

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application for grandfather certificate to
operate water and wastewater utility in Citrus
County, by Tarawood Utilities, LLC.

DOCKET NO. 20240104-WS
ORDER NO. PSC-2025-0087-PAA-WS
ISSUED: March 24, 2025

The following Commissioners participated in the disposition of this matter:

MIKE LA ROSA, Chairman
ART GRAHAM
GARY F. CLARK
ANDREW GILES FAY
GABRIELLA PASSIDOMO SMITH

NOTICE OF PROPOSED AGENCY ACTION
ORDER APPROVING TERMS OF PAYMENT, METER TEST DEPOSIT
CHARGES, MISCELLANEOUS SERVICE CHARGES,
AND CHARGE FOR READINESS TO SERVE
AND
FINAL ORDER ACKNOWLEDGING GRANDFATHER APPLICATION
AND GRANTING CERTIFICATE NOS. 685-W AND 584-S, AND
CONTINUING EXISTING RATES, CHARGES, AND DEPOSITS

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature, except with regard to acknowledging grandfather application, granting certificate nos. 685-W and 584-S, and continuing existing rates, charges, and deposits, and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

On May 28, 2024, the Board of County Commissioners of Citrus County (County) adopted Resolution No. 2024-040 (Resolution), transferring regulation of the privately-owned, for profit water and wastewater utilities in Citrus County to the Florida Public Service Commission (Commission). Effective upon the adoption of the Resolution, all non-exempt water and wastewater systems in Citrus County became subject of the provisions of Chapter 367,

Florida Statutes (F.S.). By Commission Order No. PSC-2024-0267-FOF-WS, we acknowledged the Resolution.¹

Pursuant to Section 367.171(2)(b), F.S., each utility engaged in the operation or construction of a system shall be entitled to receive a certificate for the area served by such utility on the day the chapter becomes applicable to the utility. On July 22, 2024, Tarawood Utilities, LLC (Tarawood or Utility) filed an application for a certificate under grandfather rights to provide water and wastewater service in Citrus County pursuant to Section 367.171(2), F.S., and Rule 25-30.035, F.A.C. The Utility's initial application was found to be deficient and our staff issued a deficiency letter on August 22, 2024.² Tarawood filed a response to the deficiencies on September 3, 2024.³ The application was still found to be deficient. Our staff issued a second deficiency letter on November 19, 2024.⁴ Tarawood cured the deficiencies on November 22, 2024.⁵

The Tarawood system has been in existence since 2008 and currently serves 90 residential and 1 general service customer. The Utility's service area is located in the Southwest Florida Water Management District. This order addresses the application for grandfather water and wastewater certificates and rates and charges. We have jurisdiction pursuant to Section 367.171, F.S.

Decision

I. Acknowledgment of Application for Grandfather Water and Wastewater Certificates

The Utility's application for certificate under grandfather rights to provide water and wastewater service in Citrus County is in compliance with Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. An adequate service territory description and system maps were provided. As the Utility has its own treatment facilities, the application contains a warranty deed as proof of ownership of the land on which the Utility's facilities are located as required by Rule 25-30.035(11), F.A.C. A description of the Utility's territory is described in Attachment A to this order.

As stated in the background, Tarawood has been in existence since 2008 and currently serves 90 residential and 1 general service customer. The Utility does not currently have any outstanding citations, violations, or consent orders on file with the Florida Department of Environmental Protection.

¹ Order No. PSC-2024-0267-FOF-WS, issued July 25, 2024, in Docket No. 20240095-WS, *In re: Resolution of the Board of County Commissioners of Citrus County declaring Citrus County subject of the provisions of Sections 367, F.S.*

² Document No. 08601-2024, filed August 22, 2024, in Docket No. 20240104-WS.

³ Document No. 08818-2024, filed September 3, 2024, in Docket No. 20240104-WS.

⁴ Document No. 09933-2024, filed November 19, 2024, in Docket No. 20240104-WS.

