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**ELIAS N. CHOTAS**  
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February 2, 2011

**BY U.S. MAIL**

Ms. Ann Cole  
 Office of Commission Clerk  
 Florida Public Service Commission  
 2540 Shumard Oak Boulevard  
 Tallahassee, FL 32399-0850

Re: Docket No. 100439-WS / Application for Approval of Revised Service Availability Policy and Charges by Rainbow Springs Utilities, L.C. / Information Requested by Staff on Conference Call of January 31, 2011

Dear Ms. Cole:

This firm represents an Intervenor (CCW of Marion County, LLC) in the above referenced docket. During a conference call between staff and the parties on January 31, 2011, the following information was requested:

1. Letter dated January 28, 2010, from GAI Consultants to Elias N. Chotas, Esq. containing observations regarding Rainbow Springs service availability filing (copy enclosed);
2. Price at which CCW of Marion County, LLC, would sell tax parcel 3291-000-013 located in Villages of Rainbow Springs, Marion County, Florida - \$10,000.00 per acre.

The subject tax parcel is subject to a Special Use Permit (copy enclosed) which permits use as an effluent disposal spray field. The property is zoned in M-1 (Light Industrial) and contains either 24.36± acres of land (Resolution of Board of County Commissioners) or 22.36± acres of land.

The price of \$10,000.00 per acre is less than half of the value previously requested by Rainbow Springs Limited, the prior owner (\$500,000.00). While the seller believes the above is a fair price, it is willing engage in conversation and negotiations with the utility concerning a wide range of issues which may modify the sales price by providing compensating benefits for the property owner, CCW of Marion County, LLC.

DOCKET NUMBER-DATE

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Ms. Ann Cole  
Office of Commission Clerk  
February 2, 2011  
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While we believe that the enclosed satisfies the requests of your staff on January 31, 2011, if any further information is requested, please do not hesitate to contact the undersigned.

Sincerely,



Elias N. Chotas

ENC:lc

Enclosures

cc: F. Marshall Deterding, Esq.  
Rose, Sundstrom & Bentley (via e-mail w/encl.)

January 28, 2010  
GAI Project No.: A110210.00

Elias N. Chotas, Esq.  
CCW of Marion County, LLC  
P.O. Box 560462  
Orlando, FL 32803

**Re: Observations Regarding Rainbow Springs Service Availability Filing**

Dear Lee,

We have done some initial analysis of Rainbow Springs' filing and provide the following observations for your use in the FPSC Staff conference call on Monday. I would like to start by stating that Service Availability Fees are not as well defined by PSC rules as monthly rates and charges. There is a little bit more of a grey area with not as much precedent to go by. However, we have some good points to bring to Staff's attention.

- It is not standard to include eight (8) years of future costs into the proforma in establishing the rates. Typically, a historic test year with perhaps one (1) year of adjustments would be considered. The expansion plan provided is highly speculative.
- It is difficult to believe that the absorption schedule provided in the filing is accurate. The filing shows an additional 1517 ERCs coming on line within the July 1, 2010 to 2018 timeframe (Schedule No. 3 & 15). As shown on the schedule attached, titled Statistics from Service Availability Filing (Filing Statistics), this represents a 102% increase in water and wastewater customers in 8 ½ years. This is highly unlikely considering that for 2009, the Annual Report on file with the PSC shows nine (9) new customers. This absorption rate equates to roughly 178 customers per year. Contrast this number to the customer growth shown on the attached schedule titled Select Statistics from Annual Reports (Annual Reports Statistics). You will notice that for the 2000 to 2009 (roughly the same time period, but a little longer) time-frame, customer growth was approximately 42% (water) – 44% (wastewater). This actual growth is less than half of the projected and occurred during some of the highest housing growth years in our history. I could find no evidence of the Master Plan supporting such unprecedented growth in the filing. Ask for it.
- The projected growth, which is highly suspect, is driving the capital expansion plans. The plant in service shown on the Filing Statistics for 2010 is \$1,975,520 and for 2018 is \$9,365,036 for water. This represents a 374% increase in plant in service. For wastewater the numbers are \$3,276,367 for 2010 and \$19,313,229 for 2018, a 490% increase. Contrast this with actual investment change from shown on the Annual Reports Statistics of \$1,589,074 in 2000 and \$1,975,523 in 2009 for water. A more modest 24.3% change. For wastewater, the balance in 2000 was \$3,014,368 and \$3,276,367 for 2009. An 8.7% change. Nowhere near the speculative numbers being used to set Service Availability Fees.
- From the Annual Reports Statistics you can see that the permitted capacity of the water plant is 2.3 MGD and for the wastewater plant it is 230,000 on a three month average daily flow basis. The average daily flow of the water plant is 558,923 for 2009 (total usage / 365 days). Even assuming a peaking factor of 1.5, the average daily flow is 838,385, well below the permitted capacity. Real growth in customers over the near term should be easily handled by the existing plant. For wastewater, the average daily flow is 131,836 for 2009 and applying the same peaking factor of 1.5 the average daily flow is 197,754. This peaking factor may be too high, without additional data it is difficult to determine. Nevertheless, there is still capacity in the wastewater plant and at only about 90 gallons a day per customer there is room for growth. It would be enlightening to see the MOR and DMR reports for the wastewater plant as well as any capacity utilization analysis performed by Rainbow Springs.

