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August 31, 2007

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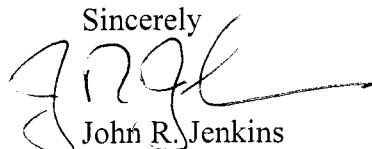
RE: Town and Country Utilities Company
Application for Original Wastewater Certificate
Docket No. 060602
Our File No. 40050.03

Dear Ms. Bayo:

Enclosed please find an original and fifteen (15) copies of Application for Approval of Initial Water and Wastewater Rates and Charges for filing in the above referenced docket. Should you have any questions regarding this matter, please feel free to call.

- CMP _____
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- ECR _____
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Enclosures
cc: Mr. Chuck DeSanti
Terry Holihen, Esq.

Sincerely

John R. Jenkins
For the Firm

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

In re: Application of)
Town and Country Utilities Company for)
Approval of Initial Water and Wastewater)
Rates and Charges.)
_____)

**APPLICATION FOR APPROVAL OF INITIAL WATER AND WASTEWATER
RATES AND CHARGES**

Town and Country Utilities Company ("Company" or "Applicant"), by and through its undersigned counsel and pursuant to Sections 367.031 and 367.045, Florida Statutes, and Rule 25-30.033, Florida Administrative Code, hereby applies for approval of initial water and wastewater rates and charges and in support submits the following:

1. The full name and address of the Applicant:

Town and Country Utilities Company
17837 Murdock Circle
Port Charlotte, Florida 33948

2. The name, address, and other contact information for Applicant's counsel are:

John R. Jenkins, Esq.
William E. Sundstrom, Esq.
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A. **BIFURCATED PROCEEDING**

1. On September 11, 2006, Applicant filed its Application for Original Wastewater Certificate in Lee and Charlotte Counties. In addition, Applicant requested temporary waiver of rules requiring information necessary to establish rates since the development to be served by the Company was in its early planning stages.

2. On January 29, 2007, the Commission issued Order No. PSC-07-0076-PAA-SU entitled Final Order Granting Wastewater Certificate and Notice of Proposed

Agency Action Granting Rule Waiver ("Certificate Order"). At that time, the Commission agreed to bifurcate the Company's application stating:

ORDERED that Town and Country Utilities Company application for wastewater Certificate No. 543-S to provide wastewater service to the area described in Attachment A, is hereby approved effective January 9, 2007 as set forth in the body of this order. The certification portion and the rate-setting portion of this proceeding shall be bifurcated and the Commission will set initial rates, charges, and return on equity for the utility at a later date....

3. In the Certificate Order, the Commission waived the requirements of Rule 25-30.033 (1)(h), (j), (k), (m), (o), (r), (t), (u), (v), and (w), Florida Administrative Code. The Applicant now files this application to establish rates and charges in satisfaction of the requirements of the Certificate Order.

B. ENGINEERING MASTER PLAN

1. The Company has hired Camp, Dresser & McKee, Inc. ("CDM"), a consulting, engineering, construction and operations firm to assist in the engineering design and construction of its water, wastewater and reclaimed water facilities. Founded in 1947, CDM is a premier engineering and utility construction firm headquartered in Cambridge, Massachusetts with over one hundred offices worldwide. CDM has prepared the Babcock Ranch Water and Wastewater Facilities Master Plan dated August 20, 2007 for the Company, a copy of which is attached hereto as Exhibit "A" and incorporated herein by reference ("Master Plan").

2. The Master Plan provides detailed information regarding potable water demands, wastewater flows, water and wastewater treatment plant design, biosolids handling, effluent disposal, transmission system design and a cost summary for the utility facilities through fifty percent (50%) build out of the service area. The Master Plan provides information to address the following rule requirements:

- The number and type of equivalent residential connections; (Rule 25.30-033(1)(h))
- A system map; (Rule 25.30-033(1)(m))
- Capacities of lines and treatment facilities; (Rule 25.30-033(1)(h))

C. COST OF SERVICE STUDY

1. The Company has retained the services of Carlstedt, Jackson, Nixon & Wilson, certified public accountants, a premier regulatory accounting firm in Florida with extensive experience before the Public Service Commission. The firm has prepared its Cost of Service Study Special Report dated August 27, 2007, attached hereto as Exhibit "B" and incorporated herein by reference ("Rate Study").

2. The Rate Study contains extensive and detailed financial information based on the engineering Master Plan to establish the utility plan costs, capacities, rate base, operating expenses, operating income, revenue requirement, rates, system capacity fees, and reclaimed water rates for the water and wastewater system. The Rate Study provided information to address the following rule requirements:

- The number and type of equivalent residential connections by meter size and customer class; (Rule 25-30.033(1)(h))
- Cost study requirements including customer growth projections (Rule 25-30.033(1)(t))
- Projected costs according to the Uniform System of Accounts (Rule 25-30.033(1)(u))
- Projected operating expenses (Rule 25-30.033(1)(v))
- Projected capital structure (Rule 25-30.033(1)(w))

D. WATER SYSTEM INITIAL RATES

1. In 1999, the Applicant was issued Certificate No. 613-W to provide water service to the 91,000 acre Babcock Ranch in Charlotte and Lee Counties. The Ranch was owned by Babcock Florida Company (Applicant's parent company), and water use was limited to the large agricultural operations on the Ranch and a few potable water users such as staff residences, a small lodge, and the Ranch offices. On July 31, 2006, Babcock Florida Company merged with MSKP III, Inc., resulting in the acquisition of the Ranch by parties related to the development company Kitson & Partners and the investment banking firm, Morgan Stanley. Also on that date, 73,400 acres of the Ranch were sold to the State of Florida and Lee County for preservation purposes.

2. With that sale, virtually all of the water utility assets of Applicant were conveyed to the State and Lee County. The remaining approximately 18,000 acres will be developed into the Babcock Ranch Community, with approximately 19,500 residential units and six million square feet of nonresidential development for which the Company will provide water and wastewater service. An entirely new system of water wells, raw water mains, water treatment and transmission facilities will be constructed. Therefore, an entirely new set of capital costs and operating expenses will be incurred. These new costs are reflected in the Rate Study. The Company is requesting rates be reestablished on an initial basis for this new water system to provide service on a going forward basis.

E. PLANT SITE

The Applicant's water and wastewater treatment plants will be located on a 63 acre site within the service area. At this time, the plant site is owned by Babcock Property Holdings, LLC., a sister company of the Applicant. In conjunction with securing a mortgage release and other conveyance issues, the plant site will be conveyed to the Applicant. A form of the Agreement for Purchase and Sale is attached hereto as Exhibit "C" and incorporated herein. An executed copy of the Agreement will be provided to staff during its review of this application. Conveyance of the plant site will

take place within 30 days after the order approving rates and charges in order to meet the requirements of Rule 25-30.033(1)(j).

F. TARIFFS


A copy of the Company's Water Tariff and Wastewater Tariff with rates, charges, rules, and regulations to address the requirements in Rule 25-30.033(1)(k) will be submitted as a late-filed exhibit in this docket.

WHEREFORE, Town and Country Utilities Company requests this Commission:

- (a) Approve the Company's water and wastewater rates and charges contained in the Rate Study submitted with this Application;
- (b) Approve the Company's Water Tariff and Wastewater Tariff;
- (c) Grant such other relief as is just and reasonable.

Respectfully submitted this
31st day of August, 2007, by:

ROSE, SUNDSTROM & BENTLEY, LLP
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John R. Jenkins, Esq.
FL Bar ID No. #35546
Attorneys for
Town and Country Utilities Company

Schedule of Exhibits

Exhibit "A" – Master Plan from Camp, Dresser & McKee, Inc.

Exhibit "B" – Cost of Service Study from Carlstedt, Jackson, Nixon & Wilson

Exhibit "C" – Purchase and Sale Agreement between Babcock Property Holdings and
Town and Country Utilities Company

EXHIBIT "A"

Master Plan from Camp, Dresser & McKee, Inc.

Town and Country Utilities Company

Babcock Ranch Water and Wastewater Facilities

August 20, 2007

Master Plan

Contents

Section 1 Projected Flows for Water, Wastewater, and Reclaimed Water Facilities

1.1	Introduction.....	1-1
1.2	Potable Water Demands	1-2
1.3	Wastewater Flows	1-4

Section 2 Potable Water Treatment Element

2.1	Phasing.....	2-1
2.2	Raw Water Wellfield and Raw Water Transmission Pipeline	2-1
2.3	Treatment Plant Design Concept	2-2
2.4	Central WTP Preliminary Cost Estimate.....	2-7
2.5	Potable Water Distribution System.....	2-7
2.6	Deep Injection Well	2-8

Section 3 Wastewater Treatment Element

3.1	Introduction.....	3-1
3.2	Wastewater Collection and Transmission System.....	3-1
3.3	Water Reclamation Facility Conceptual Plan	3-2
3.4	WRF Effluent Reclaimed Water.....	3-7
3.5	North Area.....	3-8

Section 4 Biosolids Handling and Treatment

4.1	Introduction.....	4-1
4.2	Process and Phasing Description	4-1

Section 5 Cost Summary – 50% Phase

5.1	Introduction.....	5-1
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Tables

1-1	Residential and Commercial Absorption Projections by Year	1-1
1-2	Potable Water Demand Factors	1-2
1-3	Potable Water Demands from 2010 to 2030	1-3
1-4	Wastewater Demands from 2010 to 2030.....	1-5
2-1	Central Water Treatment Plant Phasing.....	2-1
2-2	Anticipated Raw Water Production Capacity	2-2
2-3	Estimated Phase 1 and 2 Costs for Wellfield and Raw Water Transmission ...	2-2
2-4	Structure and Equipment Capacity and Phasing.....	2-5
2-5	Estimated Costs Central WTP - 50% Ultimate Capacity	2-8
2-6	Estimated Costs - Potable Water Distribution System	2-9
2-7	Phase 1 Deep Injection Well Cost Estimates.....	2-10

3-1	Central Water Reclamation Facility Capacity Phases.....	3-1
3-2	Preliminary Cost Estimates for Wastewater Collection/Transmission.....	3-2
3-3	Structure and Equipment Capacity and Phasing.....	3-4
3-4	Estimated Costs Central WRF - 50% Ultimate Capacity	3-7
3-5	Estimated Costs - Reclaimed Water Distribution.....	3-7
3-6	Estimated Costs - North Area Wastewater	3-8
4-1	Biosolids Handling and Treatment Facilities	4-3
4-2	Estimated Capital Costs for Phases 1 through 3	4-3
5-1	Babcock Ranch Utility Capital Cost Summary	5-2
5-2	Operations and Maintenance Cost Summary for Wastewater Plant	5-3
5-3	Operations and Maintenance Cost Summary for Water Plant.....	5-4

Figures

1-1	Water Treatment Facility Projected Maximum Daily Flow	1-4
1-2	Wastewater Reclamation Facility Projected Maximum Daily Flow	1-6
2-1	WTP Phasing Plan	2-4
3-1	Conceptual Transmission Main and Tank Layout.....	3-8

Executive Summary

Project Background

Town and Country Utilities Company is currently engaged in the planning process for providing water, wastewater, and reclaimed water services to the proposed new community of Babcock Ranch. The community will include single- and multi-family residential units, commercial space, civic and educational facilities, golf courses, and several community parks. Covering more than 17,000 acres, Babcock Ranch will be a self-sufficient residential and commercial community constructed in multiple phases over approximately 20 years, starting in 2010. By 2030, the development is expected to include 19,500 residences and 6 million square feet of commercial space.

A master planning effort was conducted to determine the requirements for water and wastewater distribution, storage and treatment systems that can meet the development's needs and protect the surrounding environment. The results of this utility system master planning study for Babcock Ranch are summarized in the following sections. The conclusions and findings presented herein are a compilation of planning efforts undertaken by CDM, and are built to some measure upon studies undertaken by others, most notably, CH2MHill and Johnson Engineering.

Anticipated Flows

Absorption data for Babcock Ranch were provided by Town and Country Utilities Company. These data were used to generate annual average potable water demand for Babcock Ranch by year. The amount of wastewater generated at Babcock Ranch was determined by assuming 90 percent return from the potable water delivered. The potable water demand and wastewater generation values were then used to size water and wastewater treatment facilities and to develop facility phasing plans.

Effluent Management

Town and Country Utilities will use public access reuse for irrigation as the primary method of effluent disposal. A Class I Industrial Deep Well will be used as a backup disposal option when reclaimed water demand is low. The injection well will also be used for disposal of concentrated brine generated by the water treatment plant.

Central Wastewater Treatment

Anticipated flows into the Babcock Ranch Central Water Reclamation Facility (WRF) were determined based on a 90 percent return of the average projected water demands for all types of development within Babcock Ranch. This assumed no use of potable water for irrigation. As a result, initial wastewater generation is expected to be less than 200,000 gallons per day in the first three years of development. As additional homes and businesses are built, the wastewater generated in the community is expected to increase to about 7.0 millions gallons per day.

Central Water Reclamation Facility

The domestic wastewater generated within the community will be sent to the Babcock Ranch Central WRF. The first and second phases of the Central WRF will rely on package plants utilizing Sequential Batch Reactor (SBR) processes. As the wastewater flows increase, the treatment process will convert to a permanent system using a four stage Bardenpho process. At all times, the WRF will treat wastewater to a tertiary effluent quality containing no more than 5 mg/l of 5-day biochemical oxygen demand (CBOD₅), 5 mg/l of total suspended solids (TSS), 5 mg/l of total nitrogen (TN), and 5 mg/l of total phosphorus (TP).

Biosolids Handling and Treatment

During the early stages of the development, the small amount of biosolids generated by the WRF will be hauled to the North Village, where they will be dried in conventional sludge drying beds. The dried biosolids will be composted with other organic wastes and beneficially reused throughout the community as a Class AA fertilizer. As biosolids generation increases, dewatering equipment will be installed and the composting operation will continue.

Central Potable Water Treatment

The Babcock Ranch Central Water Treatment Plant (WTP) will utilize raw water from the Upper Floridan aquifer. Water from this aquifer is slightly brackish and will be treated with reverse osmosis membrane technology to meet federal and state drinking water standards. The Central WTP will be constructed in three phases for an ultimate buildout capacity of 9 million gallons per day. Brine from the treatment process will be disposed through the deep injection well.

Section 1

Projected Flows for Water, Wastewater, and Reclaimed Water Facilities

1.1 Introduction

The proposed Babcock Ranch community will include single- and multi-family residential units, commercial space, civic and educational facilities, golf courses, and several community parks. Babcock Ranch has a 20-year buildout plan beginning in 2010, which is summarized in **Table 1-1**. By 2030, Babcock Ranch is expected to include 19,500 residential units and 6 million square feet (ft²) of commercial space. In addition, the development is expected to include 3 elementary schools, one middle school, and one high school.

**Table 1-1
Residential and Commercial Absorption Projections by Year
(cumulative)**

	Residential Units	Commercial Area (1000 ft ²)
2010	0	0
2011	35	5
2012	247	90
2013	691	225
2014	1,445	328
2015	2,739	532
2016	4,413	854
2017	6,159	1,304
2018	7,996	1,928
2019	10,123	2,707
2020	12,404	3,535
2021	14,392	4,302
2022	15,964	4,959
2023	17,170	5,487
2024	18,069	5,823
2025	18,730	5,969
2026	19,164	6,000
2027	19,387	6,000
2028	19,483	6,000
2029	19,500	6,000

Town and Country Utilities is planning to build facilities to serve the water, wastewater, and reclaimed water needs of Babcock Ranch. To properly plan these facilities, the projected water demand and resultant wastewater flows and loads were determined.

1.2 Potable Water Demands

Determining the amount of potable water demand for Babcock Ranch began by defining the water uses by individual components within the community. Table 1-2 lists the potable water demand factors used for each component of Babcock Ranch.

Table 1-2
Potable Water Demand Factors for Residential and Commercial Development

Type of Development	Demand Factor
Single-family	225 gpd/residence
Multi-family	225 gpd/residence
Retail	0.20 gpd/ ft ²
Civic	0.20 gpd/ ft ²
Office	0.15 gpd/ ft ²
Medical Office	0.20 gpd/ ft ²
Industrial	0.20 gpd/ ft ²
Hotel	0.42 gpd/ ft ²
Hospital	250 gpd/ bed
Assisted Living	120 gpd/ unit
School	22 gpd / student
Religious Facilities	0.15 gpd/ ft ²
Parks	100 gpd/ acre
Golf Course Facilities	500 gpd/ hole
Clubhouses ¹	0.20 gpd/ ft ²
Spas ¹	0.20 gpd/ ft ²

¹ Estimated

The demand factors outlined in Table 1-2 were derived from a number of different sources, including the Charlotte County Building Code, Section 3-8-46 and the Florida Administrative Code, Chapter 64E-6.008. For most of the retail demands, a generation rate of 0.2 gpd per square foot of development was used. These numbers are considered to be conservative estimates. These demand factors were also used previously by the consultant assisting Town & Country Utilities with earlier efforts of Master Planning. CDM considers the demand factors to be reasonable and justifiable.

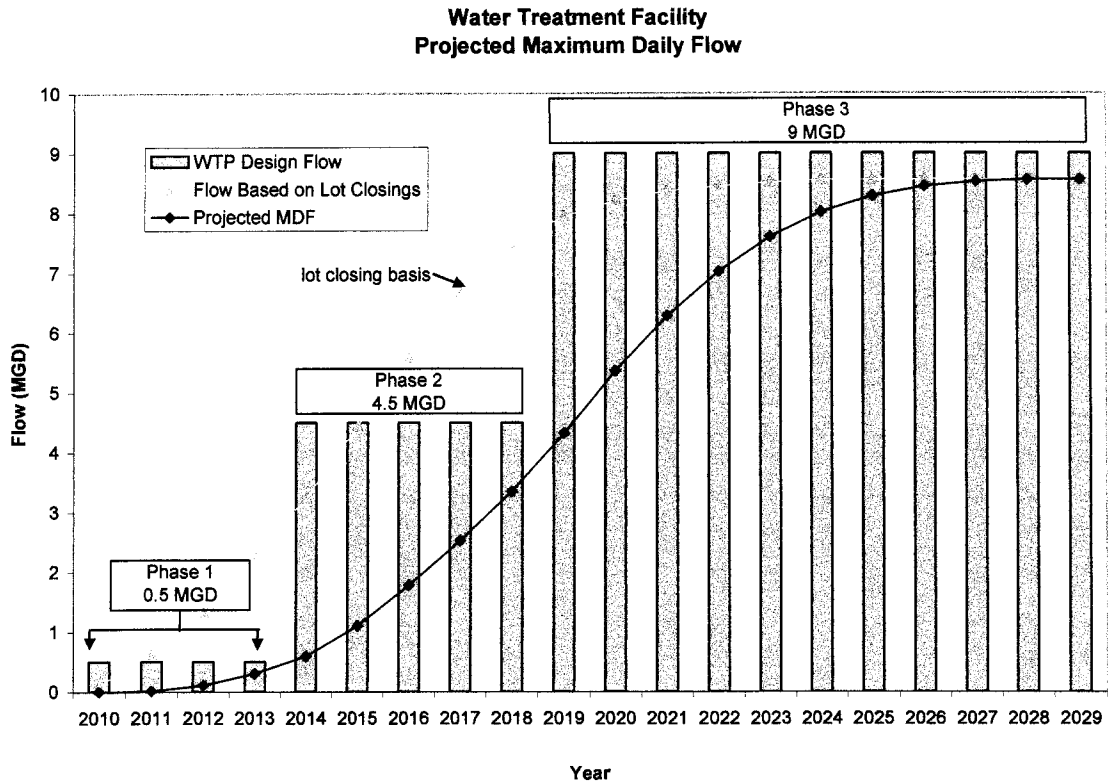
The demand factors, in conjunction with the phased development plan, were used to calculate the amount of potable water required by year. **Table 1-3** presents these values in the column labeled "AADF (mgd)" which predicts the annual average daily

flow in millions of gallons per day. Table 1-3 also predicts the maximum daily flow (MDF) and the peak hourly flow (PHF). The MDF is calculated by multiplying the AADF by a peaking factor of 1.5. The MDF is used to size the process portions of the water treatment facilities (for example, the membrane systems). The PHF is used in the design of pumping, piping, and water storage.