⁵ Document No. 09995-2024, filed November 22, 2024, in Docket No. 20240104-WS.

The Utility is aware of its obligation to submit its 2024 Annual Report pursuant to Rule 25-30.110, F.A.C., and is also aware of its obligation to pay regulatory assessment fees pursuant to Rule 25-30.120, F.A.C. In addition, the Utility is aware that it must maintain its books and records according to the National Association of Regulatory Utility Commissioners' Uniform System of Accounts.

Based on the above, we find that Tarawood shall be granted Certificate Nos. 685-W and 584-S to serve the territory described in Attachment A to this order. This order shall serve as Tarawood's certificate and shall be retained by the Utility.

II. Rates, Charges, and Deposits

Citrus County Water and Wastewater Authority approved the Utility's current monthly water and wastewater rates by Final Order No. 24-03 on February 29, 2024. The monthly water rates consist of a base facility charge (BFC) and gallonage charge per 1,000 gallons. The wastewater rates consist of a BFC for all meter sizes and a gallonage charge with a 6,000 gallonage cap. The Utility's current bulk rate was approved by Final Order 18-05 on November 20, 2018. The bulk rate includes a gallonage charge per 1,000 gallons.

The Utility's water and wastewater charges consist of miscellaneous service charges and service availability charges, which include a service availability policy. The Utility's current water service availability charges were approved by Final Order No. 23-05. The miscellaneous service charges and wastewater service availability charges were put in place under the prior owner. In addition, there are meter test deposits for the water service which were also put in place under the prior owner.

We find that the Utility's current rates and the service availability charges are reasonable for both water and wastewater with the exceptions of the meter test deposits, miscellaneous service charges other than late payment and premises visit charges, and the Utility's readiness to serve charge. Meter test deposits are discussed in Section IV of this order. The miscellaneous service charges other than the late payment and premises visit charges are not consistent with the Florida Statutes or our rules and are discussed in Section V. In Section VI, we address the Utility's readiness to serve charge.

We find that of the Utility's rates, charges, and deposits for water and wastewater service that were in effect when Citrus County transferred jurisdiction to us, only the rates, charges, and initial customer deposits shown in Schedule Nos. 1 and 2, attached to this order, are appropriate and shall be approved. The rates, charges, and initial customer deposits shown in Schedule Nos. 1 and 2 shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility shall be required to charge the approved rates, charges, and initial customer deposit shown in Schedule Nos. 1 and 2 until authorized to change them by us in a subsequent proceeding.

III. Terms of Payment

The Utility's current water and wastewater tariff indicates that a customer residing in Florida will become delinquent if their bill is not paid within 16 days while a non-Florida resident has 21 days to pay their bill before becoming delinquent. However, Rule 25-30.335(6), F.A.C., states that a Utility may not consider a customer delinquent in paying his or her bill until the 21st day after the Utility has mailed or presented the bill for payment.

Based on the above, we find that the Utility's methodology of billing a customer shall be revised to conform to Rule 25-30.335(6), F.A.C. The Utility shall file revised tariff sheets to reflect the appropriate terms of payment pursuant to Rule 25-30.335(6), F.A.C. The approved tariffs shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets will be approved upon our staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate.

IV. Meter Test Deposit Charges

The Utility's current water tariff, Sheet No. 15, indicates meter test deposits of \$25 for field test and \$25 plus cost for a certified test for the 5/8 inch x 3/4 inch meter size. However, the Utility may not exceed meter test deposits pursuant to Rule 25-30.266(2)(a), F.A.C., shown below on Table 1.

Table 1
Meter Test Deposits

Meter Size	Fee
5/8" x 3/4"	\$20.00
1 1/2"	\$25.00
2" and over	Actual Cost of Test

Therefore, we find that the appropriate meter test deposits shall be revised pursuant to Rule 25-30.266(2)(a), F.A.C. The Utility shall file a revised tariff sheet to reflect the appropriate meter test deposits pursuant to Rule 25-30.335(6), F.A.C. The approved tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheet will be approved upon our staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate.

