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PAUL RENNER
Speaker of the House of Representatives

December 20, 2023

VIA: ELECTRONIC FILING

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

Docket No. 20230081-WS – In Re: Application for increase in water and wastewater rates in Broward County by Royal Waterworks, Inc.

Dear Mr. Teitzman:

This letter is to follow-up on the Office of Public Counsel's (OPC) letter dated December 7, 2023 concerning the salary of the Utility's president. In our prior letter, the OPC stated that the President's total salary received in 2022 was \$246,350 and the collective water and wastewater customers served are 6,837 and 1,986. Attachment A of our prior letter also reflected that the Utility President owned 21 jurisdictional utilities.

Based on Royal's response to Staff's Fourth Data Request, the Utility has 22 jurisdictional systems. SGI Wastewater Services, Inc. (SGIWSI) was excluded as a jurisdictional utility from OPC's prior letter. Based on SGIWSI's 2022 Annual Report, the President also receives a salary of \$9,167. Thusly, the President's total salary received in 2022 was \$255,517 from jurisdictional companies.

Based on Royal's response to Staff's Fourth Data Request, the Utility's President also has ownership interests in five non-jurisdictional systems: Black Bear Irrigation Source, Inc., Citrus Waterworks, Inc., Collier Utility Company, Northwest Florida Water System, Inc., and Tenkiller Waterworks, Inc. Black Bear Irrigation Source, Inc. is located in Eustis, FL and has been in business for approximately nine years. On December 28, 2020, Citrus Waterworks, Inc. purchased the Ellsworth and Blackwater Heights water utility systems.¹ On December 28, 2020, Collier Utility Company acquired the water and wastewater utility from Lee Cypress Water and Sewer

¹ <https://www.uswatercorp.com/case-studies/citrus-waterworks-inc-investor-owned-utility/>

Co-Op, Inc.² According to the Florida Department of State’s website, Northwest Florida Water System, Inc. has been in business since October 2021. “Tenkiller Waterworks, Inc. is an investor-owned utility nestled along Tenkiller Ferry Lake in the hilly terrain at the foothills of the Ozark Mountains in Park Hill, Oklahoma.”³

Based on the above, the OPC suggests that the Commission staff should investigate the stated time spent of the Utility’s president for Royal and all of its sister jurisdictional and non-jurisdictional companies/systems, as well as the salary amount received from each non-jurisdictional utility/system. Further, the OPC suggests that the Commission staff could utilize a more recent AWWA Compensation Survey to determine a total salary amount for the Utility’s President and allocate that amount based on the number of customers or ERCs of Royal and its sister jurisdictional and non-jurisdictional companies.

Respectfully submitted,

Bart Fletcher

Bart Fletcher

Legislative Analyst

CC: Parties of Record

² <https://www.uswatercorp.com/case-studies/collier-utility-company-investor-owned-utility/>

³ <https://www.uswatercorp.com/case-studies/tenkiller-waterworks-inc-investor-owned-utility/>