Table 1-3
Potable Water Demands from 2010 to 2030 for Babcock Ranch

Year	WTP Phase	AADF (mgd)	MDF Factor	MDF (mgd)	PHF Factor	PHF (mgd)	WTP Design Flow (mgd) MDF	WTP Design Flow (mgd) AADF
2010	1	0.00	1.5	0.00	4.00	0.00	0.5	0.33
2011	1	0.01	1.5	0.01	4.00	0.04	0.5	0.33
2012	1	0.08	1.5	0.11	4.00	0.30	0.5	0.33
2013	1	0.20	1.5	0.31	4.00	0.82	0.5	0.33
2014	2	0.40	1.5	0.60	4.00	1.60	4.5	3.0
2015	2	0.74	1.5	1.11	4.00	2.96	4.5	3.0
2016	2	1.19	1.5	1.79	4.00	4.76	4.5	3.0
2017	2	1.68	1.5	2.53	4.00	6.74	4.5	3.0
2018	2	2.23	1.5	3.35	4.00	8.93	4.5	3.0
2019	3	2.88	1.5	4.32	4.00	11.52	9.0	6.0
2020	3	3.57	1.5	5.36	4.00	14.30	9.0	6.0
2021	3	4.19	1.5	6.28	4.00	16.75	9.0	6.0
2022	3	4.68	1.5	7.02	4.00	18.73	9.0	6.0
2023	3	5.07	1.5	7.60	4.00	20.27	9.0	6.0
2024	3	5.34	1.5	8.01	4.00	21.37	9.0	6.0
2025	3	5.52	1.5	8.29	4.00	22.10	9.0	6.0
2026	3	5.63	1.5	8.45	4.00	22.52	9.0	6.0
2027	3	5.68	1.5	8.52	4.00	22.73	9.0	6.0
2028	3	5.70	1.5	8.56	4.00	22.82	9.0	6.0
2029	3	5.71	1.5	8.56	4.00	22.83	9.0	6.0

The recommended WTP design flow is presented in **Figure 1-1**. The WTP design flow increases in 3 phases to accommodate growth within the development. Based on the projected MDF at buildout, it was determined that a 9 MGD treatment facility would be required. The design concepts incorporated into the phasing approach presented in Figure 1-1 are discussed in Section 2 of this Master Plan.



**Figure 1-1
Projected Maximum Daily Flow**

1.3 Wastewater Flows

Wastewater generated by the residences and businesses of Babcock Ranch will be collected and conveyed to a Central Water Reclamation Facility (WRF) to be co-located with the Central Water Treatment Facility at the Utilities Site within the development. The anticipated flows into the Central WRF were determined based on a 90 percent return of the projected water demands for all types of development within Babcock Ranch. A principal component of this assumption is that no potable water will be used for irrigation.

Table 1-4 lists the anticipated wastewater flows. As with the potable water projections, factors are applied to the anticipated flows to develop flows to be used in the design of a Central WRF. The maximum month average daily flow (MMADF) is used to size the treatment process and to define the facility's capacity. The MMADF at buildout is projected to be approximately 6.7 MGD. The timing of the WRF phases was determined by comparing the design capacity to the projected MMADF, which is presented in Figure 1-2.

**Table 1-4
Wastewater Demands from 2010 to 2030 for Babcock Ranch**

Year	WRF Phase	AADF (mgd)	MMADF Factor	MMADF (mgd)	MDF Factor	MDF (mgd)	PHF Factor	PHF (mgd)	WRF Design (mgd)	WRF Design (mgd)
									MMADF	AADF
2010	1	0.00	1.3	0.00	2	0.00	3.0	0.00	0.2	0.15
2011	1	0.01	1.3	0.01	2	0.02	3.0	0.02	0.2	0.15
2012	1	0.07	1.3	0.09	2	0.14	3.0	0.20	0.2	0.15
2013	2	0.18	1.3	0.24	2	0.37	3.0	0.55	1.5	1.15
2014	2	0.36	1.3	0.47	2	0.72	3.0	1.08	1.5	1.15
2015	2	0.67	1.3	0.86	2	1.33	3.0	2.00	1.5	1.15
2016	3	1.07	1.3	1.39	2	2.14	3.0	3.21	3.5	2.69
2017	3	1.52	1.3	1.97	2	3.03	3.0	4.55	3.5	2.69
2018	3	2.01	1.3	2.61	2	4.02	3.0	6.03	3.5	2.69
2019	4	2.59	1.3	3.37	2	5.19	3.0	7.78	7	5.38
2020	4	3.22	1.3	4.18	2	6.43	3.0	9.65	7	5.38
2021	4	3.77	1.3	4.90	2	7.54	3.0	11.31	7	5.38
2022	4	4.21	1.3	5.48	2	8.43	3.0	12.64	7	5.38
2023	4	4.56	1.3	5.93	2	9.12	3.0	13.68	7	5.38
2024	4	4.81	1.3	6.25	2	9.62	3.0	14.42	7	5.38
2025	4	4.97	1.3	6.46	2	9.94	3.0	14.91	7	5.38
2026	4	5.07	1.3	6.59	2	10.13	3.0	15.20	7	5.38
2027	4	5.11	1.3	6.65	2	10.23	3.0	15.34	7	5.38
2028	4	5.13	1.3	6.67	2	10.27	3.0	15.40	7	5.38
2029	4	5.14	1.3	6.68	2	10.27	3.0	15.41	7	5.38

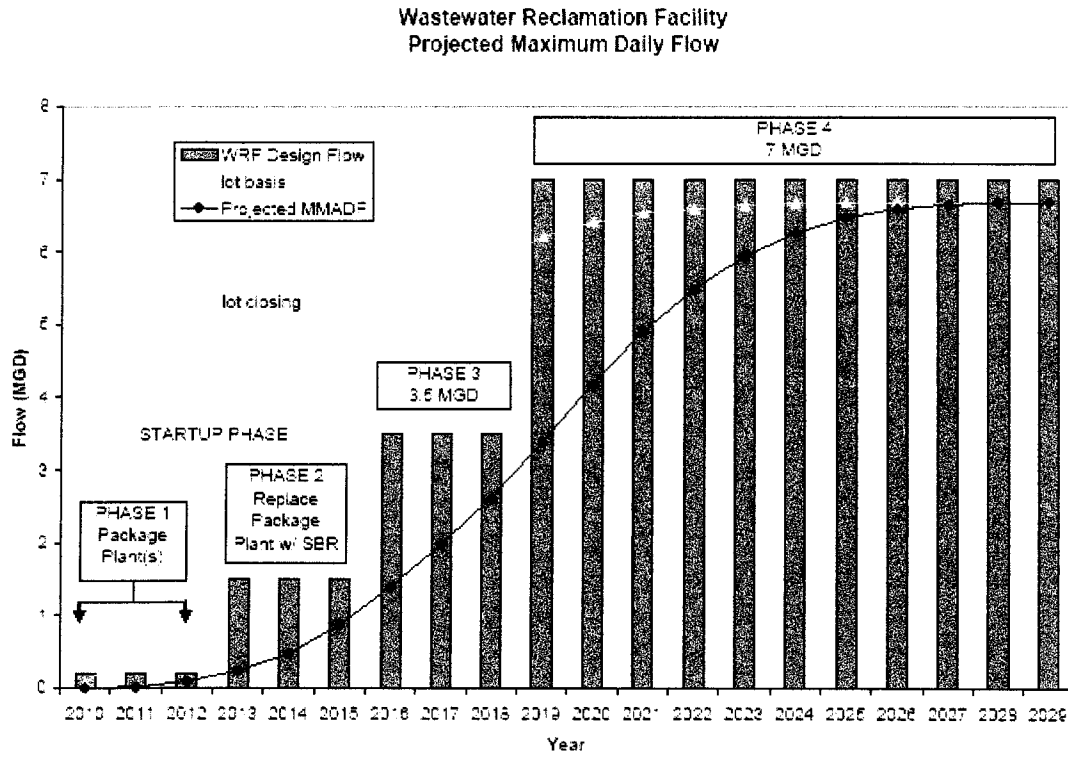


Figure 1-2
Projected Maximum Daily Flow

Section 2

Potable Water Treatment Element

This section describes the raw water supply, water treatment, and potable water distribution systems to be employed at the Babcock Ranch Central Water Treatment Plant (WTP). This section also addresses facility phasing, treatment process design, facility layout, and preliminary costs.

2.1 Phasing

The Babcock Ranch Central WTP is planned to be constructed in 3 phases according to the growth estimates and flow projections outlined in Section 1. **Table 2-1** shows the design capacity and timing for each phase. The level of construction during each phase will be based on the most economical timing for installing the required equipment. The building and infrastructure elements will be constructed in Phase 1 to facilitate expansion without additional major construction projected until Phase 3 in approximately 2019.

Table 2-1
Central Water Treatment Plant Phasing

Phase	WTP MDF (MGD)	WTP AADF (MGD)	Years
1	0.5	0.3	2010-2013
2	4.5	3.0	2014-2018
3	9.0	6.0	2019-2030

2.2 Raw Water Wellfield and Raw Water Transmission Pipeline

Raw water supply will be from production wells located in the northern part of the project site along the existing roadway adjacent to the eastern project site boundary. The production wells will tap the Upper Floridan Aquifer with nominal 12-inch well casing extended to approximately 500 feet below land surface (bls) and open hole intervals to approximately 650 feet bls.

The production wells are anticipated to each have yields of approximately 0.75 MGD (approximately 500 gpm). Actual well yields may vary because hydraulic properties of the Upper Floridan Aquifer are variable. Two test wells and two monitor wells are currently under construction. These wells will be tested for yield after installation. Production wells will also be tested after installation. After testing, well pumps, well head, and appurtenances will be installed at each well site, provided the yield is acceptable. Each well will be equipped with backflow prevention valves, discharge

pipng, flow meters, and SCADA system. Emergency power will be provided to the well heads by a series of emergency generators.

The anticipated number of wells and finished and raw water production capacity for each phase of the project are provided in Table 2-2.

**Table 2-2
Anticipated Raw Water Production Capacity**

Phase	Number of Wells per Phase	Cumulative Number of Wells	Anticipated Raw Water Capacity (MGD)	Anticipated Finished Water Capacity (MGD) ¹	Anticipated WTP Production Capacity (MGD)
1	3	3	2.3	1.7	0.5
2	7	10	7.5	5.6	4.5
3	7	17	12.8	9.6	9.0

¹ Finished water capacity assuming 75% treatment efficiency.

Raw water will be transmitted to the water treatment plant (WTP) via a transmission main. It is anticipated that the initial three production wells will comprise the southernmost wells in the wellfield. As additional wells are added to the north, the raw water transmission main will also be extended to the north. Approximately 29,000 linear feet (approximately 5.5 miles) of pipeline will be needed for Phase 1. Sizing of the raw water piping will be determined via hydraulic modeling.

Table 2-3 presents the estimated Phase 1 and 2 costs for the wellfield and raw water transmission pipeline.

**Table 2-3
Estimated Phase 1 & 2 Costs for Wellfield and Raw Water Transmission**

Item	Number	Phase I & II Cost Estimate (2007 Dollars)
Test Wells	2	\$1,600,000
Raw Water Supply Wells (including pumps, controls, SCADA, backup power)	10	\$6,000,000
Raw Water Transmission Pipeline	1	\$4,700,000
Total		\$12,300,000

2.3 Treatment Plant Design Concept

The proposed source water for the Babcock Ranch Central WTP is brackish groundwater from the Upper Floridan aquifer. The Upper Floridan aquifer generally exceeds the Florida primary drinking water standards for sodium and total dissolved solids (TDS). Because of this, CDM has selected a low pressure reverse osmosis (LPRO) system because of its proven reliability.

The Phase 1 LPRO treatment facility will have an initial finished water production capacity of 0.5 million gallons per day (mgd) scheduled to be in service in 2010. The Phase 2 facility will have a finished water capacity of 4.5 mgd and is scheduled to be on-line in 2014. The Phase 3 facility will have a finished water capacity of 9.0 mgd and is scheduled to be on-line in 2019. The initial capacity requirement is generally considered to be at a level typically supplied by "package plant" equipment. However, this production capacity must still be housed in a protective environment with certain areas requiring air conditioning (control rooms, laboratory, electrical room, communications space, and locker areas). A building housing only this equipment and functions cannot be easily expanded to meet the requirements of the build-out capacity (9.0 mgd). Further note that a temporary building sized for the initial Phase 1 0.5 mgd capacity would remain in service only for four years. In addition, when the larger Membrane Process Building is required and constructed, raw water piping, finished water piping, electrical conduit/duct-banks, and fiber optic lines (control/monitoring) would require re-location from the temporary building to the new Membrane Process Building.

Given that the larger, permanent Membrane Process Building would require construction in the relative short-term period of the overall project timeframe, CDM recommends against the use of a temporary building to house the Phase 1 initial capacity. However, CDM recognizes the need to reasonably match building and equipment sizes to required production needs. Since the Phase 3 capacity is double the Phase 2 capacity, the concept of constructing an initial facility that could be essentially "mirrored" for the Phase 3 expansion is logical and cost-effective. Thus, the following Membrane Process Building plan of construction is recommended:

- Construct the "front-of-building" facilities to house the control room, locker rooms, communications space, and laboratory all full-size since these areas have a fixed space irregardless of treatment plant flow. These facilities would remain fixed in size and place for the life of the project.
- Construct an initial LPRO Membrane Skid Process Floor and Associated Rooms such as Electrical Room, Pump Room including High Service Pumps and LPRO Feedwater Pumps, and Cartridge Filter Room. These facilities would be sized on an area basis for a 4.5 mgd treatment capacity.
- At the time of the Phase 3 expansion the above described Process Floor and Associated Rooms would be mirrored.

- For the initial Phase 1 operation, the equipment capacity installed in this phase would be dependent upon the flow-dependency and energy use of the installed equipment. An example would be feedwater pumps that cannot operate efficiently at the flow ratio between Phase 1 and Phase 2 (1:9). As such these types of equipment would be sized for the Phase 1 capacity. However, cartridge filter operation is not flow-dependent or energy-sensitive and it would be more economical to install the unit sized for the Phase 2 requirement.

Figure 2-1 presents the construction phasing concept for the Central WTP.

WTP Phasing Plan

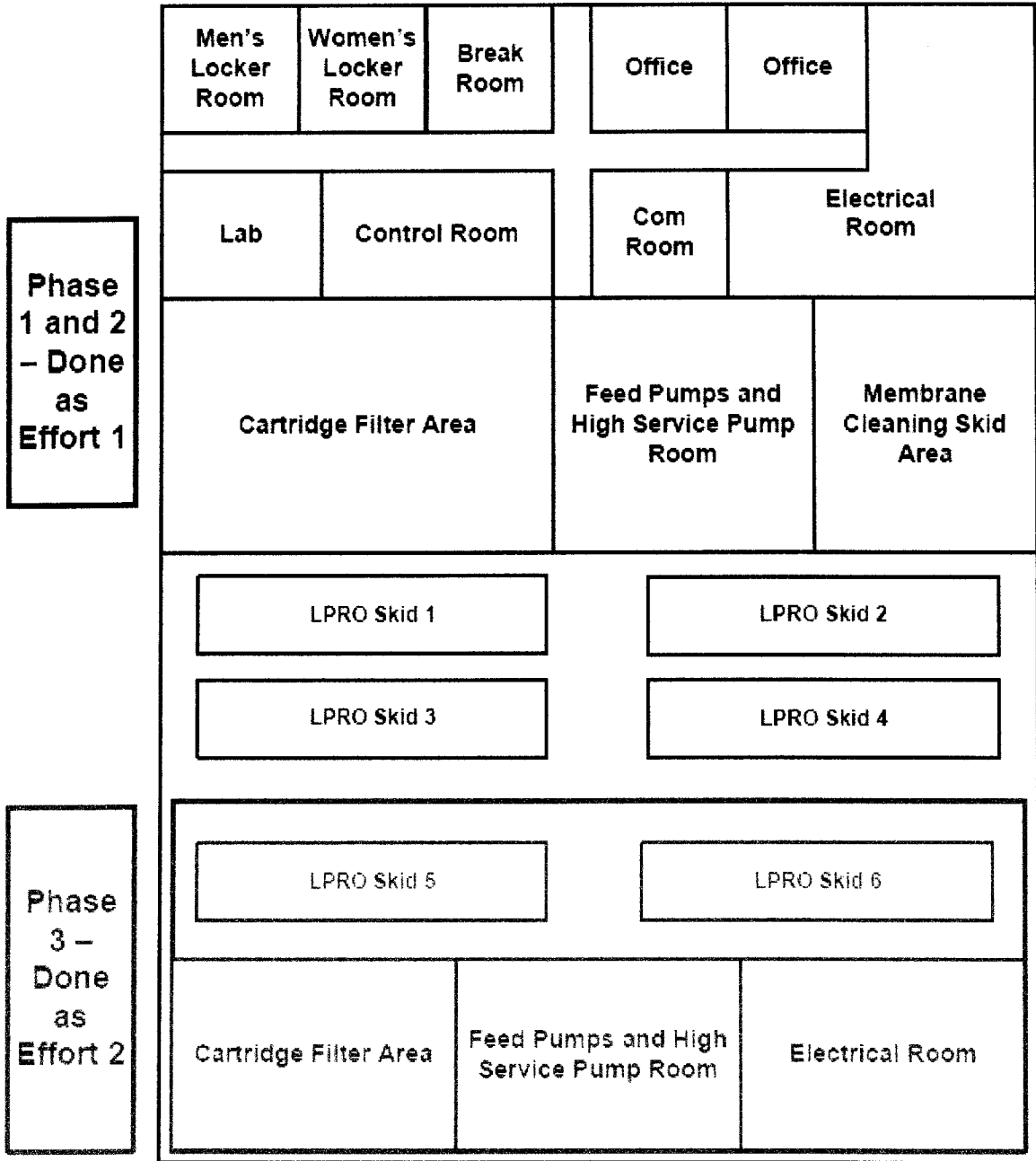


Figure 2-1
WTP Construction Phasing Concept

Table 2-4 provides a simplified equipment sizing and phasing plan for the LPRO treatment equipment.

