

GATLIN, SCHIEFELBEIN & COWDERY, P.A.  
Attorneys at Law

ORIGINAL  
FILE COPY

The Mahan Station  
1709-D Mahan Drive  
Tallahassee, Florida 32308

B. KENNETH GATLIN  
WAYNE L. SCHIEFELBEIN  
KATHRYN G.W. COWDERY

TELEPHONE (904) 877-5609  
TELECOPIER (904) 877-9031  
E-MAIL: bkcatlin@netally.com

June 12, 1997

Blanca S. Bayo, Director  
Division of Records & Reporting  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

HAND DELIVERY

Re: Docket No. 961299-WS  
Application for Grandfather Certificates to Provide Water and  
Wastewater Service in Polk County by Garden Grove Water  
Company, Inc.

Dear Ms. Bayo:

On behalf of Garden Grove Water Company, Inc., enclosed are an  
original and eight copies of this response to Ms. Golden's letter  
to me dated June 4, 1997.

1. The entire Sheahen, Rowlson & Messina report used in  
Garden Grove's last rate case is attached.
2. The above report is all the documentation that  
Garden Grove has in regards to Mr. Sheahen's AFPI  
calculation.
3. The enclosed May 21, 1990 memorandum from Ms. Goode,  
and the enclosed June 5, 1990 Resolution contain all  
additional supporting documentation that Garden Grove has  
for the connection charge calculations.
4. There are no situations in which the developer would  
be charged the full cost of oversized facilities.
5. Enclosed is a Construction Agreement for Sanitary  
Sewer Force Main for the Ruby Lake Subdivision.

Please acknowledge receipt of the foregoing by stamping the  
enclosed extra copy of this letter and returning same to my  
attention. Thank you for your assistance.

Sincerely,

*Wayne L. Schiefelbein*  
Wayne L. Schiefelbein

- ACK
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG
- LIN \_\_\_\_\_
- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC \_\_\_\_\_
- WAS  WLS/pav
- OTH \_\_\_\_\_

Enclosures

RECEIVED & FILED  
U  
FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

05965 JUN 12 97

FPSC-RECORDS/REPORTING

ORIGINAL  
FILE COPY

**GARDEN GROVE WATER COMPANY  
ANALYSIS OF PROPOSED RATE ADJUSTMENT  
ON BEHALF OF THE  
POLK COUNTY UTILITIES COMMISSION**

**RECEIVED**

DEC 30 1991

POLK COUNTY  
UTILITIES DEPARTMENT

Submitted By  
Sheahen, Rowison & Messina, P.A.  
Certified Public Accountants  
Tampa, Florida  
December 31, 1991

DOCUMENT NUMBER - DATE

05965 JUN 12 85

FPSC-RECORDS/REPORTING

**GARDEN GROVE WATER COMPANY  
ANALYSIS OF PROPOSED RATE ADJUSTMENT  
ON BEHALF OF THE  
POLK COUNTY UTILITIES COMMISSION**

Submitted By  
Sheahen, Rowison & Messina, P.A.  
Certified Public Accountants  
Tampa, Florida  
December 31, 1991

GARDEN GROVE WATER COMPANY  
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Report of Agreed-upon Procedures by Certified Public Accountant

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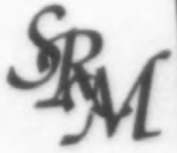
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Allowance for Funds Prudently Invested (AFPI)\*

    Wastewater Treatment Facilities..... 28 - 31

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\* Note: These fees are a recovery of the carrying cost related to the facilities being held for the benefit of future customers and are collected simultaneous with the connection fees.



**SHEAHEN  
ROWLSON &  
MESSINA, P.A.**  
*Certified Public Accountants*

MEMBERS  
AMERICAN INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS  
FLORIDA INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS

December 31, 1991

Polk County Utilities Commission  
Polk County  
Bartow, Florida 33830

Re: Analysis of application for rate change submitted by  
Garden Grove Water Company (Applicant)

Honorable Commissioners:

We have applied certain agreed-upon procedures, as discussed below, to the application for rate change submitted by Garden Grove Water Company dated May 31, 1991. It is understood that this report is intended solely to assist you in the regulation of water and wastewater rates for Garden Grove Water Company and is not intended for any other purpose.

Procedures

- 1) Obtained responses to document requests and responded to questions by providing clarification and direction
- 2) Evaluated the responses based on our experience with regulated water and wastewater utilities
- 3) Resolved issues
- 4) Measured impact resulting from our investigation and/or validation of facts and circumstances that had an influence on the gross requirement of the Applicant
- 5) Developed an alternative rate structure to reflect the impact of revised gross revenue requirement

Because the above procedures do not constitute an examination made in accordance with generally accepted auditing standards, we do not express an opinion or any other form of assurance on the items referred to above. In connection with the procedures referred to above, no matters came to our attention that caused us to believe that the specified accounts or items should be adjusted. Had we performed additional procedures or had we made an examination to the financial statements in accordance with generally accepted auditing standards, matters might have come to our attention that would have been reported to you.

415 South Hyde Park Avenue • Tampa, Florida 33606  
Telephone (813) 254-6400 • FAX (813) 254-9888

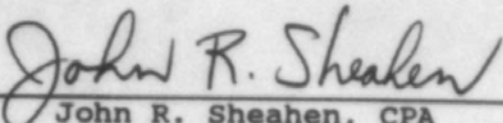
Polk County Utilities Commission  
December 31, 1991  
Page 2

This report relates only to the accounts or items specified above and does not extend to any financial statements of Garden Grove Water Company.

Sincerely,

SHEAHEN, ROWLSON & MESSINA, P.A.

By:

  
\_\_\_\_\_  
John R. Sheahen, CPA

RATES

GARDEN GROVE WATER COMPANY  
WATER AND WASTEWATER RATES

## COUNTY CONSULTANT

	BASE CHARGE	CONSUMP- TION CHARGE
<b>WATER</b>		
Residential -		
5/8" meter	\$3.31	
1" meter	\$8.28	
1-1/2" meter	\$16.55	
2" meter	\$26.48	
Consumption Charge -		
1st 25,000 gallons		\$0.72 /M
Next 35,000 gallons		\$0.90 /M
Over 60,000 gallons		\$1.08 /M
<b>General service -</b>		
5/8" meter	\$3.31	
1" meter	\$8.28	
1-1/2" meter	\$16.55	
2" meter	\$26.48	
3" meter	\$57.93	
4" meter	\$99.30	
6" meter	\$206.88	
8" meter	\$297.90	
Consumption Charge -		
All consumption		\$0.72 /M
<b>WASTEWATER</b>		
Residential -		
5/8" meter	\$20.97	
1" meter	\$20.97	
1-1/2" meter	\$20.97	
2" meter	\$20.97	
<b>General service -</b>		
5/8" meter	\$5.03	
1" meter	\$12.58	
1-1/2" meter	\$25.15	
2" meter	\$40.24	
3" meter	\$88.03	
4" meter	\$150.90	
6" meter	\$314.38	
8" meter	\$452.70	
Consumption Charge		\$2.76 /M



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GARDEN GROVE WATER COMPANY  
COMPARISON OF WATER AND WASTEWATER RATES

Line No.		EXISTING	APPLICANT REQUESTED	COUNTY CONSULTANT
1	WATER			
2	Residential -			
3	5/8" meter			
4	1" meter	(a) \$6.25	\$5.00	\$3.31
5	1-1/2" meter	(a) \$6.25	\$23.00	\$8.28
6	2" meter	(a) \$6.25	\$55.00	\$16.55
7		(a) \$6.25	\$100.00	\$26.48
8	Consumption Charge -			
9	1st 25,000 gallons			
10	Next 35,000 gallons	(a)		
11	Over 60,000 gallons	\$0.85 /M	\$0.85 /M	\$0.72 /M
12		\$0.85 /M	\$1.05 /M	\$0.90 /M
13		\$0.85 /M	\$1.05 /M	\$1.08 /M
14	General service -			
15	5/8" meter			
16	1" meter	\$11.40	\$5.00	\$3.31
17	1-1/2" meter	\$22.80	\$23.00	\$8.28
18	2" meter	\$45.60	\$55.00	\$16.55
19	3" meter	\$91.20	\$100.00	\$26.48
20	4" meter	\$182.40	\$195.00	\$57.93
21	6" meter	\$296.46	\$310.00	\$99.30
22	8" meter	\$592.80	\$610.00	\$206.88
23	Consumption Charge -	\$592.80	\$700.00	\$297.90
24	All consumption			
25		\$1.05 /M	\$0.85 /M	\$0.72 /M
26	WASTEWATER			
27	Residential -			
28	5/8" meter			
29	1" meter	\$14.95	\$23.59	\$20.97
30	1-1/2" meter	\$14.95	\$23.59	\$20.97
31	2" meter	\$14.95	\$23.59	\$20.97
32		\$14.95	\$23.59	\$20.97
33	General service -			
34	5/8" meter			
35	1" meter	(b) \$15.96	\$13.00	\$5.03
36	1-1/2" meter	(b) \$31.92	\$30.00	\$12.58
37	2" meter	(b) \$63.84	\$60.00	\$25.15
38	3" meter	(b) \$127.68	\$125.00	\$40.24
39	4" meter	(b) \$255.36	\$235.00	\$88.03
40	6" meter	(b) \$415.04	\$350.00	\$150.90
41	8" meter	(b) \$829.92	\$775.00	\$314.38
42		(b) \$829.92	\$900.00	\$452.70
43	Consumption Charge			
44		(b) \$1.47 /M	\$2.58 /M	\$2.76 /M
45				
46				
47				
48	COMPARISON OF TYPICAL RESIDENTIAL BILL			
49	(Usage of 12,000 gallons)	\$25.45	\$38.79	\$32.92
50				
51	COMPARISON OF GROSS REVENUE	\$1,681,871	\$2,377,064	\$1,729,713

(a) - Maximum usage allowed within base charge under Existing rates is 5,000 gallons  
(b) - Calculated by multiplying water charges by 140%

**DEVELOPMENT OF RATES**

GARDEN GROVE WATER COMPANY  
SUMMARY OF  
ORIGINAL COST AND DEPRECIATION  
WATER PLANT IN SERVICE

LINE NO.	WATER PLANT IN SERVICE	ORIGINAL COST		DEPRECIATION			
		AMOUNT	TOTAL	FYE EXPENSE	6/30/91 ACCUMULATED	PROJECTED EXPENSE	PROJECTED ACCUMULATED
1	LAND	59,197				(a)	
2	BUILDINGS	81,913					
3	FENCES	23,087		4,407	28,716	3,682	32,398
4	WELLS & PUMPS	832,948		1,037	5,835	566	6,401
5	WATER LINES	1,078,024		45,963	306,915	35,533	342,448
6	WATER LINES - CONTRIBUTED	1,618,156		50,914	613,183	24,501	637,684
7	EQUIPMENT	232,861		45,317	397,876	36,766	434,642
8	EQUIPMENT - CONTRIBUTED	7,479		6,232	170,075	4,416	174,491
9	METERS	216,301		187	2,231	224	2,455
10	WORK IN PROGRESS	5,965		15,376	153,607	5,788	159,395
11				0	0		0
12	BALANCE 6/30/91		4,155,931	169,433	1,678,438		
13				*****	*****		
14	CAPITALIZED WAGES AND RELATED P/R TAXES	56,699					
15	REMOVE METERS (b)	(216,301)				2,551	2,551
16						(5,788)	(159,395)
17							
18	PROJECTED BALANCE		3,996,329			108,239	1,633,070
			*****			*****	*****

- (a) - Depreciation expenses calculated by applying Florida Public Service Commission Staff Advisory Bulletin No. 17 1st Rev. Depreciation Rules for Water and Sewer Utilities  
 (b) - Remove meters inasmuch as the related meter fees have not been included in contributions in aid of construction -- parties stipulated on 12/2/91

## PICKETT REPORT:

	WATER	SEWER	TOTAL
LAND FACILITIES	201,000	1,353,000	1,554,000
	5,790,150	7,698,057	13,488,207
TOTAL	5,991,150	9,051,057	15,042,207
	39.83%	60.17%	100.00%

## COUNT CONSULTANT:

	WATER	SEWER	TOTAL
LAND FACILITIES	59,197	494,063	553,260
	4,096,734	5,896,907	9,993,641
TOTAL	4,155,931	6,390,970	10,546,901
	39.40%	60.60%	100.00%

