

BOARD OF COUNTY COMMISSIONERS OF CITRUS COUNTY, FLORIDA
Lecanto Government Building Room 166
3600 W. Sovereign Path, Room 166, Lecanto, FL 34461

AGENDA

February 21, 2022 1:00 PM

Preston Scott Baggerly, Chairman
Bob Rutemiller, Vice Chairman
William Bozeman,
Scott Baldwin,
Jeanne McIntosh,

Angela Vick, Clerk of the Circuit Court
Charles R. Oliver, County Administrator
Denise A. Dymond Lyn, County Attorney

MISSION

Citrus County Government is a value-driven organization dedicated to responsive citizen service by providing quality programs, services and facilities to build a strong community and promote the best quality of life for our citizens.

All persons desiring to address the County Commission will be asked to limit their comments to the specific subject being discussed.

The Board gives citizens multiple opportunities for **PUBLIC INPUT**. All members of the public wishing to speak at the "Open To The Public" portion of a meeting will have three (3) minutes per person to make their request or presentation or five (5) minutes if they represent an organization with the appropriate documentation on file with the Clerk of Courts. If the request or presentation deals with a matter that requires investigation by County Staff, the Chairman will refer it to the County Administrator to follow-up with the person making the request.

Any person who decides to appeal any decision of the Governing Body with respect to any matter considered at this meeting will need a record of the proceedings and for such purpose may need to provide that a verbatim record of proceeding is made which record includes testimony and evidence upon which the appeal is to be based. (Section 286.0105 Florida Statutes)

Any person requiring reasonable accommodation at this meeting because of a disability or physical impairment should contact the County Administrator's Office, Lecanto Government Bldg., 3600 W. Sovereign Path, Suite 267, Lecanto, FL 34461 (352) 527-5210, TTY (352) 527-5312 at least two days before the meeting.

A. CALL TO ORDER

A.1. Invocation

A.2. Pledge of Allegiance

A.3. Roll Call

A.4. Determination of Quorum

B. OPEN TO THE PUBLIC

C. APPROVAL OF THE MINUTES

D. ITEMS REQUIRING ACTION BY THE AUTHORITY

D.1. Citrus County Water & Wastewater Authority

Citrus County Water and Wastewater Authority Agenda and backup

E. OTHER BUSINESS

F. UPDATE

G. UPCOMING MEETINGS

H. ADJOURN



AGENDA MEMORANDUM

FROM:	Charles R. Oliver, County Administrator				
SUBJECT:	Citrus County Water & Wastewater Authority				
AGENDA DATE:	February 21, 2022				
<u>BRIEF OVERVIEW:</u>					
<< BRIEF OVERVIEW HERE >>					
<u>BUDGET IMPACT/FUNDING SOURCE:</u>					
Account No.	Account Title	Current Budget	YTD Expenditures	Encumbrances	Available Balance
					\$0
<u>RECOMMENDED ACTION:</u>					
Citrus County Water and Wastewater Authority Agenda and backup					

Citrus County Water & Wastewater Authority

February 21, 2022
Q1 Meeting
1:00 p.m.

*Lecanto Government Building
Room #166
3600 W. Sovereign Path
Lecanto, Florida 34461*

Attachment: 2-21-22 2022 WWA Agenda (20047 : Citrus County Water & Wastewater Authority)

CITRUS COUNTY WATER AND WASTEWATER AUTHORITY

February 21, 2022 - 1:00 pm

Lecanto Government Building,
Room 166
3600 W. Sovereign Path, Lecanto,
FL 34461

MEETING AGENDA

Scott Baggerly, Chair

Scott Baldwin

Bob Rutemiller, Vice Chairman

Jeanne McIntosh

William L. Bozeman

Robert Haber

NOTICE: ALL PERSONS WISHING TO SPEAK ON AN ITEM MUST FILL OUT AN INFORMATION CARD PROVIDED AT THE MEETING PRIOR TO SPEAKING. AT THE PODIUM, ALL PERSONS MUST STATE THEIR NAME AND ADDRESS FOR THE RECORD. MEMBERS OF THE PUBLIC WILL BE LIMITED TO THREE (3) MINUTES IF REPRESENTING THEMSELVES OR FIVE (5) MINUTES IF REPRESENTING A GROUP, UNLESS PERMISSION FOR ADDITIONAL TIME IS GRANTED BY THE CHAIRPERSON.

ANY PERSON WHO DECIDES TO APPEAL A DECISION OF THIS AUTHORITY WILL NEED A RECORD OF THE PROCEEDINGS PERTAINING THERETO AND THEREFORE MAY NEED TO ENSURE THAT A VERBATIM RECORD OF THE PROCEEDINGS IS MADE, WHICH RECORD INCLUDES THE TESTIMONY AND EVIDENCE UPON WHICH THE APPEAL IS TO BE BASED.

ANY PERSON REQUIRING REASONABLE ACCOMMODATION AT THIS MEETING BECAUSE OF A DISABILITY OR PHYSICAL IMPAIRMENT SHOULD CONTACT THE OFFICE OF UTILITY REGULATION, 3600 W. SOVEREIGN PATH, SUITE 267, LECANTO, FL 34461 (352) 527-5214, AT LEAST TWO DAYS BEFORE THE MEETING. IF YOU ARE HEARING OR SPEECH IMPAIRED, USE THE TDD TELEPHONE (352) 527-5312.

