



September 29, 2015

**VIA E-FILING**

Carlotta S. Stauffer, Commission Clerk  
Office of Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399

Re: Docket No. 150186-WU - Application for certificate to operate a water utility in Hardee County by Charlie Creek Utilities, LLC.  
Our File No.: 47136.01

Dear Ms. Stauffer:

The following are the responses of Charlie Creek Utilities, LLC, ("Utility") to the Staff's Deficiency Letter and request for additional information dated September 4, 2015:

Deficiencies

- 1) **System Maps.** Rule 25-30.034(1)(i), F.A.C., requires that a detailed system map showing the lines, treatment facilities, and the territory served be included with the application. Staff notes that the map provided, included as Exhibit 10 of the application, includes the location of the treatment facilities and territory served, but excludes the system lines and information regarding the treatment system. Please provide a system map including system information for the lines such as the layout, size, and material type and for the treatment facilities such as the number and capacity of wells, pumps, and tanks.  
**Response:** This map has been previously provided directly to the Clerk.
- 2) **Notice of Application.** Section 367.045(1)(a), F.S., and Rule 25-30.030, F.A.C., requires the Utility to provide notice of its application for transfer. Staff notes a legal description and proposed notice was included in the application. Staff approves the legal notice as filed with the application and has attached to this letter a list of parties to be notified for your reference. Upon completion of the noticing requirements, please provide the required affidavits of noticing referenced as late-filed Exhibits 11 through 13.  
**Response:** The Affidavits that the appropriate notices have been given have been previously filed in this Docket (Document Nos. 05735-15, 05736-15 & 05737-15)

Additional Information

- 1) **Date Utility System Established.** Part II(A)(4) of the application states that the applicant was told the utility system was established sometime in the late 80s, and references a letter from the Florida Department of Environmental Protection. This letter notes that a permit was issued on August 5, 1993, for a modification of an existing water system. Please provide information regarding the original water system, including its establishment date.

**Response:** The Utility has contacted DEP to assist in determining the original establishment date. Dep responded "Some original documentation for the wells predates Oculus, our public records database, and may not have met record retention criteria, and therefore may not have remained in our files. The original well permit may predate DER regulatory authorization in some counties, and may have been permitted under another agency, such as the County Health Department." From a review of the DEP database the earliest bacteriological samplings appears to have been done in 1972, and early Inspection Reports list well 1 as having been installed "before 1940." There is also a construction permit application in the database filed November 17, 1986. The documents show that in 1991 the existing wells were drilled and in 1993 a permit was issued. Unfortunately, the records of DEP do not allow for the establishment of a definitive date when this system began operating.

- 2) **Date Current Utility Established.** Exhibit 6 to the application states that the applicant began billing customers as of January 1, 2015. Please provide the date at which the applicant acquired ownership and began operating the water system.

**Response:** The closing was on November 28, 2014, and the Utility began operations on December 1, 2015.

- 3) **Balance Sheet.**

(a) In the "Other Current Assets" section found on Florida Utility Services I, LLC's balance sheet, dated "as of June 30, 2015," Account Nos. 13501, 13505, 13506, 13507, 13508, 13509, and 13510 have a negative balance. It is unclear what these account balances represent and why most of them have a negative balance. Please provide an explanation describing what each account represents along with an explanation of why there is a negative balance.

**Response:** The balance sheet accounts – Account Nos. 13501 thru 13509, represent "Intercompany Balance Transactions." Each should have a corresponding account, on the balance sheet of the other company with an equal, but opposite balance value. **In reference to Charlie Creek Utilities ("CCU")** the transactions are noted on the books of Florida Utility Services I, LLC ("FUS") and on the books of Charlie Creek Utilities, LLC

**Florida Utility Services I, LLC      Account No. 13509 Due To/Due From Charlie Creek**

11/28/2014	Highvest Corp	Payment	\$100.00	Paid on behalf of CCU
12/02/2014	Charlie Creek Utilities	Payment	50.00	To open a checking account
12/09/2014	Davis Supply, Inc.	Payment	164.85	Purchase Chemicals for CCU
12/23/2014	Charlie Creek Co-op	Payment	50.00	Meeting Expense for CCU
01/07/2015	Peace River Electric	Payment	17.85	Pay electric bill for CCU
05/15/2015	Iberia Bank Loan	Deposit	(\$11,900.00)	*Due to Charlie Creek Utilities
05/22/2015	Charlie Creek Utilities	Payment	4,919.09	**To pay Property Tax bill
06/08/2015	Charlie Creek Utilities	Payment	1,411.37	**To pay Consta Flow well service
06/30/2015		Balance	(\$5,186.84)	

