

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-

DATE: January 24, 2025

TO: Office of Commission Clerk (Teitzman)

FROM: Division of Engineering (Buys, Ramos, Smith II) *TB*
Division of Accounting and Finance (Bardin) *ALM*
Division of Economics (Bethea, Bruce) *JD*
Office of the General Counsel (Imig, Fareoqi) *ACH*

RE: Docket No. 20240111-WU – Application for grandfather certificate to operate water utility in Citrus County, by Citrus Waterworks, Inc.

AGENDA: 02/04/25 – Regular Agenda – Proposed Agency Action – Interested Persons May Participate

COMMISSIONERS ASSIGNED: All Commissioners

PREHEARING OFFICER: Clark

CRITICAL DATES: None

SPECIAL INSTRUCTIONS: None

Case Background

On May 28, 2024, the Board of County Commissioners of Citrus County (County) passed and 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 to the provisions of Chapter 367, Florida Statutes (F.S.). By Commission Order No. PSC-2024-0267-FOF-WS, the Commission acknowledged the Resolution.¹

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.*

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 August 2, 2024, Citrus Waterworks, Inc. (Citrus or Utility) filed an application for a certificate under grandfather rights to provide water service in Citrus County pursuant to Section 367.171(2), F.S., and Rule 25-30.035, Florida Administrative Code (F.A.C.). Citrus' application was found to be deficient, and staff sent a deficiency letter to the Utility on August 28, 2024. The Utility cured the deficiencies on September 30, 2024.

Citrus provides water service to approximately 157 residential customers, in single family and mobile homes, located in two communities, Blackwater Heights and Ellsworth Point. Citrus also services one general service customer. Wastewater service is provided by septic tank. The Utility's service area is located in the Southwest Florida Water Management District. This recommendation addresses the application for a grandfather water certificate and rates and charges. The Commission has jurisdiction pursuant to Section 367.171, F.S.

Discussion of Issues

Issue 1: Should Citrus Waterworks, Inc.'s application for a grandfather water certificate in Citrus County be acknowledged?

Recommendation: Yes. Citrus' application should be acknowledged and the Utility should be issued Certificate No. 684-W, effective May 28, 2024, to serve the territory described in Attachment A. The resultant order should serve as Citrus' certificate and should be retained by the Utility. (P. Buys, Bardin)

Staff Analysis: The Utility's application for a certificate under grandfather rights to provide water service in Citrus County is in compliance with Section 367.171(2)(b), F.S., and Rule 25-30.035, F.A.C. The application contains a warranty deed as proof of ownership of the land on which the Utility's facilities are located, an accurate territory description, and adequate service territory and system maps. The territory description is provided in Attachment A.

As stated in the case background, Citrus serves approximately 157 residential customers and one 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.

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, staff recommends that Citrus be granted Certificate No. 684-W to serve the territory described in Attachment A. The resultant order should serve as Citrus' certificate and should be retained by the Utility.

Issue 2: What rates and charges should be approved for Citrus Waterworks, Inc.?

Recommendation: The Utility's monthly rates and charges that were in effect when Citrus County transferred jurisdiction to the Commission, shown on Schedule No. 1, should be approved. The rates and charges should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding. (Bethea)

Staff Analysis: According to the Utility's application, Citrus County Water and Wastewater Authority approved the rates by Amended Final Order No. 24-02 on January 29, 2024. The county-approved final order and existing tariff sheets were provided in support of the Utility's authorized rates. The rates include a base facility charge and per 1,000 gallonage charge. The Utility's charges have been in effect since the Utility was acquired by the existing owner. Citrus Waterworks charges include miscellaneous service charges and service availability charges, which include a service availability policy. In addition, the Utility has customer deposits. The current rates and charges are consistent with Commission rules.

Staff recommends that the Utility's rates and charges that were in effect when Citrus County transferred jurisdiction to the Commission, shown on Schedule No. 1, should be approved. The rates and charges should be effective for service rendered on or after the stamped approval date on the tariff sheets pursuant to Rule 25-30.475, F.A.C. The Utility should be required to charge the approved rates and charges until authorized to change them by this Commission in a subsequent proceeding.

Issue 3: Should this docket be closed?

Recommendation: If no person whose substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively. (Imig, Farooqi)

Staff Analysis: If no person whose substantial interests are affected by the proposed agency action portion of this recommendation files a protest within 21 days of the issuance of the order, a consummating order should be issued. The docket should remain open for staff's verification that the revised tariff sheets have been filed by the Utility and approved by staff. Once this action is complete, this docket should be closed administratively.

DESCRIPTION OF TERRITORY SERVED

Citrus Waterworks, North Service Territory

Commence at the Southwest corner of Section 06, Township 17 North, Range 18 East, Citrus County, Florida, thence run South 89° 19' 22.8" West 140.36 feet to the Point of Beginning; then continue South 81° 08' 26.09" West 189.92 feet, thence South 88° 26' 20.64" West 241.963 feet, thence North 45° 13' 22.40" West 95.085 feet, thence South 88° 55' 20.44" West 723.842 feet, thence run South 00° 18' 05.53" East 561.552 feet, thence run North 89° 37' 49.55" East 1211.924 feet, thence run North 00° 37' 43.04" East 536.241 feet, to the Point of Beginning.

Citrus Waterworks, South Service Territory

Commence at the Southwest corner of Section 06, Township 17 North, Range 18 East, Citrus County, Florida, thence run South 01° 02' 38.27" West 1241.582 feet to the Point of Beginning; then run South 88° 21' 51.33" West 2452.461 feet, thence South 53° 51' 48.07" West 305.526 feet, thence South 01° 18' 01.87" East 1152.143 feet, thence North 88° 44' 58.21" East 2675.942 feet, thence run North 00° 08' 18.35" West 1343.630 feet to the Point of Beginning.

FLORIDA PUBLIC SERVICE COMMISSION

**authorizes
Citrus Waterworks, Inc.
pursuant to
Certificate Number 684-W**

to provide water service in Citrus County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, 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.

Order Number	Date Issued	Docket Number	Filing Type
*	*	20240111-WU	Grandfather Certificate

*Order Number and date to be provided at time of issuance.

**Citrus Waterworks, Inc.
 Monthly Water Rates**

Residential and General Service

Base Facility Charge by Meter Size

5/8" X 3/4"	\$16.80
3/4"	\$25.12
1"	\$41.94
2"	\$83.83
3"	\$134.14

Charge per 1,000 Gallons – Residential and General Service	\$3.11
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Initial Customer Deposits

Residential - 5/8" X 3/4"	\$45.00
General Service - All Meters	2 times the average estimated bill

Miscellaneous Service Charges

	<u>Business Hours</u>	<u>After Hours</u>
Violation Reconnection Charge	\$21.00	\$42.00
Premises Visit Charge	\$21.00	\$42.00
Late Payment Charge		\$5.00
Non-Sufficient Funds (NSF) Charge	Pursuant to Section 68.065, F.S.	
Meter Tampering Charge		\$50.00

Service Availability Charges

Customer Connection Charge

On Side of the Road	\$750.00
Opposite Side of the Road	\$1,115.00

Meter Installation Charge

5/8" X 3/4"	\$115.00
3/4"	\$195.00
1"	\$530.00
2"	\$700.00
3"	\$1,030.00
4"	\$2,035.00
6"	\$3,560.00