GARDEN GROVE WATER COMPANY  
SUMMARY OF  
ORIGINAL COST AND DEPRECIATION  
WASTEWATER PLANT IN SERVICE

LINE NO.	WASTEWATER PLANT IN SERVICE	ORIGINAL COST		DEPRECIATION			
		AMOUNT	TOTAL	FYE 6/30/91 EXPENSE	6/30/91 ACCUMULATED	PROJECTED EXPENSE	PROJECTED ACCUMULATED
						(a)	
1	LAND	468,200					
2	LAND - CONTRIBUTED	25,863					
3	BUILDINGS	1,492,707		47,115	324,078	82,355	406,433
4	FENCES	37,279		1,823	10,883	893	11,776
5	PUMPS & LIFT STATIONS	28,383		3,130	17,405	1,249	18,654
6	SEWER LINES	195,677		8,895	35,775	7,938	43,713
7	SEWER LINES - CONTRIBUTED	2,581,626		71,758	618,743	56,796	675,539
8	EQUIPMENT	9,052		938	3,495	1,459	4,954
9	EQUIPMENT - CONTRIBUTED	21,609		540	9,725	1,210	10,935
10	EFFLUENT DISPOSAL	655,857		23,569	36,558	36,727	73,285
11	CITRUS TREES	72,583		0	296	0	296
12	EFFLUENT DISPOSAL - LAND	800,000					
13	WORK IN PROGRESS	2,134		0	0	0	0
14							
15	BALANCE 6/30/91		6,390,970	157,768	1,056,958		
16				*****	*****		
17	PROPOSED ADDITIONS-						
18	FILTERS - EFFLUENT DISPOSAL	475,000				26,600	26,600
19	DE-ACTIVATE PINE WTP	75,000				2,325	2,325
20	CAPITALIZED WAGES AND						
21	RELATED P/R TAXES	45,360				2,540	2,540
22	ABANDON GARDEN GROVE PINES WTP						
23	& DIVERT FLOW TO CYPRESSWOOD	(128,835)				(5,968)	(128,835)
24							
25	PROJECTED BALANCE		6,857,495			214,124	1,148,215
			*****			*****	*****

(a) - Depreciation expenses calculated by applying Florida Public Service Commission Staff Advisory Bulletin No. 17 1st Rev. Depreciation Rules for Water and Sewer Utilities

DETAIL OF GARDEN GROVE PINES WASTEWATER TREATMENT PLAN TO BE ABANDONED -

	COST	CURRENT DEPR.	ACCUM. DEPR.
LAND-GG PINES SMR PLANT	8,200	0	0
GARDEN GROVE PUMP STATION	4,688	211	3,213
SEWER PLANT	22,077	0	22,077
GARDEN GROVE PINES	23,771	1,331	23,630
GARDEN GR PINE SMR PLANT	38,263	2,143	13,940
PINES TREATMENT PLANT	11,060	619	3,661
FLOW METER - GG PINES	2,330	466	718
FLOW METER - GG PINES	3,368	674	1,039
SEWER PLANT	1,807	25	1,807
GARDEN GROVE PINES	1,333	33	1,234
GG PINES FENCE	265	7	99
WALL-PINES TREATMENT	6,300	158	2,048
GGP WASTEWATER PLANT	4,523	253	931
GGP SEWER PLANT	850	48	317
	128,835	5,968	74,714

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GARDEN GROVE WATER COMPANY  
 SUMMARY OF  
 ORIGINAL COST AND DEPRECIATION  
 GENERAL PLANT IN SERVICE

LINE NO.	GENERAL PLANT IN SERVICE	ORIGINAL COST		DEPRECIATION			
		AMOUNT	TOTAL	FYE 6/30/91 EXPENSE	ACCUMULATED	PROJECTED EXPENSE	ACCUMULATED
1	BUILDINGS	250,420				(a)	
2	FENSES	11,088		13,822	44,164	14,462	58,626
3	EQUIPMENT	203,962		555	1,118	277	1,395
4	AUTOS & TRUCKS	153,230		25,820	90,355	13,260	103,615
5	LEASEHOLD IMPROVEMENTS	34,533		20,376	124,167	9,323	133,490
6	OTHER	4,713		3,453	7,271	3,453	10,724
7				28	28	118	146
8	BALANCE 6/30/91		657,946				
9				64,054	267,103		
10	PROPOSED ADDITIGNS-			*****	*****		
11	(2)TRUCKS	39,400					
12						2,640	2,640
13	PROJECTED BALANCE		697,346			43,533	310,636

(a) - Depreciation expenses calculated by applying Florida Public Service Commission Staff Advisory Bulletin No. 17 1st Rev. Depreciation Rules for Water and Sewer Utilities

GARDEN GROVE WATER COMPANY  
SUMMARY OF  
WATER AND WASTEWATER CONTRIBUTIONS IN AID OF CONSTRUCTION  
FOR THE YEAR ENDED 6/30/91

LINE NO.	CONTRIBUTIONS			AMORTIZATION			
	CASH FEES	ASSETS	TOTAL	FYE AMORT.	6/30/91 ACCUMULATED	PROJECTED AMORT.	PROJECTED ACCUMULATED
1	(a)						
2	Water -						
3		1,618,156					
4		7,479	1,625,635	45,504	400,107	36,990	437,097
5	Cash Fees - Water (1975-91)**	955,404	955,404	*****	*****	*****	*****
6			*****				
7	Wastewater -						
8		25,863					
9		2,581,626					
10		21,609	2,629,098	72,298	628,468	58,006	686,474
11	Cash Fees - Wastewater (1975-91)**	1,233,548	1,233,548	*****	*****	*****	*****
12			*****				
13			*****				
14			*****				

(a) - Applied composite life based on original cost of related water and wastewater systems divided by annual depreciation

DETAIL OF CASH FEES COLLECTED, NET OF INCOME TAX

YEAR	TAX RATE	WATER	SEWER	WATER AFTER TAX	SEWER AFTER TAX	TOTAL
1975	0.00%	1,844	5,613	1,844	5,613	7,457
1976	50.66%	29,095	3,242	14,355	1,600	15,955
1977	50.66%	10,938	20,250	5,397	9,991	15,388
1978	50.66%	13,135	15,700	6,481	7,746	14,227
1979	21.15%	42,880	50,700	33,810	39,977	73,787
1980	5.40%	38,165	34,660	36,104	32,789	68,893
1981	6.60%	55,110	62,140	51,472	58,038	109,510
1982	0.00%	30,756	17,600	30,756	17,600	48,356
1983	14.68%	71,995	87,300	61,425	74,484	135,909
1984	48.97%	114,360	83,810	58,358	42,768	101,126
1985	48.97%	172,102	128,180	87,824	65,410	153,234
1986	48.97%	185,820	183,160	94,824	93,467	188,290
1987	48.29%	152,645	223,860	78,940	115,768	194,708
1988	38.45%	157,199	370,380	96,760	227,978	324,738
1989	45.17%	189,177	282,760	103,718	155,025	258,743
1990	56.62%	304,906	515,707	132,273	223,723	355,996
1991	48.65%	118,912	236,724	61,063	121,560	182,623
SUBTOTAL		1,689,039	2,321,786	955,404	1,293,537	2,248,941
Remove prepaid fees *	48.29%		(116,000)		(59,989)	
TOTALS		1,689,039	2,205,786	955,404	1,233,548	2,248,941

\* These are the remaining prepaid fees related to a prepayment in 1987.

12/27

GARDEN GROVE WATER COMPANY  
WATER RATE BASE AND RETURN ON WATER RATE BASE  
FOR THE YEAR ENDED JUNE 30, 1991

Line  
No.

1	RATE BASE		
2			
3			
4	INVESTED COST		
5			
6	Total Water Plant in Service, Page 3		\$3,996,329
7	Less Contributed Water Plant Assets, Page 6		(1,625,635)
8			
9	Water Plant Facilities Purchased, In Service and Used & Useful	100.00%	2,370,694
10			
11			
12	Less Cash Connection Fees, Page 6	40.30%	(955,404)
13			
14			
15			
16		59.70%	1,415,290
17	ACCUMULATED DEPRECIATION ON INVESTED COST	*****	
18			
19	Total Accumulated Depreciation on Water Plant, Page 3		1,633,070
20	Less Accumulated Depreciation on Contributed Assets, Page 6		(437,097)
21			
22	Accumulated Depreciation on Water Plant Facilities Purchased, In Service and Used & Useful		1,195,973
23			
24			
25	Net Invested Water Plant Percentage, Per Above	59.70%	
26			
27	Accumulated Depreciation On Net Invested Water Plant Facilities In Service		(713,989)
28			
29			
30			
31	ALLOCATED GENERAL PLANT, PAGE 5		
32			
33	Cost		697,346
34	Accumulated Depreciation		(310,636)
35			
36	Allocated Net General Plant		386,710
37			
38	Percentage Allocated to Water (Method 4)	75.52%	
39			
40			
41			
42			
43			
44			292,046
45			
46	WORKING CAPITAL PROVISION (1/8 OF OPERATING EXPENSES)		99,797
47			
48			
49	WATER RATE BASE		\$1,093,144
50			*****
51	RETURN ON WATER RATE BASE		
52			
53			
54			
55	Rate Base, Per Above		\$1,093,144
56	Percentage Return on Rate Base, Page 11		10.06%
57			
58	RETURN ON WATER RATE BASE		\$109,970
			*****

12/27

GARDEN GROVE WATER COMPANY  
WASTEWATER RATE BASE AND RETURN ON WASTEWATER RATE BASE  
FOR THE YEAR ENDED JUNE 30, 1991

Line  
No.

1	RATE BASE		
2			
3			
4	INVESTED COST		
5			
6	Total Wastewater Plant in Service, Page 4		\$6,857,495
7	Less Contributed Wastewater Plant Assets, Page 6		(2,629,098)
8			
9	Wastewater Plant Facilities Purchased		4,228,397
10	Less Excess Capacity - Plant, Page 9		(657,353)
11			
12	Wastewater Plant Facilities Purchased,	100.00%	3,571,044
13	In Service and Used & Useful		
14			
15	Less cash Connection Fees, Page 6	34.54%	(1,233,548)
16			
17			
18			65.46%
19			2,337,496
20	ACCUMULATED DEPRECIATION ON INVESTED COST		
21			
22	Total Accumulated Depreciation on Wastewater		
23	Plant, Page 4	1,148,215	
24	Less Accumulated Depreciation on Contributed		
25	Assets, Page 6	(686,474)	
26			
27	Accumulated Depreciation on Purchased Plant	461,741	
28	Less Accumulated Depreciation On Excess		
29	Plant, Page 9	(44,513)	
30			
31	Accumulated Depreciation on Wastewater Plant		
32	Facilities Purchased, In Service & Used & Useful	417,228	
33	Net Invested Wastewater Plant Percentage,		
34	Per Above	65.46%	
35			
36	Accumulated Depreciation On Net Invested		
37	Wastewater Plant Facilities In Service		(273,105)
38			
39	ALLOCATED GENERAL PLANT, PAGE 5		
40			
41	Cost	697,346	
42	Accumulated Depreciation	(310,636)	
43			
44	Allocated Net General Plant	386,710	
45			
46	Percentage Allocated to Water (Method 4)	24.48%	
47			
48			94,665
49			
50	WORKING CAPITAL PROVISION (1/8 OF OPERATING EXPENSES)		38,767
51			
52			
53	WASTEWATER RATE BASE		\$2,197,823
54			
55			
56	RETURN ON WASTEWATER RATE BASE		
57			
58			
59	Rate Base, Per Above		\$2,197,823
60	Percentage Return on Rate Base, Page 11		10.06%
61			
62	RETURN ON WASTEWATER RATE BASE		\$221,101



12/77

GARDEN GROVE WATER COMPANY  
 DETERMINATION OF USED AND USEFUL  
 FOR THE YEAR ENDED JUNE 30, 1991

Line No.