- Observing the Allocation of Future Plant Costs, Schedules 8 (water) and 10 (wastewater) from the filing, highlights several areas of concern. The "soft" costs for water are approximately 40% of the "hard" costs and 33% of the "hard" costs for wastewater. This seems excessive. We would typically expect something on the magnitude of 15% to 20%. While it is possible, a benchmarking analysis by staff would be handy. Also, a majority of the water projects shown on Schedule 8 are to provide water to what we would assume are vacant tracts of land. It doesn't appear to be fair that in-fill customers should have to bear the cost of plant expansion and extension of lines to serve those customers. Schedule 10 shows the majority of the costs to be for plant expansion and public access reuse projects as well as wastewater and reuse transmission to those same vacant tracts of land. Again, while an argument could be made that the first plant expansion shown could potentially be used to service in-fill lots (scheduled 45,000 gpd completed in 2012) the same can't be said for almost doubling the plant capacity scheduled for 2015. While there could be potentially an argument for the sprayfield expansion due to be completed in 2012 (matching the plant expansion), the golf course reclaimed system and the expansion to the vacant tracts would seem dubious.
- Schedule 9 shows the calculation of AFUDC (allowance for funds used during construction). This schedule shows an equal investment of \$204,753 per month into CWIP (construction work in progress) over a 24 month period and calculates AFUDC on the CWIP average balance. This does not match the construction schedules shown on Schedule 6 and 7 which shows additions going into service beginning in 2010 through 2018. The calculation of AFUDC should more accurately reflect the construction schedule. Also, the imputation of AFUDC should only take place on any amount over the CWIP provided for in the last rate case. (25-30.116(1)(b)1). The schedules were not included on-line from the prior rate case so ask that staff provide a copy and also check these. Additionally, as mentioned earlier, an eight (8) year proforma is highly irregular making moot the point of AFUDC that far in the future. Please ask Staff to provide examples where something like this has been allowed before.

The above can all be discussed with Staff. You can raise the issue that the in-fill lots should not bear the burden of extending service but I can't find a precedent stating that the PSC can't do this. They have done things like this in the past. Our argument is that the people who are responsible for the utility incurring the cost should pay the cost (cost causing behavior) and if they set these rates it amounts to a subsidy.

Finally, I would like to see a calculation sheet that shows the actual calculation of the proposed fees. It is not readily apparent in the filing.

Please let me know if you need additional information and I hope this is useful in your discussion with staff.