\*There was a loan from Iberia Bank, in the amount of \$11,900.00, for Charlie Creek Utilities, LLC. The funds were deposited into the savings account of Florida Utility Service 1, LLC and the corresponding credit was to the intercompany account, as a liability to Charlie Creek Utilities, LLC.

\*\*As funds are needed, cash is given to Charlie Creek Utilities, LLC from the savings account and the intercompany liability on Florida Utility Services1, LLC books is reduced.

<u>Charlie Creek Utilities, LLC</u>		<u>Account No. 13504 Due To/Due From Florida Utility Services 1</u>		
01/31/2015	Highvest Corp	GJE 01.31	(\$100.00)	Paid by Florida Utility Services 1
12/02/2014	Charlie Creek Utilities	Payment	( 50.00)	Paid by Florida Utility Services 1
01/31/2015	Davis Supply, Inc.	GJE 01.31	( 164.85)	Paid by Florida Utility Services 1
01/31/2015	Charlie Creek Co-op	GJE 01.31	( 50.00)	Paid by Florida Utility Services 1
01/31/2015	Peace River Electric	GJE 01.31	( 17.85)	Paid by Florida Utility Services 1
05/15/2015	Iberia Bank Loan	Deposit	\$11,900.00	*Due from Florida Utility Services 1
05/22/2015	Florida Utility Services	Payment	( 4,919.09)	**To pay Property Tax bill
06/08/2015	Florida Utility Services	Payment	( 1,411.37)	**To pay Consta Flow well service
06/30/2015		Balance	\$5,186.84	

\*The loan from Iberia Bank, mentioned above, was recorded on the books of Charlie Creek Utilities as a receivable of \$11,900.00, from Florida Utility Services 1, LLC, in the intercompany account and as a liability of (\$11,900.00 ) due to Iberia Bank.

\*\*As funds are needed, cash is given by Florida Utility Services 1, LLC from the savings account and the intercompany receivable on Charlie Creek Utilities, LLC books is reduced.

(b) Please explain the difference between the account balances referenced above on the balance sheet and the balances found on the statement of cash flows for the same accounts in the same period. In your response, please also explain why Account Nos. 13508 and 13509 are not reflected on the statement of cash flows.

**Response:** The cash flow statement for the companies show the money spent for various expenses, paid to its vendors. It does not reflect money moved from one company to another as loans or movements of cash from the operating account to the savings account. FUS uses this cash flow statement to see historical payments to vendors and to anticipate future payments that it have to prepare for.

4) **Financial Statement.** Please file personal financial statements for Mr. Smallridge under separate cover for this docket.

**Response:** A redacted copy is attached and a Request for Confidential Classification is being sent to the Commission Clerk simultaneous with this filing.

Carlotta S. Stauffer, Commission Clerk

September 29, 2015

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

Very truly yours,



MARTIN S. FRIEDMAN

For the Firm

MSF/  
Enclosures

cc: Mike Smallridge (via email)  
Danijela Janjic, Esquire (via email)

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# CenterState Bank

## Personal Financial Statement

To: CenterState Bank of Florida (the Bank)

Please read the following directions before completing this Personal Financial Statement.

1. Complete all sections, except Section 2, if you are applying for individual credit in your own name and are relying solely on your own income or assets for repayment or if this personal financial statement relates to your guaranty of the indebtedness of other person(s), firm(s), or corporation(s).
2. Also, complete Section 2 if any of the following apply:
  - If you are applying for joint credit with another person, provide information about the joint applicant.
  - If you are relying on income from alimony, child support, or separate maintenance or on the income or assets of another person as a basis for repayment of the credit requested, provide information about the person on whose alimony, support or maintenance payments or income or assets you are relying.
  - If this is a joint guaranty of the indebtedness of other person(s), firm(s), corporation(s), provide information about the joint guarantor.