Table 2-4 Structure and Equipment Capacity and Phasing			
Structure or Major Unit Process Equipment	Phase 1	Phase 2	Phase 3
Flow Basis			
Permeate: Raw Water Blend (#:#) ¹	90:10	90:10	90:10
LPRO Permeate (mgd)	0.45	4.05	8.10
Raw Water Blend (mgd)	0.05	0.45	0.90
Total Raw Water Flow (mgd)	0.61	5.51	11.03
Total LPRO Feedwater (mgd)	0.56	5.06	10.13
Total Finished Flow (mgd)	0.50	4.50	9.00
Concentrate Flow (mgd)	0.11	1.01	2.03
Cartridge Filters Housings			
Number	2 New (2 Total)	NA	2 New (4 Total)
Capacity Each (mgd)	2.76	NA	2.76
Feedwater Pumps			
Number ²	3 New (3 Total)	3 New (3 Total)	3 New (6 Total)
Capacity Each (mgd)	0.28	2.53	2.53
Motor Size (hp)	30	300	300
Membrane Skids³			
Number	2 New (2 Total)	2 Remodeled	2 New (4 Total)
Capacity Each (mgd)	0.23	2.03	2.03
Degasifiers			
Number of Towers	1 New (1 Total)	1 New (2 Total)	2 New (4 Total)
Capacity Each (mgd)	2.25	2.25	2.25
Number of Blowers ⁴	2 New (2 Total)	3 New (5 Total)	2 New (7 Total)
Capacity (scfm)	1,390	1,390	1,390
Clearwell			
Number	1 New (1 Total)	NA	1 New (2 total)

Table 2-4 Structure and Equipment Capacity and Phasing			
Structure or Major Unit Process Equipment	Phase 1	Phase 2	Phase 3
Volume Each (Gals)	50,000	NA	50,000
Odor Control Scrubbers			
Number	1 New	NA	1 New (2 total)
Capacity Each (scfm)	2,780	NA	2,780
Transfer Pumps ⁵			
Number	2 New (2 Total)	1 New (3 Total)	2 New (5 total)
Capacity Each (mgd)	2.25	2.25	2.25
Motor Size (hp)	25	25	25
Ground Storage Tanks			
Number	2 New (2 Total)	NA	2 New (4 total) ⁶
Capacity Each (MG)	1.0	NA	1.0
Sulfuric Acid System			
Number of Storage Tanks ⁷	1 New (1 Total)	NA	1 New (2 Total)
Capacity Each (gals)	7,000	NA	7,000
Number of Metering Pumps ⁸	2 New (2 Total)	NA	1 New (3 Total)
Capacity Each (gph)	12.0	NA	12.0
Anti-Scalant System			
Number of Storage Tanks	1 New (1 Total)	NA	1 New (2Total)
Capacity Each (gals)	600	NA	600
Number of Metering Pumps ⁸	2 New (1 Total)	NA	1 New (3 Total)
Capacity Each (gph)	1.0	NA	1.0
Sodium Hypochlorite System			
Number of Storage Tanks ⁹	1 New (1 Total)	1 New (1 Total)	1 New (2 Total)
Capacity Each (gals)	500	4,500	4,500
Number of Metering Pumps ⁸	2 New (1 Total)	2 New (2 Total)	1 New (3 Total)
Capacity Each (gph)	2.0	14.0	14.0

Structure or Major Unit Process Equipment	Phase 1	Phase 2	Phase 3
Sodium Hydroxide System			
Number of Storage Tanks ⁷	1 New (1 Total)	NA	1 New (2 Total)
Capacity Each	2,500	NA	2,500
Number of Metering Pumps ⁸	2 New (2 Total)	NA	1 New (3 Total)
Capacity Each (gph)	4.0	NA	4.0
Ammonia System			
Number of Storage Tanks	1 New (1 Total)	NA	NA
Capacity Each	1,000	NA	NA
Number of Ammoniators ¹⁰	2 New (2 Total)	NA	1 New (3 Total)
Capacity Each (ppd)	100	NA	100
High Service Pumps ¹¹			
Number	3 New (3 Total)	4 New (4 Total)	3 New (7 Total)
Capacity Each (mgd)	1.00	3.00	3.00
Motor Size (hp)	50	150	150

Notes:

1. Assumed that even with raw degradation a 10 percent blend of pre-treated water is possible – consistent with similar facilities
2. Includes one standby pump
3. Original skid structure sized for Phase 2 capacity but only loaded with indicated capacity of pressure vessels and membrane elements
4. Includes standby blower
5. Included standby transfer pump
6. Third and fourth 1.0 MG ground storage tanks could be combined into a single 2.0 MG tank
7. Assumes 30 day storage at maximum daily usage
8. Assumes one standby pump
9. Assumes 15 days storage at maximum daily storage
10. Assumes one standby ammoniator
11. Assumes firm high service pumping capacity = 400% of finished water production capacity in Phase 1 and 200% finished water production capacity in Phases 2 and 3. Assumes one 1.00 mgd standby pump in Phase 1 and one 3.00 mgd standby pump in Phases 2 and 3. Note that original 1.00 mgd high service pumps will serve as low flow demand jockey pumps in Phases 2 and 3.

2.4 Central WTP Preliminary Cost Estimate

Table 2-5 presents the cost estimate for the Babcock Ranch Central WTP.

Table 2-5
Estimated Costs Central WTP – 50% Ultimate Capacity

Process	Phase I & II (2007 dollars)
RO Membranes	\$2,450,000
Water Treatment Equipment	\$2,450,000
Pumps	\$1,715,000
Storage Tanks	\$1,470,000
Structures & Improvements	\$3,920,000
Buildings	\$3,920,000
Electrical	\$3,800,000
Emergency Generators	\$1,100,000
Process Piping	\$3,675,000
Total	\$24,500,000

2.5 Potable Water Distribution System

The water distribution system will consist of two 2-million gallon above ground storage tanks with high service pumps and approximately 70,000 linear feet of water main. Two remote storage tanks will be located at the Village Center and the Town Center to generate redundancy and reliability in the event that the high service pumps for any storage facility within the system needs to be taken out of service. The ground storage tanks will fill during periods of low demand and will discharge during periods of high demand allowing the system to be pressurized from three separate locations (Central WTP, Village Center, and Town Center) and minimize loss of system pressure associated with the service area. Additionally, a pipeline will be constructed to the North Babcock Village to supply the potable water needs for the non-populated area. To accomplish this, a pipeline will be constructed connecting the main transmission line in the vicinity of Hamlet I to the North Babcock Village.

The water mains will consist of properly sized pipes that will be placed along the primary roads within the community. Each individual developer, community, or subdivision will connect to the potable water main to provide water service to the

homes and businesses. **Table 2-6** presents the preliminary cost estimates for the potable water distribution system.

**Table 2-6
Estimated Costs – Potable Water Distribution System**

Item	Phase I & II Cost Estimate (2007 Dollars)
Potable Water Transmission Lines	\$7,000,000
Potable Water Storage Tanks	\$2,400,000
Potable Water Booster Pump Stations	\$1,000,000
North Area Potable Water	\$1,000,000
Total	\$11,400,000

2.6 Deep Injection Well

A Class I Deep Injection Well will be used to dispose of RO concentrate from the Central WTP. The same Deep Injection Well will be used to provide wet weather disposal capacity for the adjacent Central Water Reclamation Plant. The well will be located at the utility site and is expected to extend approximately 3,000 feet below land surface. A deep injection well used for disposal of both effluent and RO concentrate is known as a tubing and packer deep injection well and is considered a Class 1 Industrial injection well. The deep injection well will have an 18" final injection tubing extending to approximately 2,500 feet below land surface and a final borehole constructed to approximately 3,000 feet below land surface. The injection well will be sized for buildout conditions since there is a minimal initial reduction in cost for constructing a smaller diameter well in Phase 1 and constructing additional wells in the future would cost considerably more. A multi-zone monitoring well will be required by FDEP, which will be constructed in conjunction with the injection well. **Table 2-6** displays a breakdown of the preliminary cost estimates for the deep injection well.

**Table 2-7
Phase 1 Deep Injection Well Cost Estimates (2007 Dollars)**

Item	Cost Estimate (2007 Dollars)
Tube and Packer Injection Well	\$4,380,000
Monitoring Well	\$1,440,000
Well Heads, Piping, Monitoring Equipment	\$180,000
Total	\$6,000,000

Section 3

Wastewater Treatment Element

3.1 Introduction

An onsite central wastewater treatment facility will receive and treat wastewater generated within the community. The Babcock Ranch Central Water Reclamation facility (WRF) will be designed, constructed, and operated in four phases from 2010 through 2030. Table 3-1 presents the planned design capacities for the WRF.

Table 3-1
Central Water Reclamation Facility
Capacity Design and Construction Phases

Phase	MMADF (MGD)	AADF (MGD)	Years
1	0.2	0.15	2010-2012
2	1.5	1.15	2013-2015
3	3.5	2.69	2016-2018
4	7.0	5.38	2019-2030

- Phase 1: Construct three package treatment trains capable of treating a combined 200,000 gpd
- Phase 2: Construct two sequencing batch reactor processes capable of treating 1.5 mgd including biosolids management components; the Start-up Phase package components will be relocated or sold
- Phase 3: Construct a 3.5 mgd 4-stage Bardenpho treatment process and convert the phase 2 facility to biosolids and effluent management facility
- Phase 4: Construct the second 3.5 mgd facility to achieve the ultimate 7.0 mgd treatment capacity

3.2 Wastewater Collection and Transmission System

The spine wastewater collection and transmission system for Phase 1 and 2 is planned, based on the preliminary development, to consist of 5 master wastewater pump stations and approximately 32,000 linear feet of spine forcemain. Wastewater will originate at service connections where it will discharge into a series of gravity sewer mains. The gravity sewer mains will convey the wastewater to small lift stations (i.e., approximately 300 gpm pumping capacity). The series of small lift stations will discharge into

a force main system. The forcemain systems for each series of lift stations will be manifolded systems and/or 'piggyback' systems. The forcemain system will route flow to the nearest master pump station where the wastewater will then be pumped to the wastewater treatment facility through the spine wastewater transmission forcemain. The use of master pump stations and the spine forcemain system will allow for individual developers, communities and/or subdivisions to effectively phase their construction schedule and limit unnecessary upgrades to lift stations by allowing more predictable head conditions with less variability in pumping condition over time. Table 3-2 lists the preliminary costs estimates for these items.

**Table 3-2
Phase 1 and 2 Preliminary Cost Estimates for Wastewater Collection and Transmission System**

Item	Cost Estimate (2007 Dollars)
Wastewater Transmission Lines	\$4,600,000
Master Sewage Pump Stations	\$10,000,000
Total	\$14,600,000

3.3 Water Reclamation Facility Conceptual Plan

This section provides a conceptual plan for the Babcock Ranch Central WRF, including an overview of the treatment processes with phasing progression and process flow diagrams. Because of the relatively low flow in the early stages of the development, a phased approach is necessary to ensure that effluent quality limitations are achieved. The phasing plan was based on the following principles:

- Maintaining compliance with FDEP regulations regarding the available remaining capacity of treatment facilities versus permitted flows while minimizing construction activities on site (including an effluent quality containing no more than 5 mg/l of 5-day biochemical oxygen demand (CBOD₅), 5 mg/l of total suspended solids (TSS), 5 mg/l of total nitrogen (TN), and 5 mg/l of total phosphorus (TP), for all phases).
- Providing for the orderly and logical expansion of treatment facilities and unit processes using similar equipment and systems
- Maximizing redundancy and coordination with the Central WTP.

Phase 1

The proposed process for Phase 1 will consist of three modified sequencing batch reactors (SBR) fabricated of steel tankage. In addition, a separate steel tank will be provided to serve as decant storage and aerobic sludge holding. The lower treatment

process capacity of 200,000 gpd is proposed for this phase in order to properly treat the extremely low flows predicted in the development absorption schedule. The SBR tanks are commonly referred to as "package plants" and are designed to effectively treat low flows.

Phase 2

This phase will consist of a larger sequencing batch reactor (SBR) process capable of treating 1.5 mgd. The process will be configured to serve as the future biosolids and effluent management system. At this point in the phasing, the system will be designed to minimize any future work to convert these facilities into their future use in the next phase. SBR's are recommended for this phase for the following reasons:

- SBRs are well suited for accommodating wide variations of influent flow and organic loadings. These situations often occur with growing areas.
- The proposed configuration for these SBR process tanks will be configured for future service as aerobic sludge holding tanks.

In addition to the SBR process, an effluent holding tank and aerobic sludge holding tank will be provided. All of this tankage will be incorporated into the final treatment configuration with minimal required modifications.

During Phase 2, the pretreatment structure consisting of influent screening and grit removal processes will be provided. This facility will be designed to accommodate the ultimate peak flows based on an influent average daily flow of 7.0 mgd. Equipment will only be installed to accommodate the 1.5 mgd Phase 2 flows. In addition, an effluent filtration and chlorine contact chamber will be provided to treat the ultimate 7.0 mgd flow rate, however, only equipment required to treat 1.5 mgd will be installed during this phase.

The proposed biosolids management system will be constructed during this phase. This solids treatment stream will thicken waste activated sludge from the SBR process using a rotary drum thickener. Thickened sludge will be maintained under aerobic conditions in an aerobic sludge holding tank, and then from there it will be dewatered using a dewatering belt press. Dewatered sludge will then be mixed with ground up yard waste and will be composted for use as mulch material.

Phase 3

This will consist of the construction of a 4-Stage Bardenpho wastewater treatment process capable of treating 3.5 mgd of wastewater. This phase will largely consist of constructing a flow through activated sludge process suitable for treating higher flows more efficiently than the SBR process. However, the SBR process will be modified slightly and will serve as part of the biosolids management system and reclaimed water storage system. Additional equipment will be added to the headworks facility and the effluent filtration system constructed during Phase 2 bringing the treatment capacity up to the required 3.5 mgd.

Phase 4

This Phase will duplicate the activities of Phase 3 to bring the treatment capacity up to the ultimate 7.0 mgd treatment capacity.

The conceptual phasing outlined above is intended to minimize the capital outlay while simultaneously ensuring that sufficient treatment capacity is in place to effectively treat the raw sewage to high quality reclaimed water standards. Table 3-3 presents the structure and equipment sizing for each phase of the Central WRF.

Table 3-3 Structure and Equipment Capacity and Phasing				
Structure or Major Unit Process Equipment	Start-up Phase	Phase 1	Phase 2	Phase 3
Flow Basis				
Influent Average Daily Flow (mgd)	0.2	1.5	3.5	7.0
Peak Hourly Flow (mgd)	0.8	4.5	10.5	17.5
Influent Characteristics:				
BOD (mg/l)	250	250	250	250
TSS (mg/l)	250	250	250	250
TN (mg/l)	45	45	45	45
TP (mg/l)	10	10	10	10
Effluent Characteristics:				
BOD (mg/l)	5	5	5	5
TSS (mg/l)	5	5	5	5
TN (mg/l)	5	5	5	5
TP (mg/l)	5	5	5	5
Modified SBR Process Units				
Number of Process Trains	3			
Aeration Motive Pumps				
Number	2 per train			
Size (hp)	15			
SBR Process Units				
Number of SBR Process		2		

**Table 3-3
Structure and Equipment Capacity and Phasing**

Structure or Major Unit Process Equipment	Start-up Phase	Phase 1	Phase 2	Phase 3
Tanks Volume of SBR Tanks (gal each)		750,000		
Motive Pumps for Mixing Number of Pumps per SBR Size of Pump (hp)		2 40		
Aeration Blowers Number of Blowers Size of Blowers (hp)		3 (1 Standby) 150		
BNR Process Trains Number of Trains Internal Nitrate Recycle			2 4 times Influent	2 4 times Influent
Pretreatment Number of Screens Number of Grit Removal Units		1 1	1 Additional (2) 1 Additional (2)	1 Additional (3) (2)
Odor Control System Number		1	(1)	(1)
Aeration Blowers for BNR Process Number Size (hp)			3 200	2 Additional (5) 200
Clarifiers Number Size (diameter in feet)			2 125	1 (3) 125
Filtration System Number of Filters (Type)	2 (cartridge)	2(disk)	1 Additional(disk)	2 Additional(disk)

Table 3-3 Structure and Equipment Capacity and Phasing				
Structure or Major Unit Process Equipment	Start-up Phase	Phase 1	Phase 2	Phase 3
			(3)	(5)
Disinfection System Disinfectant Used Detention Time at 1 mg/l residual	NaOCl 25 minutes	NaOCl 25 minutes	NaOCl 25 minutes	NaOCl 25 minutes
Effluent Management Primary Effluent Disposal Secondary Effluent Disposal Primary Effluent Disposal No. of Effluent EQ Tanks Volume of Tanks No. of Reclaimed Water Pumps System Pressure (psig) Size of Pumps (hp) Secondary Effluent Disposal No. of Deep Wells for Injection	Reclaimed Pond	Reclaimed Injection Well 1 750,000 3 60-75 50 1	Reclaimed Injection Well Convert 2 SBR (3) 750,000 TBD	1 New (2 Total) 2,500 1 New (3 Total) (3) 750,000 TBD

Table 3-4 lists the capital cost estimates for the Central WRF for the first 50% of ultimate treatment capacity (Phases 1, 2, and 3 as outlined above).

**Table 3-4
Estimated Costs Central WRF – 50% Ultimate Capacity**

Process	Cost Estimate (2007 Dollars)
Treatment and Disposal Equipment	\$6,500,000
Structures and Improvements	\$8,125,000
Pumping Equipment	\$3,250,000
Electrical	\$7,375,000
Plant Piping	\$6,500,000
Emergency Generator	\$750,000
Total	\$32,500,000

3.4 WRF Effluent/Reclaimed Water

An effluent transmission main will convey the reclaimed water intended for public access irrigation from the wastewater treatment facility to several irrigation storage and pump stations. The reclaimed water facilities at the WRF will consist of operational storage and low pressure pumps to convey the effluent to the offsite storage and pumping facilities. The transmission main will be approximately 40,000 linear feet and include water meters at the treatment facility and at the remote storage and pumping stations. It is anticipated that a 2 million gallon reclaimed water storage tank will be provided at each Village and Hamlet within the development (excluding tanks for Village III, which will be located at the Utility Site), totaling 5 for phases 1 and 2. Table 3-5 presents the preliminary cost estimate for the reclaimed water system. Figure 3-1 presents the conceptual layout of the transmission main/tank system.

**Table 3-5
Estimated Costs – Reclaimed Water Distribution**

Item	Cost Estimate (2007 Dollars)
Reclaimed Water Pipelines (40,000 l.f.)	\$3,800,000
Reclaimed Water Storage Tanks (5)	\$6,000,000
Total	\$9,800,000

INSERT FIGURE 3-1

3.5 North Area Wastewater

Wastewater flows from the Babcock North Village are expected to be very low. A previous review of wastewater disposal options for the North Village concluded that a High Performance Natural Treatment System could serve the area's wastewater treatment needs while simultaneously demonstrating innovative, ecological technologies intended to be integrated into the natural landscape. One such proprietary technology that has been demonstrated in Florida is the Living Machine™. Given the low flows expected in the North Village, Living Machine™ technology may be the most appropriate alternative for the area. Table 3-6 presents a cost estimate for a Living Machine™ system to serve the wastewater treatment needs of the North Village.

Table 3-6
Estimated Costs - North Area Wastewater

Item	Cost Estimate (2007 Dollars)
Living Machine™	\$3,900,000
Total	\$3,900,000

Section 4

Biosolids Handling and Treatment

4.1 Introduction

This section addresses the development of a biosolids management plan to accompany the Babcock Ranch Central WRF. The intent behind the biosolids management plan is to maximize the potential for reuse of biosolids generated by the WRF. To accomplish this, biosolids will be dewatered at the WRF then transported to a remote site at the North Babcock Village for composting with other biological wastes such as yard or green waste or animal wastes. It is envisioned that the composted material will be suitable for use in the Native Plant Nursery or by individual homeowners within Babcock Ranch.

4.2 Process and Phasing Description

Phase 1

Biosolids treatment handling and disposal is based on a treatment capacity of 0.2 mgd of wastewater flow for the first three years of operation beginning in 2010. A pilot program for composting biosolids blended with mulched yard waste, and possibly animal waste from the equestrian stables, will be constructed in the North Village area. The facilities for composting will include a biosolids storage tank, provided as part of the wastewater package plants. The waste sludge from the package plants will be dewatered on a sludge drying bed, equipped with underdrains to capture the leachate to be returned by pumps to the package plants for treatment. The dried sludge will be removed from the drying beds with a small front end loader (Bobcat), and mixed with mulched yard or green waste and/or animal waste for amendment. The mixture is piled on a paved area in a windrow, with aeration blowers pulling air through the compost piles. The exhaust air is then discharged through a biofilter system for odor control. After composting for approximately 21 days, the composted material is screened, and larger particles are recycled back into composting, and the screened material is cured for an additional 30 days, after which it is ready for distribution, marketing, and beneficial use as Class AA product. The paved area for Phase 1 will be approximately 2000 square feet, with approximately 1200 square feet under canopy roof where composting and curing occurs.

Phase 2

Biosolids treatment and handling will include the necessary facilities and equipment to compost the sludge with mulched green waste to generate a Class AA compost product that can be beneficially reused on site. The facilities will be sized for treating sludge generated from 1.5 mgd wastewater flow. The compost product will be a slow nitrogen release high quality soil conditioner that will be useful for nursery operations as well as application on landscaped areas. Waste sludge will be thickened by rotary drum thickener and stored in a thickened sludge aerated storage tank. As a back up to composting, the aerated sludge holding tank can be utilized as an aerobic digester to allow land application disposal of Class B biosolids. The sludge will be

dewatered by a belt filter press to approximately 18 percent solids. The belt filter presses will be housed in an open sided, roofed building. One belt filter press will be installed ; one unit will be sufficient to dewater the daily production of sludge in approximately 6 hours per day. Dewatered sludge cake will be conveyed to a paved mixing area for blending with mulched yard waste prior to composting.