Very truly yours,

**GAI Consultants, Inc.**



Tony Isaacs  
Project Manager

Attachments

**Rainbow Springs Utilities**  
**Select Statistics from Annual Reports**

	Water			Wastewater		
	2000	2009	% Change	2000	2009	% Change
Plant In Service	\$ 1,589,074	\$ 1,975,523	24.3%	\$ 3,014,368	\$ 3,276,367	8.7%
Customers - Excluding Irr. 1/	1,045	1,486	42.2%	1,026	1,480	44.2%
ERCs - Exc. Irr. 1/	1,077	1,662	54.3%	1,058	1,501	41.9%
Total Usage 2/	181,824,000	204,007,000	12.2%	41,075,000	48,120,000	17.2%
ADF	498,148	558,923	12.2%	112,534	131,836	17.2%
Peaking Factor 1.5	747,222	838,385	12.2%	168,801	197,754	17.2%
Capacity 3/	2,380,000 MGD	2,380,000 MGD	0.0%	230,000 3 MADF	230,000 3 MADF	0.0%
Capacity Utilization	20.93%	23.48%	12.2%	48.93%	57.32%	17.2%
Usage Per Customer/Month	14,500	11,441	-21.1%	3,336	2,709	-18.8%
Usage Per ERC/Month	14,069	10,229	-27.3%	3,235	2,672	-17.4%
Usage Per Customer/Day	477	376		110	89	
Usage Per ERC/Day	463	336		106	88	

Notes:

1/ 598 Irrigation Customers in 2000, 946 in 2009

2/ Total Usage is sold gallons for water and treated for wastewater.

3/ Capacity based on 3 month average day for wastewater

**Rainbow Springs Utilities**  
**Statistics from Service Availability Filing**

	<b>Water</b>			<b>Wastewater</b>		
	<b>2010</b>	<b>2018</b>	<b>% Change</b>	<b>2010</b>	<b>2018</b>	<b>% Change</b>
Plant In Service	\$ 1,975,520	\$ 9,365,036	374.1%	\$ 3,276,367	\$ 19,313,229	489.5%
Customers - Exc. Irr	1,486	3,003	102.1%	1,480	2,997	102.5%
ERCs - Exc. Irr	1,523	3,094 1/	103.2%	1,501	3,018 1/	101.1%

Note:

1/ Assumes all new connections are 1 ERC

Rainbow Springs Utilities L.C.  
Schedule of Present and Proposed Service Availability Charges  
June 30, 2010

Line No.		<u>Present Charges</u>	<u>Proposed Charges</u>
1	<u>Water</u>		
2	<u>Residential</u>		
3	Plant Capacity Charge per ERC	\$ 208	\$ 1,355
4	Main Extension Charge per ERC	342	1,000
5	Meter Fee (1)	65	180
6	<u>General Service</u>		
7	Plant Capacity Charge per gallon (350 GPD)	0.19	3.87
8	Plant Capacity Charge - Minimum charge per ERC	208	1,355
9	Main Extension Charge per gallon (350 GPD)	0.32	2.86
10	Main Extension Charge - Minimum charge per ERC	342	1,000
11	<u>Wastewater</u>		
12	<u>Residential</u>		
13	Plant Capacity Charge per ERC	767	3,125
14	Main Extension Charge per ERC	740	2,400
15	<u>General Service</u>		
16	Plant Capacity Charge per gallon (160 GPD)	4.79	19.53
17	Plant Capacity Charge - Minimum charge per ERC	767	3,125
18	Main Extension Charge per gallon (160 GPD)	4.63	15.00
19	Main Extension Charge - Minimum charge per ERC	740	2,400
20	(1) The proposed meter fee is based on the following current costs:		
21	Cost of meter		\$ 36
22	Double curb stop		76
23	Meter box		48
24	Fittings & parts		4
			<u>164</u>
25	Labor (1 hour)		16
			<u>180</u>
26	Total		<u>\$ 180</u>

Rainbow Springs Utilities, L.C.  
 Analysis of Existing and Future CIAC Levels  
 Based on Proposed Service Availability Charges  
 June 30, 2010 and December 31, 2018

