Certificate Nos. 517-W and 450-S to Aquarina Utilities, Inc. in Brevard County, Florida  
Our File No.: 45052.01

Dear Ms. Cole:

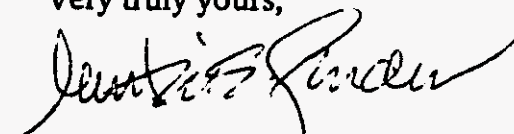
Enclosed for filing are the original and seven (7) copies of the Application of Aquarina Utilities, Inc., for Authority to Transfer Assets and Certificate Nos. 517-W and 450-S of Service Management Systems, Inc. Also enclosed is our firm's check in the amount of \$2,250.00 representing the appropriate filing fee.

Should you or the Staff have any questions regarding this filing, please do not hesitate to give me a call.

- COM \_\_\_\_\_
- APA \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- RAD \_\_\_\_\_
- SSC \_\_\_\_\_
- ADM \_\_\_\_\_
- OPC \_\_\_\_\_
- CLK Donny

MSF/tc  
Enclosures

Very truly yours,



MARTIN S. FRIEDMAN  
For the Firm

cc: Mr. Reginald J. Burge (w/enclosures)

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DOCUMENT NUMBER DATE 01408 MAR -2 =  
01299 FEB 28 =  
FPSC-COMMISSION CLERK  
FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for Authority to Transfer )  
the Assets of SERVICE MANAGEMENT )  
SYSTEMS, INC., and Certificate Nos. )  
517-W and 450-S in Brevard County, )  
Florida to AQUARINA UTILITIES, INC. )  
\_\_\_\_\_ )

Docket No. 1100002WS

**APPLICATION OF AQUARINA UTILITIES, INC., FOR AUTHORITY TO  
TRANSFER ASSETS AND CERTIFICATE NOS. 517-W AND 450-S**

AQUARINA UTILITIES, INC., (hereinafter referred to as "Buyer") by and through its undersigned attorneys and pursuant to the provisions of Rule 25-30.037, Fla. Admin. Code, and §367.071, Fla. Stat., file this Application for authority to transfer the water and wastewater assets and Certificate Nos. 517-W and 450-S of Service Management Systems, Inc. ("Seller") to Buyer. In support of this Application, the Buyer states:

1. The complete name and address of the Seller is:

Service Management Systems, Inc.  
826 Creel Street  
Melbourne, FL 32935

2. The complete name and address of the Buyer is:

Aquarina Utilities, Inc.  
1726 NE Darlich Avenue  
Jensen Beach, FL 34957

3. The name and address of the person authorized to receive notices and communications in respect to this Application is:

Martin S. Friedman, Esquire  
Rose, Sundstrom & Bentley, LLP  
766 N. Sun Drive, Suite 4030  
Lake Mary, FL 32746  
PHONE: (407) 830-6331  
FAX: (407) 830-8522  
E-MAIL: [mfriedman@rsbattorneys.com](mailto:mfriedman@rsbattorneys.com)

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4. Buyer is a Florida corporation authorized to do business in Florida since December 20, 2010.

5. The names and addresses of Buyer's officers, directors and shareholders are as follows:

Title: P, Dir.:  
Hackney, Heather L.  
2340 NE Dixie Hwy  
Jensen Beach, FL 34957 US

Title: S.T., Dir.:  
Burge, Reginald J.  
1705 NE Darlich Avenue  
Jensen Beach, FL 34957 US

Title: Dir.:  
Burge, Kevin R.  
1726 NE Darlich Avenue  
Jensen Beach, FL 34957 US

6. Buyer owns no other water or wastewater utilities in Florida. However, Reginald Burge is an officer and shareholder in Gold Coast Utility Corp., which is a certificated water and wastewater utility in Polk County, Florida. Reginald Burge was also an officer and shareholder in Laniger Enterprises, Inc., which was previously certificated to provide water and wastewater service in Martin County, Florida (since sold to Martin County), and Burkim Enterprises, Inc., which was certificated to provide water and wastewater service in Brevard County, Florida (since sold to Brevard County).