Composting will be aerated static pile on an asphalt paved area with a canopy roof to prevent rain from affecting the moisture content and compost process. The paved area will be approximately 25,000 square feet including handling and curing areas, with the canopy portion covering approximately 10,000 square feet. Composting time will be based on design of 21 days, followed by curing time of 30 days prior to distribution and marketing or land application. Odor control will be accomplished with a biofilter system.

Other equipment required for the compost operation include a tub grinder for yard waste, a front end loader, a dump truck, and a trammel screen to screen the composted product. Large solids retained on screen will be recycled back through the composting process.

Phase 3

Phase 3 of the biosolids handling plan will be capable of handling biosolids generated from 3.5 mgd wastewater flow. An additional paved area of 25,000 square feet, and additional canopied covered area of 15,000 square feet will be required. Additional storage tanks for thickened sludge will be constructed by converting the SBR package plants from Phase 1. This tank will be approximately 750,000 gallons, which can be operated as an aerated holding tank prior to composting, or as an aerobic digester as a backup. Additional equipment will include blowers for aerating the static piles, and expansion of the odor control biofilters.

Phase 4

Phase 4 will include an expansion of sludge dewatering and the composting system. The dewatering facility expansion will include addition of one belt filter press (total of two). Composting facilities will be designed to handle biosolids generated from 7.0 mgd of wastewater flow. An additional 28,000 square feet of paved area, and additional 10,000 square feet of canopied covered area will be required. Additional blowers and odor control biofilters will be included. At design capacity of 7 mgd, approximately 14,000 lbs of biosolids will be produced per day. The two belt filter presses will operate approximately 9 hours per day to dewater the sludge. One additional rotary drum thickener will be added, for a total of two units.

Table 4-1 summarizes the equipment necessary per phase.

**Table 4-1
Biosolids Handling and Treatment Facilities**

Process Facilities	Phase 1	Phase 2	Phase 3	Phase 4
Flow, MGD	0.20	1.5	3.5	7.0
Biosolids, lb/day	400	3000	750,000	14,000
Storage Tanks, gallons	20,000	150,000	750,000	750,000
Sludge Drying Bed	1 unit 7500 sf			
Rotary Drum Thickener		1 unit		1 unit (2 units total)
Belt Filter Presses		1 unit		1 unit (2 units total)
Compost Paved Area	2000 sf	25,000 sf (27,000 total)	25,000 sf (52,000 total)	28,000 sf (80,000 total)
Canopy Roof Area	1200 sf	10,000 sf (11,200 total)	15,000 sf (26,200 total)	10,000 sf (36,200 total)

Table 4-2 presents estimated costs for Phases 1 through 3 (when the Central WRF is operating at 50% capacity) of the Biosolids Handling Facility.

Table 4-2
Estimated Capital Costs for Phases 1 through 3

Process	Description	Capital Cost
Thickening	Rotary Drum Thickener	\$150,000
Dewatering	Sludge Drying Beds, Belt Filter Press	\$275,000
Other Equipment	Tub grinder, screens, loaders, dump trucks, pumps, blowers, etc.	\$1,030,000
Storage	Steel storage tanks	\$695,000
Building	Canopy Roof Area for dewatering and composting	\$655,000
Paved areas		\$520,000
Odor control	Biofilters	\$175,000
Total		\$3,500,000

Section 5

Cost Summary – 50% Phase

Preliminary capital cost and operations/maintenance cost estimates were prepared for the first phase of the water and wastewater utility systems at the Babcock Ranch. The first phase of the utility system represents approximately 50% of the anticipated buildout for the system. Using the current absorption schedule, it is anticipated that buildout of the first 50% will occur in approximately 2018. Thereafter, the systems will be expanded to their full capacities as described in the Report.

A summary of the capital cost estimates for the water, wastewater, and reclaimed water systems is presented in **Table 5-1**. Operations and maintenance cost estimates are presented in **Tables 5-2** and **5-3**. All cost estimates in this Report were developed as order of magnitude construction costs. These costs are to be used for evaluation and planning purposes only. These estimates were developed primarily by previous master planning efforts (conducted by others) and are subject to revision as actual design progresses.

**Table 5-1
Babcock Ranch Utility Capital Cost Summary**

<u>WASTEWATER</u>	First 50%
Wastewater Treatment Plant	\$32,500,000
Biosolids Management	\$3,500,000
North Area Wastewater	\$3,900,000
Subtotal - Wastewater	\$39,900,000
<u>WATER</u>	First 50%
Water Treatment Plant	\$24,500,000
Deep Injection Well	\$6,000,000
Test Wells	\$1,600,000
Potable Wells	\$6,000,000
Raw Water Transmission Line	\$4,700,000
North Area Water	\$1,000,000
Subtotal - Water	\$43,800,000
<u>TRANSMISSION & DISTRIBUTION</u>	First 50%
Wastewater Transmission Lines	\$4,600,000
Master Sewage Pump Stations	\$10,000,000
Water Transmission Lines	\$7,000,000
Potable Water Storage Tanks	\$2,400,000
Potable Water Booster Pump Stations	\$1,000,000
Reclaimed Water Lines	\$3,800,000
Irrigation Storage Tanks	\$6,000,000
Subtotal – Transmission & Distribution	\$34,800,000
Project Total (Water and Wastewater)	\$118,500,000
Design/Engineering/Permitting	\$18,960,000
Construction Services (15%)	\$17,775,000
Grand Total	\$155,235,000

**Table 5-2
 Operations and Maintenance Cost Summary for Wastewater Plant**

Item	Cost Estimate (2011 dollars) ¹
Salaries & Wages	\$799,111
Sludge Handling	\$562,754
Purchased Power	\$382,673
Chemicals	\$99,045
Engineering	\$45,020
Legal	\$27,012
Testing	\$48,397
Plant Maintenance	\$467,086
Insurance (Property, Casualty & Liability)	\$236,357
Miscellaneous	\$208,219
Total O & M Expenses	\$2,875,674

¹ Escalated from 2007 dollars at 3%

**Table 5-3
Operations and Maintenance Cost Summary for Water Plant**

Item	Cost Estimate (2011 dollars) ²
Salaries & Wages	\$759,718
Purchased Power	\$709,070
Chemicals	\$360,163
Membrane Replacement	\$135,061
Engineering	\$22,510
Legal	\$18,008
Testing	\$38,267
Plant Maintenance	\$450,203
Insurance (Property, Casualty & Liability)	\$180,081
Miscellaneous	\$168,826
Total O & M Expenses	\$2,841,907

² Escalated from 2007 dollars at 3%

EXHIBIT "B"

Cost of Service Study from Carlstedt, Jackson, Nixon & Wilson

Town & Country Utilities Company

Special Report

Original Certificate Application

Cost of Service Study

August 27, 2007

Carlsiedt, Jackson, Nixon & Wilson
CERTIFIED PUBLIC ACCOUNTANTS, P.A.

Town & Country Utilities Company
Original Certificate Application
Special Report
Cost of Service Study

Index

Schedule No.	Page(s)	
		Accountant's Letter
A-1	1	Proposed Rates and Service Availability Charges
A-2	2	Proforma Capital Structure when Plant is Operating at Designed Capacity and Statement Regarding Financing of Utility Operations in the Initial Years of Development
A-3	3	Schedule of Water and Wastewater ERC's by Year and Customer Classification
B-1	4	Water System Proforma Rate Base, Rate of Return and Operating Income when Operating at the Designed Capacity of Phase 2 Plant
B-2	5	Allocation of Estimated Water Plant Costs Incurred in Phases 1 & 2 to Future Development Phases
B-3	6	Summary of Water System Utility Plant Costs, Capacities, Accumulated Depreciation and Expense When Operating at the Designed Capacity of Phase 2 Plant
B-4	7	Allocation of Engineering, Permitting, Construction Management & AFUDC to Water Plant by Phase and Primary Account
B-5	8-9	Assignment of Engineering Cost Estimates to NARUC Water Plant Accounts in Total and by Phase Before Engineering, Permitting, Construction Management and AFUDC
B-6	10	Calculation of Allowance for Funds Used During Construction (AFUDC)
B-7	11	Projected Water Accumulated Depreciation & Depreciation Expense When Operating at the Designed Capacity of Phase 2 Plant
B-8	12	Calculation of Proposed Water Service Availability Charges, CIAC Level at Build-out of Phase 2 Plant and Statement Regarding Proposed Service Availability Policy
B-9	13	Projected Water System CIAC, Accumulated Amortization of CIAC and Annual Amortization of CIAC When Operating at the Designed Capacity of Phase 2 Plant
B-10	14	Water System Constructed Statement of Operations When Operating at the Designed Capacity of Phase 2 Plant
B-11	15	Water System Detailed Proforma O&M Expense and Engineer's Estimate of Plant Operating Expenses when Plant is Operating at the Designed Capacity of Phase 2 Plant
B-12	16	Water Projected Taxes Other Than Income When Plant is Operating at the Designed Capacity of Phase 2 Plant
B-13	17	Proposed Water Service Rate Calculations
C-1	18	Wastewater System Proforma Rate Base, Rate of Return and Operating Income When Operating at the Designed Capacity of Phase 3 Plant
C-2	19	Allocation of Estimated Wastewater Plant Costs Incurred in Phases 1, 2 & 3 to Future Development Phases

Town & Country Utilities Company
Original Certificate Application
Special Report
Cost of Service Study

Index

Schedule	No.	Page(s)	
C-3	20		Summary of Wastewater System Utility Plant Costs, Capacities, Accumulated Depreciation and Expense When Operating at the Designed Capacity of Phase 3 Plant
C-4	21		Allocation of Engineering, Permitting, Construction Management & AFUDC to Wastewater Plant By Phase and Primary Account
C-5	22-23		Assignment of Engineering Cost Estimates to NARUC Wastewater Plant Accounts in Total and by Phase Before Engineering, Permitting, Construction Management and AFUDC
C-6	24		Calculation of Allowance for Funds Used During Construction (AFUDC)
C-7	25		Projected Accumulated Depreciation and Depreciation Expense When Operating at the Designed Capacity of Phase 3 Plant
C-8	26		Calculation of Proposed Wastewater Service Availability Charges, CIAC Level at Build-out of Phase 3 Plant and Statement Regarding Proposed Service Availability Policy
C-9	27		Projected Wastewater System CIAC, Accumulated Amortization of CIAC, and Annual Amortization of CIAC When Operating at the Designed Capacity of Phase 3 Plant
C-10	28		Wastewater System Constructed Statement of Operations When Operating at the Designed Capacity of Phase 3 Plant
C-11	29		Wastewater System Detailed Proforma O&M Expense and Engineer's Estimate of Plant Operating Expenses when Plant is Operating at the Designed Capacity of Phase 3 Plant
C-12	30		Wastewater Projected Taxes Other Than Income When Plant is Operating at the Designed Capacity of Phase 3 Plant
C-13	31		Proposed Wastewater Service Rate Calculations



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August 27, 2007

Officers and Directors
Town & Country Utilities, Inc.

In accordance with your request, we have prepared the accompanying Special Report of Town & Country Utilities, Inc. consisting of the schedules listed in the preceding Index.

This report is intended solely for use as part of an original certificate application and request for initial rates and charges to be filed with the Florida Public Service Commission and should not be used for any other purpose.

Because this Special Report was not audited by us, we do not express an opinion or any other form of assurance on it.

CARLSTEDT, JACKSON, NIXON & WILSON

Town & Country Utilities Company
Original Certificate Application
Proposed Rates and Service Availability Charges

Line No.		Proposed Monthly Rates	
		Water	Wastewater
1	<u>Residential and General Service</u>		
2	<u>Base Facility Charges:</u>		
3	5/8" x 3/4"	\$ 18.35	\$ 22.90
4	1"	45.88	57.25
5	1.5"	91.75	114.50
6	2"	146.80	183.20
7	3"	293.60	366.40
8	4"	458.75	572.50
9	6"	917.50	1,145.00
10	8"	1,468.00	1,832.00
11	10"	2,110.25	2,633.50
12	<u>Residential Gallonage Charges per 1,000 Gallons:</u>		
13	Gallonage charge 0 to 5,000 gallons	2.81	
14	Gallonage charge over 5,000 gallons	4.11	
15	Gallonage charge (maximum of 10,000		
16	gallons)		4.22
17	<u>General Service Gallonage Charges per 1,000 Gallons:</u>		
18	Gallonage charge per 1,000 gallons	2.81	
19	Gallonage charge per 1,000 gallons		4.96
20	<u>Reuse</u>		
21	Reuse rate per 1,000 gallons		0.30
22	<u>Service Availability Charges</u>		
23	System Capacity Charge:		
24	Per ERC - 225 gpd	3,500	4,500
25	General Service per gallon		
26	of daily demand	15.56	20.00
27	Meter Fee:		
28	5/8" x 3/4"	300	
29	Over 5/8 x 3/4"	Actual Cost	
30	<u>Guranteed Revenue Charge (Monthly)</u>		
31	Per ERC	\$ 18.35	\$ 22.90

Town & Country Utilities Company
Original Certificate Application
Proforma Capital Structure and Cost of Capital
When Plant is Operating at the Designed Capacity and
Statement Regarding Financing of Utility Operations

Line No.		Estimated Amount	Percent Ratio	Cost of Each Percent (3)	Weighted Cost
1	Equity (1)	\$ 11,998,613	40%	12.01%	4.80%
2	Debt (2)	<u>17,997,920</u>	<u>60%</u>	7.00%	<u>4.20%</u>
3	Total	<u>\$ 29,996,533</u>	<u>100%</u>		<u>9.00%</u>

4 Notes: (1) Equity contributions or advances from Related Entities will be made as
5 required by the Utility ownership to finance Utility operations in the initial years of
6 development.

7 (2) A Proforma capital structure consisting of 40% equity and 60% debt is
8 proposed in order that the initial rates established in this proceeding will provide
9 adequate financial resources to the Company.

10 (3) The cost of equity is based on the current PSC leverage graph. The cost of
11 debt is based on the anticipated effective rate of an IDR bond issue.

Town & Country Utilities Company
Original Certificate Application
Schedule of Water & Wastewater ERC's by Year & Customer Classification

Line No.	Water Year	Increase In Resid.	Daily Demand	Increase in Total		Commerc.	Commerc.	Resid.	Annual Increase in	Year
		Units per Eng. Exh.	Per ERC	Daily Flow - Resid.	AAFD per Eng. Exh.	Flow (H-G)	ERC's @ 225 GPD	ERC's @ 225 GPD	ERC's	
1	1	35	225	7,875	10,000	2,125	9	35	44	2,011
2	2	212	225	47,700	70,000	22,300	99	212	311	2,012
3	3	444	225	99,900	120,000	20,100	89	444	533	2,013
4	4	755	225	169,875	200,000	30,125	134	755	889	2,014
5	5	1,294	225	291,150	340,000	48,850	217	1,294	1,511	2,015
6	6	1,674	225	376,650	450,000	73,350	326	1,674	2,000	2,016
7	7	1,746	225	392,850	490,000	97,150	432	1,746	2,178	2,017
8	8	1,837	225	413,325	550,000	136,675	607	1,837	2,444	2,018
9	9	2,126	225	478,350	650,000	171,650	763	2,126	2,889	2,019
10	Total	10,123		2,277,675	2,880,000	602,325	2,676	10,123	12,799	

11 Wastewater - Based on water flows as the basis of billing & equal No. of water & sewer customers

Town & Country Utilities Company
Original Certificate Application
Proforma Water Rate Base, Rate of Return and Operating Income
When Operating at the Designed Capacity of Phase 2 Plant

<u>Line No.</u>		<u>Schedule Reference</u>	<u>Proforma Balance</u>
1	Utility Plant in Service	B-3	\$ 106,413,126
2	Capacity allocated to Future Phases (net)	B-2	(4,688,308)
3	Accumulated Depreciation	B-3	(17,984,221)
4	Contributions in Aid of Construction (CIAC)	B-9	(80,633,700)
5	Accumulated Amortization of CIAC	B-9	<u>6,597,908</u>
6			9,704,805
7	Allowance For Working Capital (1)		<u>381,488</u>
8	Proforma Rate Base		<u>\$ 10,086,293</u>
9	Proforma Rate of Return	A-2	<u>9.00%</u>
10	Proforma Operating Income	B-10	<u>\$ 907,766</u>
11	Notes: (1) Based on 12.5% of O&M expense per Schedule No. B-10.		
12	(2) See Schedule B -2 for calculation of costs allocated to future Phases of Development.		

Town & Country Utilities Company
Original Certificate Application
Allocation of Estimated Water Plant Costs Incurred in Phases 1 & 2 to Future Development Phases

Line No.	Description	Account No.	Cost	Phases Sized For	ADF Sized Flow (MGD)	ADF Phase 2 Flow (MGD)	Phase 2 Percent	Future Phases Percent	Future Phases Costs	Factor for AFUDC & Other Alloc. Costs (1)	Total Future Phase Costs	Total Accum. Depr.	Factor for Accum. Depr. (2)	Future Phase Accum. Depr.
1	Organization Costs	301	\$ 250,000	3	6.00	2.88	48.00%	52.00%	\$ 130,000	-	\$ 130,000	\$ 53,125	0.5200	\$ 27,625
2	Land	303	720,000	3	6.00	2.88	48.00%	52.00%	374,400	-	374,400	-	-	-
3	Structures & Improvements:	304												
4	Operations/process building		2,940,000	3	6.00	2.88	48.00%	52.00%	1,528,800	1.386	2,118,917			
5	Deep Inj. Well heads, piping		90,000	3	6.00	2.88	48.00%	52.00%	46,800	1.386	64,865			
6			3,030,000						1,575,600		2,183,782	3,961,318	0.1092	432,576
7	Wells:	307												
8	Test wells, monitoring, testing		1,600,000	3	6.00	2.88	48.00%	52.00%	832,000	1.386	1,153,152			
9	Tube & packer injection well		2,190,000	3	6.00	2.88	48.00%	52.00%	1,138,800	1.386	1,578,377			
10	Monitoring well		720,000	3	6.00	2.88	48.00%	52.00%	374,400	1.386	518,918			
11			4,510,000						2,345,200		3,250,447	3,541,551	0.2231	790,120
12	Total (3)		\$ 8,510,000						\$ 4,425,200		\$ 5,938,629	\$ 7,555,994		\$ 1,250,321

13 Notes: (1) The factor for allocating AFUDC, engineering & construction management costs was determined by dividing the total costs for each plant account including such costs by the total cost
14 of each plant account before allocation per Schedules No. B-3 & B-4.

15 (2) Total Future Phase plant costs for each respective account divided by the related total plant cost shown on Schedule B-3.

16 (3) Net plant allocated to future Phases is calculated as follows:

17	Total future Phase plant costs	\$ 5,938,629
18	Accumulated depreciation	(1,250,321)
19	Net plant allocated to future Phases	\$ 4,688,308

Town & Country Utilities Company
Original Certificate Application
Summary of Proposed Water Utility Plant Cost, Capacities, Accumulated Depreciation and Expense
When Operating at the Designed Capacity of Phase 2 Plant

Line No.	NARUC Acct. No.	Description	Estimated	PSC	Depreciation Expense	Accumulated Depreciation	Capacities(2)	
			Original Cost	Depreciation Rate %			ERC's	Gallons (MGD)
1	301	Organization (1)	\$ 250,000	2.50	\$ 6,250	\$ 53,125	26,667	6.0
2	303	Land	720,000	-	-	-	26,667	6.0
3	304	Structures & Improvements	19,994,293	3.13	625,821	3,961,318	13,333	3.0
4	307	Wells	14,566,610	3.33	485,069	3,541,551	13,333	3.0
5	309	Supply Mains	6,514,363	2.86	186,310	1,524,160	13,333	3.0
6	310	Power Generation Equipment	1,524,601	5.00	76,230	438,505	13,333	3.0
7	311	Pumping Equipment	3,762,685	5.00	188,135	1,168,687	13,333	3.0
8	320	Water Treatment Equipment	6,791,084	4.55	308,994	1,777,580	13,333	3.0
9	330	Distribution Reservoirs	5,364,125	2.70	144,832	961,619	13,333	3.0
10	331	Transmission & Distribution Mains (Spine Syst.)	11,088,165	2.33	258,355	1,963,488	13,333	3.0
11	331	Transmission & Distribution Mains (Contributed)	31,997,500	2.33	745,542	2,062,953	13,333	3.0
12	334	Meters & Installations	3,839,700	5.00	191,985	531,235	13,333	3.0
13		Total	\$ 106,413,126		\$ 3,217,523	\$ 17,984,221	13,333	3.0

Notes:(1) Organization costs are based on 50% of the total estimated legal, accounting and engineering costs incurred to obtain an original PSC certificate. Such costs have been allocated equally between water & wastewater.

