



Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.
420 South Orange Avenue, Suite 700
P.O. Box 2346
Orlando, FL 32801

(407) 841-1200
(407) 423-1831 Fax
www.deanmead.com

Attorneys and Counselors at Law

Orlando
Fort Pierce
Naples
Viera/Melbourne
Vero Beach

MARTIN FRIEDMAN
407-310-2077
mfriedman@deanmead.com

March 27, 2024
via efilings

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

Re: Docket No. 20230083-WS – Application for Increase in Water and Wastewater Rates in Orange County by Pluris Wedgefield, LLC.

Dear Mr. Teitzman:

On behalf of Pluris Wedgefield, LLC (“Pluris” or “Utility”) this letter is the response to Staff’s Recommendation filed in this Docket.

Issue 12: Salaries and Wage Expense – Management

For the management company salaries the Staff only recommends salaries for the chief executive officer, and for billing, collections and customer service, ignoring the many other positions it takes to run an efficient company, such as accounting, HR (annual employee insurance and benefits such as 401(k) plans), financing, IT and other administrative matters. The following are the positions which the staff recommends be eliminated. Highlighted are the positions which are essential to any business and should not be requested that they should be included in salaries.

Employees Eliminated by Staff - Titles and Job Descriptions	
Title	Job Description
Administrative Director	Utilizes construction and operational background (over a decade at publicly traded Primoris Services Corporation) to specialize in the equipment maintenance, replacement, insurance, and tax strategies for the company; manages legal matters, legal structure, components, and relationships within the business; assists with the day-to-day management of service and vendor management, risk management, construction and repair management and resolution

HR Director	Provides guidance on the Pluris short and long-term business plan; assists with the company's public and financial relations; resources financing options for automobiles, equipment, and utilities; assists with many evaluations and market comparison studies regarding Human Resource components such as 401k, disability, and health benefits
IT Manager	Lead development and implementation processes for the Pluris IT systems; develop and implement protocols to minimize disruption to business operations through current and developing Cyber Security issues raised by EPA and other Water Agencies; provide recommendations for improvement of IT infrastructure; analyze IT infrastructure and systems performance to assess operating costs, upgrade requirements, and other metrics and needs; oversee security of systems, networks, and enterprise information; develop and maintain relationships with external IT vendors and service providers; monitor security certificates and company compliance of requirements; implement company-wide technology updates
Permitting	Create deposit record to remit to Corporate; maintain the monthly Permit Additions and Customer Counts spreadsheets; verify the status of commercial permitted properties monthly; verify the status of residential permitted properties quarterly; process new connection inquiries; generate invoices for new connections
Executive Assistant	Assist executive team with topical research, meeting coordination, travel, organization, filing, notary services, and other tasks as needed
Controller	Review and approval of accounts payable payments and response to inquiries; oversee and direct work related to the monthly close process; assists in closing the monthly books; processes annual property taxes; provides information for financial audits/reviews; reviews annual 1099 information; develops system/process efficiencies; provides ad hoc reporting to management; directs all Human Resources efforts including payroll and benefits management
Sr Accountant	Daily review of deposit entries, lockbox transfers, accounts payable processing, managing customer refund checks, paying invoices, and depositing/recording payments that are received in the office; monthly closing entries related to the corporate credit cards, interentity transfers, receivable/payable transactions between entities, depreciation, amortization, payroll, accruals, and the overall expense review; ad hoc projects related to vendor maintenance, issuing annual 1099s, system clean up, process improvement, and information collection for annual audits/reviews
CFO	Accounting and financial oversight; monthly, quarterly, and annual review of financial information and reporting to Management; coordinate audits and reviews with outside accounting firms; ensure compliance with debt covenants and regulatory finance requirements; prepare all regulatory financial filings and rate case filings; partner with outside tax firm on preparation and filing of tax returns; maintain adequate cash reserves for pending projects; analyze financial results and recommend changes, as necessary, to ensure stability of operations

Minimum Additional Necessary Corporate Employees to Operate Utility

The recommendation that the Commission defer to a determination made by Sarasota County based upon a 2019 historical test year of a sister utility company in reducing the salary of the chief executive officer is inappropriate in the instant case. At the outset, as indicated, the salary reductions were based upon a **negotiated stipulation** in which each party made concessions on various issues in order to resolve all issues in that rate case. For instance, the utility was allowed an income tax expense. The sister utility company was satisfied with the end result so individual finding were irrelevant; thus, it is not reasonable to rely upon any individual finding.

Further, it would be inappropriate to use AWWA average salaries for any sort of comparison. Like the determination of return on equity, the analysis should be whether the salaries exceed the maximum. It should be noted that salaries in governmental utilities are lower in part, due to benefits private utilities cannot compete with, including governmental pensions, which are offset by higher salaries to employees in private companies.

So, if the Commission only considered those minimum essential employees, the revenue requirement should be increased by at least \$198,503. Consistent with the prior treatment of individual salaries as confidential, the individual salaries have been redacted, but have previously been provided to Staff.

Additional Corporate Employees Eliminated by PSC				
Title	Pluris Salaries	AWWA Salaries - Medium Size Utilities		
		Mid	Max	AWWA Title
Administrative Director		\$ 150,616	\$ 172,210	Top Deputy Executive
HR Director		\$ 112,560	\$ 132,819	Top Human Resources Executive
IT Manager		\$ 134,407	\$ 154,220	Top Information Technology Executive
Permitting		\$ 68,129	\$ 79,223	Service Contract Specialist
Executive Assistant		\$ 73,270	\$ 84,252	Executive Assistant
Controller		\$ 111,978	\$ 126,939	Accounting Manager/Controller
Sr. Accountant		\$ 81,617	\$ 96,759	Accountant - Senior
CFO		\$ 139,448	\$ 164,128	Top Finance Executive
Total Salaries	\$ 1,286,965	\$ 872,025	\$ 1,010,550	
Allocation to Wedgefield at 37.65%	\$ 484,542	\$ 328,317	\$ 380,472	
Minimum Additional Necessary Corporate Employees to Operate Utility				
IT Manager		\$ 134,407	\$ 154,220	Top Information Technology Executive
Exec Assistant		\$ 73,270	\$ 84,252	Executive Assistant
Controller		\$ 111,978	\$ 126,939	Accounting Manager/Controller
Permitting		\$ 68,129	\$ 79,223	Service Contract Specialist
CFO		\$ 139,448	\$ 164,128	Top Finance Executive
Total Salaries	\$ 728,129	\$ 527,232	\$ 608,762	
Allocation to Wedgefield at 37.65%	\$ 274,141	\$ 198,503	\$ 229,199	

March 27, 2024
Page 4

I look forward to making these arguments at the upcoming Commission Conference.

Very truly yours,

/s/ Martin S. Friedman
Martin Friedman

MSF: