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**PAUL RENNER**  
*Speaker of the House of  
Representatives*

January 31, 2024

**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. (Royal or Utility)**

Dear Mr. Teitzman:

The Office of Public Counsel (OPC) respectfully submits its remarks to the Commission staff's recommendation filed January 25, 2024, related to the salary of the Utility's President.

Rather than stating new and reiterating all of our previously-stated counter points to the Utility's stated position on the President's salary, the OPC will focus our concerns on the Commission staff's recommended President's salary level. The OPC appreciates the Commission staff's recommended reduction to the President's salary level; however, the recommended amount still does not address all of the concerns previously-raised by the OPC and still represents an excessive amount.

With regard to the total President's salary of \$11,196 for LP Waterworks, Inc., the OPC would note that, conservatively using the same 8% of time spent on that utility which Royal utilized in the instant case, the total effective annual salary at 100% of time spent would equate to \$139,950 for LP Waterworks, Inc. This amount is \$19,084 less than the \$159,034 calculated by the Commission staff as reflected on page 22 of its recommendation. The OPC believes it is very important for the Commission to recognize that the \$159,034 amount calculated by the Commission staff is for approximately 62% of the President's time which is spent on all regulated and non-regulated investor-owned utilities.<sup>1</sup> Using the \$159,034 amount and the estimated 62% of

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<sup>1</sup> Document No. 06722-2023.

time spent by the President on all regulated and non-regulated investor-owned utilities, the effective annual salary at 100% of time spent equates to \$256,506. This calculated amount demonstrates the excessive nature of the salary amount recommended by the Commission staff.

The Commission's recent decision for LP Waterworks, Inc. does not address the time spent by the President on that utility nor the reasonableness of the effective annual salary at a 100% level of time spent. After an investigation is performed by the Commission staff for the time spent on all regulated and non-regulated investor-owned utilities, the OPC suggests that the Commission staff utilize a more recent American Water Works Association (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 regulated and non-regulated investor-owned utilities.<sup>2</sup>

Alternatively, to address this issue, the OPC proposes the Commission should multiply the \$159,034 amount by the estimated 62% discussed above to determine the President's salary amount before it is allocated. This equates to annual salary of \$98,601 for approximately 62% of time spent by the President on all regulated and non-regulated investor-owned utilities. Using the Utility's ERC percentage of 18.95%, Royal's total allocation would be \$18,685 with \$11,179 for water and \$7,506 for wastewater. Accordingly, the OPC proposes that the Commission staff's recommended amounts for water and wastewater be reduced by \$6,852 and \$4,600, respectively.

Respectfully submitted,

*Bart Fletcher*

Bart Fletcher

Legislative Analyst

CC: Parties of Record

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<sup>2</sup> Document No. 06694-2023.