

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:** March 20, 2025

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (M. Watts, Ramos, Smith II) *TB*  
Division of Accounting and Finance (Bardin, Sowards) *ALM*  
Division of Economics (Bruce, Chambliss) *CD*  
Office of the General Counsel (Farooqi) *ACW*

**RE:** Docket No. 20240117-WU – Application for grandfather certificate to operate water utility in Citrus County by Hash Utilities, LLC. (Forest Hills Water System)

**AGENDA:** 04/01/25 – Regular Agenda – Proposed Agency Action for Issues 2-4 – Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Clark

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

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## Case 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 Order No. PSC-2024-0267-FOF-WS, the Commission acknowledged the Resolution.<sup>1</sup>

<sup>1</sup> 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 6, 2024, Hash Utilities, LLC (Forest Hills or Utility) filed an application for a certificate under grandfather rights to provide water service in Citrus County for its Forest Hills water system pursuant to Section 367.171(2), F.S., and Rule 25-30.035, Florida Administrative Code (F.A.C.). Forest Hills' application was found to be deficient, and staff sent a deficiency letter to the Utility on September 17, 2024. The Utility cured the deficiencies on January 27, 2025.

Forest Hills was established in 1972 and provides water service pursuant to a bulk water purchase agreement to approximately 81 residential customers, in single family homes and duplexes, and 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.

Date: March 20, 2025

## Discussion of Issues

**Issue 1:** Should Hash Utilities, LLC's application for a grandfather water certificate in Citrus County for its Forest Hills water system be acknowledged?

**Recommendation:** Yes. Forest Hills' application should be acknowledged and the Utility should be issued Certificate No. 687-W, effective May 28, 2024, to serve the territory described in Attachment A. The resultant order should serve as Forest Hills' certificate and should be retained by the Utility. (M. Watts, 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 bulk water purchase agreement with the Citrus County Municipal Service Benefit Unit. Because the Utility does not have a water treatment plant but purchases the water it provides to customers, it does not require proof of access to the land under the treatment plan. Forest Hills also provided an adequate service territory description, and system maps. The territory description is provided in Attachment A.

As stated in the case background, Forest Hills serves approximately 81 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 Forest Hills be granted Certificate No. 687-W to serve the territory described in Attachment A. The resultant order should serve as the Utility's certificate and should be retained by the Utility.

Date: March 20, 2025

**Issue 2:** What rates, charges, and deposits should be approved for Forest Hills Utilities, LLC?

**Recommendation:** Of the Utility's rates, charges, and deposits that were in effect when Citrus County transferred jurisdiction to the Commission, only the rates, charges, and initial customer deposit shown on Schedule No. 1 are appropriate and should be approved. The rates, charges, and initial customer deposit shown in Schedule No. 1 should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility should be required to charge the approved rates, charges and initial customer deposit shown in Schedule No. 1 until authorized to change them by the Commission in a subsequent proceeding. (Chambliss)

**Staff Analysis:** Citrus County Water and Wastewater Authority (CCWWA) approved the Utility's current monthly rates by Final Order 23-03 on August 14, 2023. The bi-monthly water rates consist of a base facility charge (BFC) and gallonage charge per 1,000 gallons. However, it appears that the Utility has not been billing the appropriate rates, which will be addressed in Issue 4. Staff recommends that the rates that were last approved in Final Order 23-03 by Citrus County should be billed to customers and approved by the Commission.

The Utility's water charges consist of miscellaneous service charges and service availability charges, which include a service availability policy. The miscellaneous service charges were put in place under the prior owner. The remaining miscellaneous service charges are not consistent with the Florida Statutes or Commission Rules and are discussed in Issue 3. The Utility's service availability charges were approved in Final Order 24-01 on January 29, 2024.