A G E N D A

- A. Call to Order, Pledge of Allegiance, Roll Call, and Determination of Quorum**
- B. Open to the Public**
- C. Reorganization of the Authority – Discussion**
- D. Approval of Minutes – January 10, 2022**
- E. Items Requiring Action by the Authority**
 - 1. 2022 Price Index Discussion – 4.53%**
 - 2. Adopt and Authorize Chair of the Water & Wastewater Authority to sign 2022 Price Index Final Order No. 22-02.**
- F. Other Business**
- G. Date of Next Meeting – May 2, 2022, 1:00 PM**
- H. Adjourn**

CITRUS COUNTY WATER AND WASTEWATER AUTHORITY
2022

D.1.a

NAME	APPOINTED	EXPIRATION
TECHNICAL MEMBERS		
PRESTON SCOTT BAGGERLY CHAIRMAN District 1	A-01/31/18 Moved from Vice Chair R-01/28/14 R-10/26/10 A-01/13/09	01/31/22
BOB RUTEMILLER VICE CHAIRMAN District 4	A-11/05/18	01/31/22
WILLIAM L. BOZEMAN District 3	A-04/09/19	01/31/23
LAY MEMBERS		
ROBERT (SCOTT) BALDWIN	A-08/24/21	01/31/23
JEANNE M. MCINTOSH District 3	A-04/28/2020 A-01/31/18	01/31/24
ALTERNATE MEMBER		
ROBERT HABER District 2	R-01/19/21 A-07/14/20	01/31/23 01/31/21
A = Appoint R = Reappoint	Alternate Member - 1-year term	
Secretary: Utility Regulation	Technical Member – 4-year term	

Attachment: 2-21-22 2022 WWA Agenda (20047 : Citrus County Water & Wastewater Authority)

Revised 1/26/2022

CITRUS COUNTY WATER AND WASTEWATER AUTHORITY

Minutes of January 10, 2022 Special Meeting

The Citrus County Water and Wastewater Authority (the "Authority") held a Special meeting on Monday, January 10, 2022, in the Lecanto Government Building, Room #166, 3600 West Sovereign Path, Lecanto, Florida. The public meeting was advertised in the Citrus County Chronicle and the agenda was available on the Board of County Commissioners (BOCC) website at <http://www.citrusbocc.com>.

AUTHORITY MEMBERS PRESENT:

Preston Scott Baggerly – Chairman
 Bob Rutemiller – Vice-Chairman, Technical Member
 William L. Bozeman – Technical Member
 Jeanne M. McIntosh – Lay Member
 Scott Baldwin – Lay Member
 Robert Haber – Alternate Member

AUTHORITY MEMBERS ABSENT: None

OTHERS PRESENT:

Beth Antrim, Assistant County Attorney
 Randy Oliver, Water Resources Director
 Robin Anselmo, Clerk of Water & Wastewater Authority Board

A. CALL TO ORDER AND PLEDGE OF ALLEGIANCE AND DETERMINATION OF A QUORUM

Chairman Baggerly called the meeting to order at 1:00 p.m. and declared a Quorum.

B. OPEN TO THE PUBLIC – John Patton, President of Rolling Oaks Utilities, Inc., spoke on the following topics during his presentation:

1. Six Year Penalties Comparison, John from Rolling Oaks stated in the 2014 Rate Case The Turn On Fee was increased from \$50.00 to \$50.75, and Late Fee was increased from \$5.00 to \$5.10. The increases were done to cover the Gross Receipts Tax. Fee income increased 44% from 2012 to 2017. He also mentions that rain is a factor with income the more it rains the less income Rolling Oaks receives.
2. Mr. Patton spoke on Income for Water and Sewer combined since the last rate case. Then spoke on the comparison of expenses 2014 to 2019, the big expenses are Loan Costs Amortization the cost went up due to refinancing the loan but noted that was a good thing, chemicals, liability insurance, Worker's Compensation and Insurance for employees has gone up significantly. They have been stable for the last year but the increase since 2014 is staggering. The big savings came from Interest Expense because of the rate increase they were able to refinance a loan at 12% to come out of Chapter 11 and now the rate is at 4 ½%.

3. Mr. Patton provided updates on Water Items and Wastewater Items since 2014 as well as Personnel requests/needs.
4. Mr. Patton confirmed he was in agreement with the Stipulation Agreement that Rolling Oaks Utilities will not file an additional rate case for a minimum of twelve months after the implementation of the stipulated and indexed rates.

C. APPROVAL OF MINUTES

The minutes of the Citrus County Water and Wastewater Authority's regular meeting of November 1, 2021 were presented for review and approval.

Motion by Authority Member Rutemiller to approve and authorize the Chairman to sign the November 1, 2021 minutes as presented. Seconded by Authority Member Bozeman. Motion carried unanimously.

D. ITEMS REQUIRING ACTION BY THE AUTHORITY:

1. Update on Rolling Oaks Utilities rate case 2020FRC-1– Raftelis Rolling Oaks Report.
2. Approve the rate increases provided for in the Stipulation Agreement with Rolling Oaks based on 2020FRC-1 rate case.

Authority member Bob Rutemiller had a few questions regarding the Stipulation Agreement:

1. Bob Rutemiller asked John Patton if he was in agreement to the Stipulation Agreement to where John Patton replied "Yes".
2. Bob Rutemiller also asked if he was in any way forced into this Stipulation Agreement and was this his only option or is it workable to where John replied, "It is what we ask for now, as it is the highest income at the lowest cost was his goal".