Line No.	Balance 6/30/2010	Adjustments	Adjusted Balance 12/31/18	Schedule Reference
<b>Water</b>				
1				
2	\$ 1,975,520	\$ 7,389,516 (A)	\$ 9,365,036	5, 6
3	(932,421)	(1,228,818) (B)	(2,161,239)	5, 12
4	<u>1,043,099</u>	<u>6,160,698</u>	<u>7,203,798</u>	
5	895,289	5,525,295 (C)	6,420,584	4
6	(269,900)	(743,928) (D)	(1,013,828)	5
7	<u>625,389</u>	<u>4,781,367</u>	<u>5,406,756</u>	
8	<u>\$ 417,710</u>	<u>\$ 1,379,331</u>	<u>\$ 1,797,041</u>	
9	<u>59.95%</u>		<u>75.05%</u>	
10	<u>40.05%</u>		<u>24.95%</u>	
<b>Wastewater</b>				
11				
12	\$ 3,276,367	\$ 16,036,862 (A)	\$ 19,313,229	5, 7
13	(1,634,213)	(2,974,877) (B)	(4,609,090)	5, 13
14	<u>1,642,154</u>	<u>13,061,985</u>	<u>14,704,139</u>	
15	1,854,412	11,425,245 (C)	13,279,657	4
16	(591,809)	(1,860,640) (D)	(2,252,449)	5
17	<u>1,262,603</u>	<u>9,764,605</u>	<u>11,027,208</u>	
18	<u>\$ 379,551</u>	<u>\$ 3,297,380</u>	<u>\$ 3,676,931</u>	
19	<u>76.89%</u>		<u>74.99%</u>	
20	<u>23.11%</u>		<u>25.01%</u>	



Rainbow Springs Utilities, L.C  
Adjustments to CIAC Level  
2010 through 2018

Line No.		Water	Wastewater	Schedule Reference
1	(A) <u>Utility Plant</u>			
2	(1) Estimated cost of plant upgrades per engineering estimates to serve 2018 connections	\$ 5,709,816	\$ 12,993,042	6, 7
3	(2) Estimated cost of contributed on-site water distribution & sewer collection systems thru 2018	<u>1,879,700</u>	<u>3,043,820</u>	6, 7
4	Total	<u>\$ 7,389,516</u>	<u>\$ 16,036,862</u>	
5	(B) <u>Accumulated Depreciation</u>			
6	(1) Balance 6-30-10	\$ 932,421	\$ 1,634,213	12, 13
7	(2) Total projected depreciation at 12-31-18	<u>2,161,239</u>	<u>4,609,090</u>	12, 13
8	Adjustment required for additional depreciation	<u>\$ 1,228,818</u>	<u>\$ 2,974,877</u>	
9	(C) <u>CIAC</u>			
10	(1) Future plant capacity charges at proposed rates	\$ 2,055,535	\$ 4,740,625	3
11	(2) Future Main extension charges at proposed rates	1,517,000	3,640,800	3
12	(3) Future meter fees	273,060	-	3
13	(4) Future contributed property	<u>1,879,700</u>	<u>3,043,820</u>	3
14	Total	<u>\$ 5,525,295</u>	<u>\$ 11,425,245</u>	
15	(D) <u>Accumulated Amortization of CIAC</u>			
16	(1) Future amortization of existing CIAC to through 2018	\$ 217,122	\$ 468,062	4
17	(2) Amortization of proposed cash Service Availability Charges through 2018	417,774	968,018	4
18	(3) Amortization of contributed property through 2018	<u>109,032</u>	<u>224,560</u>	4
19	Total future amortization of CIAC through 2018	<u>\$ 743,928</u>	<u>\$ 1,660,640</u>	

Rainbow Springs Utilities, L.C.  
Existing and Future CIAC Additions by Year  
June 30, 2010 through December 31, 2018

