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DIVISION OF ENGINEERING
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Public Service Commission

June 18, 2021

Ms. Susan Clark, Esq.
Radey Thomas Yon & Clark, P.A.
301 South Bronough Street, Suite 200
Tallahassee, FL 32301
sclark@radelylaw.com

VIA EMAIL

Re: Docket No. 20210093-WS - Application for transfer of water and wastewater systems of Aquarina Utilities, Inc., Water Certificate No. 517-W, and Wastewater Certificate No. 450-S to CSWR-Florida Utility Operating Company, LLC, in Brevard County.

Dear Ms. Clark:

Staff has reviewed CSWR-Florida Utility Operating Company, LLC's (CSWR-FL or Buyer) application for transfer of Certificate Nos. 517-W and 450-S from Aquarina Utilities, Inc. (Seller) to CSWR-FL. After reviewing this information we find the application to be deficient. The specific deficiencies are identified as:

- 1. Notice of Application.** Rule 25-30.030(6), Florida Administrative Code, (F.A.C.), incorporated by reference in Rule 25-30.037(2)(b), F.A.C., states that all applications requiring noticing shall be deemed deficient until affidavits of noticing required by Sections 367.045(1)(e) and (2)(f), Florida Statutes, along with a copy of the notice, are filed with the Office of Commission Clerk. After staff has reviewed and approved the notice of application, and the notices have been distributed in accordance with Rule 25-30.030(5), F.A.C., please provide affidavits of noticing.
- 2. Seller Information.** Rule 25-30.037(2)(c), F.A.C., requires that the applicant provide specified information relating to the seller, including the seller's fax number, if available. Please provide the seller's fax number or a statement that the seller does not have a fax number.
- 3. Buyer Information.** Rule 25-30.037(2)(d), F.A.C., requires that the applicant provide specified information relating to the buyer, including the utility's Federal Employer Identification Number (FEIN). The application states that the applicant's FEIN is "to be provided." Please provide the applicant's FEIN as required by Rule 25-30.037(2)(d), F.A.C.

4. **Books and Records.** Rule 25-30.037(2)(e), F.A.C., requires that the applicant provide specified information relating to the person in possession of the books and records for the system, including the fax number, if available. Please provide the fax number for the person in possession of the books and records or a statement that this person does not have a fax number
5. **Business Documentation.** Rule 25-30.037(2)(f)1., F.A.C., states the buyer must provide documentation from the Florida Department of State, Division of Corporations, showing the buyer's name and registration/document number for the business. Please provide the required documentation.
6. **Percent Ownership.** Rule 25-30.037(2)(g), F.A.C., requires that the applicant provide name(s), address(es) and percentage of ownership of each entity or person that owns or will own more than a 5 percent interest in the utility. Please provide the address for the entity named in the application that is the sole owner of the Buyer.
7. **Buyer Incorporation.** Rule 25-30.037(2)(h), F.A.C., requires that the applicant provide date and state of incorporation or organization of the buyer. Please provide the required information.
8. **Assets and Liabilities.** Rule 25-30.037(2)(j)3., F.A.C., requires a list of and the dollar amount of the assets purchased and liabilities assumed or not assumed, including those of nonregulated operations or entities. Please provide a list of the specific assets and, if applicable, liabilities including the dollar amount allocated to each. Please include the appropriate allocation of assets and liabilities between water and wastewater.
9. **Permits.** Rule 25-30.037(2)(r)1., F.A.C., requires the applicant provide a copy of the utility's current permits from the Department of Environmental Protection (DEP) and the water management district (WMD). The copies of the permits included in the application were issued by the respective agency to the Seller. Please provide copies of the applications required by the DEP and the St. Johns River WMD for transfer of the permits to the Buyer. Also, please ensure that the WMD permit transfer application also corrects the reference to the township/section/range information for the areas served to include all of the certificated service territory for Certificate No. 517-W.
10. **DEP Correspondence.** Rule 25-30.037(2)(r)3., F.A.C., requires the applicant provide a copy of all of the utility's correspondence with the DEP, county health department, and WMD, including consent orders and warning letters, and the utility's responses to the same, for the past five years. Staff did not find any correspondence using the link for DEP documents provided in the application regarding DEP consent orders or warning letters. Please confirm with the DEP whether the water and/or wastewater system for Aquarina had any consent orders or warning letters, and the utility's responses to the same, for the past five years. Please provide the responsive documents if there were any, or a statement affirming there were none if that is the case.
11. **Right to Land.** Rule 25-30.037(2)(s), F.A.C., requires 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

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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. In Exhibit H to the application, the Buyer makes the following statement:

Between the date of this application and closing, CSWR-Florida will conduct additional due diligence, which includes engaging a Florida title company to review relevant records related to real property assets Aquarina Utilities proposes to transfer to confirm the rightful owner(s) and identify any title defects that will be cured prior to closing. Although documents required by Section 4.01(b) do not currently exist, they can be provided post-closing if necessary to establish CSWR-Florida's ownership or long-term use rights.

Please be advised that this item will remain deficient until the required documentation has been provided.

Your application will not be deemed filed until the deficiencies identified in this letter have been corrected. These corrections should be submitted no later than **July 9, 2021**, to the following address:

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

Should you have any questions concerning the information in this letter, please feel free to contact Mrs. Melinda Watts by phone at (850) 413-6952 or email at mwatts@psc.state.fl.us for technical questions, or Mrs. Stefanie-Jo Osborn by phone at (850) 413-6175 or email at sosborn@psc.state.fl.us for legal questions. Please include the docket number on all submissions to the Commission Clerk.

Sincerely,

/s/Melinda Watts

Melinda Watts
Engineering Specialist
Division of Engineering

MW:jp

cc: Office of Commission Clerk (Docket No. 20210093-WS)