

COMMISSIONERS:
ART GRAHAM, CHAIRMAN
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RONALD A. BRISÉ
JULIE I. BROWN
JIMMY PATRONIS

STATE OF FLORIDA



GENERAL COUNSEL
CHARLIE BECK
(850) 413-6199

Public Service Commission

August 20, 2015

Mr. Dennis Kappas, Sr.
Theo Kappas
2995 US Highway 441 SE
Okeechobee, FL 34874

Sent Certified Return Receipt Requested

NOTICE OF APPARENT VIOLATION

Re: Failure to Correct Water and Wastewater Systems Violations

Dear Mr. Kappas,

Section 367.011, Florida Statutes (F.S.), provides that under Chapter 367 (Florida's Water and Wastewater Systems Law), the Public Service Commission shall have exclusive jurisdiction over each utility with respect to its authority, service, and rates. Section 367.021, F.S., defines a water or wastewater utility to include every person, lessee, trustee, or receiver who owns, operates, manages, or controls a system which is providing water or wastewater service to the public for compensation.

Section 367.071, F.S., states that "no utility shall sell, assign, or transfer its certificate of authorization, facilities, or any portion thereof . . . without determination and approval of the commission . . ." Rule 25-30.032, Florida Administrative Code (F.A.C.), *Applications*, implements the process under which a water or wastewater utility must follow if it seeks to transfer a certification of authorization. Further requirements can be found in Rule 25-30.037, F.A.C., *Application for Authority to Transfer*.

On September 24, 2014, the Commission received an application for approval of transfer of Certificate No. 538-S in Okeechobee County, Florida from Zachary Taylor Camping & Lodge, Inc. (Zachary Taylor Camping or Seller) to Taylor Arcade, Inc. d/b/a Zachary Taylor RV Resort (Taylor Arcade or Buyer). On March 25, 2015, Commission staff held a publically noticed informal meeting with both Buyer and Steven Tsangaris, of the Tsangaris Law Group (Buyer's Attorney) where Commission staff detailed deficiencies with the application. On June 15, 2015, Commission staff sent a letter Buyer's Attorney identifying numerous deficiencies in the application. Commission staff requested a response due no later than July 15, 2015.

The letter not only enumerated multiple instances where the application failed to meet the requirements of Rule 25-30.037, F.A.C, but also one apparent violation of Florida Law. The contract, as filed with the application, does not contain any provision that makes the sale,

Mr. Dennis Kappas, Sr.

August 20, 2015

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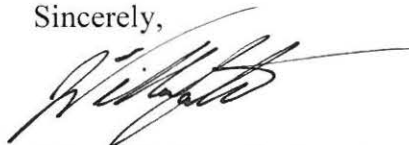
assignment, or transfer of the utility contingent upon Commission approval as required by Section, 367.071 (F.S.). A copy of this letter has been attached.

Since July 15, 2015, Commission staff has made numerous attempts to contact the Buyer and Buyer's Attorney. However, as of the date of this letter, Commission staff has not received any further update to the application. Accordingly, the Buyer has been aware of their apparent violation of state laws regarding its transfer since June 15, 2015, and has failed to correct the violation.

Section 367.161(2), F.S., provides that any entity which violates any provision of Chapter 367, or any rule adopted pursuant to the Chapter, shall be subject to a penalty not to exceed \$5,000 for each violation for each day that such violation persists. By this letter, I am requesting that both Zachary Taylor Camping and Taylor Arcade, in writing by September 18, 2015, provide any mitigating factors for their apparent violations of Sections 367.011 and 367.071, F.S., and Rules 25-30.032 and 25-30.037 F.A.C., for failure to follow the statutes and rules in transferring a certification of authorization. If Zachary Taylor Camping and Taylor Arcade have not certified, in writing and with adequate documentation, that they are either in compliance with the statutes and rules, or have filed the appropriate information necessary to cure the deficiencies specified in Commission staff's letter dated June 15, 2015, you are hereby notified that the Commission's staff will immediately begin enforcement proceedings pursuant to Section 367.161, F.S.

Please contact me at (850) 413-6220 or Adam Hill at (850) 413-6425 if you have any questions regarding this matter.

Sincerely,



John Villafrate, Senior Attorney
Office of General Counsel

JEV

cc: Office of Commission Clerk (Docket No. 140188-SU)
Adam Hill
Laura King

Attachments: Deficiency letter from Commission staff dated June 15, 2015.

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August 20, 2015

Mr. Steven Tsangaris
Tsangaris Law Group, PL
623 E. Tarpon Ave.
Tarpon Spring, FL 34689

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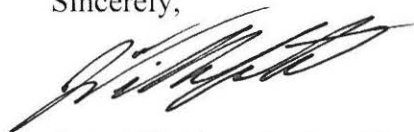
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