Section 1 – Individual/Applicant Information (please print)			Section 2 – Other Party/Co-Applicant Information		
Name Michael Andrew Smallridge			Name		
Residence Address 9539 E. Southgate Dr			Residence Address		
City Inverness	State FL	Zip Code 34450	City	State	Zip Code
Position or Occupation Utility Owner-Self employed.			Position or Occupation		
Business Name Florida Utility Services 1, LLC			Business Name		
Business Address 3336 Grand Blvd Suite 102			Business Address		
City Holiday	State FL	Zip Code 34690	City	State	Zip Code
Years with Business 25			Years with Business		
Res. Phone (██████-7406)	Bus. Phone (863-904-5574)		Res. Phone (       )	Bus. Phone (       )	

CONFIDENTIAL

Statement of Financial Condition as of June 20, 2015

**Section 3 – Balance Sheet (attach additional schedules as needed)**

Assets	Dollars	Jt*	Liabilities	Dollars	Jt*
Cash and Short-term Investments (Sch A)			Outstanding Credit Card Balances	0	0
Stocks and Bonds (readily marketable) (Sch B)			Taxes Payable	0	0
Unlisted Securities (Sch C)			Policy Loan (life insurance) (Sch D)	0	0
Notes Receivable & Accounts Receivable			Mortgages & Obligations Due (Schs F & G)	0	0
Cash Surrender Value-Life Insurance (Sch D)			Notes & Accounts Payable (Sch H)	0	0
General/Ltd Partnership Interests (Sch E)			Other Liabilities (list):	0	0
Retirement Accounts					
Personal Property					
Automobiles					
Real Estate – Personal Residences (Sch F)					
Real Estate – Investments (Sch G)					
Real Estate Investments (Direct & Partnership Interests)					
Other Assets (list):					
Loans to utilities					
<b>TOTAL ASSETS</b>			<b>TOTAL LIABILITIES</b>		
			<b>NET WORTH (total assets minus total liabilities)</b>		

**Section 4 – Income Statement**

Annual Income	Applicant	Co-Applicant	Annual Expenses	Applicant	Co-Applicant
Salary		0	Home Mortgage (Principal & Interest)		0
Bonus and Commissions		0	Loan Payments (including other R/E)		0
Interest and Dividends		0	Income Tax (State & Federal)		0
Alimony, Separate Maintenance, Child Support**		0	Planned or Required Investments/ Partnership Contributions		0
Capital Gains		0	General Living Expenses		0
Real Estate Income		0	Other Expenses (list):		0
Other Income (list):		0	Royal Oaks HOA		
			Moonrise HOA		
<b>GROSS INCOME</b>			<b>TOTAL EXPENSES</b>		

**Section 5 – Contingent Liabilities (include brief description)**

	Applicant	Co-Applicant
As endorser or guarantor on notes/leases/contracts: 0		
On letters of credit:		
Current or pending suits or other litigation:		
Other (Partnership, etc.) explain: 0		
<b>TOTAL</b>		<b>0</b>

\* Please check if jointly owned with spouse or other party listed in Section 2.

\*\* Alimony, separate maintenance, and/or child support income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

**Schedule A: Cash & Short-term Investments (certificates of deposit, commercial paper, money market funds, etc.)**

Name of Institution	Savings Accts. (\$ amount)	Checking Accts. (\$ amount)	Other Short-term investments (type and \$ amount)	Total	Pledged? (Y/N)	Owner(s) Code*

**Schedule B: Listed Stocks & Bonds (include U.S. Government and Marketable Securities traded on stock exchange)**

Number of Shares or Face Value (Bonds)	Description	Market Value	Margin? (Y/N)	Restricted? (Y/N)	Pledged? (Y/N)	Owner(s) Code*

**Schedule C: Unlisted Securities (closely held corporation NOT listed on stock exchange)**

Number of Shares	Description	Source of Value	Value	% of Company Owned	Pledged? (Y/N)	Owner(s) Code*
0	See attached.					

