

CK# 3321
\$ 750.00

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APPLICATION OF CITRA HIGHLANDS WATER SYSTEM FOR ORIGINAL WATER CERTIFICATE FOR EXISTING UTILITY CURRENTLY CHARGING FOR SERVICE IN MARION COUNTY

Dkt #: 20200238

1. Reason for this application

- a. Citra Highlands Water System is filing this application for an original certificate for an existing utility currently charging for service in Marion County.
- b. Citra Highlands Water System also files its request for approval of a pass-through increase for regulatory assessment fee.

2. Utility Information

a. Name as it should appear on certificate:

Citra Highlands Water System
PO Box 4
Inglis, Florida 34449
352-613-0103

b. Name of utility representative:

Marshall Hash
PO Box 4
Inglis, Florida 34449
352-613-0103
marshall@hash.com

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3. System History

- a. Citra Highlands Water System was built in the 1980s. The Citra Highlands Water System LLC was organized to manage the water separate from homeowner's association (HOA).
- b. In 2007, we started managing the system which had 25 customers. Approximately 62 lots had homes, of those 6 were unoccupied and 31 had wells.
- c. Over the next 11 years, twelve homes with wells connected to the system, the six empty homes were sold, four homes were removed or abandoned, bringing the total of connected homes to 39 by 2018.

- d. In 2018 and 2019, ten new homes were built, two mobiles were added, and five additional homes on wells were connected, bringing the total connections to 56.
- e. In 2020, another builder has started constructing homes on the south side and two more of the homes on private wells connected.

4. Operational Information

- a. The DEP operational and sampling requirements were excessive because the plant was sized to provide water service to 217 homes. Due to the system only having 25 homes, DEP approved our request for a reduction of staffing and sampling requirements. This reduced the operational costs for the system. In 2008 the utility's costs exceeded its income. As we continually took over more of the operational duties, we were able to absorb the difference.
- b. Hash Utilities has the equipment, experience, and licenses to perform all operational and maintenance tasks. All tasks performed are on a contract basis, and repairs are completed and invoiced to each system individually. The tools, equipment, and personnel are managed by Hash Utilities, allowing each system to have the resources as needed.

5. System status

- a. We have maintained and enhanced the system with equipment repair, replacements and improvements. We have invested over \$50,000.00 during the past 12 years through system upgrades and improvements.
- b. The current system size only requires one well, however as the system continues to grow the installation of an additional well is planned. The hydropneumatic tank is 20 years old and will need to be replaced in 5 to 10 years. The tank continues to successfully pass all DEP required structural inspections performed by an engineer, however it is nearing its life expectancy. The well pump was replaced five years ago, and the customer meters have been continually updated.
- c. During the first ten years that we managed the system, no new construction was done. In 2018-19 a builder constructed 10 new homes on the north side of the neighborhood. This year, the builder, whom owns the majority of the vacant lots, has started building on the south side of the neighborhood.

6 Rates

- a. The rates were established when the system had 25 active connections. The rates were calculated with the assumption that some of the existing mobile

homes would connect and the empty homes would become occupied. At 25 active connections the system couldn't cover its own expenses. As the system grew to 35 customers, the income generated was able to cover the primary expenses. We were able to absorb the costs throughout this period because we completed all the operations and maintenance ourselves.

- b. The 10 new homes that were built in 2019 increased the revenue which created a positive cash flow. In 2020, the builder on the south side requested connection letters to submit to the county building department for approximately 50 additional homes. At this time, they have started construction on most of these lots.
- c. With this significant increase in the number of homes the rates may need to be adjusted. At this time, it is our understanding that the HOA plans to restructure once the development is completed. We are requesting guidance from the PSC on how to address this matter.

Thank you for your assistance on this matter.



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