Line No.	NARUC Account	Description	Balance June 30 2010	December 31 2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
1		<u>Water</u>											
2	271.1	<u>Plant Capacity Charges</u>											
3		Total ERC's to be added		143	73	85	97	102	274	277	279	187	1,517
4		Proposed Charge		\$ 1,355	\$ 1,355	\$ 1,355	\$ 1,355	\$ 1,355	\$ 1,355	\$ 1,355	\$ 1,355	\$ 1,355	-
5		Total Plant Capacity Charges	\$ 151,990	193,765	98,915	118,175	131,435	138,210	371,270	375,335	378,045	253,365	2,207,125
6	271.2	<u>Main Extension Charges</u>											
7		Total ERC's to be added		143	73	85	97	102	274	277	279	187	1,517
8		Proposed Main Extension Charge		1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	-
9		Total Main Extension Charges	418,631	143,000	73,000	85,000	97,000	102,000	274,000	277,000	279,000	187,000	1,835,631
10		<u>Meter Fees</u>											
11		ERC's to be added		143	73	85	97	102	274	277	279	187	1,517
12		Water Meter Fee		180	180	180	180	180	180	180	180	180	-
13		Total Meter Fees	135,152	25,740	13,140	15,300	17,460	18,360	49,320	49,860	50,220	33,960	408,212
14		<u>Contributed Property</u>											
15		ERC's to be added		-	38	50	61	66	216	217	185	185	1,018
16		Estimated cost per ERC		1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	1,650	-
17		Total Contributed Property	189,918	-	62,700	82,500	100,650	108,900	356,400	358,080	305,250	305,250	1,868,616
18		Total Water CIAC balances	\$ 895,289	\$ 382,505	\$ 247,755	\$ 297,975	\$ 346,545	\$ 367,470	\$ 1,050,890	\$ 1,060,245	\$ 1,012,515	\$ 778,295	\$ 6,420,564
19		<u>Wastewater</u>											
20	271.3	<u>Plant Capacity Charges</u>											
21		Total ERC's to be added		143	73	85	97	102	274	277	279	187	1,517
22		Proposed Plant Capacity Charge		\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	\$ 3,125	-
23		Total Plant Capacity Charges	\$ 658,571	446,875	228,125	285,625	303,125	318,750	856,250	865,625	871,875	584,375	5,387,196
24	271.4	<u>Main Extension Charges</u>											
25		Total ERC's to be added		143	73	85	97	102	274	277	279	187	1,517
26		Proposed Main Extension Charge		2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	-
27		Total Additional Main Extension Charges	948,460	343,200	175,200	204,000	232,800	244,800	657,800	664,800	668,600	448,800	4,587,280
29		<u>Contributed Property</u>											
30		ERC's to be added		-	38	50	61	66	216	217	185	185	1,018
31		Estimated cost per ERC		2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	2,990	-
32		Total Contributed Property	251,361	-	113,620	149,500	182,390	197,340	645,840	648,830	553,150	553,150	3,295,201
33		Total Wastewater CIAC balances	\$ 1,854,412	\$ 790,075	\$ 518,945	\$ 619,125	\$ 718,315	\$ 780,890	\$ 2,159,890	\$ 2,179,255	\$ 2,064,825	\$ 1,586,325	\$ 13,279,857

Rainbow Springs Utilities, L.C.  
Summary of Existing and Future Accumulated CIAC Amortization by Year  
June 30, 2010 through December 31, 2018