Mr. Rutemiller stated that any Company should have two main goals, one (1) is of consistent good quality of product and two (2) is that you have to have enough operating capital or finances to operate and to be profitable to stay in business and to not rely on cash flow, you can have good cash flow and still be bankrupt.

Motion by Authority Member Rutemiller to approve and authorize the Chairman to sign the Final Stipulation Agreement. Seconded by Authority Member Bozeman. Motion carried unanimously.

3. Approve Final Order No. 22-01 for Citrus County Water & Wastewater Authority on Rolling Oaks Rate Case.

Motion by Authority Member Bozeman to approve and authorize the Chairman to sign the Final Order No. 22-01. Seconded by Authority Member McIntire. Motion carried unanimously.

E. OTHER BUSINESS:

Update on 2022 Price Index – Mr. Oliver stated the Board will be reorganized at the first regular meeting in February. He also stated that we are waiting on the PSC to provide the Consummation Order to finalize the 4.5% Price Index and approval at the next available meeting.

F. DATE OF NEXT MEETING

Regular Meeting: **February 21, 2022 at 1:00 p.m.**, Lecanto Government Building, Room #166, 3600 West Sovereign Path, Lecanto, FL 34461.

G. ADJOURNMENT

Motion by Authority Member Baggerly to adjourn the meeting at 2:10 p.m. Seconded by Authority Member Rutemiller. Motion carried unanimously.

These minutes were approved on February 21, 2022.

Preston Scott Baggerly, Chairman
Citrus County Water and Wastewater Authority

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.

DOCKET NO. 20210005-WS
ORDER NO. PSC-2021-0463-PAA-WS
ISSUED: December 17, 2021

The following Commissioners participated in the disposition of this matter:

GARY F. CLARK, Chairman
ART GRAHAM
ANDREW GILES FAY
MIKE LA ROSA
GABRIELLA PASSIDOMO

NOTICE OF PROPOSED AGENCY ACTION ORDER
ESTABLISHING 2022 PRICE INDEX FOR WATER AND WASTEWATER UTILITIES

BY THE COMMISSION:

NOTICE is hereby given by the Florida Public Service Commission that the action discussed herein is preliminary in nature and will become final unless a person whose interests are substantially affected files a petition for a formal proceeding, pursuant to Rule 25-22.029, Florida Administrative Code (F.A.C.).

Background

Since March 31, 1981, pursuant to the guidelines established by Section 367.081(4)(a), Florida Statutes (F.S.), and Rule 25-30.420, Florida Administrative Code (F.A.C.), we have established a price index increase or decrease for major categories of operating costs on or before March 31 of each year. This process allows water and wastewater utilities to adjust rates based on current specific expenses without applying for a rate case.

This Order calculates the 2022 price index by comparing the Gross Domestic Product Implicit Price Deflator Index for the fiscal year ended September 30, 2021. This same procedure has been used each year since 1995 to calculate the price index. The U.S. Department of Commerce, Bureau of Economic Analysis, released its most recent third quarter figures on October 28, 2021.

Since March 31, 1981, we have received and processed approximately 3,872 index and pass through applications. We have jurisdiction over this matter pursuant to Section 367.081, F.S.

Decision

In 1993, the Gross Domestic Product Implicit Price Deflator Index (GDP) was established as the appropriate measure for determining the water and wastewater price index. At the same time, the convention of using a four quarter fiscal year comparison was also established and this practice has been used every year since then.¹ The GDP is prepared by the U.S. Department of Commerce. Prior to that time, the Gross National Product Implicit Price Deflator Index (GNP) was used as the indexing factor for water and wastewater utilities. The Department of Commerce switched its emphasis from the GNP to the GDP as the primary measure of U.S. production.

Pursuant to Section 367.081(4)(a), F.S., we, by order, shall establish a price increase or decrease index for major categories of operating costs incurred by utilities subject to its jurisdiction reflecting the percentage of increase or decrease in such costs from the most recent 12-month historical data available. Since 1995, the price index adjustment has been determined by comparing the change in the average GDP for the year ending September 30, instead of the original December 31, in order to more easily meet the statutory deadline.²

In Order No. PSC-2020-0493-PAA-WS, issued December 14, 2020, in Docket No. 20200005-WS, in keeping with the practice started in 1993, we reiterated the alternatives which could be used to calculate the indexing of utility revenues. Past concerns expressed by utilities, as summarized from utility input in previous hearings, are:

- 1) Inflation should be a major factor in determining the index;
- 2) Nationally published indices should be vital to this determination;
- 3) Major categories of expenses are labor, chemicals, materials and supplies, maintenance, transportation, and treatment expense;
- 4) An area wage survey, Dodge Building Cost Index, Consumer Price Index, and the GDP should be considered;
- 5) A broad measure index should be used; and
- 6) The index procedure should be easy to administer.

Based upon these concerns, we have previously explored the following alternatives:

- 1) Survey of Regulated Water and Wastewater Utilities;
- 2) Consumer Price Index;
- 3) Florida Price Level Index;
- 4) Producer Price Index – previously the Wholesale Price Index; and

¹ Order No. PSC-1993-0195-FOF-WS, issued February 9, 1993, in Docket No. 19930005-WS, *In re: Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.*

² Order No. PSC-1995-0202-FOF-WS, issued February 10, 1995, in Docket No. 19950005-WS, *In re: Annual reestablishment of price increase or decrease index of major categories of operating costs incurred by water and wastewater utilities pursuant to Section 367.081(4)(a), F.S.*

ORDER NO. PSC-2021-0463-PAA-WS
 DOCKET NO. 20210005-WS
 PAGE 3

5) GDP (replacing the GNP).