7. A copy of the Purchase and Sale Agreement and amendments thereto, ("Agreement"), which includes the purchase price, terms of payment, and a list of the assets purchased and liabilities assumed and not assumed and disposition of customer deposits and interest thereon is attached hereto as Exhibit "A". In accordance with the

terms of the Agreement, the closing is contingent upon approval by the Commission. Pursuant to Section 367.071(1), Florida Statutes, the sale closed February 22, 2011.

8. There are no customer deposits, guaranteed revenue contracts, developer agreements, or debt of the Seller that must be disposed of in association with the transfer of the utility systems.

9. The purchase will be financed with a combination of debt and equity.

10. The transfer of the water and wastewater facilities of Seller to Buyer is in the public interest in that Seller acquired the utility assets through foreclosure and from the outset, desired to sell its water and wastewater system as it had no interest in owning this water and wastewater system.

With respect to the Buyer's technical and financial ability, Reginald Burge has been an officer and shareholder of utilities regulated by the Commission since 1988. The operating personnel will be retained from Seller. A proforma Balance Sheet of Buyer will be filed as Late Filed Exhibit "B". The Personal Financial Statement of the majority shareholders of Buyer will be provided upon request.

Buyer will fulfill the commitments, obligations and representations of the Seller with regard to utility matters. For these reasons, it is in the public interest to grant approval of the transfer to Buyer.

11. The Seller's water and wastewater rates were last set in a staff assisted rate case which culminated in Order No. PSC-03-1342-PAA-WS dated November 24, 2003. Based upon that Order, the water rate base as of December 31, 2002, was \$456,731 and wastewater rate base was \$142,224.

12. There is no proposal at this time for inclusion of an acquisition adjustment resulting from the current transfer.

13. The books and records of the Seller are available for inspection by the Commission however, due to the fact that Seller obtained the Utility System through foreclosure, they may not be adequate for the purposes of establishing rate base of the water and wastewater systems as of the date of closing.

14. Seller will cooperate with Buyer in providing to the Florida Public Service Commission any information necessary in order for the Commission to evaluate rate base.

15. After reasonable investigation, the Buyer has determined that the systems being acquired appear to be in satisfactory condition and in substantial compliance with all applicable standards set by Florida Department of Environmental Protection ("DEP").

16. The real property upon which the water and wastewater plants are located are among the assets purchased by Buyer. Attached hereto as Exhibit "C" is a copy of the executed Special Warranty Deed. A copy of the recorded Special Warranty Deed will be filed upon return from recordation in the Public Records of Brevard County, Florida.

17. There are no outstanding regulatory assessment fees due. Seller will be responsible for payment of all regulatory assessment fees through Closing. Buyer will be responsible for payment of all regulatory assessment's fees due for revenues received from the date of Closing forward. No fines or refunds are owed.

18. The original and two copies of revised Water and Wastewater Tariffs reflecting the change in ownership will be filed as Composite Late Filed Exhibit "D".

19. Seller has been unable to locate Water Certificate No. 517-W and Wastewater Certificate No. 450-S, and would note that the Commission no longer issues actual Certificates for water and wastewater utilities.

20. An Affidavit that the actual notice of the Application was given to the entities on the list provided by the Commission in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, is attached hereto as Exhibit "E."

21. An Affidavit that the actual notice of the Application was given to each customer in accordance with Section 367.045(1)(a), Florida Statutes, and Rule 25-30.030, Florida Administrative Code, will be filed as Late Filed Exhibit "F."

22. An Affidavit that the notice of the Application was published once in a newspaper of general circulation in the territory in accordance with Rule 25-30.030, Florida Administrative Code, will be filed as Late Filed Exhibit "G".

23. The water system has the present capacity to serve between 501 and 2,000 ERCs and the wastewater system has the present capacity to serve up to 500 ERCs. Pursuant to Rule 25-30.020, Florida Administrative Code, the appropriate filing fee is \$2,250 (\$1,500 for water and \$750 for wastewater).

Respectfully submitted on this 28<sup>th</sup> day of February, 2011, by:

ROSE, SUNDSTROM & BENTLEY, LLP  
766 N. Sun Drive, Suite 4030  
Lake Mary, Florida 32746  
PHONE: (407) 830-6331  
FAX: (407) 830-8522

By: 

MARTIN S. FRIEDMAN  
For the Firm