WASTEWATER

	TREATMENT FACILITIES	EFFLUENT DISPOSAL FACILITIES
1 WASTEWATER		
2		
3 Capacity of Wastewater Treatment Plant	720,000 GPD	
4 Cypresswood Plant expansion		1,022,156 GPD
5 Effluent disposal capacity		0.8219
6 Factor for 65 day spray prohibition		
7	720,000 GPD	840,110 GPD
8 Capacity of facilities	*****	*****
9		
10		
11		651,000 GPD
12 Average Day of the Peak Month Flow-		
13 August, 1990	360,000	
14 Class I reliance allowance at 50%		84,011 GPD
15 Margin Reserve and Allowance For	72,000 GPD	
16 Growth at 10% of Capacity		
17	432,000 GPD	735,011 GPD
18 TOTAL REQUIRED CAPACITY	*****	*****
19		
20		
21 PERCENTAGE USED AND USEFUL	60.00%	87.49%
22	*****	*****
23		
24		
25		
26 REDUCTION FOR EXCESS TREATMENT PLANT CAPACITY:		
27	WASTEWATER	TREATMENT FACILITIES
28	COST	\----DEPRECIATION----\ ACCUMULATED EXPENSE
29		
30		
31 Wastewater Treatment Plant -		
32 Buildings	813,692	59,129 45,567
33 Filters @ 50%	237,500	26,600 26,600
34 Effluent Disposal		655,857 73,285 36,727
35 Citrus Trees		72,583 296 0
36 Effluent Disposal-Grove Land		800,000 0 0
37 Effluent Disposal-Pond Land		220,000 0 0
38 Capitalized Wages and		
39 Related P/R Taxes	45,360	2,540 2,540
40	1,096,552	88,269 74,707
41 Net Invested Amount	40.00%	40.00% 40.00%
42 Excess Capacity Percentage		1,748,440 73,581 36,727
43	438,621	35,308 29,883
44	*****	*****
45		
46	657,353	44,513 34,477
47 REDUCTION FOR EXCESS CAPACITY	*****	*****

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GARDEN GROVE WATER COMPANY  
 WASTEWATER STATISTICS  
 (Stated in Thousands of Gallons)  
 FOR THE YEAR ENDED JUNE 30, 1991

Line No.	Month	Cypresswood	Garden Grove Pines	Total	Daily Average
1	July	16,008	3,518	19,526	630
2	August	16,981	3,187	20,168	651 (A)
3	September	15,628	2,474	18,102	603
4	October	15,609	2,575	18,184	587
5	November	14,879	2,268	17,147	572
6	December	16,395	2,571	18,966	612
7	January	15,640	2,443	18,083	583
8	February	15,477	2,238	17,715	633
9	March	13,944	2,598	16,542	534
10	April	13,431	2,371	15,802	527
11	May	9,408	2,218	11,626	375
12	June	8,961	2,459	11,420	381
13					
14	Totals	172,361	30,920	203,281	*****
15					
16					
17					
18					651 (A)
19	AVERAGE DAY, MAXIMUM MONTH				*****

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GARDEN GROVE WATER COMPANY  
DETERMINATION OF COST OF CAPITAL  
FOR THE TEST YEAR ENDED JUNE 30, 1991

Line No.		BALANCE 6/30/91	ADJUST	PROJECTED BALANCE	AS A PERCENTAGE OF TOTAL	COST OF CAPITAL
1	<b>CAPITAL COMPONENTS</b>					
2	<b>LIABILITIES</b>					
3	Mortgage Note Payable	\$829,278 a		\$829,278	29.93%	8.500%*
4	Mortgage Note Payable	728,796 a		728,796	26.30%	11.250%
5	Other Notes - Equipment	25,008 a		25,008	0.90%	16.300%
6	Customer Deposits	165,945 a		165,945	5.99%	6.000%
7	Deferred Income Taxes	86,078 a		86,078	3.11%	0.000%
8						
9	Total Long-Term Debt	1,835,105	0	1,835,105		
10		385,961	550,000 b	935,961	33.78%	12.000%
11	<b>EQUITY</b>					
12	TOTAL	\$2,221,066	\$550,000	\$2,771,066	100.00%	
13						
14						
15						
16						
17	<b>PERCENTAGE RETURN ON RATE BASE</b>					
18						
19						
20	<b>COMPONENTS WITH APPLICABLE PERCENTAGES FROM ABOVE</b>					
21			RESTATE RATE BASE	RATE BASE ALLOCATED BY PERCENTAGES	COST OF CAPITAL	REQUIRED RETURN
22						INTEREST EXPENSE
23	Mortgage Note Payable	29.93%	\$3,290,967	\$984,865	8.500%	\$83,714
24	Mortgage Note Payable	26.30%	\$3,290,967	865,531	11.250%	97,372
25	Other Notes - Equipment	0.90%	\$3,290,967	29,700	16.300%	4,841
26	Customer Deposits	5.99%	\$3,290,967	197,079	6.000%	11,825
27	Deferred Income Taxes	3.11%	\$3,290,967	102,228	0.000%	0
28	Equity	33.78%	\$3,290,967	1,111,564	12.00%	133,388
29						
30						
31						
32	TOTAL	100.00%		\$3,290,967		\$331,139
33						\$197,752
34						
35	<b>AVERAGE WEIGHTED RETURN ON RATE BASE</b>					
36						\$331,139
37						
38	TOTAL RETURN PER ABOVE					\$3,290,967
39						
40	DIVIDED BY RATE BASE					10.06%
41						
42						
43	AVERAGE WEIGHTED RETURN ON RATE BASE					
44						

a - Balance at 6/30/91 per financial statement  
 \* - This debt is a variable rate loan tied to prime.  
 b - Due from Affiliate reclassified as an equity contribution

GARDEN GROVE WATER COMPANY  
CONSTRUCTED INCOME STATEMENT

LINE NO.	DESCRIPTION	FOR THE YEAR ENDED JUNE 30, 1991							
		REQUESTED FYE 6-30-92	PER BOOKS	ADJUST	TOTAL	ADJUST	TOTAL	WATER	WASTEWATER
1	SYSTEM REVENUES:								
2	Water sales and sewer charges	2,377,064	1,681,871		1,681,871 L)	47,842	1,729,713	* 1,014,886	714,827
3	Other services		34,418 A)	(12,610)	21,808		21,808	1 21,808	
4									
5	TOTAL REVENUES	2,377,064	1,716,289	(12,610)	1,703,679	47,842	1,751,521	1,036,694	714,827
6									
7	SYSTEM MAINTENANCE & OPERATION:								
8	Salaries and Wages	181,684	222,076 B)	(13,914)	208,162		208,162	3 129,102	79,060
9	Utilities	173,660	185,039		185,039		185,039	4 139,742	45,297
10	Repairs and maintenance	142,800	118,694		118,694		118,694	4 89,638	29,056
11	Tractor and truck operation	49,050	50,856		50,856		50,856	4 38,407	12,449
12	Chemicals	36,800	26,513 E)	10,000	36,513		36,513	4 27,575	8,938
13	Professional services	13,481	15,385 C)	(5,463)	9,922		9,922	4 7,493	2,429
14	Insurance	21,817	21,027		21,027		21,027	6 6,156	14,871
15	Payroll taxes	60,476	13,560 D)	4,749	18,309		18,309	3 11,355	6,954
16	Laboratory tests	10,450	17,691 E)	900	18,591		18,591	7 15,598	2,993
17	Uniforms	7,200	6,668		6,668		6,668	3 4,135	2,533
18	Trash Expense	1,125	E)	1,540	1,540		1,540	4 1,163	377
19	Fire Protection-Hydrant O&M	20,000	E)	3,525	3,525		3,525	1 3,525	
20	Equipment rental	4,000							
21									
22	TOTAL MAINTENANCE & OPERATION	722,543	677,509	1,336	678,845		678,845	473,890	204,955
23									
24	GENERAL AND ADMINISTRATIVE:								
25	Officers' salaries	133,043	176,292 B)	(42,162)	134,131		134,131	4 101,296	32,834
26	Salaries	62,573	71,962 B)	1,958	73,920		73,920	4 55,825	18,095
27	Professional services	36,807	81,423 C)	(38,923)	42,504		42,500	4 32,096	10,404
28	Customer usage and accounting	52,800	48,000		48,000		48,000	4 36,250	11,750
29	Office and Miscellaneous	33,330	36,806		36,806		36,806	4 27,796	9,010
30	Rent and lease expense	29,050	28,976		28,976		28,976	4 21,883	7,093
31	Insurance	23,493	23,503		23,503		23,503	4 17,750	5,753
32	Payroll taxes	65,124	15,156 D)	(1,584)	13,572		13,572	4 10,250	3,322
33	Postage	10,692	9,379		9,379		9,379	4 7,083	2,296
34	Director's fee	9,600	7,200		7,200		7,200	4 5,437	1,763
35	Telephone	5,180	6,446		6,446		6,446	4 4,868	1,578
36	Education	3,730	3,738		3,738		3,738	4 2,823	915
37	Permits and licenses	2,081	1,442		1,442		1,442	4 1,089	353
38	Other	190	55		55		55	4 42	13
39									
40	TOTAL GENERAL AND ADMIN.	467,693	510,378	(80,710)	429,668	0	429,668	324,487	105,180
41									
42	TOTAL OPERATING EXPENSES	1,190,236	1,187,887	(79,374)	1,108,513	0	1,108,513	798,377	310,136
43									
44	NET OPERATING INCOME	1,186,828	528,402	66,764	595,166	47,842	643,008	238,317	404,691
45									
46	NON-OPERATING EXP. (REV.):								
47	Depreciation - purchased	363,520	273,451 F)	(107,760)	165,691		165,691	* 75,412	90,279
48	Depreciation - contributed	100,328	117,802 F1)	(117,802)	0		0		
49	Amort. of abandoned facilities		G)	5,968	5,968		5,968	2	5,968
50	Property taxes	63,550	62,723 J)	(4,762)	57,961		57,961	** 18,362	39,599
51	Amort. of regulatory expense	3,334	H)	17,091	17,091		17,091	4 12,907	4,184
52	Interest expense		113,648 I)	(113,648)	0		0		
53	Loss on abandoned assets		792 I)	(792)	0		0		
54	Interest income	(6,600)	(13,701) I)	13,701	0		0		
55									
56	TOTAL NON-OPERATING REVS. (EXP)	524,132	554,715	(308,004)	246,711	0	246,711	106,681	140,030
57									
58	NET INCOME (LOSS) BEFORE TAXES	662,696	(26,313)	374,768	348,455	47,842	396,298	131,636	264,661
59									
60	TAXES ON INCOME	120,000	18,824 K)	26,139	44,963 M)	20,263	65,226	* 21,666	43,560
61									
62	NET INCOME (LOSS)	542,696	(45,137)	348,629	303,492	27,579	331,071	109,970	221,101
63									
64									
65	RATE BASE	4,996,257			3,290,967		3,290,967	1,093,144	2,197,823
66									
67									
68	RETURN ON RATE BASE	10.86%			9.22%		10.06%	10.06%	10.06%

\* See adjustment F) for computation.

\*\* See adjustment J) for computation.

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GARDEN GROVE WATER COMPANY  
 RATE MAKING ADJUSTMENTS  
 FOR THE YEAR ENDED JUNE 30, 1991  
 Page 1 of 3

Line No.		EXPENSE DR./ (CR.)	CAPITAL DR./ (CR.)
1	A) To adjust income from other services as follows:		
2	Remove meter installation fees		
3	Adjust contract operations of Towerwood Mobile Home Park	(14,000)	
4		1,390	
5	Adjustment		
6			
7			
8	B) To capitalize salaries and wages and adjust to current		
9	rate of pay -		
10	Maintenance & Operation		(12,610)
11	Balance per salary analysis		
12	Historical for FYE 6/30/91		
13	Adjustment	208,162	
14		222,076	
15	General & Administrative - Officers		
16	Balance per salary analysis		(13,914)
17	Historical for FYE 6/30/91		
18	Adjustment	134,131	
19		176,292	
20	General & Administrative - Office		
21	Balance per salary analysis		(42,162)
22	Historical for FYE 6/30/91		
23	Adjustment	73,920	
24		71,962	
25	Water - Capitalized salaries		
26	Wastewater - Capitalized salaries		1,958
27			
28	C) To adjust for non-recurring professional services (Operation)-		
29	Engineering - miscellaneous		58,886
30	Hydrology study		47,109
31	Study re impact of Highlands Ridge Water	(482)	
32	Use Caution Area	(1,750)(a)	
33	24 hour effluent sample required by D.E.R.	(2,110)(a)	
34	Remove non-recurring cost	(2,590)(b)	
35	Recurring annual cost of quarterly ground		(6,932)
36	water samples		
37	Historical for FYE 6/30/91	8,118	
38	Remove non-recurring cost	8,454	
39	Amortization of deferred costs over 3 year benefit period		(336)
40	amount marked (a) above (1,750+2,110)/3		
41	Amortization of deferred costs over 5 year benefit period		1,287
42	amount marked (b) above (2,590)/5		
43			
44	To adjust for non-recurring professional services (General & Admin.)-		
45	Legal - John Wood, Jr.		518
46	Legal - Other		
47	Legal - loan costs		(5,463)
48	Audit	19,381	
49	Computer consulting	1,700	
50	Rate consultant	4,468	
51		46,403	
52	Total FYE 6/30/91	1,216	
53		8,255	
54	Remove rate case costs	81,423	
55	Remove out-of-period accounting	(15,609)	
56	Remove loan costs	(18,903)	
57	Amortization of loan costs (\$5,293/72 months X 12 months)	(5,293)	
58	Adjustment	882	
59	Adjusted balance	(38,923)	(38,923)
60		42,500	
61		*****	

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GARDEN GROVE WATER COMPANY  
 RATE MAKING ADJUSTMENTS  
 FOR THE YEAR ENDED JUNE 30, 1991  
 Page 2 of 3