(2) The AADF capacity of Phase 2 plant is 3.0 MGD, as presented in the Engineering Report prepared by CDM Engineering. However, because 80% of ADF capacity is reached in early 2019, we have used the predicted flow at the end 2019 for purposes of calculating the initial rates and charges requested. Such flow amounts to approximately 96% of the AADF capacity. This will benefit the customer and recognizes economies of scale. A daily demand of 225 GPD per the engineering report was used to determine the ERC capacity of the Phase 2 plant shown above.

Town & Country Utilities Company
Original Certificate Application
Allocation of Engineering, Permitting, Construction Management, and AFUDC to Water Utility Plant in Service
By Phase and Primary Account

Line	Account		Plant Costs	Engineering & Permitting (12%)	Total Costs Before	Percent	AFUDC	Total Plant Costs
No.	No.	Description	Excl. AFUDC	Construction Mgt.(15%)	AFUDC			
1	304	Structures & Improvements - Phase 1	\$ 3,989,882	1,077,268	\$ 5,067,150	7.95%	463,209	\$ 5,530,359
2	304	Structures & Improvements - Phase 2	10,435,118	2,817,482	13,252,600	20.79%	1,211,334	14,463,934
3	307	Wells - Phase 1	6,310,000	1,703,700	8,013,700	12.56%	731,812	8,745,512
4	307	Wells - Phase 2	4,200,000	1,134,000	5,334,000	8.36%	487,098	5,821,098
5	309	Supply Mains - Phase 1	4,200,000	1,134,000	5,334,000	8.36%	487,098	5,821,098
6	309	Supply Mains - Phase 2	500,000	135,000	635,000	1.00%	58,265	693,265
7	310	Power Generation Equipment - Phase 1	92,736	25,039	117,775	0.18%	10,488	128,263
8	310	Power Generation Equipment - Phase 2	1,007,264	271,961	1,279,225	2.01%	117,113	1,396,338
9	311	Pumping Equipment - Phase 1	644,417	173,993	818,410	1.28%	74,580	892,990
10	311	Pumping Equipment - Phase 2	2,070,584	559,058	2,629,642	4.12%	240,053	2,869,695
11	320	Water Treatment Equipment - Phase 1	412,965	111,500	524,465	0.82%	47,778	572,243
12	320	Water Treatment Equipment - Phase 2	4,487,034	1,211,499	5,698,533	8.93%	520,308	6,218,841
13	330	Distribution Reservoirs - Phase 1	1,470,000	396,900	1,866,900	2.93%	170,717	2,037,617
14	330	Distribution Reservoirs - Phase 2	2,400,000	648,000	3,048,000	4.78%	278,508	3,326,508
15	331	Transmission & Distribution Mains (spine) - Ph.1	5,600,000	1,512,000	7,112,000	11.15%	649,657	7,761,657
16	331	Transmission & Distribution Mains (spine) - Ph.2	2,400,000	648,000	3,048,000	4.78%	278,508	3,326,508
17		Total Utility Plant Cost	<u>\$ 50,220,000</u>	<u>\$ 13,559,400</u>	<u>\$ 63,779,400</u>	<u>100.00%</u>	<u>\$ 5,826,526</u>	<u>\$ 69,605,926</u>

Town & Country Utilities Company
Original Certificate Application
Assignment of Total Phase 1 and 2 Water Engineering Cost Estimates to Primary Plant Accounts Before Engineering, Permitting,
Construction Management and AFUDC

Line No.	Eng. Table Reference	NARUC Account No.							Total	
		304	307	309	310	311	320	330		331
1	2.5	<u>Central WTP cost estimates</u>								
2							\$ 2,450,000		\$ 2,450,000	
3							2,450,000		2,450,000	
4						\$1,715,000			1,715,000	
5								\$ 1,470,000	1,470,000	
6		\$ 3,920,000							3,920,000	
7		2,940,000							2,940,000	
8		3,800,000							3,800,000	
9					\$ 1,100,000				1,100,000	
10		3,675,000							3,675,000	
11									<u>23,520,000</u>	
12	2-6	<u>Potable water mains/offsite storage</u>								
13								\$ 7,000,000	7,000,000	
14							2,400,000		2,400,000	
15						1,000,000			1,000,000	
16								1,000,000	1,000,000	
17									<u>11,400,000</u>	
18	2-3	<u>Raw water supply wells</u>								
19			\$ 1,600,000						1,600,000	
20			6,000,000						6,000,000	
21									<u>7,600,000</u>	
22	2-3	<u>Raw Water Supply Main</u>								
23				\$ 4,700,000					4,700,000	
24	2-7	<u>Deep Injection Well</u>								
25		50% of costs - shared with wastewater:								
26			2,190,000						2,190,000	
27			720,000						720,000	
28		90,000							90,000	
29		-	-	-	-	-	-	-	<u>3,000,000</u>	
30	Total	\$ 14,425,000	\$ 10,510,000	\$ 4,700,000	\$ 1,100,000	\$2,715,000	\$ 4,900,000	\$ 3,870,000	\$ 8,000,000	\$ 50,220,000

31 Note (1): 25% of the cost of the operations & process building is allocated to wastewater since those operations will also be housed in that building.

Town & Country Utilities Company
Original Certificate Application
Water Plant Additions By Phase, Year In-Service and Primary Account
Before Engineering, Permitting, Construction Management Services & AFUDC

Line No.	Account No.		Phase and In-Service Date		Total
			Phase 1	Phase 2	
			2011	2014	
1	304	Structures & Improvements	\$ 3,989,882	\$ 10,435,118	\$14,425,000
2	307	Wells	6,310,000	4,200,000	10,510,000
3	309	Supply Mains	4,200,000	500,000	4,700,000
4	310	Power Generation Equipment	92,736	1,007,264	1,100,000
5	311	Pumping Equipment	644,417	2,070,584	2,715,001
6	320	Water Treatment Equipment	412,965	4,487,034	4,899,999
7	330	Distribution Reservoirs	1,470,000	2,400,000	3,870,000
8	331	Transmission & Distribution System - Spine	5,600,000	2,400,000	8,000,000
9		Total	<u>\$ 22,720,000</u>	<u>\$ 27,500,000</u>	<u>\$50,220,000</u>

Town & Country Utilities Company
Original Certificate Application
Calculation of Phase 2 Water AFUDC Excluding Organization, Meters, and Contributed Property

Line No.	Month	Estimated Monthly CWIP Increase	Accumulated CWIP Beginning Of Month	Accumulated CWIP End Of Month	Average CWIP Balance	Monthly AFUDC	Total Capitalized
1	1	\$ 2,657,475		\$ 2,657,475	\$ 1,328,738	\$ 9,577	\$ 2,667,052
2	2	2,657,475	\$ 2,667,052	5,324,527	3,995,789	28,799	5,353,326
3	3	2,657,475	5,353,326	8,010,801	6,682,063	48,160	8,058,960
4	4	2,657,475	8,058,960	10,716,435	9,387,698	67,660	10,784,096
5	5	2,657,475	10,784,096	13,441,571	12,112,833	87,301	13,528,872
6	6	2,657,475	13,528,872	16,186,347	14,857,609	107,084	16,293,430
7	7	2,657,475	16,293,430	18,950,905	17,622,168	127,009	19,077,914
8	8	2,657,475	19,077,914	21,735,389	20,406,651	147,077	21,882,466
9	9	2,657,475	21,882,466	24,539,941	23,211,204	167,291	24,707,232
10	10	2,657,475	24,707,232	27,364,707	26,035,969	187,650	27,552,357
11	11	2,657,475	27,552,357	30,209,832	28,881,094	208,155	30,417,987
12	12	2,657,475	30,417,987	33,075,462	31,746,724	228,809	33,304,271
13	13	2,657,475	33,304,271	35,961,746	34,633,008	249,611	36,211,357
14	14	2,657,475	36,211,357	38,868,832	37,540,095	270,564	39,139,396
15	15	2,657,475	39,139,396	41,796,871	40,468,133	291,667	42,088,538
16	16	2,657,475	42,088,538	44,746,013	43,417,275	312,922	45,058,935
17	17	2,657,475	45,058,935	47,716,410	46,387,672	334,331	48,050,741
18	18	2,657,475	48,050,741	50,708,216	49,379,478	355,894	51,064,110
19	19	2,657,475	51,064,110	53,721,585	52,392,847	377,612	54,099,197
20	20	2,657,475	54,099,197	56,756,672	55,427,934	399,487	57,156,159
21	21	2,657,475	57,156,159	59,813,634	58,484,897	421,520	60,235,154
22	22	2,657,475	60,235,154	62,892,629	61,563,891	443,711	63,336,339
23	23	2,657,475	63,336,339	65,993,814	64,665,077	466,062	66,459,877
24	24	<u>2,657,475</u>	<u>66,459,877</u>	<u>69,117,352</u>	<u>67,788,614</u>	<u>488,574</u>	<u>69,605,926</u>
25	TOTAL	<u>\$ 63,779,400</u>				<u>\$ 5,826,526</u>	<u>\$ 69,605,926</u>

26 Note: AFUDC is based on the annual rate of return (Schedule No. A-2) discounted to a
27 monthly rate of 0.72073233%

Town & Country Utilities Company
Original Certificate Application
Projected Water Accumulated Depreciation and Expense
When Operating at the Designed Capacity of Phase 2 Plant

Line No.	NARUC Acct. No.	Description	Estimated Cost	Year in Service	Years to Design Capacity	PSC Depreciation Rate	Accumulated Depreciation	Depreciation Expense
1	301	Organization	\$ 250,000	2,011	9	2.50	\$ 53,125	\$ 6,250
2	304	Structures & Improvements - Phase 1	5,530,359	2,011	9	3.13	1,471,352	173,100
3	304	Structures & Improvements - Phase 2	14,463,935	2,014	6	3.13	2,489,966	452,721
4	307	Wells - Phase 1	8,745,512	2,011	9	3.33	2,475,417	291,226
5	307	Wells - Phase 2	5,821,098	2,014	6	3.33	1,066,134	193,843
6	309	Supply Mains - Phase 1	5,821,098	2,011	9	2.86	1,415,109	166,483
7	309	Supply Mains - Phase 2	693,265	2,014	6	2.86	109,051	19,827
8	310	Power Generation Equipment - Phase 1	128,263	2,011	9	5.00	54,512	6,413
9	310	Power Generation Equipment - Phase 2	1,396,338	2,014	6	5.00	383,993	69,817
10	311	Pumping Equipment - Phase 1	892,990	2,011	9	5.00	379,521	44,650
11	311	Pumping Equipment - Phase 2	2,869,695	2,014	6	5.00	789,166	143,485
12	320	Water Treatment Equipment - Phase 1	572,243	2,011	9	4.55	221,315	26,037
13	320	Water Treatment Equipment - Phase 2	6,218,841	2,014	6	4.55	1,556,265	282,957
14	330	Distribution Reservoirs - Phase 1	2,037,617	2,011	9	2.70	467,633	55,016
15	330	Distribution Reservoirs - Phase 2	3,326,508	2,014	6	2.70	493,986	89,816
16	331	Transmission & Distribution Mains (spine) - Ph.1	7,761,657	2,011	9	2.33	1,537,196	180,847
17	331	Transmission & Distribution Mains (spine) - Ph.2	3,326,508	2,014	6	2.33	426,292	77,508
18	331	Contributed Transmission & Distribution Mains - Year 1	110,000	2,011	9	2.33	21,786	2,563
19	331	Contributed Transmission & Distribution Mains - Year 2	777,500	2,012	8	2.33	135,868	18,116
20	331	Contributed Transmission & Distribution Mains - Year 3	1,332,500	2,013	7	2.33	201,807	31,047
21	331	Contributed Transmission & Distribution Mains - Year 4	2,222,500	2,014	6	2.33	284,813	51,784
22	331	Contributed Transmission & Distribution Mains - Year 5	3,777,500	2,015	5	2.33	396,071	88,016
23	331	Contributed Transmission & Distribution Mains - Year 6	5,000,000	2,016	4	2.33	407,750	116,500
24	331	Contributed Transmission & Distribution Mains - Year 7	5,445,000	2,017	3	2.33	317,171	126,869
25	331	Contributed Transmission & Distribution Mains - Year 8	6,110,000	2,018	2	2.33	213,545	142,363
26	331	Contributed Transmission & Distribution Mains - Year 9	7,222,500	2,019	1	2.33	84,142	168,284
27	334	Meters & Installations - Year 1	13,200	2,011	9	5.00	5,610	660
28	334	Meters & Installations - Year 2	93,300	2,012	8	5.00	34,988	4,665
29	334	Meters & Installations - Year 3	159,900	2,013	7	5.00	51,968	7,995
30	334	Meters & Installations - Year 4	266,700	2,014	6	5.00	73,343	13,335
31	334	Meters & Installations - Year 5	453,300	2,015	5	5.00	101,993	22,665
32	334	Meters & Installations - Year 6	600,000	2,016	4	5.00	105,000	30,000
33	334	Meters & Installations - Year 7	653,400	2,017	3	5.00	81,675	32,670
34	334	Meters & Installations - Year 8	733,200	2,018	2	5.00	54,990	36,660
35	334	Meters & Installations - Year 9	866,700	2,019	1	5.00	21,668	43,335
35		Total	\$105,693,126				\$ 17,984,221	\$ 3,217,523

36 Note: Meters and meter installations are based on projected ERC absorption per year and a proposed charge of \$300 per
37 meter. See Schedule No B-8 for calculation of the proposed meter charge.

Town & Country Utilities Company
Original Certificate Application
Calculation of Proposed Water Service Availability Charges, CIAC Level at Build-out of Phase 2 Plant and
Statement Regarding Proposed Service Availability Policy

Line No.	Plant Cost	Plant Capacity (ERC's)	Total Cost per ERC	Proposed Capacity Charge per ERC
1	<u>Calculation of proposed system capacity charge</u>			
2				
3				
	\$ 70,575,926	13,333	\$ 5,293	\$ 3,500
4	<u>Calculation of Meter & Installation Fee (5/8x3/4")</u>			
5	\$ 200			
6	20			
7	60			
8	280			
9	20			
10	\$ 300			
11	<u>CIAC Level at Build-out of Phase 2</u>			
12				\$ 106,413,126
13				(17,984,221)
15				88,428,905
16				80,633,700
17				(6,597,908)
18				74,035,792
19				\$ 14,393,113
20				83.72%
21				16.28%
22				100.00%
23	<u>Statement Regarding Proposed Service Availability Policy</u>			
24	The Company proposes a service availability policy based on a plant capacity charge and meter fees,			
25	as well as developer contribution of the on-site transmission and distribution mains. This policy is designed to			
26	comply with the CIAC Guideline Levels in Rule 25-30.580.			
27	Note 1: The plant cost on which the proposed service availability charge is based is as follows:			
28				\$ 106,413,126
29				(31,997,500)
30				(3,839,700)
31				\$ 70,575,926

Town & Country Utilities Company
Original Certificate Application
CIAC , Accumulated Amortization of CIAC and Annual Amortization
When Water Plant is Operating at Designed Capacity of Phase 2 Plant

Line No.	Year	Description	No. of New ERC's	Proposed Charge Per ERC	Total CIAC	Amortization Rate(1)	Factor For Build-out	Accumulated Amortization	Annual Amortization	
1	1	System Capacity Charge - plant	44	\$ 3,500	\$ 154,000	3.23%	8.5	\$ 42,281	4,974	
2		Meter Fees	44	300	13,200	5.00%	8.5	5,610	660	
3		Contributed On-site Mains	44	2,500	110,000	2.33%	8.5	21,786	2,563	
4	2	System Capacity Charge - plant	311	3,500	1,088,500	3.23%	7.5	263,689	35,159	
5		Meter Fees	311	300	93,300	5.00%	7.5	34,988	4,665	
6		Contributed On-site Mains	311	2,500	777,500	2.33%	7.5	135,868	18,116	
7	3	System Capacity Charge - plant	533	3,500	1,865,500	3.23%	6.5	391,662	60,256	
8		Meter Fees	533	300	159,900	5.00%	6.5	51,968	7,995	
9		Contributed On-site Mains	533	2,500	1,332,500	2.33%	6.5	201,807	31,047	
10	4	System Capacity Charge - plant	889	3,500	3,111,500	3.23%	5.5	552,758	100,501	
11		Meter Fees	889	300	266,700	5.00%	5.5	73,343	13,335	
12		Contributed On-site Mains	889	2,500	2,222,500	2.33%	5.5	284,813	51,784	
13	5	System Capacity Charge - plant	1511	3,500	5,288,500	3.23%	4.5	768,683	170,819	
14		Meter Fees	1511	300	453,300	5.00%	4.5	101,993	22,665	
15		Contributed On-site Mains	1511	2,500	3,777,500	2.33%	4.5	396,071	88,016	
16	6	System Capacity Charge - plant	2000	3,500	7,000,000	3.23%	3.5	791,350	226,100	
17		Meter Fees	2000	300	600,000	5.00%	3.5	105,000	30,000	
18		Contributed On-site Mains	2000	2,500	5,000,000	2.33%	3.5	407,750	116,500	
19	7	System Capacity Charge - plant	2178	3,500	7,623,000	3.23%	2.5	615,557	246,223	
20		Meter Fees	2178	300	653,400	5.00%	2.5	81,675	32,670	
21		Contributed On-site Mains	2178	2,500	5,445,000	2.33%	2.5	317,171	126,869	
22	8	System Capacity Charge - plant	2444	3,500	8,554,000	3.23%	1.5	414,441	276,294	
23		Meter Fees	2444	300	733,200	5.00%	1.5	54,990	36,660	
		Contributed On-site Mains	2444	2,500	6,110,000	2.33%	1.5	213,545	142,363	
24	9	System Capacity Charge - plant	2889	3,500	10,111,500	3.23%	0.5	163,301	326,601	
25		Meter Fees	2889	300	866,700	5.00%	0.5	21,668	43,335	
26		Contributed On-site Mains	<u>2889</u>	2,500	<u>7,222,500</u>	2.33%	0.5	<u>84,142</u>	<u>168,284</u>	
27		Total	<u>12,799</u>		<u>\$ 80,633,700</u>			<u>\$ 6,597,908</u>	<u>\$ 2,384,454</u>	
28		Note (1): The composite amortization rate for capacity charges was calculated as follows:								
29		Total depreciation expense						\$ 3,217,523		
30		Less depreciation expense - contributed property & meters						<u>(937,527)</u>		
31		System depreciation expense						<u>\$ 2,279,996</u>		
32		Total plant excluding contributed property & meters						<u>\$ 70,575,926</u>		
33		Composite capacity charge amortization rate						<u>3.23%</u>		

Town & Country Utilities Company
Original Certificate Application
Constructed Statement of Operations - Water
When Operating at the Designed Capacity of Phase 2 Plant

Line No.		Estimated Amount	Proforma Adjustments	Proforma Amount	Schedule Reference
1	Operating Revenue		\$ 6,140,117 (A)	\$ 6,140,117	
2	Operating Expenses:				
3	O&M expense	\$ 3,051,907		3,051,907	B-11
4	Depreciation	3,217,523	(169,242) (C)	3,048,281	B-7
5	Amortization of CIAC	(2,384,454)		(2,384,454)	B-9
6	Taxes other than income	948,228	276,305 (B)	1,224,533	B-12
7	Income Taxes	-	292,083 (D)	292,083	
8		<u>4,833,204</u>	<u>399,146</u>	<u>5,232,350</u>	
9	Operating Income (loss)	\$ (4,833,204)	\$ 5,740,971	\$ 907,766	
10	Rate Base	\$ 10,086,293		\$ 10,086,293	B-1
11	Rate of Return	<u>-47.92%</u>		<u>9.00%</u>	A-2
12	<u>Proforma Adjustments:</u>				
13	(A) Total revenue requested to realize an 9.00% rate of return			\$ 6,140,117	
14	(B) <u>Regulatory assessment fees (RAF's):</u>				
15	Total revenue requested			\$ 6,140,117	
16	RAF rate			<u>4.50%</u>	
17	Regulatory Assessment Fees			\$ 276,305	
18	(C) <u>Depreciation expense</u>				
19	Total depreciation expense			\$ 3,217,523	B-7
20	Total Plant allocated to future phases		\$ 5,938,629		B-2
21	Less Land allocated to future Phases		<u>(374,400)</u>		B-2
22	Depreciable future Phase plant		\$ 5,564,229		
23	Divide by total depreciable plant		\$ 105,693,126		B-7
24	Percentage of depreciation expense related to future Phases			<u>5.26%</u>	
25	Depreciation related to future Phase plant			\$ 169,242	
26	(D) <u>Income Taxes</u>				
27	Rate Base			\$ 10,086,293	B-1
28	Weighted cost of equity			<u>4.80%</u>	A-2
29	After tax net income			484,142	
30	Pretax expansion factor (effective State & Federal tax of 37.63%)			<u>1.6033</u>	
31	Income before income taxes			776,225	
32	After tax net income per above			<u>(484,142)</u>	
33	Provision for income taxes			\$ 292,083	

Town & Country Utilities Company
Original Certificate Application
Detail of Proforma Water O&M Expenses and
Engineer's Estimate of Plant Operating Expenses
When Operating at the Designed Capacity of Phase 2 Plant

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	601	Salaries & Wages (1)	\$ 759,718
2	615	Purchased Power (1)	709,070
3	618	Chemicals (1)	360,163
4		Contractual Services:	
5	631	Engineering (1)	22,510
6	632	Outside Accounting - Annual Report, RAF Return, Index Adjustments	
7		& Tax Returns	10,000
8	633	Legal (1)	18,008
9	634	Testing (1)	38,267
10	635	Management Fees (Accounting, Customer Accounts, Billing, Management)	200,000
11	636	Membrane replacement (1)	135,061
12	636	Contract plant operation & maintenance (1)	450,203
13	655	Insurance - Property, Casualty & Liability (1)	180,081
14	675	Miscellaneous (1)	<u>168,826</u>
15		Total estimated O&M expense	<u>\$ 3,051,907</u>
16		(1) Per engineering estimate of CDM Engineering. Other costs were estimated by	
17		Carlstedt, Jackson, Nixon, and Wilson, CPA's, based on their experience with costs for	
18		similar sized utilities.	

