

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-**

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**DATE:** November 17, 2023

**TO:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

**FROM:** Christopher R. Richards, Public Utility Analyst III, Division of Accounting & Finance *CRR*

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

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Please place the attached email in the above referenced docket number. The Utility responded to the email in Document No. 06079-2023, filed on November 15, 2023.

**From:** [Christopher Richards](#)  
**To:** [Troy Rendell \(trendell@uswatercorp.net\)](mailto:trendell@uswatercorp.net)  
**Cc:** [Devlin Higgins](#); [Garret Kelley](#); [Penny Buys](#); [Curt Mouring](#)  
**Subject:** Docket No. 20230081-WS -- Calculation of Owner's Salary Expense  
**Date:** Tuesday, November 14, 2023 8:54:24 AM  
**Importance:** High

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Good morning Mr. Rendell,

Thank you for providing a response to Staff's Second Data Request concerning Owner's Salaries. In the Utility's response, staff was directed to review Document No. 05916-2023, which was the Utility's response to staff's audit report. In reviewing the document, the Utility provided previously-approved Owner's Salaries amounts, the most recent being from Order No. PSC-2022-0335-PAA-WS, issued September 28, 2022, in Docket No. 20220066-WS, a File and Suspend rate case for Sunny Hills Utility Company. In that docket, staff did not adjust the Utility's recorded Owner's Salary expense of \$9,900.

When Order No. PSC-2022-0335-PAA-WS was issued, Sunny Hills Utility Company had 577 customers. With the Owner's Salary of \$9,900 being approved, that calculates to \$17.15 per customer. In the instant docket, Docket No. 20230081-WS, a File and Suspend rate case for Royal Waterworks, the Utility recorded a combined Owner's Salary of \$58,000 (\$30,000 for water and \$28,000 for wastewater). According to its 2022 Annual Report, Royal Waterworks has 1,043 customers.

Staff used the previously-approved rate of \$17.15 per customer for Royal Waterworks, and calculated an Owner's Salary expense of \$17,887. Increasing that amount to reflect the 7.07 percent 2023 Price Index approved in Order No. PSC-2022-0438-PAA-WS, staff calculates a total Owner's Salary expense of \$19,247.

Please explain in detail how a salary of \$58,000 was calculated for Royal Waterworks.

Thank you,

Christopher R. Richards  
Public Utilities Analyst III  
Division of Accounting and Finance  
Florida Public Service Commission  
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