Staff recommends that, of the Utility's rates, charges, and deposits that were in effect when Citrus County transferred jurisdiction to the Commission, only the rates, charges, and initial customer deposit shown on Schedule No. 1 are appropriate and should be approved. The rates, charges, and initial customer deposit shown in Schedule No. 1 should be effective for services rendered or connections made on or after the stamped approval date on the tariff sheets. The Utility should be required to charge the approved rates, charges and initial customer deposit shown in Schedule No. 1 until authorized to change them by the Commission in a subsequent proceeding.

**Issue 3:** What are the appropriate miscellaneous service charges for Forest Hills Utilities, LLC?

**Recommendation:** The appropriate miscellaneous service charges shown on Table 3-2 should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should 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 will be approved upon staff’s verification that the tariffs are consistent with the Commission’s decision and that the proposed customer notice is adequate. (Chambliss)

**Staff Analysis:** The Utility did not request to revise its existing miscellaneous service charges. Section 367.091, F.S., authorizes the Commission to establish, increase, or change a rate or charge other than monthly rates or service availability charges. Staff recommends that some of the Utility’s existing charges that are set forth in Table 3-1 be revised to conform with Rule 25-30.460, F.A.C. The Utility’s current miscellaneous service charges for water service consist of various charges and are shown on Table 3-1.

**Table 3-1**  
**Forest Hills Utilities, LLC Existing Miscellaneous Service Charges**

	<u>Existing Charges</u>
Initial Connection Charge	\$45.00
Normal Reconnection Charge	\$45.00
Violation Reconnection Charge	\$45.00
Premises Visit Fee (in lieu of disconnection)	\$45.00
Premises Visit Charge	\$30.00
Late Payment Charge	\$5.00
NSF Charge	Pursuant to Section 68.065, F.S.
Tampering Charge	\$150.00

Source: Utility’s current tariff and response to staff’s deficiencies

**Initial Connection, Normal Reconnection Charge, Violation Reconnection Fee, and Premises Visit Fee**

As shown on Table 3-1, the Utility currently has an initial connection charge, a normal reconnection charge, a violation reconnection charge, and a premises visit charge of \$45. The Utility also has a premises visit charge of \$30. However, pursuant to Rule 25-30.460, F.A.C., initial and reconnection charges are obsolete and are subsumed in the definition of the premises visit charge. Therefore, staff recommends that the initial and reconnection charges be removed. According to the Utility owner, the premises visit charge of \$30 is assessed when customers request a meter re-read. A meter re-read is usually assessed when an initial reading is not an error of the Utility. Therefore, staff recommends that the premises visit charge of \$30 be removed as it is covered under the premises visit charge of \$45. Staff recommends that the definition for the premises visit charge be updated to comply with Rule 25-30.460, F.A.C.

**Tampering or Prohibited Connection or Use Charge**

The Utility has a tampering fee of \$150 for water service. 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, staff recommends that the Utility’s tampering charge of \$150 be approved at actual cost.

**Table 3-2  
Staff Recommended Miscellaneous Service Charges**

	<u>All Hours</u>
Premises Visit	\$45.00
Violation Reconnection	\$45.00
Tampering or Prohibited Connection or Use Charge	Actual Costs
NSF Charge (Water and Wastewater)	Pursuant to Section 68.065, F.S.
Late Payment Charge	\$5.00

**Conclusion**

Based on the above, the appropriate water miscellaneous service charges shown on Table 3-2 should be approved. The Utility should be required to file a proposed customer notice to reflect the Commission-approved charges. The approved charges should 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 will be approved upon staff’s verification that the tariffs are consistent with the Commission’s decision and that the proposed customer notice is adequate.

**Issue 4:** Did Forest Hills bill the appropriate rates pursuant to Citrus County Final Order 23-03, and, if not, what is the appropriate action?

**Recommendation:** The Utility did not bill the appropriate rates pursuant to Citrus County Final Order 23-03. Staff recommends that a docket be opened to investigate improper billing practices and determine the appropriate action. (Chambliss)

**Staff Analysis:** As mentioned in Issue 2, the Utility is currently charging unauthorized rates. As reflected in the current tariff, Forest Hills bills a bi-monthly BFC of \$27.16 and a gallonage charge of \$5.10 for its residential, multi-residential, and general service customers. Staff contacted Citrus County, which indicated that the Utility's last price index increase was approved in Final Order 23-03 on August 14, 2023.