Town & Country Utilities Company
Original Certificate Application
Water Projected Taxes Other Than Income Taxes
When Plant is Operating at the Design Capacity of Phase 2 Plant

Line No.	<u>Description</u>	<u>Cost</u>	<u>Millage Rate</u>	<u>Projected Tax</u>	<u>Reference</u>
1	<u>Real Estate & Personal Property</u>				
2	Total projected cost - Phases 1 & 2	\$ 106,413,126			B-3
3	Accumulated depreciation when operating at the				
4	designed capacity of Phases 1 & 2	(17,984,221)			B-3, B-7
5	Net plant allocated to future phases	<u>(4,688,308)</u>			B-2
6	Estimated taxable value	<u>\$ 83,740,597</u>	<u>1.13234%</u>	<u>\$ 948,228</u>	

Town & Country Utilities Company
Original Certificate Application
Water Service Rate Computation

Line No.		Percent Allocation			Rate Component	
		Total	BFC	Gallorage	BFC	Gallorage
1	Operation & Maintenance (O&M):					
2	Salaries & Wages	\$ 759,718	50.00%	50.00%	\$ 379,859	\$ 379,859
3	Purchased Power	709,070	50.00%	50.00%	354,535	354,535
4	Chemicals	360,163	50.00%	50.00%	180,082	180,082
5	Contractual Services:					
6	Engineering	22,510	50.00%	50.00%	11,255	11,255
7	Outside Accounting - Annual Report, RAF Return, Index					
8	Adjustments & Tax Returns	10,000	50.00%	50.00%	5,000	5,000
9	Legal	18,008	50.00%	50.00%	9,004	9,004
10	Testing	38,267	50.00%	50.00%	19,134	19,134
11	Management Fees (Accounting, Customer Accounts, Billing, Management)	200,000	40.00%	60.00%	80,000	120,000
12	Membrane replacement	135,061	50.00%	50.00%	67,531	67,531
13	Contract plant operation & maintenance	450,203	50.00%	50.00%	225,102	225,102
14	Insurance - Property, Casualty & Liability	180,081	0.00%	100.00%	-	180,081
15	Miscellaneous	168,826	50.00%	50.00%	84,413	84,413
16						
17	Total Estimated O&M Expenses	<u>3,051,907</u>				
18	Depreciation Expense - Net	<u>663,827</u>	75.00%	25.00%	497,870	165,957
19	Taxes Other than Income:					
20	Real estate & property taxes	948,228	50.00%	50.00%	474,114	474,114
21	Regulatory Assessment Fees	276,305	50.00%	50.00%	138,153	138,153
22		<u>1,224,533</u>				
23	Income Taxes	<u>292,083</u>	100.00%	0.00%	292,083	-
24	Operating Income	<u>907,766</u>	0.00%	100.00%	-	<u>907,766</u>
25	Total revenue requested	<u>\$ 6,140,117</u>			<u>\$ 2,818,133</u>	<u>\$ 3,321,984</u>
26	Gallorage revenue in first block					<u>\$ 2,159,289</u>
27	Gallorage revenue in second block					<u>\$ 1,162,694</u>
28	No. of ERC's at capacity operation of Phases 1 & 2				12,799	12,799
29	No of months/ 5,000 gallons per month usage in first block (000)				12	5
30	Annual No. of monthly ERC's / GPD for 5,000 gallons per month usage				<u>153,588</u>	63,995
31	Months					<u>12</u>
32	Annual No. of gallons at 5,000 gallons per month usage per ERC (000)					767,940
33	Total annual gallons sold @ 225GPD (000) (225 x 365 x 12,799 ERC's / 1,000)					<u>1,051,118</u>
34	Annual gallons in 2nd block (000)					<u>283,178</u>
35					<u>\$ 18.35</u>	
36	Gallorage rate first block (0 - 5,000 gallons)					<u>\$ 2.81</u>
37	Gallorage rate 2nd block (over 5,000 gallons usage)					<u>\$ 4.11</u>

Town & Country Utilities Company
Original Certificate Application
Proforma Wastewater Rate Base, Rate of Return and Operating Income
When Operating at the Designed Capacity of Phase 3 Plant

<u>Line No.</u>		<u>Schedule Reference</u>	<u>Proforma Balance</u>
1	Utility Plant in Service	C-3	\$ 147,163,449
2	Capacity related to future Phases	C-2	(4,159,736)
3	Accumulated Depreciation	C-3, C-7	(23,490,205)
4	Contributions in Aid of Construction (CIAC)	C-9	(108,791,500)
5	Accumulated Amortization of CIAC	C-9	<u>8,802,523</u>
6			19,524,530
7	Allowance For Working Capital (1)		<u>385,709</u>
8	Proforma Rate Base		<u>\$ 19,910,240</u>
9	Proforma Rate of Return	A-2	<u>9.00%</u>
10	Proforma Operating Income	C-10	<u>\$ 1,791,922</u>
11	Note (1): Based on 12.5% of O&M expense per Schedule No. C-10.		

Town & Country Utilities Company
Original Certificate Application
Allocation of Estimated Wastewater Plant Costs Incurred in Phases 1 Through 3 to Future Development Phases

Line No.	Description	Account No.	Cost	Phases Sized For	ADF Sized Flow (MGD)	ADF Phase 3 Flow (MGD)	Phase 3 Percent	Future Phases Percent	Future Phases Costs	Factor for AFUDC & Other Alloc. Costs (1)	Total Future Phase Costs	Total Accum. Depr.	Factor for Accum. Depr. (2)	Future Phase Accum. Depr.
1	Organization Costs	351	\$ 250,000	4	5.38	2.59	48.14%	51.86%	\$ 129,650	-	\$ 129,650	\$ 53,125	0.5186	\$ 27,551
2	Land	353	1,080,000	4	5.38	2.59	48.14%	51.86%	560,088	-	560,088	-	-	-
3	Structures & Improvements:	354												
4	Wellheads, piping & equipment		90,000	4	5.38	2.59	48.14%	51.86%	46,674	1.386	64,690	5,028,439	0.0021	10,560
5	Reuse Transmission Main	375	3,800,000	4	5.38	2.59	48.14%	51.86%	1,970,680	1.386	2,731,362	978,450	0.5186	507,424
6	Other Plant / Miscellaneous Eq.:	389												
7	Tube & packer injection well		2,190,000	4	5.38	2.59	48.14%	51.86%	1,135,734	1.386	1,574,127			
8	Monitoring well		720,000	4	5.38	2.59	48.14%	51.86%	373,392	1.386	517,521			
			2,910,000						1,509,126		2,091,649	2,522,906	0.3457	872,169
9	Total		\$ 8,130,000						\$ 4,216,218		\$ 5,577,439	\$ 8,529,795		\$ 1,417,703

10 Notes: (1) The factor for allocating AFUDC, engineering & construction management costs was determined by dividing the total costs for each plant account including such costs by the total cost
11 of each plant account before allocation per Schedules No C-3 & C4.

12 (2) Total Future Phase plant costs for each respective account divided by the related total plant cost shown on Schedule C-3.

13 (3) Net plant allocated to future Phases is calculated as follows:

14	Total future Phases cost	\$ 5,577,439
15	Accumulated depreciation	(1,417,703)
16	Net future Phase cost	\$ 4,159,736

Town & Country Utilities Company
Original Certificate Application
Summary of Proposed Wastewater Utility Plant Cost, Capacities, Accumulated Depreciation and Expense
When Operating at the Designed Capacity of Phase 3 Plant

Line No.	NARUC Acct. No.	Description	Estimated	PSC	Depreciation	Accumulated	Capacities (2)	
			Original Cost	Depreciation Rate %	Expense	Depreciation	ERC's	Gallons (MGD)
1	351	Organization (1)	\$ 250,000	2.50	\$ 6,250	\$ 53,125	23,911	5.38
2	353	Land	1,080,000	-	-	-	23,911	5.38
3	354	Structures & Improvements	30,963,037	3.13	969,143	5,028,439	11,956	2.69
4	355	Power Generation Equipment	1,039,640	5.00	51,982	238,699	11,956	2.69
5	360	Collection Sewers-Force (Spine System)	6,375,140	3.33	212,292	1,712,199	11,956	2.69
6	361	Collection Sewers-Gravity (Contributed On-site)	51,196,000	2.22	1,136,550	3,144,898	11,956	2.69
7	370	Receiving Wells (Master Force Main Pump Sta.)	13,860,551	3.33	461,557	3,553,983	11,956	2.69
8	371	Pumping Equipment	4,503,788	5.56	250,411	1,149,882	11,956	2.69
9	374	Reuse Distribution Reservoirs	8,316,331	2.70	224,540	1,549,341	11,956	2.69
10	375	Reuse Transmission & Distribution Main	5,266,455	2.33	122,709	978,450	23,911	5.38
11	380	Treatment & Disposal Equipment	9,252,799	5.56	514,456	2,374,971	11,956	2.69
12	381	Plant Sewers	9,009,160	2.86	257,663	1,183,312	11,956	2.69
13	389	Other Plant & Miscellaneous Equipment	6,050,548	5.56	336,411	2,522,906	23,911	5.38
14		Total	\$ 147,163,449		\$ 4,543,964	\$ 23,490,205	11,956	2.69

15 Notes:(1) Organization costs are based on 50% of the total estimated legal, accounting and engineering costs incurred to
16 obtain an original PSC certificate and initial rates. Such costs have been allocated equally between water & wastewater.

17 (2) The AADF capacity of Phase 3 plant is 2.69 MGD, as presented in the Engineering Report prepared by CDM
18 Engineering. However, because 80% of ADF capacity is reached in early 2019, we have used the predicted flow at the end
19 2019 for purposes of calculating the initial rates and charges requested. Such flow amounts to approximately 96% of the AADF
20 capacity. This will benefit the customer and recognizes economies of scale. A daily demand of 225 GPD per the engineering report
21 was used to determine the ERC capacity of the Phase 3 plant shown above.

Town & Country Utilities Company
Original Certificate Application
Allocation of Engineering, Permitting, Construction Management & AFUDC to Wastewater Utility Plant in Service
By Phase and Primary Account

Line No.	Actt. No.	Description	Plant	Engineering &	Total	Percent	AFUDC	Total
			Costs	Permitting (12%)	Costs			Plant
			Excl. AFUDC	Construction Mgt. (15%)	AFUDC			Costs
1	354	Structures & Improvements - Phase 1	\$ 2,130,660	\$ 575,278	\$ 2,705,938	3.12%	247,162	\$ 2,953,100
2	354	Structures & Improvements - Phase 2	9,022,950	2,436,197	11,459,147	13.21%	1,046,476	12,505,623
3	354	Structures & Improvements - Phase 3	11,186,390	3,020,325	14,206,715	16.38%	1,297,599	15,504,314
4	355	Power Generation equipment - Phase 1	46,200	12,474	58,674	0.07%	5,545	64,219
5	355	Power Generation equipment - Phase 2	195,600	52,812	248,412	0.29%	22,973	271,385
6	355	Power Generation equipment - Phase 3	508,200	137,214	645,414	0.74%	58,622	704,036
7	360	Collection Sewers-Force - Phase 1	3,600,000	972,000	4,572,000	5.27%	417,481	4,989,481
8	360	Collection Sewers-Force - Phase 2	1,000,000	270,000	1,270,000	1.46%	115,659	1,385,659
9	370	Receiving wells (master force main pump stations) - Ph. 1	6,000,000	1,620,000	7,620,000	8.79%	696,331	8,316,331
10	370	Receiving wells (master force main pump stations) - Ph. 2	4,000,000	1,080,000	5,080,000	5.86%	464,220	5,544,220
11	371	Pumping equipment - Phase 1	200,000	54,000	254,000	0.29%	22,973	276,973
12	371	Pumping equipment - Phase 2	850,000	229,500	1,079,500	1.24%	98,231	1,177,731
13	371	Pumping equipment - Phase 3	2,200,000	594,000	2,794,000	3.22%	255,084	3,049,084
14	374	Reuse Distribution Reservoirs - Phase 1	1,200,000	324,000	1,524,000	1.76%	139,425	1,663,425
15	374	Reuse Distribution Reservoirs - Phase 2	4,800,000	1,296,000	6,096,000	7.03%	556,906	6,652,906
16	375	Reuse transmission & distribution main - Phase 1	2,800,000	756,000	3,556,000	4.10%	324,796	3,880,796
17	375	Reuse transmission & distribution main - Phase 2	1,000,000	270,000	1,270,000	1.46%	115,659	1,385,659
18	380	Treatment & Disposal Equipment - Phase 1	410,000	110,700	520,700	0.61%	48,323	569,023
19	380	Treatment & Disposal Equipment - Phase 2	1,800,000	486,000	2,286,000	2.64%	209,137	2,495,137
20	380	Treatment & Disposal Equipment - Phase 3	4,465,000	1,205,550	5,670,550	6.54%	518,089	6,188,639
21	381	Plant sewers - Phase 1	400,000	108,000	508,000	0.59%	46,739	554,739
22	381	Plant sewers - Phase 2	1,700,000	459,000	2,159,000	2.49%	197,254	2,356,254
23	381	Plant sewers - Phase 3	4,400,000	1,188,000	5,588,000	6.44%	510,167	6,098,167
24	389	Other plant & miscellaneous Equipment (Deepwell) - Ph. 1	2,993,140	808,148	3,801,288	4.38%	346,977	4,148,265
25	389	Other plant & miscellaneous Equipment (Deepwell) - Ph. 2	831,450	224,492	1,055,942	1.22%	96,647	1,152,588
26	389	Other plant & miscellaneous Equipment (Deepwell) - Ph. 3	540,410	145,911	686,321	0.80%	63,375	749,695
27		Total Utility Plant Cost	<u>\$ 68,280,000</u>	<u>\$ 18,435,600</u>	<u>\$ 86,715,600</u>	<u>100.00%</u>	<u>\$ 7,921,849</u>	<u>\$ 94,637,449</u>

28 Note: See Schedule No. C - 5 for allocation of plant components to NARUC primary accounts.

Town & Country Utilities Company
Original Certificate Application
Assignment of Total Wastewater Engineering Cost Data to Primary Plant Accounts - Phases 1 Through 3
Before Engineering, Permitting, Construction Management and AFUDC

Line No.	Eng. Exh. Reference	NARUC Account No.										Total
		354	355	360	370	371	374	375	380	381	389	
1	3-7	<u>Central WWTP cost estimates</u>										
2									\$ 6,500,000			\$ 6,500,000
3		\$ 8,125,000										8,125,000
4						\$3,250,000						3,250,000
5		7,375,000										7,375,000
6										\$ 6,500,000		6,500,000
7			\$ 750,000									750,000
8	3-5	3,900,000										3,900,000
9		980,000										980,000
10												<u>37,380,000</u>
11	2-11	<u>Deep Injection well (50% of cost)</u>										
12										\$ 2,190,000		2,190,000
13										720,000		720,000
14		90,000										90,000
15												<u>3,000,000</u>
16	3-5	<u>Effluent Reclaimed Water System</u>										
17								\$ 3,800,000				3,800,000
18						\$6,000,000						6,000,000
19												<u>9,800,000</u>
20	4-2	<u>Solids Processing & Biosolids Management</u>										
21									150,000			150,000
22									1,305,000			1,305,000
23		1,870,000										1,870,000
24									175,000			175,000
25												<u>3,500,000</u>
25	3-2	<u>Collection & Transmission System (Spine)</u>										
26			\$ 4,600,000									4,600,000
27				\$ 10,000,000								10,000,000
28		-	-	-	-	-	-	-	-	-	-	14,600,000
29	Total	<u>\$22,340,000</u>	<u>\$ 750,000</u>	<u>\$ 4,600,000</u>	<u>\$10,000,000</u>	<u>\$3,250,000</u>	<u>\$6,000,000</u>	<u>\$ 3,800,000</u>	<u>\$ 8,130,000</u>	<u>\$ 6,500,000</u>	<u>\$ 2,910,000</u>	<u>\$ 68,280,000</u>

30 Note (1): 25% of the operations / process building cost (Table 2-5) is allocated to wastewater operations.

Town & Country Utilities Company
Original Certificate Application
Wastewater Plant Additions By Phase, Year In-Service and Primary Account
Before Engineering, Permitting, Construction Management and AFUDC

Line No	Account No.		Phase and In-Service Date			Total
			Phase 1 2011	Phase 2 2013	Phase 3 2016	
1	354	Structures & Improvements	\$ 2,130,660	\$ 9,022,950	\$ 11,186,390	\$ 22,340,000
2	355	Power Generation Equipment	46,200	195,600	508,200	750,000
3	360	Collection Sewers - Force (Spine)	3,600,000	1,000,000		4,600,000
4	370	Receiving Wells - Force Pump Stations	6,000,000	4,000,000		10,000,000
5	371	Pumping Equipment	200,000	850,000	2,200,000	3,250,000
6	374	Reuse Distribution Reservoirs	1,200,000	4,800,000		6,000,000
7	375	Reuse Transmission & Dist. Main	2,800,000	1,000,000		3,800,000
8	380	Treatment & Disposal Equipment	410,000	1,800,000	4,465,000	6,675,000
9	381	Plant Sewers	400,000	1,700,000	4,400,000	6,500,000
10	389	Other Plant & Misc. Equipment	2,993,140	831,450	540,410	4,365,000
11		Total	<u>\$ 19,780,000</u>	<u>\$ 25,200,000</u>	<u>\$ 23,300,000</u>	<u>\$ 68,280,000</u>

Town & Country Utilities Company
Original Certificate Application
Calculation of Wastewater AFUDC Excluding Organization & Contributed Property