Line No.	NARUC Account	Description	Rate	Balance June 30 2010	Additions to December 31 2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
1		<u>Water</u>												
2		<u>Amortization of proposed charges</u>												
3	272.1	Capacity Charges	3.28%	\$	3,178	\$ 7,978	\$ 11,489	\$ 15,533	\$ 19,955	\$ 28,311	\$ 40,555	\$ 52,911	\$ 63,288	\$ 243,175
4	272.2	Main Extension Charges	2.27%		1,823	5,227	5,968	7,934	10,192	14,480	20,714	27,024	32,313	125,355
5	272.5	Meter Fees	5.00%		844	1,618	2,327	3,148	4,041	5,733	8,213	10,715	12,812	49,244
6					<u>5,444</u>	<u>14,820</u>	<u>19,683</u>	<u>26,612</u>	<u>34,189</u>	<u>48,504</u>	<u>69,481</u>	<u>90,649</u>	<u>108,391</u>	<u>417,774</u>
7	272.4	Contributed Property	2.27%		-	712	2,360	4,438	6,817	12,098	20,207	27,735	34,665	109,032
		Total future amortization			<u>5,444</u>	<u>15,532</u>	<u>22,043</u>	<u>31,051</u>	<u>41,005</u>	<u>60,602</u>	<u>89,688</u>	<u>118,385</u>	<u>143,056</u>	<u>528,808</u>
8		<u>Amortization of Existing CIAC</u>												
9	272.1	Capacity Charges	3.28%	37,103	2,488	4,972	4,972	4,972	4,972	4,972	4,972	4,972	4,972	79,366
10	272.2	Main Extension Charges	2.27%	130,092	4,751	9,503	9,503	9,503	9,503	9,503	9,503	9,503	9,503	210,887
11	272.5	Meter Fees	5.00%	88,580	3,379	6,758	6,758	6,758	6,758	6,758	6,758	6,758	6,758	128,020
12	272.4	Contributed Property	2.27%	34,125	2,155	4,311	4,311	4,311	4,311	4,311	4,311	4,311	4,311	70,789
13				<u>289,900</u>	<u>12,772</u>	<u>25,544</u>	<u>25,544</u>	<u>25,544</u>	<u>25,544</u>	<u>25,544</u>	<u>25,544</u>	<u>25,544</u>	<u>25,544</u>	<u>487,022</u>
14		Total water amortization		<u>\$ 289,900</u>	<u>\$ 18,218</u>	<u>\$ 41,078</u>	<u>\$ 47,587</u>	<u>\$ 58,595</u>	<u>\$ 66,549</u>	<u>\$ 86,145</u>	<u>\$ 115,232</u>	<u>\$ 143,929</u>	<u>\$ 168,599</u>	<u>\$ 1,013,828</u>
15		<u>Wastewater</u>												
16		<u>Amortization of proposed charges</u>												
17	272.1	Capacity Charges	3.66%	\$	8,223	\$ 20,843	\$ 29,728	\$ 40,193	\$ 51,635	\$ 73,255	\$ 104,838	\$ 136,908	\$ 163,703	\$ 629,223
18	272.2	Main Extension Charges	2.58%		4,427	11,115	19,008	21,841	27,802	39,443	56,502	73,718	88,143	339,795
19					<u>12,650</u>	<u>31,757</u>	<u>45,734</u>	<u>61,934</u>	<u>79,437</u>	<u>112,698</u>	<u>161,440</u>	<u>210,623</u>	<u>251,846</u>	<u>969,018</u>
20	272.3	Contributed Property	2.58%		-	1,466	4,860	9,141	14,040	24,917	41,618	57,124	71,395	224,580
21					<u>12,650</u>	<u>33,223</u>	<u>50,594</u>	<u>70,975</u>	<u>93,477</u>	<u>137,615</u>	<u>203,058</u>	<u>267,747</u>	<u>323,241</u>	<u>1,192,578</u>
24		<u>Amortization of Existing CIAC</u>												
25	272.1	Capacity Charges	3.66%	222,025	12,081	24,162	24,162	24,162	24,162	24,162	24,162	24,162	24,162	427,400
25	272.2	Main Extension Charges	2.58%	317,453	12,209	24,419	24,419	24,419	24,419	24,419	24,419	24,419	24,419	525,012
26	272.3	Contributed Property	2.58%	52,331	3,243	6,486	6,486	6,486	6,486	6,486	6,486	6,486	6,486	107,459
				<u>591,809</u>	<u>27,533</u>	<u>55,066</u>	<u>55,066</u>	<u>55,066</u>	<u>55,066</u>	<u>55,066</u>	<u>55,066</u>	<u>55,066</u>	<u>55,066</u>	<u>1,059,871</u>
		Total Wastewater amortization		<u>\$ 591,809</u>	<u>\$ 40,183</u>	<u>\$ 88,288</u>	<u>\$ 105,660</u>	<u>\$ 128,041</u>	<u>\$ 148,543</u>	<u>\$ 192,681</u>	<u>\$ 258,124</u>	<u>\$ 322,813</u>	<u>\$ 378,307</u>	<u>\$ 2,252,449</u>

