

Docket No. 20200226-SU

Benjamin & Lisa Cirka
Residents of Cape Haze
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January 10th 2021

Commission Clerk,
Office of the Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida
32399-0850

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COMMISSION
CLERK

Good day,

My wife and I are long-time residents of Cape Haze community in Charlotte County and are providing written objections to the Application For Original Certificate of Authorization For a Proposed or Existing System Requesting Initial Rates and Charges, Docket No. 20200226-SU, as follows:

Objections to the Application:

Part 2 B FINANCIAL ABILITY

- 1) "Exhibit A" requires detailed balance sheet and income statement of the *applicant* [emphasis added] listing assets and liabilities of every kind and character. The applicant in this case is an LLC that was created in 2016, and exhibit A should demonstrate resources and capacity of the entity itself. Instead, Exhibit A seems to provide a redacted set of financial statements for the owners of the entity, and therefore has no bearing on the strength or solvency of the applicant itself. If there are specific funding commitments, bonding capacity, etc. that would benefit the applicant in place, they should be available for scrutiny of the public and the Commission to determine their validity, standing, and strength. The application is incomplete at best. It provides no information about the applicant nor does it demonstrate capacity.
- 2) "Exhibit B" requires identification of all entities and affiliates upon which the applicant is *relying on* [emphasis added] for funding, as well as an explanation regarding the manner and amount of such funding. The exhibit provided is a very loose letter of interest from a bank with no facets of reliability or commitment of any kind--It does not provide any indication of the manner (terms, rates, duration, collateral, guarantees, etc.) or reference an amount of funding that may be provided. The letter from Centennial Bank states that the applicant has not gone so far as to have submitted a loan application, but it does identify, as a commitment to receiving funding, "the establishment of revenues sufficient to support repayment of a loan". Based upon the letter provided, an entity with no other sources of revenue would clearly not qualify for this financial product to fund a de-novo enterprise as the letter states that revenue necessary for loan repayment be established prior to receiving funding.

Docket No. 20200226-SU

This section also requires “a list of all entities, including affiliates, upon which the applicant is relying to provide funding to the utility and an explanation of the manner and amount of such funding” and that “The applicant shall provide copies of any financial agreements between the listed entities and the utility and proof of the listed entities’ ability to provide funding, such as financial statements.” Notably, in this section the applicant does not identify the owners of the applicant as funding sources, nor does it provide any indication of any financial commitments whatsoever, much less any detail regarding the manner or amount of reliable funding. In fact, Exhibit A of the subsequently received and published Request for Confidential Classification, the Applicant states that the financial information provided (later redacted by the Commission) “...relates to the owner in his ownership capacity, and is not information of the utility.” Therefore it is not appropriate for the public or the Commission to rely on this information in any way while evaluating the capacity of the applicant, nor does it constitute an appropriate response in this section.

Similarly, with regard to the reasoning provided for in the Request for Confidential Classification, and the information provided in Part 2 B FINANCIAL ABILITY, it is indeed in the interest of the public to understand what resources may or may not be available to the entity applying to provide such a fundamental and critical piece of our infrastructure. If the entity is unwilling or unable to provide any operating history or adequate experience and access to resources, it is certainly the public’s fair interpretation that the application should not be granted. In short, we do not object to any redactions granted, but emphatically object to such veiled information self-described as “...not information of the utility” being used to demonstrate capacity for said entity. All that being said, the owners were not listed as funding sources for the entity in exhibit B.

Section C Technical Ability

- 1) Section 1 describes no history in working with wastewater.
- 2) Sections 2-4 are all labeled “NA”. This cannot be acceptable.

Section D Need for service

- 1) Section 1(a) does not provide the data required regarding phasing, meter sizes, etc.
- 2) Section 1(b) is incomplete entirely.
- 3) Section 1(d) is inaccurate as the area is extremely environmentally sensitive and includes many barrier island protections.

Principled Objection Overall

We are longtime residents of this neighborhood and community with family friends and neighbors that would all be impacted by such a project. We as a family value the long-term protection of our natural assets and waterways, and will assuredly endorse a process that takes a thoughtful approach to the design, type of systems used, the cost of installation, implementation, and the track record and solvency of utility company within the construct of a transparent and openly competitive process. The process needs to consider the experience, track record, and wherewithal of the proposing utility companies, and

Docket No. 20200226-SU

a consideration of various options and costs. We do not want to be left holding the bill for a prescriptive and open-ended project that lacks a sound exploration of engineering solutions and qualified candidates. The owners of the Applicant notably cited the protection of their competitive interests in requesting classified treatment of their financial statements. Similarly in the interests of the public, we need to have protections gained only through openly transparent and competitive processes as provided by our State's Constitution. I cannot imagine that the Commission, or our local County Commissioners could endorse what effectually would be a no-bid contract to a shell entity with no track record, assets, commitments, or diligent detail without first having other entities with experience in Florida (or elsewhere) compete for such valuable rights. It is our understanding that the Applicant does not currently have rights to provide utilities in Cape Haze. We feel strongly that said entity should not pick up any such rights in the absence of a competitive process. The sewer system, in the long run, may be best for the community, but it is also the best interest of the community to have input and seek a competitive process.

We kindly ask that you deny this application.

Respectfully Yours,


Benjamin and Lisa Cirka
Residents of Cape Haze