V. Miscellaneous Service Charges

The Utility did not request to revise its existing miscellaneous service charges. Section 367.091, F.S., authorizes us to establish, increase, or change a rate or charge other than monthly rates or service availability charges. We find that some of the Utility's existing charges shall be revised to conform to the Florida Statutes and our rules. The Utility's current miscellaneous

service charges for water and wastewater consist of various charges and are shown on Table 2. Our approved miscellaneous service charges are shown on Table 3.

Table 2
Tarawood Utilities, LLC Existing Miscellaneous Service Charges

	<u>Existing</u> <u>Water</u>	<u>Existing</u> <u>Wastewater</u>
Service Initial Fee and Reconnection Charge	\$20.00	\$20.00
Premise Visit Fee – Outside of Business Hours	\$40.00	\$40.00
Meter Replacement Fee – Customer Requested	\$55.00	N/A
Utility Locate at Customer Request Charge	\$40.00	\$40.00
Meter Re-read Charge	\$20.00	N/A
Tampering or Prohibited Connection or Use Chg.	\$300.00	\$300.00
Late Payment Charge	\$5.00	\$5.00
NSF Check Charge	\$30.00	\$30.00

Source: Utility's current tariff and response to our staff's deficiencies

Service Initial, Reconnection Charge, Premises Visit, and Meter Re-Read

As shown on Table 2, the Utility has a service initial fee and reconnection charge of \$20 for water and wastewater, which account for the transfer and turn on of a customer's account, as well as a premises visit charge of \$40. Additionally, the Utility assesses a meter re-read charge of \$20. However, pursuant to Rule 25-30.460, F.A.C., initial and reconnection charges as well as meter re-read charges are subsumed in the definition of the premises visit charge. The Utility currently defines its premises visit as a customer requested visit due to no fault of the Utility. The definition for the premises visit charge shall be updated to comply with Rule 25-30.460, F.A.C.

The Utility does not have a violation reconnection charge. The violation reconnection charge accounts for the discontinuance of service and the subsequent reconnection of service. We find that the existing service initial fee and reconnection charge of \$20 is representative of the Utility's cost to either turn off service or reconnect service. As a result, we find that a violation reconnection charge of \$40 ($\20×2) is appropriate for water. For wastewater, the violation reconnection shall be at actual cost pursuant to Rule 25-30.460, F.A.C. Based on the above, we approve violation reconnection charges of \$40 for water and actual cost for wastewater.

Locate at Customer Request

As shown on Table 2, the Utility currently has a locate at customer request charge of \$40 for water and wastewater. However, the Utility recently indicated that the charge is obsolete. Therefore, the locate at customer request charge of \$40 shall be removed.

NSF Check Charge

The Utility currently has a returned check charge of \$30.00 for water and wastewater. However, we find that the Utility's returned check charges shall comply with Section 68.065, F.S., which allows for the assessment of charges for the collection of worthless checks, drafts, or

orders of payment. As currently set forth in Section 68.065(2), F.S., the following NSF charges may be assessed:

- 1) \$25, if the face value does not exceed \$50
- 2) \$30, if the face value exceeds \$50 but does not exceed \$300
- 3) \$40, if the face value exceeds \$300
- 4) or 5 percent of the face amount of the check, whichever is greater

Tampering or Prohibited Connection or Use Charge

As shown on Table 2, the Utility has a tampering or prohibited connection or use charge of \$300 to actual costs for water and wastewater. Rule 25-30.320(2)(j), F.A.C., provides that a utility may refuse or discontinue service without notice in the event of unauthorized or fraudulent use of service. Whenever service is discontinued for fraudulent use of such service, the Utility, before restoring service, may require the customer to make at his own expense all changes in piping or equipment necessary to eliminate illegal use and to pay an amount reasonably estimated as the deficiency in revenue resulting from the customer's fraudulent use before restoring service. Based on the above, we find that the Utility's tampering or prohibited charge of \$300 to actual costs shall be discontinued and modified to be approved solely at actual cost.