Rainbow Springs Utilities, L.C.  
Schedule Of Utility Plant In Service and Accumulated Depreciation By Primary Account  
June 30, 201 and December 31, 2018

Line No.	NARUC Account	Description	6/30/2010 Cost	12/31/2018 Cost	6/30/2010 Accumulated Depreciation	12/31/2018 Accumulated Depreciation
1		<u>Water</u>				
2	301	Organization	\$ 22,340	\$ 22,340	\$ 12,973	\$ 17,720
3	302	Franchises	16,205	16,205	4,862	8,306
4	303	Land and Land Rights	6,798	6,798	-	-
5	304	Structures and Improvements	203,709	1,348,948	77,222	218,979
6	307	Wells and Springs	53,592	608,388	29,593	130,522
7	309	Supply Mains	156,799	564,293	67,010	134,655
8	310	Power Generation Equipment	33,005	422,151	20,042	127,429
9	311	Pumping Equipment	116,694	437,550	53,973	158,166
10	320	Water Treatment Equipment	29,388	167,366	19,053	51,849
11	330	Distribution Reservoirs & Standpipes	232,956	1,121,211	90,115	179,485
12	331	Transmission & Distribution Mains	648,803	2,220,387	302,916	603,774
13	331.1	Contributed Transmission & Distrib. Systems	-	1,679,700	-	109,032
14	333	Services	133,591	133,591	71,172	99,560
15	334	Meters & Installations	176,612	449,672	71,647	195,951
16	335	Hydrants	33,248	33,248	8,167	14,441
17	339	Other Plant & Miscellaneous Equipment	4,731	4,731	3,139	4,748
18	340	Office Furniture & Equipment	15,852	15,852	15,852	15,852
19	341	Transportation Equipment	44,120	44,120	44,120	44,120
20	343	Tools, Shop & Garage Equipment	8,046	8,046	2,499	6,773
21	344	Laboratory Equipment	613	21,821	204	1,259
22	345	Power Operated Equipment	36,573	36,573	36,573	36,573
23	346	Communication Equipment	1,551	1,551	1,068	1,551
24	347	Miscellaneous Equipment	494	494	231	494
25		Total	<u>\$ 1,975,520</u>	<u>\$ 9,365,036</u>	<u>\$ 932,421</u>	<u>\$ 2,161,239</u>
		<u>Wastewater</u>				
26	351	Organization	\$ 9,825	9,825	\$ 2,948	\$ 5,036
27	352	Franchises	16,205	16,205	4,862	8,306
28	353	Land & Land Rights	177,490	177,490	-	-
29	354	Structures and Improvements	603,576	3,868,504	274,738	814,393
30	355	Power Generation Equipment	115,743	115,743	88,107	137,298
31	360	Collection Sewers - Force	85,010	2,099,884	51,798	264,720
32	361	Collection Sewers - Gravity	1,169,344	1,169,344	610,456	831,111
	361.1	Contributed on-site collection systems	-	3,043,820	-	224,560
33	363	Services to Customers	112,893	112,893	62,497	87,734
34	364	Flow Measuring Devices	9,077	52,170	9,077	18,203
35	366.6	Reuse Services	1,787	1,787	870	1,269
36	370	Receiving Wells	252,013	1,296,213	135,700	351,347
37	371	Pumping Equipment	119,199	1,422,236	72,124	382,028
38	374	Reuse Distribution Reservoirs	20,402	1,595,428	8,118	161,640
39	375	Reuse Transmission & Distribution System	281,804	917,519	95,775	218,241
40	380.4	Treatment & Disposal Equipment	107,466	107,466	90,572	141,360
41	380.5	Reuse Treatment & Disposal Equipment	151,645	3,109,417	109,616	917,407
42	381	Plant Sewers	39,175	188,642	15,449	39,934
43	389	Other Plant & Miscellaneous Equipment	2,763	2,763	844	2,150
44	390	Office Furniture and Equipment	950	5,881	662	2,352
		Total	<u>\$ 3,276,367</u>	<u>\$ 19,313,229</u>	<u>\$ 1,634,213</u>	<u>\$ 4,609,090</u>