Over the years, we found that the Survey of Regulated Water and Wastewater Utilities should be rejected because using the results of a survey would allow utilities to pass on to customers all cost increases, thereby reducing the incentives of promoting efficiency and productivity. We have also found that the Consumer Price Index and the Florida Price Level Index should be rejected because of their limited degree of applicability to the water and wastewater industry. Both of these price indices are based upon comparing the advance in prices of a limited number of general goods and therefore appear to have limited application to water and wastewater utilities.

The Producer Price Index (PPI) is a family of indices that measure the average change over time in selling prices received by domestic producers of goods and services. PPI measures price change from the perspective of the seller, not the purchaser, and therefore should be rejected. The bases for these indices have not changed, and the conclusions reached in Order No. PSC-2020-0493-PAA-WS continue to apply in this case. Since 1993, we have found that the GDP has a greater degree of applicability to the water and wastewater industry. Therefore, we shall continue to use the GDP to calculate water and wastewater price level adjustments. We shall calculate the 2022 Price Index by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter of 2021.

The following information provides a historical perspective of the annual price index:

Table 1
Historical Analysis of the Annual Price Index for Water and Wastewater Utilities

Year	Commission Approved Index	Year	Commission Approved Index
2010	0.56%	2016	1.29%
2011	1.18%	2017	1.51%
2012	2.41%	2018	1.76%
2013	1.63%	2019	2.36%
2014	1.41%	2020	1.79%
2015	1.57%	2021	1.17%

The table below shows the historical participation in the index and/or pass-through programs:

Table 2
Percentage of Jurisdictional Water and Wastewater Utilities Filing for Indexes and Pass-Throughs

Year	Percentage	Year	Percentage
2010	29%	2016	38%
2011	43%	2017	37%
2012	30%	2018	42%
2013	41%	2019	60%
2014	39%	2020	43%
2015	49%	2021	52%

Appropriate Rate for the 2022 Price Index

The U.S. Department of Commerce, Bureau of Economic Analysis, released the most recent third quarter 2021 figures on October 28, 2021. Consistent with our establishment of the 2021 Price Index last year, we are using the third quarter 2021 amounts to calculate our approved 2022 Price Index. Using the third quarter amounts allows time for a hearing if there is a protest, in order for us to establish the 2022 Price Index by March 31, 2022, in accordance with Section 367.081(4)(a), F.S. The percentage change in the GDP using the fiscal year comparison ending with the third quarter is 4.53 percent. This number was calculated as follows.

GDP Index for the fiscal year ended 9/30/21	119.051
GDP Index for the fiscal year ended 9/30/20	<u>113.888</u>
Difference	5.163
Divided by 9/30/20 GDP Index	<u>113.888</u>
2022 Price Index	<u><u>4.53%</u></u>

Notice of Indexing Requirements

The package presented in Attachment 1, attached hereto, shall be mailed to every Commission-regulated water and wastewater utility after the expiration of the PAA protest period, along with a copy of the PAA order once final. The entire package shall also be made available on this Commission's website.

In an effort to increase the number of water and wastewater utilities taking advantage of the annual price index and pass-through programs, the attached cover letter (Attachment 2) from the Director of the Division of Accounting and Finance shall be included with the mailing of the PAA Order in order to explain the purpose of the index and pass-through applications, and to communicate that Commission staff is available to assist them.

Closure of Docket

Uniform Rule 25-22.029(1), F.A.C., contains an exception to the procedural requirements set forth in Uniform Rule 28-106.111, F.A.C., providing that "[t]he time for requesting a Section

ORDER NO. PSC-2021-0463-PAA-WS
DOCKET NO. 20210005-WS
PAGE 5

120.569 or 120.57 hearing shall be 14 days from issuance of the notice for PAA orders establishing a price index pursuant to Section 367.081(4)(a), F.S.” We therefore require any protest to the PAA Order in this docket be filed within 14 days of the issuance of the PAA Order, and that any party filing the protest shall prefile testimony with the protest. Upon expiration of the protest period, if a timely protest is not received, the decision shall become final and effective upon the issuance of a Consummating Order. However, this docket shall remain open through the end of the year and be closed upon the establishment of the new docket in January 2022.

Based on the foregoing, it is

ORDERED by the Florida Public Service Commission that the Gross Domestic Product Implicit Price Deflator Index shall be used in calculating price level adjustments. The 2022 Price Index shall be calculated by using a fiscal year, four quarter comparison of the Implicit Price Deflator Index ending with the third quarter of 2021. It is further

ORDERED that the 2022 Price Index for water and wastewater utilities shall be 4.53 percent. It is further

ORDERED that pursuant to Rule 25-30.420(1), F.A.C., the Office of Commission Clerk, after the expiration of the Proposed Agency Action (PAA) protest period, shall mail each regulated water and wastewater utility a copy of the PAA order establishing the index containing the information presented in Attachment 1. A cover letter from the Director of the Division of Accounting and Finance shall be included with the mailing of the order (Attachment 2). The entire package shall also be made available on the Commission’s website. It is further

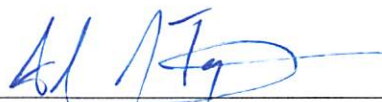
ORDERED that any substantially affected person filing a protest to this order shall do so within 14 days of the issuance of this order, and that any party filing the protest shall prefile testimony with the protest. It is further

ORDERED that the provisions of this Order, issued as proposed agency action, shall become final and effective upon the issuance of a Consummating Order unless an appropriate petition, in the form provided by Rule 28-106.201, Florida Administrative Code, is received by the Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on the date set forth in the “Notice of Further Proceedings” attached hereto. It is further

ORDERED that in the event this Order becomes final, this docket shall remain open through the end of the year and be closed upon the establishment of the new docket in January 2022.