Line No.			EXPENSE DR./(CR.)	CAPITAL DR./(CR.)
1	D) To capitalize payroll taxes and adjust payroll taxes related			
2	to current rate of pay -			
3	Maintenance & Operation			
4	Balance per salary analysis	18,309		
5	Historical for FYE 6/30/91	13,560		
6				
7	Adjustment			4,749
8				
9	General & Administrative			
10	Balance per salary analysis -			
11	Officers	6,937		
12	Office	6,635		
13				
14	Subtotal	13,572		
15	Historical for FYE 6/30/91	15,156		
16				
17	Adjustment			(1,584)
18				
19	Water - Capitalized salaries			4,022
20	Wastewater - Capitalized salaries			3,218
21				
22	E) Expenses to be adjusted as follows:			
23	To project cost of maintaining fire hydrants -			
24	Number of fire hydrants in system	220		
25	Annual estimated cost of maintenance per hydrant	25		
26				
27	Total annual estimated cost	5,500		
28	Number of hydrants maintained during FYE 6/30/91	79		
29	Annual estimated cost of maintenance per hydrant	25		
30				
31	Historical cost for FYE 6/30/91	(1,975)		
32				
33	Fire protection-hydrant O & M			3,525
34	Increase in chemical costs			10,000
35	Increase in laboratory tests			900
36	Trash expense			1,540
37				
38	F) To record and adjust depreciation expense			
39	contributed facilities and the adjustment			
40	for Non-used & useful plant			
41				
42		WATER	SEWER	
43	Total depreciation expense	108,239	214,124	
44	Less depreciation on contributed assets	(36,990)	(58,006)	
45	Less depreciation on Non-used & useful			
46	facilities		(34,477)	
47				
48	Depreciation expense on used & useful purchased assets	71,249	121,641	
49	Ratio of net invested in facilities -			
50	Water	59.70%		
51	Wastewater		65.46%	
52				
53	Depreciation on invested facilities	42,535	79,622	
54	Add General Plant depreciation	32,876	10,657	
55				
56	Total	75,412	90,279	165,691
57	Historical cost for FYE 6/30/91	*****	*****	273,451
58				
59	Adjustment			(107,760)
60				
61	F1) Remove depreciation on contributed facilities			(117,802)
62				
63	G) To record amortization of abandoned facilities-			
64	Garden Grove Pines wastewater treatment facilities to be amortized			
65	over the remaining life of the facilities			5,968

GARDEN GROVE WATER COMPANY  
 RATE MAKING ADJUSTMENTS  
 FOR THE YEAR ENDED JUNE 30, 1991  
 Page 3 of 3

EXPENSE  
 DR. / (CR.)

Line No.						
1	H) To record the amortization of regulatory costs -					
2	Legal-Peterson, et.al.				5,375	
3	Legal-John Wood, Jr.				5,400	
4	Utility Consultant - Saffer				10,458	
5	Carter, Belcourt & Atkinson, CPA				1,000	
6	Computer programming				259	
7	Rate increase letter				3,232	
8	Filing fee				2,750	
9	Engineering cost study for allocation of water and wastewater assets					
10	Land appraisal				2,799	
11	County Consultant				5,000	
12					15,000	
13	Total					
14	Benefit period stated in years				51,273	
15					3	
16	Annual amortization					
17						
18						
19	I) Remove:					17,091
20	Interest expense					
21	Loss on abandoned assets					(113,648)
22	Interest Income					(792)
23						13,701
24	J) To Record Reduction of Property Taxes					
25	Related to Non-Used & Useful Facilities -					
26						
27						
28						
29	Net Total Plant					
30	Ratio	8,072,538	2,363,259	4,034,421	1,674,859	
31		1.0000	0.2928	0.4998	0.2075	
32	Cost of facilities, net of accumulated depreciation subjected to non-used & useful			1,008,283	1,674,859	
33	Percentage of Tangible Taxes attributable to net facilities subjected to non-used & useful			24.99%	100.00%	
34	1991 Property Taxes allocated by ratio on line 30	62,723	18,362	31,347	13,014	
35						
36	Portion of Tangible Taxes attributable to net facilities subjected to non-used & useful			0	7,834	13,014
37						
38	Multiply By Non-Used & Useful Percentage			0.00%	40.00%	12.51%
39	Adjustment			0	3,134	1,628
40						
41	Balance reduced by non-used & useful (line 38 less 47)			18,362	28,213	11,386
42						
43	K) To adjust historical income taxes to regulatory basis					
44	Income taxes per supporting computation based on existing rates				44,963	
45	Income taxes per books for FYE 6/30/91				18,824	
46						
47						
48	L) To adjust gross revenue requirement to supporting computation					26,139
49	Gross revenue per supporting computation based on recommended rates				1,729,713	
50	Gross revenue per books for FYE 6/30/91				1,681,871	
51						
52	M) To adjust historical income taxes to regulatory basis					47,842
53	Income taxes per supporting computation based on recommended rates				65,226	
54	Income taxes on regulatory basis re existing rates				44,963	
55						
56						
57						20,263

GARDEN GROVE WATER COMPANY  
SALARY ANALYSIS

Line No.		SALARIES & WAGES	PAYROLL TAXES*
1	Maintenance & Operation:		
2	Distribution/colletion supervisor	20,800	
3	Field serviceman	17,888	
4	Maintenance supervisor	27,040	
5	Maintenance mechanic	23,400	
6	Lift station operator	18,720	
7	Meter reader	14,768	
8	Water plant operator	19,760	
9	Wastewater plant operator	18,304	
10	Wastewater plant operator	20,800	
11	Wastewater property maintenance	14,560	
12	Certified water plant operator	18,720	
13	Distribution/colletion field	16,640	
14	Overtime	25,273	
15			
16	Subtotal	<u>256,673</u>	
17	Portion to be capitalized at 18.9%	(48,511)	22,575
18			(4,267)
19	Expense		
20		<u>208,162</u>	<u>18,309</u>
21		*****	*****
22	General & Administrative:		
23	Officers		
24	President	115,000	
25	Vice President/Operations	76,615	
26			
27	Subtotal	<u>191,615</u>	
28	Portion to be capitalized at 30.0%	(57,485)	9,910
29			(2,973)
30	Expense		
31		<u>134,131</u>	<u>6,937</u>
32		*****	*****
33	Office		
34	Office manager	24,000	
35	Administrative assistant	16,640	
36	Customer service representative	15,600	
37	Billing clerk	17,680	
38			
39			
40	Portion to be capitalized	<u>73,920</u>	6,635
41		None	None
42	Expense		
43		<u>73,920</u>	<u>6,635</u>
44		*****	*****
45	Portion to be capitalized:		
46	Water		
47	Wastewater	58,886	4,022
48		47,109	3,218
49		<u>105,995</u>	<u>7,240</u>
50		*****	*****

\* Payroll tax rates for 1992:  
 FICA - 6.2% on wages up to \$55,500  
 M/C - 1.45% on wages up to \$130,200  
 SUTA - 2.70% on first \$7,000 of wages  
 FUTA - .80% on first \$7,000 of wages



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GARDEN GROVE WATER COMPANY  
 CALCULATION OF INCOME TAXES  
 EXISTING RATES  
 FOR THE YEAR ENDED JUNE 30, 1991

Computation of gross revenue requirement and related income taxes					
Line No.					
					\$1,703,679
1	Gross revenue required	\$1,703,679			
2	Expenses on a regulatory basis	(1,108,513)			\$1,108,513
3	Non-operating expenses	(246,711)			246,711
4	Interest expense	(197,752)			N/A
5					
6	Taxable income	150,704			
7	State exemption	(5,000)			
8		145,704	\$145,704		
9	Income before income taxes	5.5%			
10	State tax rate				
11	State tax		(8,014)	8,014	
12			-----		
13	Federal taxable income		137,690		
14	Graduated amounts/tax rates -				
15	1st \$50,000 @15%		50,000	7,500	
16	Next \$25,000 @25%		25,000	6,250	
17	Next \$25,000 @34%		25,000	8,500	
18	Next \$235,000 @39%		235,000	14,699	
19	Over \$335,000 @34%		None	0	
20				-----	
21	Federal tax			36,949	
22					
23	Total income taxes			-----	44,963
24					
25	Total expenses				1,400,187
26					-----
27	Net income				\$303,492
28					*****

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GARDEN GROVE WATER COMPANY  
 CALCULATION OF INCOME TAXES  
 FOR THE YEAR ENDED JUNE 30, 1991

Line No.	Computation of gross revenue requirement and related income taxes			
1	Gross revenue required			\$1,751,521
2	Expenses on a regulatory basis	\$1,751,521		
3	Non-operating expenses	(1,108,513)		
4	Interest expense	(246,711)		
5		(197,752)		\$1,108,513
6	Taxable income			246,711
7	State exemption	198,546		N/A
8		(5,000)		
9	Income before income taxes			
10	State tax rate	193,546	\$193,546	
11		5.5%		
12	State tax			
13			(10,645)	
14	Federal taxable income			10,645
15	Graduated amounts/tax rates -	182,901		
16	1st \$50,000 @15%			
17	Next \$25,000 @25%	50,000	7,500	
18	Next \$25,000 @34%	25,000	6,250	
19	Next \$235,000 @39%	25,000	8,500	
20	Over \$335,000 @34%	235,000	32,331	
21		None	0	
22	Federal tax			
23				
24	Total income taxes			54,581
25				
26	Total expenses			65,226
27				
28	Net income			1,420,450
29				
30				
31				
32				
33	ALLOCATION TO WATER AND WASTEWATER			
34	Rate Base			
35	Weighted Average Cost of Capital			
36				
37	Total Return	1,093,144	2,197,823	3,290,967
38	Total income taxes	10.06%	10.06%	*****
39	Expenses on the regulatory basis	109,970	221,101	331,071
40	Non-operating expenses	21,666	43,560	65,226
41		798,377	310,136	1,108,513
42	Gross revenue requirement	106,681	140,030	246,711
43	Other income			
44		1,036,694	714,827	1,751,521
45		(21,808)		(21,808)
46	Revenue from present rates			
47		1,014,886	714,827	1,729,713
48	Revenue adjustment	*****	*****	1,681,871
				47,842
				*****

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GARDEN GROVE WATER COMPANY  
OPERATION AND MAINTENANCE EXPENSES  
ALLOCATION METHODS

Line No.	DESCRIPTION	WATER	WASTEWATER
1	All water	100.00%	
2	All wastewater		100.00%
3	Ratio of direct labor	62.02%	37.98%
4	Ratio of equivalent dwelling units	75.52%	24.48%
5	Engineering estimate-lab tests	20.00%	80.00%
6	Assets net of Accumulated Depreciation	29.28%	70.72%
7	Ratio of water/wastewater treated	83.90%	16.10%

GARDEN GROVE WATER COMPANY  
DETERMINATION OF MONTHLY SERVICE RATES  
FOR THE YEAR ENDED JUNE 30, 1991

LINE NO.	DESCRIPTION	WATER		WASTEWATER	
		BASE	GALLONAGE	BASE	GALLONAGE
1	SYSTEM MAINTENANCE AND OPERATION:				
2	Salaries and Wages	129,102		79,060	
3	Utilities		139,742		45,297
4	Repairs and maintenance		89,638		29,056
5	Tractor and truck operation		38,407		12,449
6	Chemicals		27,575		8,938
7	Professional services		7,493		2,429
8	Insurance	6,156		14,871	
9	Payroll taxes	11,355		6,954	
10	Laboratory tests		15,598		2,993
11	Uniforms		4,135		2,533
12	Trash Expense		1,163		377
13	Fire Protection-Hydrant O&M		3,525		
14	Equipment rental				
15	GENERAL AND ADMINISTRATIVE:				
16	Officers' salaries	50,648	50,648	16,417	16,417
17	Salaries	27,912	27,912	9,048	9,048
18	Professional services	16,048	16,048	5,202	5,202
19	Customer usage and accounting	18,125	18,125	5,875	5,875
20	Office and Miscellaneous	13,898	13,898	4,505	4,505
21	Rent and lease expense	10,941	10,941	3,547	3,547
22	Insurance	8,875	8,875	2,877	2,877
23	Payroll taxes	5,125	5,125	1,661	1,661
24	Postage	3,542	3,542	1,148	1,148
25	Director's fee	2,719	2,719	881	881
26	Telephone	2,434	2,434	789	789
27	Education	1,411	1,411	458	458
28	Permits and licenses	545	545	176	176
29	Other	21	21	7	7
30	NON-OPERATING REVENUES (EXP):				
31	Depreciation		75,412		90,279
32	Amort. of abandoned facilities				5,968
33	Property taxes		18,362		39,599
34	Amort. of regulatory expense		12,907		4,184
35	RETURN ON RATE BASE		109,970		221,101
36	INCOME TAXES		21,666		43,560
37	REMOVE OTHER INCOME	(21,808)			
38					
39	GROSS REVENUE	287,048	727,838	153,475	561,352
40					
41	REMOVE RESIDENTIAL			(136,952)	(438,172)
42					
43	DIVIDE BY:				
44	BILLS			16,523	123,180
45	EDU'S	86,598		3,284	
46					
47	GALLONS		1,012,794		44,607
48					
49					
50					
51	Residential - Rates - 5/8" METER	\$3.31	\$0.72 /M	\$20.97	
52		*****	*****	*****	
53	General Service - Rates - 5/8" METER	\$3.31	\$0.72 /M	\$5.03	\$2.76 /M
54		*****	*****	*****	*****
55	Residential surcharge on 25M-60M gals./month	125.00%	\$0.90 /M		
56			*****		
57	Residential surcharge on over 60M gals./month	150.00%	\$1.08 /M		
			*****		