**Schedule D: Life Insurance Carried (include individual and group insurance)**

Name of Insurance Company	Owner of Policy	Beneficiary	Face Value	Policy Loans	Cash Surrender Value	Assigned? (Y/N)

**Schedule E: General and/or Limited Partnership Interests (please attach K-1 from Partnership tax return)**

Name of Partnership	Type of Investment	(L)imited (G)eneral	Amount Invested	Fair Market Value of Interest	Annual Contribution Required	Pledged? (Y/N)	Owner(s) Code*

\* Owner(s) Code: A=Applicant AC=Joint Account of Applicant and Co-Applicant JC=Joint Account of Co-Applicant and another party  
 C=Co-Applicant JA=Joint Account of Applicant and another party

**Schedule F: Real Estate (personal residences)**

Description/Address of Property	Mortgage Holder	Maturity Date	Title in Name of	Purchase Date	Cost	Present Loan Balance	Monthly Paymt.	Market Value

### Schedule G: Real Estate Investments

Description/Address of Property	Mortgage Holder	Maturity Date	% Owned	Title in Name of	Purchase Date	Cost	Present Loan Balance	Market Value	Total Annual Rental Income	Monthly Loan Payment	Other Expenses
Royal Oaks	CSB	03/20	100	mine	2005						
Moonrise	CSB	03/16	100	mine	2006						
											0

### Schedule H: Notes & Accounts Payable (also include credit lines and other commitments even if unused)

Name of Creditor	Orig. Amt. Of Loan	Payment/ Repayment Terms	Maturity Date	Interest Rate	Description of Collateral (if any)	Balance Owning	Debtor(s) Code*

\* Debtor(s) Code: A=Applicant AC=Joint Account of Applicant and Co-Applicant JC=Joint Account of Co-Applicant and another party  
 C=Co-Applicant JA=Joint Account of Applicant and another party

Were your gross revenues \$1,000,000 or less in the previous fiscal year?  Yes  No

If you answered "yes" and the Bank denies your application for credit, you have the right to a written statement of the specific reasons for the denial. To obtain the statement, please contact: *Chief Compliance Officer, CenterState Bank of Florida, N.A., 300 W Central Avenue, Lake Wales, FL 33853* Within 60 days from the date you are notified of the Bank's decision. The Bank will send you a written statement of reason(s) for the denial within 30 days of receiving your written request for the statement. The notice below describes additional protections extended to you. **NOTICE:** The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against credit applicants on the basis of race, color, religion, natural origin, sex, marital status, age (providing the applicant has the capacity to enter into a binding contract), because all or a part of the applicants income derives from any public assistance program, or because the applicant has in good faith exercised any right under the Consumer Protection Act, the federal agency that administers compliance with this law concerning this creditor is: *Customer Assistance Group, Comptroller of the Currency, 1301 McKinney Street, Houston, TX 77010-9050.*

### Personal Information

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The information contained in this statement is provided for the purpose of obtaining, or maintaining credit with the Bank on behalf of the undersigned or person, firms or corporations in whose behalf the undersigned may either severally or jointly with others, execute a guaranty in the Bank's favor. Each undersigned understands that the Bank is relying on the information provided herein (including the designation made as to ownership of property) in deciding to grant or continue credit. Each undersigned represents and warrants that the information provided is true and complete and that the Bank may consider this statement as continuing to be true and correct until a written notice of a change is given to the Bank by the undersigned. The Bank is authorized to make all inquiries it deems necessary to verify the accuracy of the statements made herein, and to determine the credit worthiness of the undersigned. The Bank is authorized to answer questions about its credit experience with the undersigned.  Notice - Joint Credit. We intend to apply for joint credit. (Initials)

Date Signed	Signature (individual)	Social Security #	Date of Birth
6-22-05	Michael Smayle		04/30/1969
Date Signed	Signature (other party)	Social Security #	Date of Birth



SCHEDULE C- UNLISTED SECURITIES.

# OF SHARES	DESCRIPTION	SOURCE OF VALUE	Net Value	% OF COMPANY Pledged
1	FLORIDA UTILITY SERVICES 1, LLC	[REDACTED]	[REDACTED]	100 YES
1	WEST LAKELAND WASTEWATER, INC			100 NO
1	HOLIDAY GARDENS UTILITIES, LLC			100 YES
1	CRESTRIDGE UTILITIES, LLC			100 YES
1	PINECREST UTILITIES, LLC			100 YES
1	EAST MARION UTILITIES, LLC			100 YES
1	CHARLIE CREEK UTILITIES, LLC			100 YES
		Total=	[REDACTED]	