Subsequently, Citrus County Water and Wastewater Authority was scheduled to meet, on May 20, 2024, to make its decision on Final Order 24-04 for the 2024 price index increase, which was expected to be a 3.24 percent increase. However, the meeting was canceled due to the change of Citrus County jurisdiction in progress with the Commission. The Utility implemented the 3.24 percent increase to its rates in March of 2024 before Citrus County Water and Wastewater Authority could decide on the rates. According to the Utility's tariff, the customers are being overcharged. Staff recommends that this matter should be investigated further.

Based on the above, the Utility did not bill the appropriate rates pursuant to Citrus County Final Order 23-03. Staff recommends that a docket be opened to investigate improper billing practices and determine the appropriate action.

**Issue 5:** 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. (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**

**Hash Utilities, LLC**  
**Forest Hills Subdivision, Citrus County.**

That part of the Southwest 1/4 of the Southeast 1/4 of Section 30, Township 18 South, Range 18 East, Citrus County, Florida, lying North of State Road No. 44, more particularly described as follows:

Begin at the Northwest corner of the Southwest 1/4 of the Southeast 1/4 of Section 30, Township 18 South, Range 18 East, which is the Point of Beginning. Thence go North 88°46'34" East along the North line of said Southwest 1/4 of the Southeast 1/4 a distance of 1,272.6 feet, which is the South side of Safari Rd; thence South 45°02'06" East to the East line of said Southwest 1/4 of the Southeast 1/4 a distance of 164.96 feet; thence South 00°03'06" East along the East line of said Southwest 1/4 of the Southeast 1/4 a distance of 1,220 feet to the Southeast corner of the Southwest 1/4 of the Southeast 1/4 of Section 30; thence South 88°46'34" West a distance of 176.1 feet; thence North 00°03'36" West a distance of 309.5 feet; thence South 88°46'34" West a distance of 168.97 feet; thence North 00°03'36" West a distance of 160.36 feet; thence South 88°46'34" West a distance of 168.97 feet; thence North 00°03'36" West a distance of 80.18 feet; thence South 88°46'34" West a distance of 168.97 feet; thence North 00°03'36" West a distance of 80.18 feet; thence South 88°46'34" West a distance of 168.98 feet; thence North 00°03'36" West a distance of 80.18 feet; thence South 88°46'34" West a distance of 336.41 feet; thence North 00°11'48" West a distance of 46.46 feet; thence South 88°46'34" West a distance of 195.1 feet; thence North 00°11'48" West a distance of 595 feet to the Point of Beginning.

**FLORIDA PUBLIC SERVICE COMMISSION**

**authorizes**  
**Hash Utilities, LLC (Forest Hills)**  
**pursuant to**  
**Certificate Number 687-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.

<u>Order Number</u>	<u>Date Issued</u>	<u>Docket Number</u>	<u>Filing Type</u>
*	*	20240117-WU	Grandfather Certificate

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

**Forest Hills Utilities, LLC  
Existing Bi-Monthly Water Rates**

**Residential, Multi-Residential, and General  
Service**

Base Facility Charge by Meter Size 5/8" X 3/4"	\$26.33
Charge Per 1,000 gallons	\$4.94

**Customer Deposits**

<b>Residential and General Service</b> All Meter Sizes	\$85.00
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**Miscellaneous Service Charges**

**Miscellaneous Service Charges**

Late Fee	\$5.00
NSF Charge	Pursuant to Section 68.065, F.S.

**Service Availability Charges**

<b>Customer Connection (Tap-in) Charge</b> 5/8" X 3/4"	\$650.00
<b>Meter Installation Charge</b> 5/8" X 3/4"	\$650.00
1"	\$750.00
<b>Plant Capacity Charge</b> Residential – Per ERC (GPD)	\$795.00