

State of Florida



Public Service Commission
CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: March 5, 2018

TO: Carlotta S. Stauffer, Commission Clerk, Office of Commission Clerk

FROM: Rachael Dziechciarz, Senior Attorney, Office of the General Counsel **RD**

RE: 20170200-WU – Initiation of show cause proceedings against Kincaid Hills Water Company, in Alachua County, for noncompliance with Sections 350.113, 350.117, 367.121, and 367.145, Florida Statutes, and Rules 25-30.110, 25-30.120, 25-30.355, and 25-22.032, Florida Administrative Code.

Please file the attached letter, received electronically on February 27, 2018, which advises the Commission of the acquisition of Kincaid Hills Water Company by Gator Waterworks. The letter also includes a summary of the RAF payments and penalties and Annual Report payments that Gator Waterworks will pay on behalf of Kincaid Hills Water Company as a condition of the sale.

As the letter indicates, Gator Waterworks will be compiling the required Transfer Application to submit to the Commission in the near future. Along with the filing of the Transfer Application, Gator Waterworks will request abeyance for the revocation proceedings against Kincaid Hills Water Company in Docket No. 20170200-WU.

RECEIVED-PPSC
2018 MAR -5 PM 12: 01
COMMISSION
CLERK

Gator Waterworks, Inc.

February 26, 2018

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

To Whom it May Concern:

On February 23, 2018, Gator Waterworks, Inc. (Gator Waterworks) acquired the water system assets of Kincaid Hills Water Company through closing. See attached Closing Statement. As a condition of the closing, Gator Waterworks, Inc. is submitting payment directly to the Florida Public Service Commission (FPSC) for the (a) past due RAFs, including penalty and interest pursuant to Order No. PSC-2017-0470-PCO-WU (Revocation Order) issued December 15, 2017; (b) Annual Report penalties pursuant to Revocation Order; and (c) Current 2017 RAF due. These payments are being made directly to the FPSC from the proceeds of the sales transaction. Gator Waterworks wanted to ensure these payments were made directly, as opposed to being submitted to the Seller with the possibility of no payment being subsequently made to the FPSC. Please find enclosed one check in the amount of Thirty Eight Thousand Six Hundred Ninety Eight Dollars and Eight Cents - **\$38,698.08**. This represents payment for:

Table 1: Summary of RAF Penalties as of 11/07/17

Year	Revenues	RAFs (4.5%)	Penalty (25%) (As of 11/07/17)	Interest (1%) (As of 11/07/17)	Payments	Total Due (As of 11/07/17)
2016	\$44,593.00	\$2,006.69	\$501.67	\$160.54	\$0.00	\$2,668.90
2015	\$44,451.00	\$2000.30	\$0.00	\$0.00	\$2000.30	\$0.00
2014	\$48,840.00	\$2,197.80	\$0.00	\$0.00	\$2,197.80	\$0.00
2013	\$49,756.00	\$2,239.02	\$559.76	\$985.17	\$0.00	\$3,783.95
2012	\$58,535.00	\$2,634.08	\$658.52	\$1,501.43	\$0.00	\$4,794.03
2011	\$59,052.00	\$2,657.34	\$664.34	\$876.92	\$4,198.60	\$0.00

Year	Revenues	RAFs (4.5%)	Penalty (25%) (As of 11/07/17)	Interest (1%) (As of 11/07/17)	Payments	Total Due (As of 11/07/17)
2010	\$58,713.00	\$2,642.09	\$660.52	\$1,188.94	\$4,491.55	\$0.00
2009	\$60,274.00	\$2,712.33	\$678.08	\$2,522.47	\$0.00	\$5,912.88
2008	\$50,661.00	\$2,279.75	\$569.94	\$2,393.74	\$0.00	\$5,243.43
Totals	\$474,875.00	\$21,369.40	\$4,292.83	\$9,629.21	\$12,888.25	\$22,403.19

Table 2: Summary of Annual Report Penalties

YEAR	DATE DUE	DATE SUBMITTED	DAYS LATE	PENALTY (\$3 per day)
2013	03/31/2014	11/14/2014	228	\$684.00
2012	04/01/2013	11/14/2014	593	\$1,779.00
2011	04/02/2012	11/14/2014	958	\$2,874.00
2010	03/31/2011	11/14/2014	1,324	\$3,972.00
2009	03/31/2010	11/14/2014	1,689	\$5,067.00
TOTAL			4,792	\$14,376.00

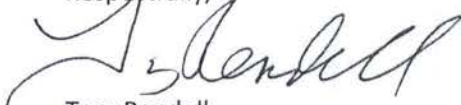
Plus current 2017 RAFs of \$1,918.89 – (\$42,642 X 4.5%).

Gator Waterworks also made similar payments to the Alachua County Tax Collector for unpaid property and tangible taxes.

Gator Waterworks will be compiling the required Transfer Application in the near future. As part of that application, Gator Waterworks will be submitting a request for abeyance of the revocation docket (Dkt 20170200-WU) pending the processing of the Transfer Application.

If you have any questions, please do not hesitate to contact me at (727) 848-8292, ext. 245.

Respectfully,

A handwritten signature in black ink, appearing to read 'T. Rendell', written in a cursive style.

Troy Rendell

Vice President

Investor Owned Utilities

// for Gator Waterworks, Inc.

Small Water Utility Regulatory Assessment Fee Return

Florida Public Service Commission

STATUS:

- Actual Return
 Estimated Return
 Amended Return

PERIOD COVERED:
 1/1/2017 TO 12/31/2017

(See Filing Instructions on Back of Form)

WU690-17-W-0-R
 Kincaid Hills Water Company
 P. O. Box 15016
 Gainesville, FL 32604-5016

Please Complete Below If Official Mailing Address Has Changed

FOR PSC USE ONLY

Check # _____

\$ _____ 0604001
003001

\$ _____ E

\$ _____ P 0604001
004010

\$ _____ I

Postmark Date _____

Initials of Preparer _____

(Name of Utility)	(Address)	(City/State)	(Zip)
-------------------	-----------	--------------	-------

	#	#	
Florida Public Service Commission Certificate			# <u>555-W</u>
WATER OPERATING REVENUES			
1. Unmetered Water Revenues (460)	\$	\$	\$
MEASURED WATER REVENUES			
2. Residential Revenues (461.1)			<u>42,642</u>
3. Commercial Revenues (461.2)			
4. Industrial Revenues (461.3)			
5. Revenues from Public Authorities (461.4)			
6. Multiple Family Dwelling Revenues (461.5)			
7. TOTAL METERED SALES	\$	\$	\$ <u>42,642</u>
FIRE PROTECTION REVENUES			
8. Public Fire Protection (462.1)			
9. Private Fire Protection (462.2)			
10. TOTAL FIRE PROTECTION REVENUE	\$	\$	\$
11. Other Sales to Public Authorities (464)			
12. Sales to Irrigation Customers (465)			
13. SALES FOR RESALE (466)			
14. Interdepartmental Sales (467)			
15. TOTAL WATER SALES (Lines 1+7+10+11+12+13+14)	\$	\$	\$ <u>42,642</u>
OTHER WATER REVENUES			
16. Guaranteed Revenues (Include Revenues from A.F.P.I. Charges) (469)			
17. Forfeited Discounts (470)			
18. Miscellaneous Service Revenues (471)			
19. Rents From Water Property (472)			
20. Interdepartmental Rents (473)			
21. Other Water Revenues (474) Describe:			
<i>Describe:</i>			
22. TOTAL OTHER WATER REVENUES (Lines 16+17+18+19+20+21)	\$	\$	\$
23. TOTAL WATER OPERATING REVENUES (Lines 15+22)⁽¹⁾	\$	\$	\$
24. Less: Expense for Purchased Water From FPSC-Regulated Utility	())
25. NET WATER OPERATING REVENUES (Line 23 Less Line 24)			<u>42,642</u>
26. REGULATORY ASSESSMENT FEE DUE - (Multiply Line 25 by 0.045) (If more than \$25, enter amount. If less, enter \$25) ⁽²⁾			<u>1,918.89</u>
27. Less: Approved Prior-Period Credit			(
28. NET REGULATORY ASSESSMENT FEE (Line 26 Less Line 27)		\$	
29. Penalty for Late Payment			
30. Interest for Late Payment			
31. Extension Payment Fee (see "5. Extension" on back)			
32. TOTAL AMOUNT DUE (Line 28 + 29 + 30)		\$	<u>1,918.89</u>