GARDEN GROVE WATER COMPANY

CUSTOMER STATISTICS

Line No.	HISTORICAL FYE 6/30/91						ADJUSTED FYE 6/30/91							
	WATER	BILLS	FACTOR	EDU's	VOLUME			BILLS	FACTOR	EDU's	VOLUME			
					1ST 25M	NEXT 35M	OVER 60M				1ST 25M	NEXT 35M	OVER 60M	
1	Residential -													
2	5/8" meter	50,980	1.0	50,980	521,196	86,122	9,057	50,980	1.0	50,980	521,196	83,969	8,178	
3	1" meter	7,847	2.5	19,618	108,068	45,745	6,971	7,847	2.5	19,618	108,068	45,150	6,448	
4	1-1/2" meter	187	5.0	935	2,702	1,588	465	187	5.0	935	2,702	1,587	463	
5	2" meter	132	8.0	1,056	1,944	951	433	132	8.0	1,056	1,944	951	431	
7	Subtotal			72,589	633,910	134,406	16,926			72,589	633,910	131,657	15,520	
9	General service -													
10	5/8" meter	1,640	1.0	1,640	8,826	2,704	1,086	1,640	1.0	1,640	8,826	2,704	1,086	
11	1" meter	1,284	2.5	3,210	8,735	5,724	9,836	1,284	2.5	3,210	8,735	5,724	9,836	
12	1-1/2" meter	181	5.0	905	2,873	2,164	1,544	181	5.0	905	2,873	2,164	1,544	
13	2" meter	248	8.0	1,984	3,333	3,219	4,017	248	8.0	1,984	3,333	3,219	4,017	
14	3" meter	12	17.5	210	183	223	265	12	17.5	210	183	223	265	
15	4" meter	80	30.0	2,400	1,542	2,065	22,719	80	30.0	2,400	1,542	2,065	22,719	
16	6" meter	24	62.5	1,500	224	167	211	24	62.5	1,500	224	167	211	
17	8" meter	24	90.0	2,160	496	691	108,185	24	90.0	2,160	496	691	108,185	
19	Subtotal			14,009	26,212	16,957	147,863			14,009	26,212	16,957	147,863	
22	Totals	62,639		86,598	660,122	151,363	164,789	62,639		86,598	660,122	148,614	163,383	
24	Volume factored for surcharge rates applied to excess blocks over 25M gallons per month											100.00%	125.00%	150.00%
25														1,012,794
26	WASTEWATER -													
27	Residential -													
28	5/8" meter	25,867	1.0	25,867	VOLUME			25,867	1.0	25,867	VOLUME			
29	1" meter	1,522	1.0	1,522	130,461			1,522	1.0	1,522	130,461			
30	1-1/2" meter	13	1.0	13	27,050			13	1.0	13	27,050			
31	2" meter	24	1.0	24	676			24	1.0	24	676			
32					487						487			
33	Subtotal			27,426	158,674					27,426	158,674			
35	General service -													
36	5/8" meter	464	1.0	464	5,082			464	1.0	464	5,082			
37	1" meter	72	2.5	180	3,944			72	2.5	180	3,944			
38	1-1/2" meter	0	5.0	0				0	5.0	0				
39	2" meter	60	8.0	480	5,555			60	8.0	480	5,555			
40	3" meter	0	17.5	0				0	17.5	0				
41	4" meter	36	30.0	1,080	15,197			36	30.0	1,080	15,197			
42	6" meter	0	62.5	0				0	62.5	0				
43	8" meter	12	90.0	1,080	14,829			12	90.0	1,080	14,829			
44	Subtotal			3,284	44,607					3,284	44,607			
47	Totals	28,070		30,710	203,281			28,070		30,710	203,281			

(a) - Projected related to response to surcharge of 25.00% applied to residential only  
 (b) - Projected related to response to surcharge of 50.00% applied to residential only

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GARDEN GROVE WATER COMPANY  
WATER STATISTICS  
(Stated in Thousands of Gallons)

WATER STATISTICS Month	Residential	General Service	Water Sold	Water Produced
July	61,630	17,973	79,603	82,764
August	53,848	24,027	77,875	83,962
September	66,227	18,094	84,321	115,166
October	74,552	17,513	92,065	100,922
November	73,890	17,448	91,338	98,762
December	71,473	15,180	86,653	91,432
January	58,918	13,158	72,076	79,209
February	58,747	13,991	72,738	79,819
March	60,818	14,065	74,883	76,552
April	72,126	15,027	87,153	79,308
May	71,190	12,615	83,805	90,643
June	61,824	11,938	73,762	80,975
Totals	785,243	191,029	976,272	1,059,514
Plant usage, if known				
Total accounted for			976,272	
Percentage unaccounted for			***** 7.86%	

GARDEN GROVE WATER COMPANY  
 SCHEDULE OF WATER REVENUE  
 FOR THE YEAR ENDED JUNE 30, 1991

	APPLYING EXISTING RATES				PROJECTED				APPLYING REQUESTED RATES				APPLYING COUNTY CONSULTANT RATES				
	HISTORICAL BILLS	VOLUME	BASE CHARGE	VOL. CHARGE	REVENUE (a)	BILLS	1st 25M	NEXT 35M	OVER 60M	BASE CHARGE	VOLUME CHARGE	REVENUE	%	BASE CHARGE	VOLUME CHARGE	REVENUE	%
Residential -																	
5/8" meter	50,980	616,375	\$6.25	\$0.85	662,230	50,980	521,196	83,969	8,178	\$5.00	\$0.85 /1.05	794,671	20%	\$3.31	\$0.72 /0.90 /1.08	628,410	-21%
1" meter	7,847	160,784	\$6.25	\$0.85	154,698	7,847	108,068	45,150	6,448	\$23.00	\$0.85 /1.05	326,517	111%	\$8.28	\$0.72 /0.90 /1.08	190,342	-42%
1-1/2" meter	187	4,755	\$6.25	\$0.85	4,523	187	2,702	1,587	463	\$55.00	\$0.85 /1.05	14,734	226%	\$16.55	\$0.72 /0.90 /1.08	6,968	-53%
2" meter	132	3,328	\$6.25	\$0.85	3,139	132	1,944	951	431	\$100.00	\$0.85 /1.05	16,303	419%	\$26.48	\$0.72 /0.90 /1.08	6,216	-62%
General service -																	
5/8" meter	1,640	12,616	\$11.40	\$1.05	31,943	1,640	8,826	2,704	1,086	\$5.00	\$0.85 /1.05	19,682	-38%	\$3.31	\$0.72 /0.72 /0.72	14,512	-26%
1" meter	1,284	24,295	\$22.80	\$1.05	54,785	1,284	8,735	5,724	9,836	\$23.00	\$0.85 /1.05	53,295	-3%	\$8.28	\$0.72 /0.72 /0.72	28,118	-47%
1-1/2" meter	181	6,581	\$45.60	\$1.05	15,164	181	2,873	2,164	1,544	\$55.00	\$0.85 /1.05	16,290	7%	\$16.55	\$0.72 /0.72 /0.72	7,734	-53%
2" meter	248	10,569	\$91.20	\$1.05	33,715	248	3,333	3,219	4,017	\$100.00	\$0.85 /1.05	35,231	4%	\$26.48	\$0.72 /0.72 /0.72	14,177	-60%
3" meter	12	671	\$182.40	\$1.05	2,893	12	183	223	265	\$195.00	\$0.85 /1.05	3,008	4%	\$57.93	\$0.72 /0.72 /0.72	1,178	-61%
4" meter	80	26,326	\$296.46	\$1.05	51,359	80	1,542	2,065	22,719	\$310.00	\$0.85 /1.05	52,134	2%	\$99.30	\$0.72 /0.72 /0.72	26,899	-48%
6" meter	24	602	\$592.80	\$1.05	14,859	24	224	167	211	\$610.00	\$0.85 /1.05	15,227	2%	\$206.88	\$0.72 /0.72 /0.72	5,398	-65%
8" meter	24	109,372	\$592.80	\$1.05	129,068	24	496	691	108,185	\$700.00	\$0.85 /1.05	131,541	2%	\$297.90	\$0.72 /0.72 /0.72	85,897	-35%
Service revenue					1,158,375						1,478,634	28%			1,015,849	-31%	
Other revenues					21,808						21,808				21,808		
Total revenues					1,180,183						1,500,442				1,037,657		
Requirement															1,036,694		
Variance															963		
% Variance															0.09%		

(a) - Billable consumption, which excludes the first 5,000 gallons of residential consumption times the existing rate

GARDEN GROVE WATER COMPANY  
 SCHEDULE OF WASTEWATER REVENUE  
 FOR THE YEAR ENDED JUNE 30, 1991

APPLYING EXISTING RATES

	HISTORICAL		APPLYING EXISTING RATES		
	BILLS	VOLUME	BASE CHARGE	VOLUME CHARGE	REVENUE
Residential -					
5/8" meter	25,867	n/a	\$14.95	n/a	386,712
1" meter	1,522	n/a	\$14.95	n/a	22,754
1-1/2" meter	13	n/a	\$14.95	n/a	194
2" meter	24	n/a	\$14.95	n/a	359
General service -					
5/8" meter	464	5,082	\$15.96	\$1.47	14,876
1" meter	72	3,944	\$31.92	\$1.47	8,096
1-1/2" meter	0	0	\$63.84	\$1.47	0
2" meter	60	5,555	\$127.68	\$1.47	15,827
3" meter	0	0	\$255.36	\$1.47	0
4" meter	36	15,197	\$415.04	\$1.47	37,281
6" meter	0	0	\$829.92	\$1.47	0
8" meter	12	14,829	\$829.92	\$1.47	31,758
Service revenue					517,856
Other revenues					0
Total revenue					517,856

APPLYING REQUESTED RATES

	PROJECTED		APPLYING REQUESTED RATES			
	BILLS	VOLUME	BASE CHARGE	VOLUME CHARGE	REVENUE	%
Residential -						
5/8" meter	25,867	n/a	\$23.59	n/a	610,203	58%
1" meter	1,522	n/a	\$23.59	n/a	35,904	58%
1-1/2" meter	13	n/a	\$23.59	n/a	307	58%
2" meter	24	n/a	\$23.59	n/a	566	58%
General service -						
5/8" meter	464	5,082	\$13.00	\$2.58	19,144	29%
1" meter	72	3,944	\$30.00	\$2.58	12,336	52%
1-1/2" meter	0	0	\$60.00	\$2.58	0	
2" meter	60	5,555	\$125.00	\$2.58	21,832	38%
3" meter	0	0	\$235.00	\$2.58	0	
4" meter	36	15,197	\$350.00	\$2.58	51,808	39%
6" meter	0	0	\$775.00	\$2.58	0	
8" meter	12	14,829	\$900.00	\$2.58	49,059	54%
Service revenue					801,157	55%
Other revenues					0	
Total revenue					801,157	

APPLYING COUNTY CONSULTANT RATES

	BASE CHARGE	VOLUME CHARGE	REVENUE	%
	\$20.97	n/a	542,431	-11%
	\$20.97	n/a	31,916	-11%
	\$20.97	n/a	273	-11%
	\$20.97	n/a	503	-11%
	\$5.03	\$2.76	16,360	-15%
	\$12.58	\$2.76	11,791	-4%
	\$25.15	\$2.76	0	
	\$40.24	\$2.76	17,746	-19%
	\$88.03	\$2.76	0	
	\$150.90	\$2.76	47,376	-9%
	\$314.38	\$2.76	0	
	\$452.70	\$2.76	46,360	-6%
Service revenue			714,757	-11%
Other revenues			0	
Total revenue			714,757	
Requirement			714,827	
Variance			(70)	
% Variance			-0.01%	

PROOF OF HISTORICAL REVENUES

Revenue applying existing rates -	
Water	1,158,375
Wastewater	517,856
Total	1,676,231
Per book revenue	1,681,871
Immaterial variance	(5,640)
% Variance	-0.34%



GARDEN GROVE WATER COMPANY  
RECONCILIATION OF GROSS REVENUE REQUESTED TO COUNTY CONSULTANT

Line  
No.