ORDER NO. PSC-2021-0463-PAA-WS
DOCKET NO. 20210005-WS
PAGE 6

By ORDER of the Florida Public Service Commission this 17th day of December, 2021.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SFO

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any administrative hearing that is available under Section 120.57, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for an administrative hearing will be granted or result in the relief sought.

Mediation may be available on a case-by-case basis. If mediation is conducted, it does not affect a substantially interested person's right to a hearing.

The action proposed herein is preliminary in nature. Any person whose substantial interests are affected by the action proposed by this order may file a petition for a formal proceeding, in the form provided by Rule 28-106.201, Florida Administrative Code. This petition must be received by the Office of Commission Clerk, 2540 Shumard Oak Boulevard, Tallahassee, Florida 32399-0850, by the close of business on January 3, 2022.

In the absence of such a petition, this order shall become final and effective upon the issuance of a Consummating Order.

Any objection or protest filed in this/these docket(s) before the issuance date of this order is considered abandoned unless it satisfies the foregoing conditions and is renewed within the specified protest period.

ORDER NO. PSC-2021-0463-PAA-WS
DOCKET NO. 20210005-WS
PAGE 15

Attachment 2
Page 1 of 3

Commissioners:
Andrew Giles Fay, Chairman
Art Graham
Gary F. Clark
Mike La Rosa
Gabriella Passidomo

STATE OF FLORIDA



DIVISION OF
ACCOUNTING AND FINANCE
ANDREW L. MAUREY
DIRECTOR
(850) 413-6900

Public Service Commission

Month Day, 2022

All Florida Public Service Commission
Regulated Water & Wastewater Utilities

Re: Docket No. 20210005-WS - 2022 Price Index

Dear Utility Owner:

Since March 31, 1981, pursuant to the guidelines established by Section 367.081(4)(a), Florida Statutes (F.S.), and Rule 25-30.420, Florida Administrative Code (F.A.C.), the Commission has established a price index increase or decrease for major categories of operating costs. This process allows water and wastewater utilities to adjust rates based on current specific expenses without applying for a rate case. The intent of this rule is to insure that inflationary pressures are not detrimental to utility owners, and that any possible deflationary pressures are not adverse to customers. By keeping up with index and pass-through adjustments, utility operations can be maintained at a level sufficient to insure quality of service for the customers.

Pursuant to Rule 25-30.420(1)(a), F.A.C., all operation and maintenance expenses shall be indexed with the exception of:

- a) Pass-through items pursuant to Section 367.081(4)(b), F.S.;
- b) Any amortization of rate case expense; and
- c) Disallowances or adjustments made in an applicant's most recent rate proceeding.

Please note that all sludge removal expense should now be removed from operation and maintenance expenses for the purpose of indexing. Incremental increases in this category of expense may now be recovered using a pass-through request.

All Florida Public Service Commission
 Regulated Water & Wastewater Utilities
 Page 2
 Month Day, 2022

Upon the filing of a request for an index and/or pass-through increase, staff will review the application and modify existing rates accordingly. If for no other reason than to keep up with escalating costs, utilities throughout Florida should file for this rate relief on an annual basis. Utilities may apply for a 2022 Price Index anytime between April 1, 2022, through March 31, 2023 by mail or by emailing Applications@psc.state.fl.us. The attached package will answer questions regarding what the index and pass-through rate adjustments are, how to apply for an adjustment, and what needs to be filed in order to meet the filing requirements. For your convenience, the Commission-approved Price Index is reflected on Form PSC 1022, attached. While this increase for any given year may be minor, (see chart below), the long-run effect of keeping current with rising costs can be substantial.

Year	Annual Commission Approved Index	Year	Annual Commission Approved Index
1997	2.13%	2010	0.56%
1998	2.10%	2011	1.18%
1999	1.21%	2012	2.41%
2000	1.36%	2013	1.63%
2001	2.50%	2014	1.41%
2002	2.33%	2015	1.57%
2003	1.31%	2016	1.29%
2004	1.60%	2017	1.51%
2005	2.17%	2018	1.76%
2006	2.74%	2019	2.36%
2007	3.09%	2020	1.79%
2008	2.39%	2021	1.17%
2009	2.55%	2022	4.53%

Please be aware that pursuant to Section 837.06, F.S., whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree. Our staff is available at (850) 413-6900 should you need assistance with your filing. If you have any questions, please do not hesitate to call.

Moreover, additional rate relief mechanisms are available to water and wastewater utilities as alternatives to full rate cases. Water and wastewater utilities whose total gross annual operating revenues are \$300,000 or less for water service or \$300,000 or less for wastewater service, or \$600,000 or less on a combined basis, may petition the Commission for staff assistance in alternative rate setting. Please refer to Rule 25-30.456, F.A.C., for additional details. Furthermore, water utilities whose total gross annual operating revenues are \$300,000 or less for

ORDER NO. PSC-2021-0463-PAA-WS
DOCKET NO. 20210005-WS
PAGE 17

Attachment 2
Page 3 of 3

All Florida Public Service Commission
Regulated Water & Wastewater Utilities
Page 3
Month Day, 2022

water service and wastewater utilities whose total gross annual operating revenues are \$300,000 or less for wastewater service may file an application for a limited alternative rate increase of up to 20 percent applied to metered or flat recurring rates of all classes of service. Please refer to Rule 25-30.457, F.A.C., for additional details.