Line No.	Month	Estimated Monthly CWIP Increase	Accumulated CWIP Beginning Of Month	Accumulated CWIP End Of Month	Average CWIP Balance	Monthly AFUDC	Total Capitalized
1	1	\$ 3,613,150		\$ 3,613,150	\$ 1,806,575	\$ 13,021	\$ 3,626,171
2	2	3,613,150	\$ 3,626,171	7,239,321	5,432,746	39,156	7,278,477
3	3	3,613,150	7,278,477	10,891,627	9,085,052	65,479	10,957,106
4	4	3,613,150	10,957,106	14,570,256	12,763,681	91,992	14,662,248
5	5	3,613,150	14,662,248	18,275,398	16,468,823	118,696	18,394,094
6	6	3,613,150	18,394,094	22,007,244	20,200,669	145,593	22,152,837
7	7	3,613,150	22,152,837	25,765,987	23,959,412	172,683	25,938,670
8	8	3,613,150	25,938,670	29,551,820	27,745,245	199,969	29,751,789
9	9	3,613,150	29,751,789	33,364,939	31,558,364	227,451	33,592,390
10	10	3,613,150	33,592,390	37,205,540	35,398,965	255,132	37,460,672
11	11	3,613,150	37,460,672	41,073,822	39,267,247	283,012	41,356,834
12	12	3,613,150	41,356,834	44,969,984	43,163,409	311,093	45,281,077
13	13	3,613,150	45,281,077	48,894,227	47,087,652	339,376	49,233,603
14	14	3,613,150	49,233,603	52,846,753	51,040,178	367,863	53,214,616
15	15	3,613,150	53,214,616	56,827,766	55,021,191	396,556	57,224,322
16	16	3,613,150	57,224,322	60,837,472	59,030,897	425,455	61,262,927
17	17	3,613,150	61,262,927	64,876,077	63,069,502	454,562	65,330,639
18	18	3,613,150	65,330,639	68,943,789	67,137,214	483,880	69,427,669
19	19	3,613,150	69,427,669	73,040,819	71,234,244	513,408	73,554,227
20	20	3,613,150	73,554,227	77,167,377	75,360,802	543,150	77,710,527
21	21	3,613,150	77,710,527	81,323,677	79,517,102	573,105	81,896,782
22	22	3,613,150	81,896,782	85,509,932	83,703,357	603,277	86,113,209
23	23	3,613,150	86,113,209	89,726,359	87,919,784	633,666	90,360,025
24	24	<u>3,613,150</u>	<u>90,360,025</u>	<u>93,973,175</u>	<u>92,166,600</u>	<u>664,274</u>	<u>94,637,449</u>
25	TOTAL	<u>\$ 86,715,600</u>				<u>\$ 7,921,849</u>	<u>\$ 94,637,449</u>

26 Note: AFUDC is based on the annual rate of return (Schedule No. A-2) discounted to a
27 monthly rate of 0.72073233% .

Town & Country Utilities Company
Original Certificate Application
Projected Wastewater Accumulated Depreciation and Expense
When Operating at the Designed Capacity of Phase 3 Plant

Line No.	NARUC Acct. No.	Description	Estimated Cost	Year in Service	Years to Design Capacity	PSC Depreciation Rate	Accumulated Depreciation	Depreciation Expense
1	351	Organization	\$ 250,000	2,011	9	2.50	\$ 53,125	\$ 6,250
2	354	Structures & Improvements - Phase 1	2,953,100	2,011	9	3.13	785,672	92,432
3	354	Structures & Improvements - Phase 2	12,505,623	2,013	7	3.13	2,544,269	391,426
4	354	Structures & Improvements - Phase 3	15,504,314	2,016	4	3.13	1,698,498	485,285
5	355	Power Generation equipment - Phase 1	64,219	2,011	9	5.00	27,293	3,211
6	355	Power Generation equipment - Phase 2	271,385	2,013	7	5.00	88,200	13,569
7	355	Power Generation equipment - Phase 3	704,036	2,016	4	5.00	123,206	35,202
8	360	Collection Sewers-Force - Phase 1	4,989,481	2,011	9	3.33	1,412,273	166,150
9	360	Collection Sewers-Force - Phase 2	1,385,659	2,013	7	3.33	299,926	46,142
10	361	Contributed Gravity Mains (on-site)	176,000	2,011	9	2.22	33,211	3,907
11	361	Contributed Gravity Mains (on-site)	1,244,000	2,012	8	2.22	207,126	27,617
12	361	Contributed Gravity Mains (on-site)	2,132,000	2,013	7	2.22	307,648	47,330
13	361	Contributed Gravity Mains (on-site)	3,556,000	2,014	6	2.22	434,188	78,943
14	361	Contributed Gravity Mains (on-site)	6,044,000	2,015	5	2.22	603,796	134,177
15	361	Contributed Gravity Mains (on-site)	8,000,000	2,016	4	2.22	621,600	177,600
16	361	Contributed Gravity Mains (on-site)	8,712,000	2,017	3	2.22	483,516	193,406
17	361	Contributed Gravity Mains (on-site)	9,776,000	2,018	2	2.22	325,541	217,027
18	361	Contributed Gravity Mains (on-site)	11,556,000	2,019	1	2.22	128,272	256,543
19	370	Receiving wells - force main pump stations - Ph. 1	8,316,331	2,011	9	3.33	2,353,937	276,934
20	370	Receiving wells - force main pump stations - Ph. 2	5,544,220	2,013	7	3.33	1,200,046	184,623
21	371	Pumping equipment - Phase 1	276,973	2,011	9	5.56	130,898	15,400
22	371	Pumping equipment - Phase 2	1,177,731	2,013	7	5.56	425,632	65,482
23	371	Pumping equipment - Phase 3	3,049,084	2,016	4	5.56	593,352	169,529
24	374	Reuse Distribution Reservoirs - Phase 1	1,663,425	2,011	9	2.70	381,756	44,912
25	374	Reuse Distribution Reservoirs - Phase 2	6,652,906	2,013	7	2.70	1,167,585	179,628
26	375	Reuse transmission & distribution main - Phase 1	3,880,796	2,011	9	2.33	768,592	90,423
27	375	Reuse transmission & distribution main - Phase 2	1,385,659	2,013	7	2.33	209,858	32,286
28	380	Treatment & Disposal Equipment - Phase 1	569,023	2,011	9	5.56	268,920	31,638
29	380	Treatment & Disposal Equipment - Phase 2	2,495,137	2,013	7	5.56	901,742	138,730
30	380	Treatment & Disposal Equipment - Phase 3	6,188,639	2,016	4	5.56	1,204,309	344,088
31	381	Plant sewers - Phase 1	554,739	2,011	9	2.86	134,857	15,866
32	381	Plant sewers - Phase 2	2,356,254	2,013	7	2.86	438,028	67,389
33	381	Plant sewers - Phase 3	6,098,167	2,016	4	2.86	610,427	174,408
34	389	Other plant & misc. Equipment - Phase 1	4,148,265	2,011	9	5.56	1,960,470	230,644
35	389	Other plant & misc. Equipment - Phase 2	1,152,588	2,013	7	5.56	416,545	64,084
36	389	Other plant & misc. Equipment - Phase 3	749,695	2,016	4	5.56	145,891	41,683
37		Total	\$ 146,083,449				\$ 23,490,205	\$ 4,543,964

Town & Country Utilities Company
Original Certificate Application
Calculation of Proposed Wastewater Service Availability Charges, CIAC Level at Build-out of Phase 3 Plant
and Statement Regarding Proposed Service Availability Policy

Line No.	Plant Cost	Plant Capacity (ERC's)	Total Cost per ERC	Proposed Capacity Charge per ERC
1	<u>Calculation of proposed system capacity charge</u>			
2				
3	\$ 95,967,449	13,333	\$ 7,198	\$ 4,500
4	<u>CIAC Level at Build-out of Phase 3</u>			
5				\$ 147,163,449
7				(23,490,205)
8				<u>123,673,244</u>
9				108,791,500
10				(8,802,523)
11				<u>99,988,977</u>
12				<u>\$ 23,684,267</u>
13				80.85%
14				<u>19.15%</u>
15				<u>100.00%</u>
16	<u>Statement Regarding Proposed Service Availability Policy</u>			
17	The Company proposes a service availability policy based on a plant capacity charge as well as developer			
18	contribution of the on-site collection mains. This policy is designed to generally comply with			
19	the CIAC Guideline Levels in Rule 25-30.580.			
20	Note 1: The total plant cost on which the proposed service availability charge is based is as follows:			
21				\$ 147,163,449
22				(51,196,000)
23				
24				<u>\$ 95,967,449</u>

Town & Country Utilities Company
Original Certificate Application
CIAC , Accumulated Amortization of CIAC and Annual Amortization
When Plant is Operating at the Designed Capacity of Phase 3 Plant

Line No.	Year	Description	No. of New ERC's	Proposed Charge Per ERC	Total CIAC	Amortization Rate(1)	Factor For Years to Build-out	Accumulated Amortization	Annual Amortization
1	1	System Capacity Charge - plant	44	\$ 4,500	\$ 198,000	3.55%	8.5	\$ 59,747	\$ 7,029
2		Contributed On-site Property	44	4,000	176,000	2.22%	8.5	33,211	3,907
3	2	System Capacity Charge - plant	311	4,500	1,399,500	3.55%	7.5	372,617	49,682
4		Contributed On-site Property	311	4,000	1,244,000	2.22%	7.5	207,126	27,617
5	3	System Capacity Charge - plant	533	4,500	2,398,500	3.55%	6.5	553,454	85,147
6		Contributed On-site Property	533	4,000	2,132,000	2.22%	6.5	307,648	47,330
7	4	System Capacity Charge - plant	889	4,500	4,000,500	3.55%	5.5	781,098	142,018
8		Contributed On-site Property	889	4,000	3,556,000	2.22%	5.5	434,188	78,943
9	5	System Capacity Charge - plant	1,511	4,500	6,799,500	3.55%	4.5	1,086,220	241,382
10		Contributed On-site Property	1,511	4,000	6,044,000	2.22%	4.5	603,796	134,177
11	6	System Capacity Charge - plant	2,000	4,500	9,000,000	3.55%	3.5	1,118,250	319,500
12		Contributed On-site Property	2,000	4,000	8,000,000	2.22%	3.5	621,600	177,600
13	7	System Capacity Charge - plant	2,178	4,500	9,801,000	3.55%	2.5	869,839	347,936
14		Contributed On-site Property	2,178	4,000	8,712,000	2.22%	2.5	483,516	193,406
15	8	System Capacity Charge - plant	2,444	4,500	10,998,000	3.55%	1.5	585,644	390,429
16		Contributed On-site Property	2,444	4,000	9,776,000	2.22%	1.5	325,541	217,027
17	9	System Capacity Charge - plant	2,889	4,500	13,000,500	3.55%	0.5	230,759	461,518
18		Contributed On-site Property	<u>2,889</u>	4,000	<u>11,556,000</u>	2.22%	0.5	<u>128,272</u>	<u>256,543</u>
19		Total	<u>12,799</u>		<u>\$ 108,791,500</u>			<u>\$ 8,802,523</u>	<u>\$ 3,181,191</u>

20	Note (1):The composite amortization rate for capacity charges is calculated as follows:								
21		Total depreciation expense						\$ 4,543,964	
22		Less depreciation expense - contributed property						<u>(1,136,550)</u>	
23		System depreciation expense						<u>\$ 3,407,414</u>	
24		Total plant excluding contributed property						<u>\$95,967,449</u>	
25		Composite capacity charge amortization rate						<u>3.55%</u>	

Town & Country Utilities Company
Original Certificate Application
Constructed Statement of Operations - Wastewater
When Operating at the Designed Capacity of Phase 3 Plant

Line No.		Estimated Amount	Proforma Adjustments	Proforma Amount	Schedule Reference
1	Operating Revenue		\$ 8,392,020 (A)	\$ 8,392,020	
2	Operating Expenses:				
3	O&M expense (note 1)	\$ 3,085,674		3,085,674	C-11
4	Depreciation	4,543,964	(155,858) (C)	4,388,106	C-7
5	Amortization of CIAC	(3,181,191)		(3,181,191)	C-9
6	Taxes other than income	1,353,299	377,641 (B)	1,730,940	C-12
7	Income Taxes	-	576,570 (D)	576,570	
8		<u>5,801,746</u>	<u>798,353</u>	<u>6,600,098</u>	
9	Operating Income (loss)	<u>\$ (5,801,746)</u>	<u>\$ 7,593,667</u>	<u>\$ 1,791,922</u>	C-1
10	Rate Base	<u>\$ 19,910,240</u>		<u>\$ 19,910,240</u>	C-1
11	Rate of Return	<u>-29.14%</u>		<u>9.00%</u>	A-2
12	Proforma Adjustments:				
13	(A) Total revenue requested to realize an 9.00% rate of return			<u>\$ 8,392,020</u>	
14	(B) <u>Taxes Other than Income</u>				
15	<u>Regulatory assessment fees (RAF's):</u>				
16	Total revenue requested			\$ 8,392,020	
17	RAF rate			<u>4.50%</u>	
18	Regulatory Assessment Fees			<u>\$ 377,641</u>	
19	(C) <u>Depreciation expense</u>				
20	Total depreciation expense			\$ 4,543,964	C-7
21	Total Plant allocated to future phases		\$ 5,577,439		C-2
22	Less Land allocated to future Phases		<u>(560,088)</u>		C-2
23	Depreciable future Phase plant		<u>\$ 5,017,351</u>		
24	Divide by total depreciable plant		<u>\$ 146,083,449</u>		C-7
25	Percentage of depreciation expense related to future Phases			<u>3.43%</u>	
26	Depreciation related to future Phase plant			<u>\$ 155,858</u>	
27	(D) <u>Income Taxes</u>				
28	Rate Base			\$ 19,910,240	C-1
29	Weighted cost of equity			<u>4.80%</u>	A-2
30	After tax net income			955,692	
31	Pretax expansion factor (effective State & Federal tax of 37.63%)			<u>1.6033</u>	
32	Income before income taxes			1,532,260	
33	After tax net income per above			<u>(955,692)</u>	
34	Provision for income taxes			<u>\$ 576,570</u>	

Town & Country Utilities Company
Original Certificate Application
Detail of Proforma Wastewater O&M Expenses and
Engineer's Estimate of Plant Operating Expenses
When Operating at the Designed Capacity of Phase 3 Plant

Line No.	NARUC Acct. No.	Description	Estimated Amount
1	701	Salaries & Wages (1)	\$ 799,111
2	711	Sludge Removal (1)	562,754
3	715	Purchased Power (1)	382,673
4	718	Chemicals (1)	99,045
5		Contractual Services:	
6	731	Engineering (1)	45,020
7	732	Outside Accounting - Annual Report, RAF Return, Index	
8		Adjustments, and Tax Returns	10,000
9	733	Legal (1)	27,012
10	734	Testing (1)	48,397
11	735	Management Fees (Accounting, Customer Accounts,	
12		Billing, Management)	200,000
13	736	Contract Plant Operation, Maintenance & Management (1)	467,086
14	755	Insurance - Property, Casualty & Liability (1)	236,357
15	775	Miscellaneous (1)	<u>208,219</u>
16		Total estimated O&M expense	<u>\$ 3,085,674</u>
17		(1) Per engineering estimate of CDM Engineering. Other costs were	
18		estimated by Carlstedt, Jackson, Nixon, and Wilson, CPA's, based on their	
19		experience with costs for similar sized utilities.	

Town & Country Utilities Company
Original Certificate Application
Wastewater Projected Taxes Other Than Income Taxes
When Plant is Operating at the Design Capacity of Phase 3 Plant

Line No.	Description	Cost	Millage Rate	Projected Tax	Reference
1	<u>Real Estate & Personal Property</u>				
2	Total projected cost	\$ 147,163,449			C-3
3	Accumulated depreciation when operating at the				
4	designed capacity of Phase 3	(23,490,205)			C-7
5	Net plant allocated to future phases	<u>(4,159,736)</u>			C-2
6	Estimated taxable value	<u>\$ 119,513,508</u>	<u>1.13234%</u>	<u>\$ 1,353,299</u>	

Town & Country Utilities Company
Original Certificate Application
Proposed Wastewater Service Rate Calculations

Line No.	Total	Percent Allocation		Rate Component		
		BFC	Gallorage	BFC	Gallorage	
1	<u>Operation & Maintenance (O&M):</u>					
2	799,111	50.00%	50.00%	399,556	399,556	
3	562,754	50.00%	50.00%	281,377	281,377	
4	382,673	50.00%	50.00%	191,337	191,337	
5	99,045	50.00%	50.00%	49,523	49,523	
6	Contractual Services:					
7	Engineering	45,020	50.00%	50.00%	22,510	22,510
8	Outside Accounting - Annual Report, RAF Return, Index				-	-
9	Adjustments & Tax Returns	10,000	50.00%	50.00%	5,000	5,000
10	Legal	27,012	50.00%	50.00%	13,506	13,506
11	Testing	48,397	50.00%	50.00%	24,199	24,199
12	Management Fees (Accounting, Customer Accounts, Billing, Management)	200,000	50.00%	50.00%	100,000	100,000
14	Contract Plant Operation, Maintenance & Management	467,086	50.00%	50.00%	233,543	233,543
15	Insurance - Property, Casualty & Liability	236,357	50.00%	50.00%	118,179	118,179
16	Miscellaneous	208,219	50.00%	50.00%	104,110	104,110
17	Total Estimated O&M Expenses	<u>3,085,674</u>			-	-
18	Depreciation Expense - Net	<u>1,206,915</u>	50.00%	50.00%	603,457	603,457
19	<u>Taxes Other than Income:</u>					
20	Real estate & property taxes	1,353,299	50.00%	50.00%	676,650	676,650
21	Regulatory Assessment Fees	377,641	50.00%	50.00%	188,820	188,821
22		<u>1,730,940</u>			-	-
23	<u>Income Taxes</u>	<u>576,570</u>	10.00%	90.00%	57,657	518,913
24	<u>Operating Income</u>	<u>1,791,922</u>	25.00%	75.00%	447,981	1,343,942
25	Total revenue requested	8,392,020			3,517,401	4,874,619
26	Less: Reuse Revenue	<u>(283,605)</u>	0.00%	100.00%	-	<u>(283,605)</u>
27	Net revenue for service rate calculations	<u>\$ 8,108,415</u>			<u>\$ 3,517,401</u>	<u>\$ 4,591,014</u>
28	No. of ERC's at build-out level of operation - Phase 3				12,799	12,799
29	No of months				<u>12</u>	
30	Annual No. of monthly ERC's / average daily demand per ERC (gpd)				<u>153,588</u>	<u>225</u>
31	Daily average usage at 225 gpd					2,879,775
32	Days in year					<u>365</u>
33	Estimated annual gallons sold - thousands					<u>1,051,118</u>
34	Residential gallons					831,351
35	General Service gallons					<u>219,767</u>
36	Total Gallons					<u>1,051,118</u>
37	Factored Gallons for rate differential:					
38	Residential @ 80%					665,081
39	General Service @ 94%					<u>206,581</u>
40	Total factored gallons					<u>871,662</u>
41	Rates - Base Facility Charge / Factored gallonage Charge per 1,000 Gallons				<u>\$ 22.90</u>	<u>\$ 5.27</u>
42	Residential gallonage rate @ 80% of factored gallonage rate					<u>\$ 4.22</u>
43	General service gallonage rate @ 94% of factored gallonage rate					<u>\$ 4.96</u>
44	Reuse Gallons Sold (2,590 GPD x 365 days) (000)					945,350
45	Proposed reuse rate per 1,000 gallons					<u>\$ 0.30</u>
46	Annual reuse revenue					<u>\$ 283,605</u>

EXHIBIT “C”

Purchase and Sale Agreement between Babcock Property Holdings and Town and Country Utilities Company

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT is made as of the ____ day of August, 2007 by and between Babcock Property Holdings, L.L.C., a Delaware limited liability company ("Seller") and Town and Country Utilities Company, a Florida corporation ("Purchaser").