1	Requested gross revenue from water and wastewater rates		2,377,064
2			
3	<u>Additions/(Deductions):</u>		
4	Remove other service income		(21,808)
5	Capitalize salary and related payroll taxes		(113,235)
6	Adjust salaries/payroll taxes to current rate and fill 3 vacant positions		58,428
7	Adjust fire hydrant maintenance program		(16,475)
8	Adjust depreciation expense		
9	Depreciation of contributed facilities	(100,328)	
10	Amortization of cash connection fees	(70,732)	
11	Remove depreciation on meters	(5,788)	
12	Remove depreciation on Garden Grove Pines		
13	treatment plant to be abandoned	(5,968)	
14	Difference in asset amounts/classification/life	(51,193)	
15	Change in life to FPSC depreciation rule	(29,671)	
16	Depreciation on non-used & useful wastewater		
17	facilities	(34,477)	
18			
19			(298,158)
20	Property taxes related to non-used & useful facilities		(4,762)
21	Decrease in return on rate base attributable to:		
22	Remove cash connection fees	(1,562,844)	
23	Reduction for excess capacity of wastewater facilities	(612,840)	
24	Increase in cost of facilities	100,028	
25	Reduction of accumulated depreciation	318,289	
26	Reduction in allowance for working capital	(17,923)	
27	Reclassify deferred income tax to cost of capital	70,000	
28			
29	Net reduction in rate base	(1,705,291)	
30	Requested rate of return	10.06%	
31			
32	Decrease in return related to decrease in rate base		(171,552)
33			
34	Decrease in rate of return		
35	Revised rate base	4,996,257	
36	Requested rate of return	10.86%	
37	Recommended rate of return	10.06%	
38			
39	Decrease in rate of return	-0.80%	
40			
41	Decrease in return related to decrease in rate of return		(40,073)
42			
43	Reduction in income taxes		(54,774)
44			
45	Normalize professional fees		2,134
46	Amortization of Garden Grove Pines		
47	treatment plant to be abandoned		5,968
48	Amortization of regulatory expense		13,757
49	Eliminate interest income		6,600
50	Net change in all other expenses		(13,401)
51			
52	Net deductions		(647,351)
53			
54	Gross revenue from applying Alternative A rates		1,729,713
55			

GARDEN GROVE WATER COMPANY  
CHANGE FROM 1987 RATE CASE

LINE NO.	DESCRIPTION	GROSS REVENUE COMPONENTS				
		RATE CASE 6/30/87	CHANGE	RATE CASE 6/30/90	CHANGE	COUNTY CONSULTANT
1	TOTAL MAINTENANCE & OPERATION	440,292	203,563	643,855	34,990	678,845
2	TOTAL GENERAL AND ADMINISTRATIVE	306,733	97,569	402,302	27,366	429,668
3						
4	TOTAL OPERATING EXPENSES	745,025	301,132	1,046,157	62,356	1,108,513
5						
6	NON-OPERATING EXP. (REV.):					
7	Depreciation - purchased	173,472	29,526	202,998	(37,307)	165,691
8	Depreciation - contributed	88,846	2,805	91,651	(91,651)	0
9	Amort. of abandoned facilities	6,019	(6,019)	0	5,968	5,968
10	Property taxes	49,365	11,443	60,808	(2,847)	57,961
11	Amort. of regulatory expense		0		17,091	17,091
12						
13	TOTAL NON-OPERATING EXPENSE (REVS)	317,702	37,755	355,457	(108,746)	246,711
14						
15	TAXES ON INCOME	32,298	80,134	112,432	(47,206)	65,226
16						
17	RETURN ON RATE BASE	107,660	93,710	201,370	129,701	331,071
18						
19	GROSS REVENUE REQUIREMENT	1,202,685	512,731	1,715,416	36,105	1,751,521
20		*****	*****	*****	*****	*****
21	RATE BASE	879,860		1,678,090		3,290,966
22		*****		*****		*****
23	RETURN ON RATE BASE	12.24%		12.00%		10.06%
24		*****		*****		*****
25						
26	REASONABLENESS TEST FOR CHANGE IN OPERATING EXPENSES -					
27	Operating expenses FYE 6/30/87	745,025				
28	Increase for customers	*****				
29	Customers at 6/30/91	5,264				
30	Customers at 6/30/87	4,217				
31	Factor for increase in customers	0.2483				
32	Expected change for customers	184,990				
33	Increase for CPI -					
34	CPI July, 1991	136				
35	CPI February, 1988	116				
36	Increase for inflation since 1987	17.24%	128,453			
37						
38	Total expected change		313,442			
39			*****			
40	Expense FYE 6/30/91	1,108,513				
41	Expense FYE 6/30/87	745,025				
42						
43	Actual change	363,488				
44	Fill three vacant positions	(50,655)				
45						
46	Actual change, net of explained changes		312,833			
47			*****			
48						
49						
50						
51						
52						
53						
54	Cost of Facilities:					
55	Total cost	6,887,034		7,478,721		11,001,170
56	Cost of Facilities - Contributed	(3,071,203)		(3,760,826)		(4,254,733)
57	Projected additions	379,000		1,097,000		550,000
58						
59	Total purchased assets	4,194,831	620,064	4,814,895	2,481,542	7,296,437
60	Remove excess capacity				(657,353)	(657,353)
61	Accumulated Depreciation:					
62	Total accumulated	(1,729,407)		(2,303,081)		(3,091,921)
63	Accumulated depreciation - Contributed			810,445		1,123,571
64						
65	Accumulated Depreciation	(1,729,407)	236,771	(1,492,636)	(475,714)	(1,968,350)
66	Remove excess capacity				44,513	44,513
67	Allowance for Working Capital	100,091	34,914	134,965	3,599	138,564
68	Cash Convection Fees, Net	(1,685,615)	(93,519)	(1,779,134)	216,290	(1,562,844)
69						
70	Rate Base	879,860	798,230	1,678,090	1,612,876	3,290,966
		*****	*****	*****	*****	*****

GARDEN GROVE WATER COMPANY  
 RECONCILIATION OF RATE BASE  
 JUNE 30, 1991

Line No.	WATER			WASTEWATER			COMBINED		
	APPLICANT	ADJUST	RECOMMENDED	APPLICANT	ADJUST	RECOMMENDED	APPLICANT	ADJUST	RECOMMENDED
1	3,404,060	(684,693)	2,719,367	3,792,349	784,721	4,577,070	7,196,409	100,028	7,296,437
2					(657,353)	(657,353)		(657,353)	(657,353)
3									
4	(1,574,104)	222,813	(1,351,291)	(712,535)	95,476	(617,059)	(2,286,639)	318,289	(1,968,350)
5					44,513	44,513		44,513	44,513
6	107,946	(8,149)	99,797	48,541	(9,774)	38,767	156,487	(17,923)	138,564
7							(70,000)	70,000	0
8	(48,187)	48,187	0	(21,813)	21,813	0	0	(1,562,844)	(1,562,844)
9	0	(473,420)	(473,420)	0	(1,089,424)	(1,089,424)	4,996,257	(1,705,291)	3,290,966
10									
11	1,889,715	(895,262)	994,453	3,106,542	(810,029)	2,296,513			
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									

Remove cash connection fees  
 Reduction for excess capacity of wastewater facilities  
 Increase in cost of facilities  
 Reduction of accumulated depreciation  
 Reduction in allowance for working capital  
 Reclassify deferred income tax to cost of capital

(1,562,844)  
 (612,840)  
 100,028  
 318,289  
 (17,923)  
 70,000  
3,290,966

**ALLOWANCE FOR FUNDS PRUDENTLY INVESTED**

**(AFPI)**

**WASTEWATER TREATMENT FACILITIES**

GARDEN GROVE WATER COMPANY  
WASTEWATER TREATMENT FACILITY

Allowance for Funds Prudently Invested  
Calculation of Carrying Costs for Each ERC

Polk County Utilities  
Commission  
Schedule A-1  
Page 1 of 4  
Preparer: Sheahan

Information Needed

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1. Cost of Qualifying Assets	\$	438,621
2. Capacity of Qualifying Assets		0 GPD
3. Number of Future Customers		1,132 ERC
4. Annual Depreciation Expense	\$	29,883
5. Rate of Return		10.60%
6. Weighted Cost of Equity		4.05%
7. Federal Income Tax Rate		34.00%
8. State Income Tax Rate		5.50%
9. Annual Property Tax	\$	3,134
10. Other Costs	\$	0
11. Depreciation Rate of Assets		0.00%
12. Test Year		1992

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GARDEN GROVE WATER COMPANY  
WASTEWATER TREATMENT FACILITY

Polk County Utilities  
Commission  
Schedule A-1  
Page 3 of 4  
Preparer: Sheahan

Allowance for Funds Prudently Invested  
Calculation of Carrying Cost Per ERC Per Year:

	1992	1993	1994	1995	1996	1997	1998	1999
Unfunded Other Costs:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unfunded Annual Depreciation:	26.39	26.39	26.39	26.39	26.39	26.39	26.39	26.39
Unfunded Property Tax:	2.77	2.77	2.77	2.77	2.77	2.77	2.77	2.77
Subtotal Unfunded Annual Expenses:	29.16	29.16	29.16	29.16	29.16	29.16	29.16	29.16
Unfunded Expenses Prior Year:	0.00	29.16	58.33	87.49	116.65	145.81	174.98	204.14
Total Unfunded Expenses:	29.16	58.33	87.49	116.65	145.81	174.98	204.14	233.30
Return on Expenses Current Year:	3.09	3.09	3.09	3.09	3.09	3.09	3.09	3.09
Return on Expenses Prior Year:	0.00	3.09	6.18	9.27	12.36	15.46	18.55	21.64
Return on Plant Current Year:	41.07	38.27	35.47	32.67	29.87	27.08	24.28	21.48
Earnings Prior Year:	0.00	41.07	86.78	137.63	194.17	256.99	326.76	404.23
Compound Earnings from Prior Year:	0.00	4.35	9.20	14.59	20.58	27.24	34.64	42.85
Total Compounded Earnings:	41.07	86.78	137.63	194.17	256.99	326.76	404.23	490.19
Earnings Expansion Factor for Tax:	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23
Revenue Required to Fund Earnings:	50.53	106.78	169.36	238.93	316.23	402.09	497.41	603.19
Revenue Required to Fund Expenses:	29.16	58.33	87.49	116.65	145.81	174.98	204.14	233.30
Subtotal:	79.70	165.11	256.85	355.58	462.04	577.06	701.55	836.49
Divided by Factor Regulatory Assessment:	1	1	1	1	1	1	1	1
ERC Carrying Cost for 1 Year:	79.70	165.11	256.85	355.58	462.04	577.06	701.55	836.49

ALLOWANCE FOR FUNDS PRUDENTLY INVESTED

(AFPI)

WASTEWATER DISPOSAL FACILITIES

GARDEN GROVE WATER COMPANY  
EFFLUENT DISPOSAL FACILITY

Polk County Utilities  
Commission  
Schedule A-1  
Page 1 of 4  
Preparer: Sheshen

Allowance for Funds Prudently Invested  
Calculation of Carrying Costs for Each ERC

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Information Needed

1. Cost of Qualifying Assets	\$	218,732
2. Capacity of Qualifying Assets		0 GPD
3. Number of Future Customers		437 ERC
4. Annual Depreciation Expense	\$	4,595
5. Rate of Return		10.60%
6. Weighted Cost of Equity		4.05%
7. Federal Income Tax Rate		34.00%
8. State Income Tax Rate		5.50%
9. Annual Property Tax	\$	1,628
10. Other Costs	\$	0
11. Depreciation Rate of Assets		0.00%
12. Test Year		1992

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GARDEN GROVE WATER COMPANY  
EFFLUENT DISPOSAL FACILITY

Polk County Utilities  
Commission  
Schedule A-1  
Page 2 of 4  
Preparer: Sheahen

Allowance for Funds Prudently Invested  
Calculation of Carrying Costs for Each ERC:

Cost of Qualifying Assets:	\$ 218,732	Annual Depreciation Expense:	\$ 4,595
Divided By Future ERC:	437	Future ERC's:	437
Cost/ERC:	500.14	Annual Depr. Cost per ERC:	\$ 10.51
Multiply By Rate of Return:	10.60%	Annual Property Tax Expense:	\$ 1,628
Annual Return Per ERC:	\$ 53.01	Future ERC's:	437
Annual Reduction in Return:	\$ 1.11	Annual Prop. Tax per ERC:	\$ 3.72
(Annual Depreciation Expense per ERC Times Rate of Return)			
Federal Tax Rate:	34.00%	Weighted Cost of Equity:	4.05%
Effective State Tax Rate:	3.63%	Divided by Rate of Return:	10.60%
Total Tax Rate:	37.63%	% of Equity in Return:	38.21%
Effective Tax on Return:	14.38%	Other Costs:	\$ 0
(Equity % Times Tax Rate)		Future ERC's:	437
Provision For Tax:	23.05%	Cost per ERC:	\$ 0.00
(Tax on Return/(1-Total Tax Rate))			

GARDEN GROVE WATER COMPANY  
EFFLUENT DISPOSAL FACILITY

Polk County Utilities  
Commission  
Schedule A-1  
Page 3 of 4  
Preparer: Sheehen