Meter Replacement Charge

As shown on Table 2 for water, the Utility has a meter replacement charge of \$55. However, the Utility has a meter installation charge that includes its cost for replacing a meter. Therefore, the meter replacement charge of \$55 shall be removed.

Table 3
Approved Miscellaneous Service Charges

	<u>All Hours</u>
Premises Visit	\$40
Violation Reconnection Charge (Water)	\$40
Violation Reconnection Charge (Wastewater)	Actual Cost
Tampering or Prohibited Connection or Use Charge	Actual Cost
NSF Check Charge (Water and Wastewater)	Pursuant to Section 68.065, F.S.
Late Payment Charge	\$5.00

Conclusion

Based on the above, the appropriate water and wastewater miscellaneous service charges shown on Table 3 shall be approved. The Utility shall be required to file a proposed customer notice to reflect the approved charges. The approved charges shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475(2), F.A.C. In addition, the tariff sheets shall be approved upon our staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate.

VI. Charge for Readiness to Serve

The Utility's current service availability charges consist of an availability charge for readiness to serve as shown on water tariff Sheet No. 17 and wastewater tariff Sheet No. 18. According to the Utility, the readiness charge to serve of \$2.49 for water and \$11.56 for wastewater is charged on a monthly basis to the developers, who are the lot owners, and reserved service for all the undeveloped lots in Tarawood Utilities' service area. We find that the Utility's charge is consistent with our guaranteed revenue charge. The guaranteed revenue charge is designed to help the Utility recover a portion of its cost from the time capacity is reserved until a customer begins to pay monthly service charges.

Based on the above, the Utility's water and wastewater charge for readiness to serve shall be classified as guaranteed revenue charges. The charges shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets provided customers have received notice pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets shall be approved upon our staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that Tarawood Utilities, LLC's grandfather application shall be acknowledged and the Utility shall be issued Certificate Nos. 685-W and 584-S, effective May 28, 2024, to serve the territory described in Attachment A to this order. This order shall serve as Tarawood's certificates and shall be retained by the Utility. It is further

ORDERED that of the Utility's rates, charges, and deposits for water and wastewater service that were in effect when Citrus County transferred jurisdiction to us, only the rates, charges, and initial customer deposits shown in Schedule Nos. 1 and 2 attached to this order are appropriate and shall be approved. The rates, charges, and initial customer deposits shown in Schedule Nos. 1 and 2 shall be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility shall be required to charge the approved rates, charges, and initial customer deposit shown in Schedule Nos. 1 and 2 until authorized to change them by us in a subsequent proceeding. It is further

ORDERED that the Utility's current terms of payment shall be revised to conform to Rule 25-30.335(6), F.A.C. The Utility shall file revised tariff sheets to reflect the appropriate terms of payment pursuant to Rule 25-30.335(6), F.A.C. The approved tariffs shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets shall be approved upon Commission staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate. It is further

ORDERED that the appropriate meter test deposits shall be revised to conform to Rule 25-30.266(2)(a), F.A.C. The Utility shall file a revised tariff sheet to reflect the appropriate meter

test deposits pursuant to Rule 25-30.3 35(6), F.A.C. The approved tariff shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheet shall be approved upon Commission staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate. It is further

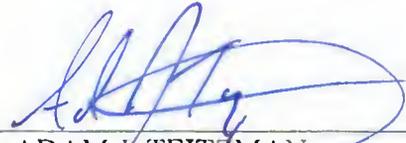
ORDERED that the appropriate water and wastewater miscellaneous service charges are shown on Table 3 herein. The Utility shall be required to file a proposed customer notice to reflect the approved charges. The approved charges shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheet pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets shall be approved upon Commission staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate. It is further

