

North Charlotte Waterworks, Inc.

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April 12, 2016

Office of Commission Clerk
Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399

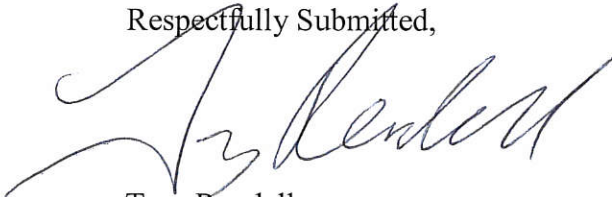
*Re: **Docket No. 160058-WS** - North Charlotte Waterworks, Inc, application for approval of transfer of Sun River Utilities, Inc. in Charlotte and DeSoto Counties, Florida – Correspondence concerning the Long-term Land Lease*

Dear Commission Clerk,

Please place the attached correspondence concerning the long-term land lease in Docket No. 160058-WS.

Thank you.

Respectfully Submitted,



Troy Rendell
Manager of Regulated Utilities
//For North Charlotte Waterworks, Inc.

North Charlotte Waterworks, Inc.

*** CERTIFIED MAIL ***

April 12, 2016

Khalil Saab
Waterfront Homes of Charlotte
3407 Torrey Rd
Flint, MI 48507

Re: Long-term land lease for North Charlotte Waterworks, Inc.

Dear Mr. Saab,

We recently purchased the water and wastewater systems previously owned by Sun River Utilities, Inc. As part of the requirements of the Florida Public Service Commission and the Florida Administrative Codes, we are required to provide proof of the utility's right to access and continued use of the land upon which the utility treatment facilities are located.

Specifically, Rule 25-30.037, Florida Administrative Code states:

(s) Documentation of the utility's right to access and continued use of the land upon which the utility treatment facilities are located. Documentation of continued use shall be in the form of a recorded warranty deed, recorded quit claim deed accompanied by title insurance, recorded lease such as a 99-year lease, or recorded easement. The applicant may submit an unrecorded copy of the instrument granting the utility's right to access and continued use of the land upon which the utility treatment facilities are or will be located, provided that the applicant files a recorded copy within the time required in the order granting the transfer;

I've previously discussed this requirement with Mr. Ben Maltese and he has referred me to both you and Elisabeth Saab. I've attempted several times to contact Ms. Saab via e-mail but have received no replies.

The land where the current water treatment and wastewater treatment plants are located were originally subject to a 99-year lease when Mr. Maltese owned the utility, MSM Utilities, LLC. However, this was changed to a 3-year lease when it was transferred to Sun River Utilities, Inc. Unfortunately, this was not allowed under current Florida Administrative Code. Subsequently, Sun River Utilities filed for an abandonment of the utility. This caused the county, Charlotte County, to become involved in the abandonment proceedings.

Waterfront Homes of Charlotte
Land Lease Letter
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We worked with Charlotte County and Sun River Utilities and purchased the water and wastewater systems. The abandonment was withdrawn and we currently have a transfer of Certificate docket filed with the Florida Public Service Commission.

I have spoken with Mr. Ben Maltese on this item. It is imperative that we enter into a long-term lease for these properties for the transfer to proceed. These water and wastewater systems currently serve 55 water and 55 wastewater customers. This utility has been in existence since 1982 as Hunter Creek Utility, LLC providing these services. The original 99-year lease was entered into on August 28, 2003 with Rivers Edge Utilities, LLC. It appears that the lease was subsequently assigned by Waterfront Homes of Charlotte, LLC to MSM Utilities, LLC in 2004 when Waterfront Homes of Charlotte, LLC bought the property on which the utility facilities sits. Then, in 2005, the lease was modified from a 99-year lease to a 3-year lease with 1-year extensions. Again, this is prohibited by Florida Administrative Code.

The previous owners, Sun River Utilities also attempted to have a 99-year lease renewed in October 2015 with Waterfront Homes of Charlotte, but was unsuccessful in receiving a response.

We are aware there may have been plans to develop this vacant land at some point in the future. These plans have been in existence for years and to date, no development has taken place. We also understand that there may be the need to move these water and wastewater treatment plants at some point in the future if development does occur. We believe when developers move forward with future growth there will be an opportunity for the developers to contribute land to the utility for the purpose of relocating these plants. This will require developers to donate the appropriate land for these purposes. However, until that time occurs, we need to enter into a long-term lease or an easement to provide the utility access to its water and wastewater facilities which it now owns and operates.

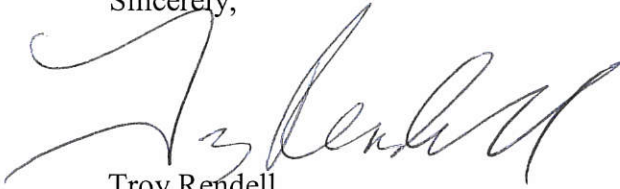
We can agree to some sort of reversionary clause in the lease to take effect at the time the water and wastewater treatment plants are actually relocated and/or retired. The 99-year lease or perpetual easement of this land is imperative to continued water and wastewater service to the existing and future customers. I've also requested the assistance of the Florida Public Service Commission in this matter in order to get this resolved and move forward.

5320 Captains Court, New Port Richey, Florida 34652
Mailing: C/O 4939 Cross Bayou Boulevard, New Port Richey, Florida 34652
Tel: 727-848-8292

Waterfront Homes of Charlotte
Land Lease Letter
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Please contact me at your earliest convenience to discuss this matter at (727) 848-8292, ext. 245.

Sincerely,

A handwritten signature in black ink, appearing to read 'Troy Rendell', written in a cursive style.

Troy Rendell
Manager of Regulated Utilities
//For North Charlotte Waterworks, Inc.

Cc: Ben J. Maltese
9010 Strada Stell Ct, #201
NAPLES, FL 34109

Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850