Allowance for Funds Prudently Invested  
Calculation of Carrying Cost Per ERC Per Year:

	1992	1993	1994	1995	1996	1997	1998	1999
Unfunded Other Costs:	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Unfunded Annual Depreciation:	10.51	10.51	10.51	10.51	10.51	10.51	10.51	10.51
Unfunded Property Tax:	3.72	3.72	3.72	3.72	3.72	3.72	3.72	3.72
Subtotal Unfunded Annual Expense:	14.23	14.23	14.23	14.23	14.23	14.23	14.23	14.23
Unfunded Expenses Prior Year:	0.00	14.23	28.46	42.69	56.92	71.15	85.37	99.60
Total Unfunded Expenses:	14.23	28.46	42.69	56.92	71.15	85.37	99.60	113.83
Return on Expenses Current Year:	1.51	1.51	1.51	1.51	1.51	1.51	1.51	1.51
Return on Expenses Prior Year:	0.00	1.51	3.02	4.52	6.03	7.54	9.05	10.56
Return on Plant Current Year:	53.01	51.90	50.79	49.67	48.56	47.45	46.33	45.22
Earnings Prior Year:	0.00	53.01	112.04	177.72	250.76	331.93	422.11	522.23
Compound Earnings from Prior Year:	0.00	5.62	11.88	18.84	26.58	35.19	44.74	55.36
Total Compounded Earnings:	53.01	112.04	177.72	250.76	331.93	422.11	522.23	633.37
Earnings Expansion Factor for Tax:	1.23	1.23	1.23	1.23	1.23	1.23	1.23	1.23
Revenue Required to Fund Earnings:	65.24	137.87	218.69	308.57	408.45	519.41	642.62	779.37
Revenue Required to Fund Expenses:	14.23	28.46	42.69	56.92	71.15	85.37	99.60	113.83
Subtotal:	79.46	166.33	261.38	365.48	479.60	604.79	742.22	893.20
Divided by Factor Regulatory Assessment:	1	1	1	1	1	1	1	1
ERC Carrying Cost for 1 Year:	79.46	166.33	261.38	365.48	479.60	604.79	742.22	893.20

GARDEN GROVE WATER COMPANY  
EFFLUENT DISPOSAL FACILITY

Polk County Utilities  
Commission  
Schedule A-1  
Page 4 of 4  
Preparer: Sheahan

Allowance for Funds Prudently Invested  
Calculation of Carrying Cost Per ERC Per Month:

	1992	1993	1994	1995	1996	1997	1998	1999
January	6.62	86.70	174.25	270.06	374.99	490.03	616.24	754.80
February	13.24	93.94	182.17	278.73	384.50	500.46	627.69	767.39
March	19.87	101.18	190.09	287.41	394.01	510.89	639.15	779.97
April	26.49	108.42	198.01	296.08	403.52	521.33	650.60	792.55
May	33.11	115.66	205.93	304.76	413.03	531.76	662.05	805.13
June	39.73	122.90	213.86	313.43	422.54	542.19	673.50	817.71
July	46.35	130.14	221.78	322.11	432.05	552.62	684.96	830.29
August	52.98	137.37	229.70	330.78	441.56	563.06	696.41	842.88
September	59.60	144.61	237.62	339.46	451.07	573.49	707.86	855.46
October	66.22	151.85	245.54	348.13	460.58	583.92	719.32	868.04
November	72.84	159.09	253.46	356.81	470.09	594.35	730.77	880.62
December	79.46	166.33	261.38	365.48	479.60	604.79	742.22	893.20

**POLK COUNTY  
UTILITIES COMMISSION**

Larry Liberton, Dis. 1    Lee Draper, Dis. 2    Marlene Young, Dis. 3    Ernie Caldwell, Dis. 4    Neil Comber, Dis. 5  
Ray Jackson, County Administrator

**Public Hearing**

DATE: May 21, 1990  
TO: Polk County Utilities Commission  
FROM: Teresa M. Goode, Utilities Rate/Franchise Analyst & Billing Coordinator  
THROUGH: Don Crawford, Utilities Director  
SUBJECT: Rate Request--Garden Grove Water Co. Inc.  
Public Hearing--May 22, 1990

**STATEMENT OF ISSUE:**

Attached is the backup for the Garden Grove Water Co., Inc. franchise rate request. Systems are owned and operated by John G. Wood, Sr.

**ANALYSIS:**

Detailed analysis regarding individual rate structures were as required. Copy of detailed analysis is attached.

**RECOMMENDATION:**

The Board approve the recommendation by staff for the following user rates and connection fees. All other service charges and policies remain unchanged until utility provides financial information to support a change.

1. That the declining block rate structure for commercial service be rescinded and the volume charge of \$1.85 per thousand gallons on all commercial services be established.
2. That connection fees be established at \$510.00 per ERC water connection and \$2,850.00 per ERC wastewater connection and allocated to class of user based upon the county's methodology as defined by Ordinance 89.38.
3. That the company be required to complete a cost of service study before December, 1991 to further define and substantiate the operating expenses as allocated.

tmg

**GARDEN GROVE WATER CO., INC.  
STAFF RECOMMENDATION AND FINDINGS  
MAY 22, 1999**

**BACKGROUND**

The Garden Grove Water Co., Inc. owned and operated by John G. Wood, Sr. The Water and Wastewater area is located in (Exhibit "A"). On November 24, 1987., there were 2,354 residential water only customers, 2,191 Residential water and sewer customers, 248 Commercial water only customers, 1 commercial sewer only customer and 45 Commercial water and sewer customers, totaling 4,838 water customers and 2,237 sewer customers are being rendered service.

The Garden Grove Water Co., Inc. was granted a twenty (20) year Water and Wastewater Franchise on November 16, 1976.

**RATE STRUCTURE**

Current rates are as illustrated below. Utility has provided financial support to justify the request to eliminate the declining rates on the Commercial accounts. Financial information reflects \$1,715,414 revenue requirement and \$1,614,310 revenues collected in 1989, leaving a revenue deficit of \$101,104.

**WATER RATES**

<u>Residential Service</u>	Current Rates	Proposed Rates
Full 3/4 " Meter	\$ 6.25	\$ 6.25
Gallons Sold per 1,000	\$ .85	\$ .85
<u>Commercial Services</u>	Current Rates	Proposed Rates
Full 3/4" Meter	\$ 11.40	\$ 11.40
0 thru 10,000 gallons	1.05	
10,001 thru 50,000 gallons	.88	
50,001 thru thereafter	.68	
Gallons Sold per 1,000		\$ 1.05
1" Meter	\$ 22.80	\$ 22.80
0 thru 10,000 gallons	1.05	
10,001 thru 50,000 gallons	.88	
50,001 thru thereafter	.68	
Gallons Sold per 1,000		\$ 1.05



1 1/2" Meter	\$ 45.60	\$ 45.60
0 thru 10,000 gallons	1.05	
10,001 thru 50,000 gallons	.88	
50,001 thru thereafter	.68	
Gallons Sold per 1,000		\$ 1.05
2" Meter	\$ 91.20	\$ 91.20
0 thru 10,000 gallons	1.05	
10,001 thru 50,000 gallons	.88	
50,001 thru thereafter	.68	
Gallons Sold per 1,000		\$ 1.05
3" Meter	\$ 182.40	\$ 182.40
0 thru 10,000 gallons	1.05	
10,001 thru 50,000 gallons	.88	
50,001 thru thereafter	.68	
Gallons Sold per 1,000		\$ 1.05
4" Meter	\$ 296.40	\$ 296.40
0 thru 10,000 gallons	1.05	
10,001 thru 50,000 gallons	.88	
50,001 thru thereafter	.68	
Gallons Sold per 1,000		\$ 1.05
6" & 8" Meter	\$ 592.80	\$ 592.80
0 thru 10,000 gallons	1.05	
10,001 thru 50,000 gallons	.88	
50,001 thru thereafter	.68	
Gallons Sold per 1,000		\$ 1.05

**SEWER RATES**

	Current Rates	Proposed Rates
<u>Residential Service</u>	\$ 14.95	\$ 14.95
<u>Commercial Services</u>	140%	140%
	of water bill	

Under the current rate structure 23% of the revenues are generated by the commercial services, were 27% of the consumption is consumed by the commercial services. With the proposed rate structure in effect the percentage of revenues

will increase and equalize the revenues vs consumption and generate the additional revenues required.

### Connection Fees

Connection fees are as illustrated below. The Utility has provided the following financial support to justify the increase requested.

#### WATER AND SEWER CONNECTION FEES

RESIDENTIAL SERVICES	PRESENT RATE	
	WATER	SEWER
3/4" METER	\$ 450.00	\$ 1,200.00
1" METER	510.00	1,200.00
1 1/2" METER	625.00	1,200.00
2" METER	750.00	1,200.00

COMMERCIAL SERVICES	PRESENT RATE	
	WATER	SEWER
3/4" METER	\$ 730.00	\$ 980.00
1" METER	1,125.00	2,600.00
1 1/2" METER	4,140.00	6,000.00
2" METER	7,312.00	10,900.00
3" METER	20,700.00	31,200.00
4" METER	31,050.00	48,000.00
6" & 8" METER	\$ 73,900.00	\$ 117,000.00

#### Water Impact Fees

I. Capital Expansion Cost	
Water Production Facilities	
Winterset Water Plant Well #2	
Ground Storage Tank and	
Transfer Pumps	\$ 428,000.
Distribution System	
Water Main Extensions	\$ 387,000.
Total Cost	\$ 815,000.
II. Capacity Available After Expansion	1,818 ERC's

**III. Connection Fee Projections**

Actual 1989:

Water - 387

Projected Annual Average:

Water - 388

Projected Yearly Revenues @ \$2,050/ERC:

Water - 388 ERC's x \$ 510/ERC's = \$ 194,812.

Projected Yearly Revenue Available for

Debt Services:

194,812 - [ 194,812 x \*0.395 ] = \$ 117,377.

\* Federal and State Income Tax 39.5%

**IV. Debt Service Schedule**

\$ 815,000 @ 12%/15 years

\$ 117,377.

**V. Funding Summary**

1. Funding Needed/year

\$ 117,377.

2. Connection Fee Revenues/Year

388/year @ \$ 510.00 less tax

\$ 117,250.

The water plant and main extensions have a combined cost of \$815,000.00. With projected connections of 388 ERC's per year at \$510.00 per ERC, and a debt service period of 15 years at 12% the projects will be completely funded.

**Wastewater Impact Fees**

**I. Capital Expansion Cost**

Wastewater Facilities

Phase I

\$1,100,000.

Phase II

1,720,000.

Total Cost

\$2,820,000.

**II. Capacity Available After Expansion**

4,889 ERC's

**III. Connection Fee Projections**

Actual 1989:

Sewer - 388 ERC's

Projected Annual Average:

Sewer - 325 ERC's

Projected Yearly Revenues @ \$2,050/ERC:

Sewer - 325 ERC's x \$2,050/ERC's = \$ 666,250.

Projected Yearly Revenue Available for

Debt Services:

666,250 - [ 666,250 x \*0.395 ] = \$ 403,081.

\* Federal and State Income Tax 39.5%



IV. Debt Service Schedule	
\$2,820,000 @ 12%/15 years	\$ 403,260.
V. Funding Summary	
1. Funding Needed/year	\$403,260.
2. Connection Fee Revenues/Year	
325/year @ \$2,050.00 less tax	\$403,081.

The current wastewater plant expansion and the 1991/1992 expansion have a combined cost of \$2,820,000. With projected connections of 325 ERC's per year at \$2,050. per ERC, and a debt service period of 15 years at 12% the projects will be 100% funded.

**CONNECTION FEES**

**RESIDENTIAL AND COMMERCIAL WATER CONNECTION FEES**

\$510.00 per Equivalent Residential Connection (ERC)  
using the county methodology

**RESIDENTIAL AND COMMERCIAL SEWER CONNECTION FEES**

\$2,050.00 per Equivalent Residential Connection (ERC)  
using the county methodology

**OPERATIONS AND MAINTENANCE REPORT**

The county's engineering evaluation has determined the facilities to be in good operating condition and free of any regulatory non-conformance issues. The facility expansions were being made, consistent with industry and regulatory standards.

**RECOMMENDATIONS**

1. That the declining block rate structure for commercial service be rescinded and the volume charge of \$1.05 per thousand gallons on all commercial services be established.
2. That connection fees be established at \$510.00 per ERC water connection and \$2,050.00 per ERC wastewater connection and allocated to class of user based upon the county's methodology as defined by Ordinance 89.38.
3. That the company be required to complete a cost of service study before December, 1991 to further define and substantiate the operating expenses as allocated.