In addition, the Commission reminds water and wastewater utilities that the Utility Reserve Fund exists to help address concerns over deferred maintenance of critical infrastructure and delays in necessary repairs. The availability of the reserve funds may allow a utility to avoid or defer the need for a future rate case, the expenses of which are ultimately borne by customers. Please refer to Rule 25-30.444, F.A.C., for additional details.

Sincerely,

Andrew L. Maurey
Director

Enclosures

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Annual reestablishment of price increase
or decrease index of major categories of
operating costs incurred by water and
wastewater utilities pursuant to Section
367.081(4)(a), F.S.

DOCKET NO. 20220005-WS
ORDER NO. PSC-2022-0024-CO-WS
ISSUED: January 12, 2022

CONSUMMATING ORDER

BY THE COMMISSION:

By Order No. PSC-2021-0463-PAA-WS, issued December 17, 2021, this Commission proposed to take certain action, subject to a Petition for Formal Proceeding as provided in Rule 25-22.029, Florida Administrative Code. No response has been filed to the order, in regard to the above mentioned docket. It is, therefore,

ORDERED by the Florida Public Service Commission that Order No. PSC-2021-0463-PAA-WS has become effective and final. It is further

ORDERED that this docket shall remain open.

By ORDER of the Florida Public Service Commission this 12th day of January, 2022.



ADAM J. TEITZMAN
Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399
(850) 413-6770
www.floridapsc.com

Copies furnished: A copy of this document is provided to the parties of record at the time of issuance and, if applicable, interested persons.

SFO

ORDER NO. PSC-2022-0024-CO-WS

DOCKET NO. 20220005-WS

PAGE 2

NOTICE OF FURTHER PROCEEDINGS OR JUDICIAL REVIEW

The Florida Public Service Commission is required by Section 120.569(1), Florida Statutes, to notify parties of any judicial review of Commission orders that is available pursuant to Section 120.68, Florida Statutes, as well as the procedures and time limits that apply. This notice should not be construed to mean all requests for judicial review will be granted or result in the relief sought.

Any party adversely affected by the Commission's final action in this matter may request judicial review by the Florida Supreme Court in the case of an electric, gas or telephone utility or the First District Court of Appeal in the case of a water and/or wastewater utility by filing a notice of appeal with the Office of Commission Clerk and filing a copy of the notice of appeal and the filing fee with the appropriate court. This filing must be completed within thirty (30) days after the issuance of this order, pursuant to Rule 9.110, Florida Rules of Appellate Procedure. The notice of appeal must be in the form specified in Rule 9.900(a), Florida Rules of Appellate Procedure.

MEMORANDUM

TO: Chairman, Citrus County Water and Wastewater Authority

FROM: Charles R. Oliver, County Administrator

SUBJECT: Establishment and Approval of 2022 Price Index Factor

DATE: February 21, 2022

RECOMMENDATION: That the Authority approve and authorize the Chairman to sign Final Order No. 22-02 establishing the 2022 Price Index Factor as 4.53% and including Appendices “A” through “E” required for filing for adjustment under the Price Index provisions of Citrus County Code.

REPORT: Citrus County Code of Ordinances, Part II, Chapter 102, Article IV, Section 102-256(i)(1) requires the Authority to no later than May 15 of each year adopt an annual price index for water and wastewater utilities equivalent to the price index established annually by the FPSC. On January 12, 2022, the FPSC issued its Consummating Order No. **PSC-2022-0024-CO-WS** which adopted and made final its Proposed Agency Action Order No. **PSC-2021-0463-PAA-WS**. The Consummating Order formally adopted a 2022 Price Index of 4.53% for water and wastewater utilities under its jurisdiction and closed the FPSC docket in the matter.

The price index is applied only to major categories of operating costs incurred by water and/or wastewater utilities reflecting the percentage of increase (or decrease) of such costs from the most recent 12-month historical period available. It is specifically not applied to capital investment costs nor return on investment.

The index should be applied to all operating and maintenance costs except for the amortization of rate case expense and those costs subject to pass-through adjustments such as power rate increases/decreases, regulatory testing requirements, and property tax changes pursuant to Citrus County Code, Section 102-256(i) and (j).

The maximum allowable increase resulting from the application of the price index can be no greater than the Price Index Factor.

ATTACHMENTS:

- Proposed Final Order No. 22-02 with Appendices “A” through “E”
- FPSC Consummating Order No. **PSC-2022-0024-CO-WS**
- FPSC Proposed Agency Action Order No. **PSC-2021-0463-PAA-WS**
- Citrus County Code, Chapter 102, Article IV, Section 102-256(i) & (j)
- Citrus County Resolution No. 99-142, Section 5.3

**FINAL ORDER NO. 22-02
CITRUS COUNTY WATER AND WASTEWATER AUTHORITY**

A FINAL ORDER OF THE CITRUS COUNTY WATER AND WASTEWATER AUTHORITY, PURSUANT TO CITRUS COUNTY CODE 102-256(i), PROVIDING FOR THE ADOPTION OF THE 2022 PRICE INDEX FACTOR EQUIVALENT TO THE PRICE INDEX SET ANNUALLY BY THE FLORIDA PUBLIC SERVICE COMMISSION FOR UTILIZATION IN PRICE INDEX RATE APPLICATIONS FOR NON-EXEMPT, INVESTOR-OWNED WATER AND WASTEWATER UTILITIES PROVIDING SERVICE IN CITRUS COUNTY, SETTING THE EARLIEST APPLICATION DATE FOR UTILITIES TO FILE FOR SUCH AN INDEX ADJUSTMENT, PROVIDING FOR THE FILING OF ADDITIONAL REQUIRED INFORMATION, AND SETTING AN EFFECTIVE DATE.