ORDERED that the Utility's water and wastewater charge for readiness to serve shall be classified as guaranteed revenue charges. The charges shall be effective for service rendered or connections made on or after the stamped approval date on the tariff sheets, provided customers have received notice pursuant to Rule 25-30.475, F.A.C. In addition, the tariff sheets shall be approved upon Commission staff's verification that the tariffs are consistent with our decision and that the proposed customer notice is adequate. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the "Notice of Further Proceedings" attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall remain open for Commission staff's verification that the revised tariff sheets and customer notice have been filed by the Utility and approved by Commission staff. Once this action is complete, this docket shall be closed administratively.

By ORDER of the Florida Public Service Commission this 24th day of March, 2025.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

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NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein, except with regard to acknowledging grandfather application, granting certificate nos. 685-W and 584-S, and continuing existing rates, charges, and deposits, is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on April 14, 2025.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

Any party adversely affected by the Commission's final action in this matter may request: 1) reconsideration of the decision by filing a motion for reconsideration with the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, within fifteen (15) days of the issuance of this order in the form prescribed by Rule 25-22.060, Florida Administrative Code; or 2) judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk, and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

Tarawood Utilities, LLC
Citrus County
Water and Wastewater Service Area

All that part of Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ AND the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 28, Township 20 South, Range 20 East, lying westerly of the right-of-way of U.S. Highway No. 41 AND the West $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ AND that part of the East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ section 33, Township 20 South, Range 20 East, lying Westerly of the right-of-way of U.S. Highway No. 41.

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

Tarawood Utilities, LLC

pursuant to

Certificate Number 685-W

to provide water service in Citrus County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rule, regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-2025-0087-PAA-WS	03/24/2025	20240104-WS	Grandfather Certificate

FLORIDA PUBLIC SERVICE COMMISSION

Authorizes

Tarawood Utilities, LLC

pursuant to

Certificate Number 584-S

to provide wastewater service in Citrus County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rule, regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
PSC-2025-0087-PAA-WS	03/24/2025	20240104-WS	Grandfather Certificate

**Tarawood Utilities, LLC
Existing Monthly Water Rates**

Residential and General Service

Base Facility Charge by Meter Size

5/8" x 3/4"	\$45.30
3/4"	\$67.95
1"	\$113.25
1 1/2"	\$226.50
2"	\$362.40
3"	\$724.80
4"	\$1,132.50
6"	\$2,265.50
Charge Per 1,000 gallons	\$10.56

Miscellaneous Service Charges

Premises Visit Charge	\$40.00
Late Payment Charge	\$5.00

Service Availability Charges

Customer Connection (Tap-in) Charge⁶

5/8" x 3/4"	\$345.00
Meter Installation Charge	
5/8" x 3/4"	\$405.00
Main Extension Charge	
Residential – Per ERC (GPD)	\$220.00
Plant Capacity Charge	
Residential – Per ERC (GPD)	\$465.00

⁶ In the Utility's proposed tariff, the customer connection (Tap-In) was \$750. The amount also included the meter installation charge. The \$750 was separated to reflect the appropriate charge individually for the tap-in and meter installation charge.

**Tarawood Utilities, LLC.
Existing Monthly Wastewater Rates**

Residential and General Service

Base Facility Charge by Meter Size

5/8" x 3/4"	\$40.66
3/4"	\$60.99
1"	\$101.65
1 1/2"	\$203.30
2"	\$325.28
3"	\$650.56
4"	\$1,016.50
6"	\$2,033.00
Charge Per 1,000 gallons	\$11.79

Miscellaneous Service Charges

Premises Visit Charge	\$40.00
Late Payment Charge	\$5.00

Service Availability Charges

Customer Connection (Tap-in) Charge

5/8" x 3/4"	\$600.00
Main Extension Charge	
Residential – Per ERC (GPD)	\$250.00
Plant Capacity Charge	
Residential – Per ERC (GPD)	\$495.00