EXHIBIT "A"

Begin at an intersection of the northerly right of way line of Seaboard Coastline Railroad and the north south center of section line of Section 9, Township 29 South, Range 26 East Polk County, Florida: Thence North along said center of section line to the northerly right of way line of Eloise Loop Road; thence southeasterly along said northerly right of way line to the west boundary of U.S. Government Lot 4, Section 9, Township 29 South, Range 26 East; thence north along said west boundary to the north boundary of said U.S. Government Lot 4; thence east along said north boundary to the waters of Lake Eloise thence south, southeasterly, south, east, north, east, northeasterly, northerly and westerly along said waters edge to its intersection with the west boundary of the east half of U.S. Government Lot 3 in Section 3, Township 29 South, Range 26 East; thence run north along the said west boundary to the northwest corner of said east half of U.S. Government Lot 3; thence continuing north along the west boundary of U.S. Government Lot 3 (E 1/2 of S.W. 1/4), Section 34, Township 28 South, Range 26 East, to the northwest corner of said U.S. Government Lot 3; thence continuing north to the northwest corner of northeast quarter of the northwest quarter of said Section 34, Township 28 South, Range 26 East; thence west along the north boundary of said northwest quarter of Section 34 to the waters of Lake Otis; thence northerly along said waters to an intersection with the north boundary of the Southwest quarter of Section 27, Township 28 South, Range 26 East; thence east along said north boundary of the southwest quarter of Section 27 to the waters of Lake Link; thence southerly, easterly and northerly along said waters to the aforesaid north boundary of the southwest quarter of Section 27; thence east along said north boundary of the southwest quarter of Section 27 to the northwest corner or the southeast quarter of said Section 27; thence east along the north boundary of the southeast quarter of said Section 27 to the northwest corner of the southwest quarter of Section 26, Township 28 South, Range 26 East; thence east along the north boundary of said southwest quarter of Section 26 to the southwest corner of the northeast quarter of said Section 26; thence north along the west boundary of said northeast quarter of Section 26 to the centerline of Dundee Road (SR 542); thence east along said centerline of Dundee Road to the east

right of way line of Carl Floyd Road; thence south along said east right of way line of Carl Floyd Road to the north right of way line of Executive Road; thence east along said north right of way line and easterly extension thereof to an intersection with the southerly extension of the centerline of Country Club Road; thence north along said southerly centerline extension to an intersection with the centerline of Dundee Road; thence easterly along said centerline of Dundee Road to the east boundary of Section 25, Township 28 South, Range 26 East; thence north along said east boundary of Section 25 to the southeast corner of Section 24, Township 28 South, Range 26 East; thence north along the east boundary of said Section 24 to the north boundary of Section 19, Township 28 South, Range 27 East; thence east along said north boundary of Section 19 to the east boundary of said Section 19; thence south along said east boundary of Section 19 to the northwest corner of the southwest quarter of Section 20, Township 28 South, Range 27 East; thence East along the north boundary of said southwest quarter of Section 20 to the east boundary of said southwest quarter; thence south along said east boundary of the southwest quarter to the south boundary of said southwest quarter; thence run south along the center of said Section 29 to the south quarter corner and continue south to the southwest corner of the southwest quarter of the northeast quarter of Section 32, Township 28 South, Range 27 East; thence run east along the south boundary of the said northwest quarter of the northeast quarter to the westerly right of way of U.S. Highway 27; thence run southerly along the said westerly right of way of U.S. Highway 27 to its intersection with the south boundary of Section 5, Township 29 South, Range 27 East; thence west along said south boundary to the southwest corner of said Section 5; thence south along the east boundary of Section 7 and 18, Township 29 South, Range 27 East to the northeast corner of Section 19, Township 29 South, Range 27 East; thence continue south to the southeast corner of the north half of said Section 19; thence west along the south boundary of said north half to the southeast corner of the north half of section 24 and 23, Township 29 South, Range 26 East; thence continue west along the south boundary of said north half of the southwest corner of the northwest quarter of said Section 23; thence continue east along the south boundary of the northeast quarter of Section 22, Township 29 South, Range 26 East to an intersection with the north right of way line of Seaboard Coastline Railroad; thence north along said northerly right of way to the point of beginning.



**RESOLUTION**

WHEREAS, after public hearing pursuant to notice, the Polk County Utilities Commission finds that the Garden Grove Water Co., Inc. is entitled to establish water and wastewater rates based on the following findings:

A. A rate base of \$1,678,000 for water and wastewater on Garden Grove Water Co., Inc. is reasonable considering the Utility's original investment in property used and useful in public service.

B. A revenue requirement at Garden Grove Water Co., Inc. for \$1,715,414 is needed for water utility operation.

C. These findings are based upon information supplied by the Utility and may subsequently be adjusted or modified by the Utilities Commission.

D. The connection fee increases requested by the Utility appear to be reasonable.

E. The proposed capital expenditures as set forth below are necessary and shall be constructed as provided herein:

Capital Expansion Cost	
Water Production Facilities	
Winterset Water Plant Well #2	
Ground Storage Tank and	
Transfer Pumps	\$ 428,000.
Distribution System	
Water Main Extensions	\$ 387,000.
Total Cost	\$ 815,000.
Capital Expansion Cost	
Wastewater Facilities	
Phase I	\$1,100,000.
Phase II	<u>1,720,000.</u>
Total Cost	\$2,820,000.

Effective June 1, 1990, the water and wastewater rates and charges for Garden Grove Water Co., Inc. are established as follows:

**Residential Services**

Full 3/4 " Meter	\$ 6.25
Gallons Sold per 1,000	\$ .85

**Commercial Services**

	Rates
Full 3/4" Meter	\$ 11.40
1" Meter	\$ 22.80
1 1/2" Meter	\$ 45.60
2" Meter	\$ 91.20
3" Meter	\$ 182.40
4" Meter	\$ 296.40
6" & 8" Meter	\$ 592.80
Gallons Sold per 1,000	\$ 1.05

SEWER RATES

Residential Service  
Commercial Services

Rates  
\$ 14.95  
140%  
of water bill

CONNECTION FEES

RESIDENTIAL AND COMMERCIAL WATER CONNECTION FEES

\$510.00 per Equivalent Residential Connection (ERC)  
using the county methodology

RESIDENTIAL AND COMMERCIAL SEWER CONNECTION FEES

\$2,050.00 per Equivalent Residential Connection (ERC)  
using the county methodology

That the company be required to complete a cost of service study before December, 1991 to further define and substantiate the operating expenses as allocated.

NOW, THEREFORE, BE IT RESOLVED by the Polk County Utilities Commission, duly assembled, that:

ORDERED THIS 5th day of June, 1990 effective 1st day of June, 1990.

POLK COUNTY UTILITIES COMMISSION

By Ernie Caldwell  
ERNIE CALDWELL, Chairman

ATTEST:

E. D. "BUD DIXON, CLERK

By Nettie L. Darland  
Deputy Clerk

STATE OF FLORIDA     )  
                              )  
COUNTY OF POLK        )

I, E. D. "Bud" Dixon, Clerk of the Board of County Commissioners of Polk County, Florida, hereby certify that the foregoing are true and correct copies of resolutions changing street names, which were adopted by the said Board on the 5th day of June, 19 90.

WITNESS my hand and official seal on this 22nd day of June, 19 90.

E. D. "Bud" Dixon  
Clerk

By: *Nettie L. Darland*  
Nettie L. Darland  
Deputy Clerk

(SEAL)



GARDEN GROVE WATER CO., INC.

3601 CYPRESS GARDENS ROAD - WINTER HAVEN, FLORIDA 33884 - PHONE 324-4319

**CONSTRUCTION AGREEMENT FOR SANITARY SEWER FORCE MAIN  
RUBY LAKE SUBDIVISION**

**Participating Parties:**

Garden Grove Water Company, Inc.  
3601 Cypress Gardens Road  
Winter Haven, Florida 33884  
Attn: Mr. Mark Kluytenaar  
941-324-4319

Park Lake Management  
700 Overlook Drive  
Winter Haven, Florida 33884  
Attn: Mr. Albert B. Cassidy  
941-324-3698

The above parties agree to construct approximately 2,070 feet of proposed force main as depicted on the construction plans attached, and identified as Exhibit I.

The estimated cost of construction for the approximately 2,070 linear feet of 8 inch diameter PVC force main is \$43,667.50 based on a proposal submitted by Gulf Coast Boring and Pipeline, Inc., 1065 George Jenkins Boulevard, Lakeland, Florida 33801. See Exhibit "A". This cost is for the construction of the force main only. Other costs associated with the force main construction will be paid solely by Park Lake Management and include design costs, permitting costs. Upon completion, and certification of the force main it will be owned and operated solely by Garden Grove Water Company, Inc.

Garden Grove Water Company, Inc. will pay for the construction cost of the force main provided Park Lake Management prepays sewer impact fees by April 30, 1997, in an amount equivalent to the construction cost rounded up to an amount equally divisible by the sewer impact fee per equivalent residential connection. Construction will not commence until the prepaid sewer impact fees have been received by Garden Grove Water Company, Inc.

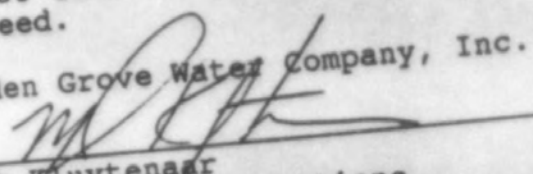
It is understood that in the event the project cannot be permitted or Park Lake Management chooses to discontinue the project this contract may be terminated by Park Lake Management, provided construction of the force main has not been started, with written notice of such termination to the other party.

RECEIVED BY  
MARK KLUYTE  
ABC  
mk

Construction Agreement  
April 18, 1997  
Page 2

If you are in agreement with the above please sign, and return one copy of this agreement and the prepayment of the equivalent sewer impact fees to our office for our records, and as our Notice to Proceed.

Garden Grove Water Company, Inc.

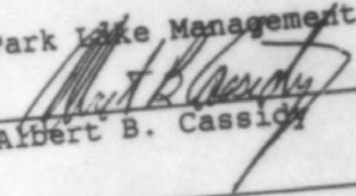
  
Mark Kluytenaar  
Vice President/Operations

Attest

Date

April 18, 1997

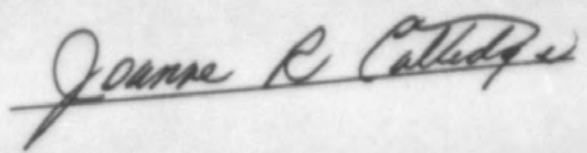
Park Lake Management

  
Albert B. Cassidy

Attest

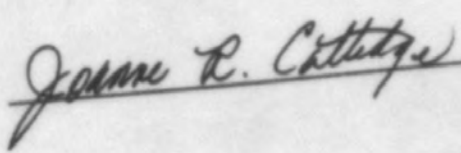
Date

April 18, 1997



Attest

Date



Attest

Date





EXHIBIT "A"

# Gulf Coast Boring and Pipeline, Inc.

1065 George Jenkins Blvd. • Lakeland, Florida 33801 • (941) 686 2263 • Fax (941) 682-3651

MARCH 13, 1997

CITY OF GARDEN GROVE  
 3601 CYPRESS GARDENS ROAD  
 WINTER HAVEN, FL 33884

RE: RUBY LAKE/OFF SITE FORCE MAIN

ATTN: MARK KLUYTENAAR

GENTLEMEN:

WE ARE PLEASED TO SUBMIT OUR PRICES FOR VARIOUS ITEMS OF WORK AT THE ABOVE CAPTIONED PROJECT.

SEWER/OFF SITE MOBILIZATION			
3"X8" TSV	1 L.S.	\$450.00	\$450.00
8" PVC	1 EA	\$1,830.00	\$1,830.00
16" JACK & BORE	2070 L.F.	\$9.25	\$19,147.50
MISC FITTINGS	140 L.F.	\$87.00	\$12,180.00
8" PLUG VALVE (FUTURE)	9 EA	\$195.00	\$1,755.00
LAYOUT	1 EA	\$1,055.00	\$1,055.00
OPEN CUT REPAIR	1 L.S.	\$850.00	\$850.00
SODDING	1 L.S.	\$1,500.00	\$1,500.00
	1 L.S.	\$5,350.00	\$5,350.00
			\$43,667.50

PERMITS AND FEES BY OTHERS.  
 IF 8" GATE VALVE IS NEEDED IN LIEU OF 8" PLUG VALVE DEDUCT \$430.00.  
 JACK & BORE FOOTAGE IS SUBJECT TO FINAL MEASUREMENT.

VERY TRULY YOURS,  
 GULF COAST BORING & PIPELINE, INC.

*William Fisher*  
 WILLIAM FISHER  
 PRESIDENT

*Called 8/13/97  
 re: bid for  
 16" Jack & Bore  
 2070 L.F. @ \$9.25  
 140 L.F. @ \$87.00  
 9 EA @ \$195.00  
 1 EA @ \$1,055.00  
 1 L.S. @ \$850.00  
 1 L.S. @ \$1,500.00  
 1 L.S. @ \$5,350.00*

RECEIVED MAR 13 1997