WHEREAS, Citrus County Code 102-256(i) provides for the Citrus County Water and Wastewater Authority (AUTHORITY) to adopt a price index for water and wastewater utilities each calendar year for utilization in price index rate applications; and

WHEREAS, Citrus County Code 102-256(i) provides that the price index shall be equivalent to the price index set annually by the Florida Public Service Commission; and

WHEREAS, on January 12, 2022, the Florida Public Service Commission issued Consummating Order No. PSC-2022-0024-CO-WS (pursuant to its Proposed Agency Action Order No. PSC-2021-0463-PAA-WS of December 17, 2021) establishing the 2022 Price Index of 4.53 percent for water and wastewater utilities; and

WHEREAS, this AUTHORITY finds this index appropriate for application by utilities regulated within Citrus County.

NOW, THEREFORE, BE IT ORDERED by the AUTHORITY in public meeting assembled, that:

1. The 2022 price index factor is 4.53 percent.
2. Any water and/or wastewater utility under the jurisdiction of Citrus County that intends to adjust its rates by implementation of this price index must notify Citrus County on or after February 21, 2022 of such intent and shall apply the 2022 index factor to applicable 2021 calendar year operating expenses.

3. Utilities using the 2022 price index shall use the forms attached hereto as Appendices "A", "B", "C", "D", and "E" and shall follow all price index application requirements specified in Citrus County Code 102-256(i) before implementing any index.
4. This Final Order shall become effective immediately upon adoption by the AUTHORITY and shall remain in effect until the AUTHORITY authorizes a change.

This Order adopted this 21st day of February, 2022, after motion, second, and majority vote favoring same.

**APPROVED AS TO FORM FOR THE
RELIANCE OF CITRUS COUNTY ONLY:**

**CITRUS COUNTY WATER AND
WASTEWATER AUTHORITY**

**BETH ANTRIM
ASSISTANT COUNTY ATTORNEY**

**PRESTON SCOTT BAGGERLY
CHAIRMAN**

APPENDIX "A"

**CITRUS COUNTY WATER & WASTEWATER AUTHORITY
2020 PRICE INDEX and PASS-THROUGH APPLICATION
TEST YEAR ENDED DECEMBER 31, 2021**

Utility: _____

DEP PWS ID No.: _____

DEP WWTP ID No.: _____

	<u>WATER</u>	<u>WASTEWATER</u>
*2021 Operation and Maintenance Expenses (O&M)	\$ _____	\$ _____
LESS:		
(a) Pass-Through Items:		
(1) Purchased Power	_____	_____
(2) Purchased Water	_____	_____
**(3) Purchased Wastewater Treatment	_____	_____
*** (4) New DEP Required Water Testing	_____	_____
*** (5) New DEP Required Wastewater Testing	_____	_____
(6) NPDES Fees	_____	_____
(b) Rate Case Expense Included in 2021 Expenses	_____	_____
(c) Adjustments to O&M Expenses from last rate case, if applicable:		
(1) _____	_____	_____
(2) _____	_____	_____
Costs to be Indexed	\$ _____	\$ _____
Multiply by change in GDP Implicit Price Deflator Index	4.53%	4.53%
Indexed Costs	\$ _____	\$ _____
****Add Change in Pass-Through Items:		
(1) _____	_____	_____
(2) _____	_____	_____
Divide Index and Pass-Through Sum by Expansion Factor for Regulatory Assessment Fees	0.955	0.955
Increase in Revenue	\$ _____	\$ _____
*****Divide by 2020 Revenue	_____	_____
Percentage Increase in Rates	%	%

EXPLANATORY NOTES APPEAR ON THE FOLLOWING PAGE

NOTES

- * This amount must match 2021 annual report.
- ** This may include government-mandated disposal fees.
- *** Daily, weekly, or monthly testing required by the Department of Environmental Protection (DEP) not currently included in the utility's rates. Or additional tests required by the DEP during the 12-month period prior to filing by the utility and/or changes to the frequency of existing test(s) required by the DEP during the 12-month period prior to filing by the utility.
- **** This may include an increase in purchased power, purchased water, purchased wastewater treatment, required DEP testing, and ad valorem taxes, providing that those increases have been incurred within the 12-month period prior to the submission of the pass-through application. Pass-through NPDES fees and increases in regulatory assessment fees are eligible as pass-through costs but not subject to the twelve month rule. DEP water and wastewater testing pass-throughs require invoices. See Rule 25-30.425, F.A.C. for more information.
- ***** If rates changed after January 1 of the applicable test year, the book revenues must be adjusted to show the changes and an explanation of the calculation should be attached to this form. See Annualized Revenue Worksheet for instructions and a sample format.

APPENDIX "B"**ANNUALIZED REVENUE WORKSHEET**

Have the rates charged for customer services changed since January 1, 2021

- () If no, the utility should use actual revenues. This form may be disregarded.
- () If yes, the utility must annualize its revenues. Read the remainder of this form.