WITNESSETH:

WHEREAS, Seller is the owner of that certain parcel of land situated in Charlotte County, Florida (the "Property"), as shown on Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the exact legal description for the Property cannot be finalized until final permit approvals are obtained; accordingly, the parties agree that the final legal description will be determined at a later date and will substantially comply with that shown on the attached Exhibit "A"; and

WHEREAS, Seller wishes to sell the Property to Purchaser to induce Purchaser to provide utility services to Seller's development on adjacent and nearby property; and

WHEREAS, Seller wishes to sell the Property to Purchaser and Purchaser wishes to purchase the Property from Seller subject to the terms and conditions hereof.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged by the parties, the Seller and the Purchaser hereby agree as follows:

1. Transaction: The Seller agrees to transfer and convey the Property and the Purchaser agrees to acquire the Property upon and subject to all the terms and conditions of this Agreement. The Property is sold "as is and where is" without representation, warranty or contingency either express or implied. The date of this Agreement (the "Effective Date") shall be the date when the last one of Seller and Purchaser has signed this Agreement.

2. Purchase Price: The total purchase price for the Property is ten dollars (\$10.00) (the "Purchase Price").

3. Title Evidence. If requested by Purchaser, Seller will deliver to Purchaser Seller's prior owner's title insurance policy. Purchaser may obtain from a title company chosen by Purchaser a title insurance commitment covering the Property pursuant to which the title insurer will agree to issue to Purchaser, upon closing of this transaction, an owner's policy of title insurance with the standard printed exceptions, subject to those matters of record affecting title to the Property. If Purchaser obtains a title insurance commitment and owner's title insurance policy, Purchaser shall pay the cost of obtaining the title commitment and the premium for the Purchaser's owner's title insurance policy. If after having received the title insurance commitment, Purchaser discovers any title defects or encumbrances, or matters which render title uninsurable, Purchaser shall, within ten (10) days after such receipt, notify Seller in writing specifying such defect(s). Seller shall have sixty (60) days from receipt of notice within which to remove said defect(s), and if Seller is unsuccessful in removing them within such period,

Purchaser shall have the option of either (1) accepting the title as it then is, or (2) terminating this Agreement and thereupon Purchaser and Seller shall be released, as to one another, of all further obligations hereunder. Seller shall have no obligation to expend funds or to bring suits to correct any defect(s) in title.

Purchaser acknowledges and agrees that the Property is subject to various governing documents including, but not limited to, the Charlotte County Development Agreement, the Babcock Ranch Overlay District and the Babcock Ranch Land Development Regulations, and that any and all such governing documents shall not constitute a title defect.

4. Survey. Purchaser, within sixty (60) days from the Effective Date, shall have the Property surveyed by a registered Florida surveyor at Purchaser's expense. If the survey, certified by a registered Florida surveyor, shows any encroachment on such Property or that improvements located on the Property in fact encroach on setback lines, easements or lands of others, or violate any restrictions or applicable governmental regulations, Purchaser shall, within ten (10) days after such receipt, notify Seller in writing specifying such defect(s). Any properly noticed survey defect shall be treated as a title defect under Paragraph 3 above.

5. Closing. The closing of the transaction contemplated hereby shall be held on or before the thirtieth (30th) day after receipt of final Public Service Commission ("PSC") rate approval unless extended by agreement of the parties or by any applicable provisions hereof. Such closing shall be held at a location chosen by Purchaser.

6. Inspections. Purchaser shall have ninety (90) days from the Effective Date (the "Inspection Period") to investigate, determine, and conduct any inspections it deems necessary, including without limitation, that the Property is zoned for Purchaser's intended uses, that all utilities necessary for Purchaser's intended uses are in place and/or available to the Property, the compliance with all building and zoning codes, compliance with all environmental and hazardous waste laws and regulations, the load bearing characteristics of the Property and any other matters deemed relevant by Purchaser. In the event that within the time period hereinabove set forth, Purchaser shall determine that any facts or conditions learned during the inspections are not satisfactory to it, the Purchaser shall have the option to terminate and cancel this Agreement. In the event that Purchaser does not notify Seller in writing by 5:00 P.M. on the 90th day from the Effective Date of its election to terminate and cancel this Agreement, then this contingency shall be deemed waived. Notwithstanding anything contained in this Agreement to the contrary, Purchaser shall have the sole and exclusive discretion, for any reason whatsoever, within the Inspection Period, to notify Seller in writing as provided for herein, that it does not intend to close on the purchase of the Property herein described, in which event this Agreement shall be deemed cancelled and null and void for all purposes, all parties hereto being relieved from all liability hereunder.

Upon closing Purchaser agrees to indemnify and hold Seller harmless from any and all damages, claims, liabilities, penalties, costs and expenses (including penalties, fines and all attorneys' fees at all levels of appeal) including, but not limited to, any claims for property damage, or remedial reimbursement costs, and claims for contribution or indemnity, that may be sustained, incurred or charged to Seller or Purchaser or any of their heirs, successors or assigns, in connection with the condition and/or use of the Property and all improvements located thereon

including, but not limited to, those arising as a result of the existence of hazardous or toxic substances on the Property such as, but without limitation, substances that may be regulated by federal, state and any local environmental laws. Purchaser's obligation to indemnify and hold Seller harmless shall survive the closing of the transaction contemplated by this Agreement.

Purchaser agrees that Purchaser shall not create or suffer to be created any damage, lien or encumbrances against the Property as a result of its agents' and employees' inspections of the Property. Purchaser hereby indemnifies Seller against all damages from claims or causes of action arising out of the Purchaser or its agents and employees entering upon the Property pursuant to this paragraph. This indemnification obligation shall survive the expiration or termination of this Agreement.

7. Closing Documents. Seller agrees to execute and deliver, at closing, (a) a deed to Purchaser conveying the Property; (b) an affidavit affirming the absence of any mechanics' liens on the Property or any parties in possession other than the Seller; (c) a Quit-Claim Bill of Sale conveying title to the Personal Property, if any; (d) a withholding certificate or other certificate evidencing compliance with the Foreign Investment in Real Property Tax Act of 1980 and exempting Purchaser from withholding any portion of the purchase price; (e) an affidavit sufficient for the company insuring title to permit such company to insure the "GAP" period; and (f) a closing statement covering the sale and purchase of the Property. Purchaser agrees to execute and deliver a closing statement covering the sale and purchase of the Property and any documents required of the Purchaser by the title company.

8. Default. Should Purchaser fail to carry out the terms of this Agreement for any reason except the failure of any condition to Purchaser's obligations hereunder, Seller shall have the option of (a) canceling this Agreement by giving Purchaser written notice thereof; or (b) Seller may waive any performance required of Purchaser and enforce any and all remedies it may have at law or in equity, including the right to seek specific performance of this Agreement. Should Seller fail to perform under this Agreement, Purchaser shall have the option of (a) canceling this Agreement by giving Seller written notice thereof; or (b) Purchaser may waive any performance required of Seller and enforce any and all remedies it may have at law or in equity, including the right to seek specific performance of this Agreement.

9. Recording Expenses. Seller shall pay the documentary stamps on the Deed of conveyance and the cost of recording any corrective instruments. Seller and Purchaser shall split equally the surtaxes on the Deed of conveyance. Purchaser shall pay the cost to record the Deed of conveyance.

10. Assessed Liens. Certified, confirmed and ratified special assessment liens, as of the date of closing shall be paid by Seller. Pending liens as of the date of closing, shall be assumed by Purchaser, provided where the improvements represented by such pending liens have been substantially completed, as of the date of this Agreement, such pending liens shall be considered as certified, ratified and confirmed, and Seller shall, at closing, pay to Purchaser or be charged an amount equal to the last estimate therefor by the public body imposing such assessment.

11. Possession. Unless otherwise specified herein, possession of the Property shall be delivered to Purchaser at the closing.

12. Prorations. Property taxes shall be prorated based upon the current year's taxes at the maximum discount available. If Closing occurs at a date when the current year's taxes are not fixed and the current year's assessment is available, taxes will be prorated based upon such assessment and the prior year's millage. If the current year's assessment is not available, then taxes will be prorated on the prior year's taxes; provided, however, that any tax prorations based upon an estimate or upon the prior year's tax may, at the request of either party to the transaction, be subsequently reprorated and paid promptly upon receipt of the actual tax bill or bills covering the Property. The provisions of this subparagraph shall survive Closing.

13. Risk of Loss. Seller assumes the risk of loss of the Property prior to closing. If, prior to the closing of this transaction, all or any substantial part of the Property is condemned, damaged or destroyed, Purchaser shall have the option of either applying the proceeds of any condemnation award or insurance policies to reduce the total consideration provided herein or declare this Agreement terminated by delivering written notice of termination, pursuant to this section, to Seller within ten (10) days of the date Seller notifies Purchaser, in writing, of such condemnation, damage or destruction.

14. Assignment. Purchaser may assign this Agreement to any entity in which the Purchaser maintains a majority control interest without Seller's prior written consent. Except in the instance described in the preceding sentence, Purchaser may not assign this Agreement without Seller's prior written consent.

15. Broker. Seller and Purchaser represent that no real estate brokers have been involved in this transaction.

16. Time of the Essence. Time is of the essence of all the terms, provisions and covenants of this Agreement.

17. Severability. Inapplicability or unenforceability of any provision of this Agreement or any instrument executed and delivered pursuant hereto shall not limit or impair the operation or validity of any other provisions of this Agreement or any such other instrument.

18. Entire Agreement. This Agreement contains the entire Agreement between the parties. No promise, representation, warranty or covenant not included in this Agreement has been or is being relied upon by either party. Each party has relied upon its own examination of the full Agreement and the provisions hereof, and the council of its own advisors and the warranties, representations and covenants expressly contained in this Agreement itself. No modification or amendment of this Agreement shall be of any force or effect unless in writing executed by the parties sought to be bound.

19. Governing Law. This Agreement shall be construed and interpreted under the laws of the State of Florida.

20. Attorneys Fees and Costs. In the event that there should be any litigation arising out of this Agreement, the prevailing party shall be entitled to recover all costs and attorney fees

including appellate costs and fees. Other than in connection with any litigation which may arise hereunder, each party shall be responsible for its own attorneys fees and costs.

21. Notices. Any notice hereunder must be in writing and shall be effective when deposited in the United States mail, certified, return receipt requested, or when received by the party to be notified if by hand delivery. For purposes of notice, the addresses of the parties shall be as set forth below or as may be designated from time to time:

Seller: Babcock Property Holdings, L.L.C.
ATTN: Neal Blaketter
17837 Murdock Circle
Port Charlotte, FL 33948

Purchaser: Town and Country Utilities Company
ATTN: Brad Neider
8000 State Road 31
Punta Gorda, FL 33982

22. Headings. All sections and descriptive headings in this Agreement are inserted for convenience only, and shall not affect the construction or interpretation hereof.

23. Waiver of Default. The waiver of any breach or default under any of the terms of this Agreement shall not be deemed to be or nor shall the same constitute a waiver of any subsequent breach or default.

24. Binding Effect. This Agreement shall inure to the benefit of the parties hereto and their legal representatives, successors and permitted assignees.

25. The parties acknowledge and agree that, if applicable, after closing, they shall work together in good faith to effectuate any land swap transactions that may be necessary to comply with permitting approvals. Seller reserves the right to require that appraised fair market value consideration be paid in the future in any land swap transaction if, as a result of the land swap(s), the aggregate gross acreage conveyed or to be conveyed by Seller to Purchaser will exceed sixty-two (62) acres. No party shall be obligated to swap any land in order to satisfy the permitting needs of the other if such swap could reasonably be expected to adversely affect a party's right to develop its own lands now or at any time in the future. The terms of any land swaps are subject to the reasonable approval of both parties and their respective lenders, if required.

26. Purchaser Consent. Purchaser agrees, upon request of Seller, that it shall timely consent to any and all permit applications requiring Purchaser's consent. Purchaser also agrees that it shall be bound by any and all permitting applications and permits, and that it will execute any and all such necessary documents to the permitting agencies to effectuate same.

27. Property Conveyed "As Is". Except as otherwise herein specifically provided, the Seller is not making and specifically disclaims any warranties or representations of any kind or

character, express or implied, with respect to the Property, including, but not limited to, warranties or representations as to matters of title (other than the Seller's warranty of title, if any, set forth in the trustee's deed to be delivered at closing), zoning, tax consequences, physical or environmental conditions, availability of access, ingress or egress, operating history or projections, valuation, governmental approvals, governmental regulations or any other matter or thing relating to or affecting the Property including, without limitation: (i) the value, condition, merchantability, marketability, profitability, suitability or fitness for a particular use or purpose of the Property, (ii) the manner or quality of the construction or materials incorporated into any of the Property and (iii) the manner, quality, state of repair or lack of repair of the Property. Purchaser agrees that with respect to the Property, Purchaser has not relied upon and will not rely upon, either directly or indirectly, any representation or warranty of Seller or any agent of Seller. Purchaser represents that it is a knowledgeable Purchaser of real estate and that it is relying solely on its own expertise and that of Purchaser's consultants, and that Purchaser will conduct such inspections and investigations of the Property, including, but not limited to, the physical and environmental conditions thereof, and shall rely upon same, and, upon closing, shall assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, may not have been revealed by Purchaser's inspections and investigations. Purchaser acknowledges and agrees that upon closing, Seller shall sell and convey to Purchaser and Purchaser shall accept the Property "as is, where is," with all faults, and there are no oral agreements, warranties or representations (except as herein specifically provided), collateral to or affecting the Property by Seller, any agent of Seller or any third party acting for or on behalf of Seller. The terms and conditions of this paragraph shall expressly survive the closing and not merge therein. Seller is not liable or bound in any manner by any verbal or written statements, representations, or information pertaining to the Property furnished by any real estate broker, agent, employee, servant or other person, unless the same are specifically set forth or referred to herein. Moreover, Purchaser's closing hereunder shall be deemed to constitute an express waiver of Purchaser's or its successors and assigns right to sue Seller and of Purchaser's right to cause Seller to be joined in an action brought under any federal, state or local law, rule, act or regulation which prohibits or regulates the use, handling, storage, transportation or disposal of a hazardous or toxic substance or which requires removal or remedial action with respect to such hazardous or toxic substance, specifically including but not limited to "CERCLA" and "SARA". This provision is a material inducement for Seller's entering into this Agreement and it shall expressly survive the closing hereunder.

28. Easements. Seller agrees to work with Purchaser to provide an easement over Seller's other property for Purchaser's wellfield and associated raw water transmission main, as shown on the attached Exhibit "B." Seller also agrees to work with Purchaser to provide any other necessary utility easements including, without limitation, drainage and flowage, ingress/egress and landscape buffer, over Seller's other property as may be required in order for Purchaser to provide utility service to Seller's development on adjacent and nearby property including, without limitation, the right to install underground and aboveground lines and equipment within such utility easement areas. Any engineering, surveying, legal and similar costs associated with such easements will be borne by the party requesting the easement. The terms of such easements are subject to the reasonable approval of both parties and their respective lenders, if required.

29. Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if the signature thereto and hereto were upon the same instrument. Facsimile signatures of this Agreement or amendments thereto shall be deemed original signatures.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the dates set forth below:

"SELLER"
Babcock Property Holdings, L.L.C., a
Delaware limited liability company

PURCHASER"
Town and Country Utilities Company, a
Florida corporation

By: _____
Printed Name: _____
Title: _____
Date: _____

By: _____
Printed Name: _____
Title: _____
Date: _____

EXHIBIT "A"

Sketch of Property

N:\20055693-701\WaterMgmt\T&C Utility Conveyance Agreement.dwg (8.5x11) jib Aug 21, 2007 - 8:46am

SR 31

SR 31

CR 78



0 3000 6000
SCALE IN FEET

Babcock Ranch Preserve
State of Florida

Babcock Ranch Preserve
State of Florida

Telegraph Swamp

Curry Lake
Area

Utility Site

Development
Pods (Typ)

Charlotte County
Lee County

Babcock Ranch Preserve
Lee County

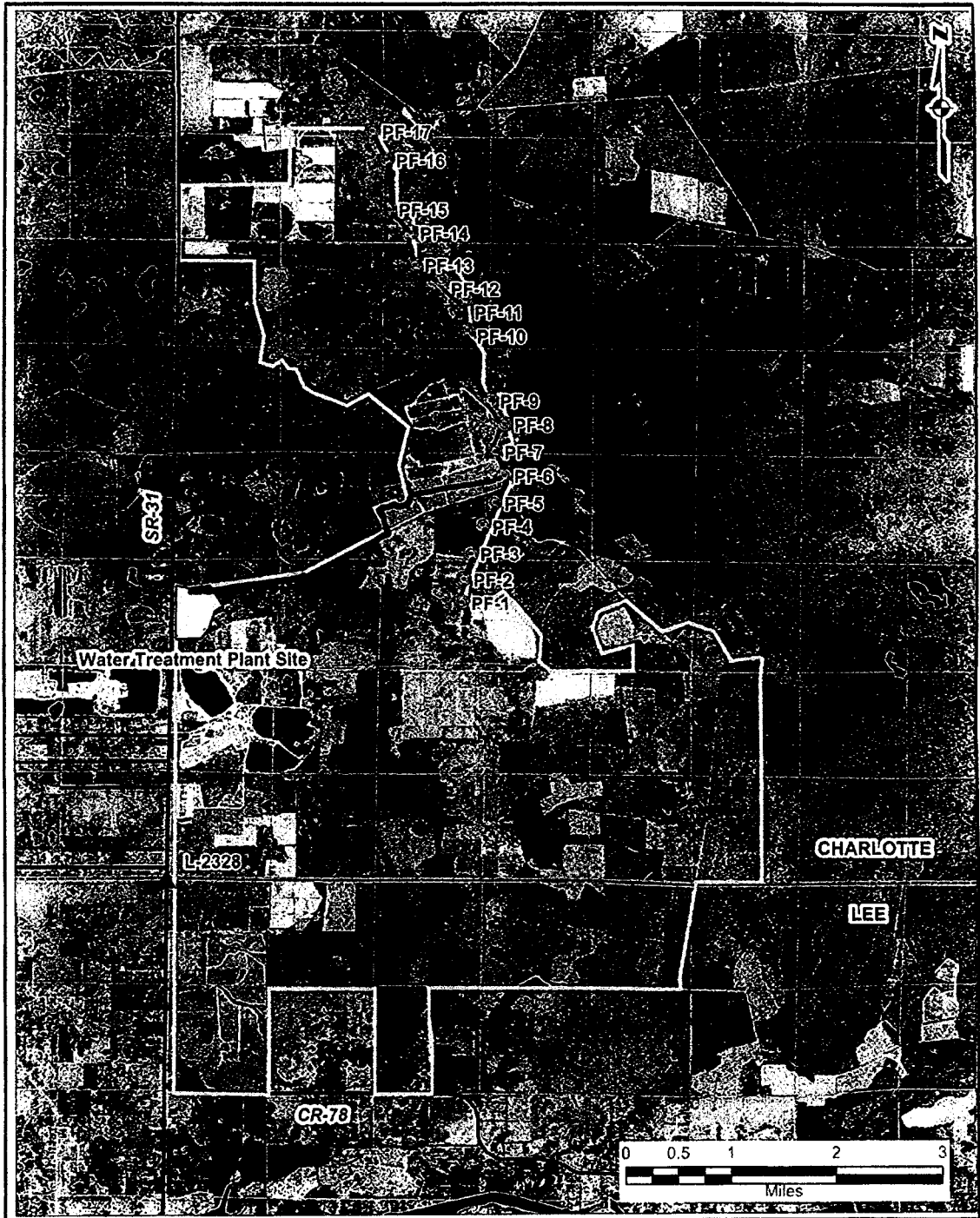
JOHNSON
ENGINEERING

2158 JOHNSON STREET
P.O. BOX 1550
FORT MYERS, FLORIDA 33902-1550
PHONE (239) 334-0046
FAX (239) 334-3661
E.B. #642 & L.B. #642

Town & Country Utilities Company
Conveyance Agreement

DATE	PROJECT NO.	FILE NO.	SCALE	SHEET
08\20\07	20055693-701	00-00-00	As Shown	1 Of 1

EXHIBIT "B"
Location of Well Fields



JOHNSON
ENGINEERING

THE JOHNSON GROUP
1200 S. W. 10th St.
Fort Lauderdale, FL 33304
Tel: (954) 576-1000
Fax: (954) 576-1001
www.johnsoneng.com

Site Plan

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Johnson Engineering, Inc. 12/10/07