⁽¹⁾These amounts must agree with Annual Report Schedule F-3
⁽²⁾As provided in Section 350.113, Florida Statutes, the Minimum Annual Fee is \$25 (see Item #7 on back)

If service was purchased from a regulated utility, please insert its name: _____

I, the undersigned owner/officer of the above-named vendor, have read the foregoing and declare that to the best of my knowledge and belief the above information is a true and correct statement. I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree.

(Signature of Utility Official) (Title) (Date)

(Please Print Name) Telephone Number () Fax Number ()

F.E.I. No. _____

SELLER CLOSING STATEMENT

File Number: 18-031 scb

Name of Buyer: Gator Waterworks, Inc.

Name of Seller: Kincaid Hills Water Company

Property: Water systems in ALACHUA County, Florida, and the real and personal property associated thereto serving the subdivisions of Kincaid Hills, Devonshire Estates, Kentwood and Shady Lawn

Settlement Agent: Booth & Cook, P.A.

Place of Settlement: 7510 Ridge Road, Port Richey, FL 34668

Settlement Date: February 23, 2018

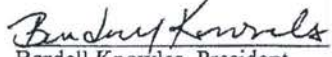
Purchase Price: \$82,500.00*

PURCHASE PRICE DISBURSED UPON CLOSING (Purchase and Sale Agreement, Article 1.3; to be adjusted, if applicable, pursuant to terms and provisions of the PSA to determine the final purchase price*-see below):	\$82,500.00
Billed base facility charge, if any, assumed by Buyer	\$0.00
Past Due RAFs (plus penalties and interest) to FL PSC	(\$22,403.19)
Current 2017 RAFs to FL PSC	(\$1,918.89)
Penalties and interest - Annual Reports to FL PSC	(\$14,376.00)
2017/2018 Florida Dept of Environmental Protection operating fees to be paid by Buyer P.O.C. if not previously paid by Seller	\$0.00
Twenty Percent (20%) withheld pending FPSC approval	(\$8,034.28)
2015 delinquent tangible tax Acct. #358959, March due:	(\$1,027.56)
2018 Taxes not prorated per agreement of parties	\$0.00
2018 Tangible tax not prorated per agreement of parties	\$0.00
2015/2016/2017 real estate taxes, #16189-001-017 (March amounts):	(\$837.27)
2015/2016/2017 real estate taxes, #16134-022-000 (March amounts):	(\$1,857.72)
NET DUE TO SELLER at closing:	\$32,045.09

[signature page follows]

RECEIVED A TRUE COPY OF ABOVE AND HEREBY APPROVE AND CERTIFY IT CORRECT.

Kincaid Hills Water Company
a dissolved Florida corporation


Berdell Knowles, President

BUYER CLOSING STATEMENT

File Number: 18-031 scb

Name of Buyer: Gator Waterworks, Inc.

Name of Seller: Kincaid Hills Water Company

Property: Water system in ALACHUA County, Florida, and the real and personal property associated thereto serving the subdivisions of Kincaid Hills, Devonshire Estates, Kentwood and Shady Lawn

Settlement Agent: Booth & Cook, P.A.
Place of Settlement: 7510 Ridge Road, Port Richey, FL 34668

Settlement Date: February 23, 2018

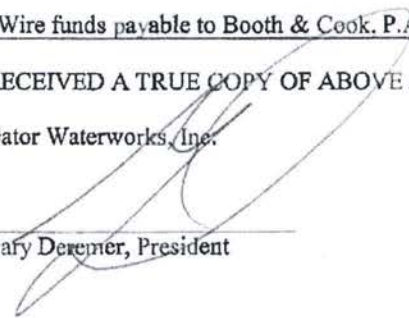
Purchase Price: \$82,500.00

PURCHASE PRICE DISBURSED UPON CLOSING (Purchase and Sale Agreement, Article 1.3; to be adjusted, if applicable, pursuant to terms and provisions of the PSA to determine the final purchase price): 80% of the difference between \$82,500.0 and the amounts paid to the FPSC and Alachua County and back taxes	\$82,500.00
20% withheld pending FPSC approval	(\$8,034.28)
Credit to Buyer for FPSC Past due RAFs plus penalties and interest	(\$22,403.19)
Credit to Buyer for FPSC current 2017 RAFs	(\$1,918.89)
Credit to Buyer for Penalties and interest - Annual Reports	(\$14,376.00)
Billed base facility charge, if any, assumed by Buyer	\$0.00
2017/2018 Florida Dept of Environmental Protection operating fees to be paid by Buyer P.O.C. if not previously paid by Seller	\$0.00
Record Bill of Sale	\$27.00
Record Special Warranty Deed	\$27.00
Documentary tax stamps on Deed	\$203.00
Taxes not prorated per agreement of parties	\$0.00
Tangible tax not prorated per agreement of parties	\$0.00
Title Insurance - waived by buyer	\$0.00
Survey - waived by buyer	\$0.00
Attorney fees to Booth & Cook, P.A.	\$750.00
Closing fees to Booth & Cook, P.A.	\$375.00
CASH DUE FROM BUYER TO CLOSE*	\$37,149.64

*Wire funds payable to Booth & Cook, P.A.-Trust Account

RECEIVED A TRUE COPY OF ABOVE AND HEREBY APPROVE AND CERTIFY IT CORRECT.

Gator Waterworks, Inc.



Gary Deremer, President

Prepared by/return to:

Stephen C. Booth, Esquire
BOOTH & COOK, P.A.
7510 Ridge Road
Port Richey, FL 34668
File #18-031

BILL OF SALE

KNOW ALL MEN BY THESE PRESENTS that on the ____ day of _____, 2016, **KINCAID HILLS WATER COMPANY**, a dissolved Florida corporation ("Seller") for the sum of TEN and No/100 Dollars (\$10.00) and other good and valuable consideration, paid by **GATOR WATERWORKS, INC.**, a Florida corporation ("Purchaser"), the receipt of which is hereby acknowledged pursuant to the Asset Purchase Agreement between the parties, dated January 12, 2018 (the "Purchase Agreement"), hereby grant, sell, assign and convey to Purchaser all of Seller's right, title and interest in and to all of the personal property, both tangible and intangible, of the Assets, as such term is defined in the Purchase Agreement, including, but not limited to, the following:

1. All water supply, treatment, storage, distribution and transmission facilities, including, but not limited to, pumps, plants, wells, tanks, transmission mains, distribution mains, supply pipes, collection pipes or facilities, valves, meters, meter boxes, service connections and all other physical facilities, equipment and property installations owned by Seller and used in connection with the Utility System, together with all additions or replacements thereto;
2. The following, but only to the extent that Seller's right, title or interest is transferrable: all certificates, immunities, privileges, permits, license rights, consents, grants, ordinances, surveys, easements, and all rights to construct, maintain, and operate the Utility System and its plants and systems for the intended use as set forth in the Purchase Agreement, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, the "Certificates");
3. All supplier lists, customer records, prints, plans, including plans in electronic or digital format, engineering reports, surveys, specifications, shop drawings, equipment manuals, and other information relating to the Utility System and its plants and systems for the intended use as set forth in the Purchase Agreement, and every right of every character whatever in connection therewith, and the obligations thereof (collectively, the "Certificates");
4. All sets of record drawings, including as-built drawings, showing all facilities of the Utility System, including all original tracings, sepias, or other reproducible materials in Seller's possession, including right of Seller, if any, to obtain copies of such items from engineers, contractors, consultants or other third parties, in paper and electronic form;
5. All rights of Seller under any Developer Agreements, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;
6. All rights and obligations of Seller under the Contracts and Leases, if any, which are assumed by Purchaser pursuant to the Purchase Agreement;

Notwithstanding the foregoing, Seller does not hereby convey to Purchaser those certain Excluded Assets, as such term is defined and described in the Purchase Agreement.

Seller represents and warrants that it is providing all of its ownership interest in and to the above-referenced property and has removed or provided for the removal of all liens, security interests or encumbrances.

All capitalized terms utilized herein, and not otherwise defined herein, shall have the meanings ascribed thereto in the Purchase Agreement. The terms and conditions contained in the Purchase Agreement are incorporated herein by reference.

Seller makes no representation as to the condition of the Assets. Purchaser acknowledges that it is acquiring the Assets "as-is".

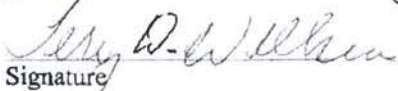
This instrument is given as a winding up of the affairs of the Seller.

IN WITNESS WHEREOF, this instrument shall be effective as of the date first above written.

SELLER:

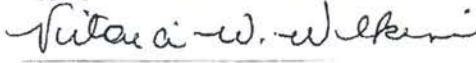
Signed, sealed and delivered in the presence of:

KINCAID HILLS WATER COMPANY
A dissolved Florida corporation


Signature

TERRY D. WILKINS
Type/print name of witness



Berdell Knowles, President


Signature

VICTORIA W. WILKINS
Type/print name of witness

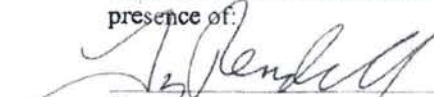
STATE OF FLORIDA
COUNTY OF DUVAL

The foregoing instrument was acknowledged before me this 20 day of February, 2018 by Berdell Knowles, as President of Kincaid Hills Water Company, a dissolved Florida corporation, on behalf of the dissolved corporation as a winding up of its affairs. He is personally known to me or has produced HORADADO, LLC as identification.

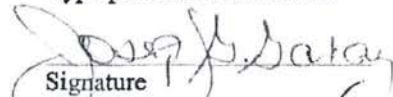

Notary Public



Signed, sealed and delivered in the presence of:


Signature

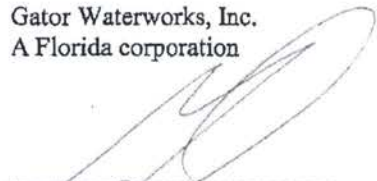
Troy Rendell
Type/print name of witness


Signature

Joseph B. Gabry
Type/print name of witness

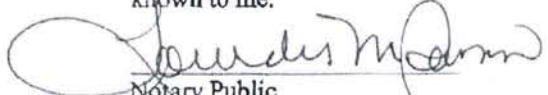
BUYER:

Gator Waterworks, Inc.
A Florida corporation


Gary Deremer, President

STATE OF FLORIDA
COUNTY OF PASCO

The foregoing instrument was acknowledged before me this 15 day of February, 2018 by Gary Deremer as President on behalf of said Gator Waterworks, Inc., a Florida corporation. He is personally known to me.


Notary Public