Annualizing calculates the revenues the utility would have earned based upon 2021 customer consumption at the most current rates in effect. To complete this calculation, the utility will need consumption data for 2021 to apply to the existing rate schedule. Below is a sample format which may be used.

CALCULATION OF ANNUALIZED REVENUES¹

Consumption Data for 2021

	Number of Bills/Gallons Sold	x	Current Rates	Annualized Revenues
<u>Residential Service Bills:</u>				
5/8" x 3/4" meters	_____		_____	_____
1" meters	_____		_____	_____
1 1/2" meters	_____		_____	_____
2" meters	_____		_____	_____
Total No. Bills	_____ ²		_____ ²	_____ ²
Gallons Sold	_____		_____	_____
<u>General Service Bills:</u>				
5/8" x 3/4" meters	_____		_____	_____
1" meters	_____		_____	_____
1 1/2" meters	_____		_____	_____
2" meters	_____		_____	_____
3" meters	_____		_____	_____
4" meters	_____		_____	_____
6" meters	_____		_____	_____
Total No. Bills	_____ ²		_____ ²	_____ ²
Gallons Sold	_____		_____	_____
Total Annualized Revenues for 2021				\$ _____

¹Annualized revenues must be calculated separately if the utility consists of both a water system and a wastewater system. This form is designed specifically for utilities using a base facility charge rate structure. If annualized revenues must be calculated and further assistance is needed, contact the Citrus County Staff at 352-527-5210.

²Complete only if billing charge is separate.

APPENDIX "C"**AFFIRMATION**

I, _____, hereby affirm that the figures and calculations upon which the change in rates is based are accurate and, pursuant to Citrus County Code 102-256(j)(3) and Resolution No. 99-142, Section 5.3(3)(c), the change will not cause _____ (Utility Name) _____ to exceed the range of its last _____ authorized or calculated rate of return on equity which is _____ %.

I, the undersigned/officer of the above-named utility, have read the foregoing and declare that, to the best of my knowledge and belief, the information contained in this application is true and correct.

This affirmation is made pursuant to my request for a 2021 price index and/or pass-through rate increase, in conformance with Citrus County Code 102-256(i).

Further, I am aware that pursuant to Section 837.06, Florida Statutes, whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his or her official duty shall be guilty of a misdemeanor of the second degree.

Signature: _____
 Title: _____
 Telephone: _____
 Fax: _____

Sworn to and subscribed before me this _____ day of _____, 20__.

My Commission expires:

(SEAL)

 Notary Public
 State of Florida

APPENDIX "D"

NOTICE TO CUSTOMERS

On March 15, 2021, the Citrus County Water and Wastewater Authority will adopt provisions under its Final Order No. 22-02 permitting water and sewer utilities to adjust the rates it charges to customers without those customers bearing the additional expense of a public hearing. These adjustments in rates would depend on increases or decreases in noncontrollable expenses subject to inflationary pressures such as chemicals and other general operation and maintenance costs.

On _____, _____ filed notice of intent with the Citrus County Water and Wastewater Authority to increase water and/or wastewater rates pursuant to the provisions in Final Order No. 22-02. If acknowledged and approved by the Citrus County Water and Wastewater Authority, water rates will increase by approximately _____% and wastewater rates by approximately _____%. The adjusted rates should be reflected for service rendered on or after _____.

Should you have any questions, please contact us at _____. Be sure to have your account number handy for quick reference. Customers may also direct inquiries to the Citrus County Office of Utility Regulation staff at (352) 527-5210.

APPENDIX "E"

STATEMENT OF QUALITY OF SERVICE

I, _____, hereby affirm that I am the duly authorized representative of _____ and that:
(check one)

- ☐ The utility has no active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP), the County Health Departments, the Southwest Florida Water Management District, or Citrus County.
- ☐ The utility has one or more active written complaints, corrective orders, consent orders, or outstanding citations with the Department of Environmental Protection (DEP), the County Health Departments, the Southwest Florida Water Management District, or Citrus County. A copy of each and all active written complaints, corrective orders, consent orders, or outstanding citations are attached hereto. These active written complaints, corrective orders, consent orders, and outstanding citations in total number _____.

This statement is intended such that the Citrus County Water and Wastewater Authority can make a determination of quality of service pursuant to Citrus County Board of County Commissioners Resolution No. 99-142, Section 5.3(7)(a).

Signature: _____
Title: _____
Telephone: _____
Fax: _____

Sworn to and subscribed before me this _____ day of _____, 20__.

My Commission expires:

(SEAL)

Notary Public
State of Florida



**Citrus County
Water & Wastewater Authority**

3600 W. Sovereign Path, Suite 267
Lecanto, Florida 34461
TEL (352) 527-5214 FAX (352) 527-5204
TDD (352) 527-5312

Citrus Springs/Dunnellon/Inglis/Yankeetown area - Toll Free (352) 489-212

Citrus County Water & Wastewater Authority Board

~ 2022 Quarterly Meeting Dates ~

First Monday of each Quarterly Month

All Meeting's start at 1:00PM.

Located: Lecanto Government Building

3600 W. Sovereign Path, Lecanto, FL 34461

Room No. 166 (First Floor)

❖ **The next meeting will be held on May 2, 2022**

❖ **If needed, the Chairperson May Call a Special Meeting**

If you have questions regarding this schedule, please contact

The Clerk of the Water & Wastewater Authority Board,

Robin Anselmo (357) 527.5467

robin.anselmo@citrusbocc.com