Rainbow Springs Utilities, L.C.  
Summary of Water Plant Additions by Year  
June 30, 2010 through December 31, 2018

Line No.	NARUC Account	Description	Existing 6/30/10	December 31 2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
1		Future Plant (1)											
2	304	Structures & Improvements		\$ 25,307				\$ 345,088		\$ 333,712		\$ 441,152	\$ 1,145,239
3	307	Wells & Springs (upgrade)			\$ 207,597			178,991		168,208			654,798
4	309	Supply Mains			25,139			109,417		107,306		165,432	407,494
5	310	Power Generation Equipment			125,718			132,869		130,350			389,146
6	311	Pumping Equipment			103,094							217,782	320,856
7	330	Distribution Reservoirs & Standpipes						148,480		145,919			680,255
8	331	Transmission & Distribution Mains				340,036		877,867	\$ 353,651				1,671,784
9	331.1	Contributed on-site Transmission & Dist. Systems			62,700	82,500	100,850	108,900	356,400	358,060	305,250	305,250	1,679,700
10	334	Meters & Meter Installations		25,740	13,140	15,300	17,460	18,360	49,320	49,890	50,220		273,060
11	380	Water Treatment Equipment						58,811		58,068			137,978
12	344	Laboratory Equipment										21,208	21,208
13		Total additions		\$ 25,740	\$ 355,097	\$ 645,432	\$ 118,110	\$ 1,978,593	\$ 759,571	\$ 1,349,873	\$ 355,470	\$ 1,801,830	\$ 7,389,516
14		Plant Balances By Year											
15	301	Organization	\$ 22,340	\$ 22,340	\$ 22,340	\$ 22,340	\$ 22,340	\$ 22,340	\$ 22,340	\$ 22,340	\$ 22,340	\$ 22,340	\$ 22,340
16	302	Franchises	16,205	16,205	16,205	16,205	16,205	16,205	16,205	16,205	16,205	16,205	16,205
17	303	Land and Land Rights	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798	6,798
18	304	Structures and Improvements	203,709	203,709	229,016	229,016	229,016	574,084	574,084	907,798	907,798	1,348,948	1,348,948
19	307	Wells and Springs	53,592	53,592	53,592	261,189	261,189	440,180	440,180	608,388	608,388	608,388	608,388
20	309	Supply Mains	156,799	156,799	181,938	181,938	181,938	291,355	291,355	398,861	398,861	564,293	564,293
21	310	Power Generation Equipment	33,005	33,005	158,723	158,723	158,723	291,591	291,591	422,151	422,151		422,151
22	311	Pumping Equipment	116,694	116,694	219,788	219,788	219,788	219,788	219,788	219,788	219,788		437,550
23	320	Water Treatment Equipment	29,388	29,388	29,388	29,388	29,388	87,999	87,999	144,058	144,058		167,366
24	330	Distribution Reservoirs & Standpipes	232,956	232,956	232,956	232,956	232,956	381,436	381,436	527,354	527,354	1,121,211	1,121,211
25	331	Transmission & Distribution Mains	648,603	648,603	968,639	968,639	968,639	1,868,636	2,220,387	2,220,387	2,220,387	2,220,387	2,220,387
	331.1	Contributed on-site Transmission & Dist. Services			62,700	145,200	245,850	354,750	711,150	1,089,200	1,374,450	1,679,700	1,679,700
	333	Services	133,591	133,591	133,591	133,591	133,591	133,591	133,591	133,591	133,591	133,591	133,591
24	334	Meters & Installations	176,812	202,352	215,492	230,792	248,252	266,812	315,932	385,782	416,012	448,672	448,672
25	335	Hydrants	33,248	33,248	33,248	33,248	33,248	33,248	33,248	33,248	33,248	33,248	33,248
26	339	Other Plant & Miscellaneous Equipment	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731	4,731
27	340	Office Furniture & Equipment	15,852	15,852	15,852	15,852	15,852	15,852	15,852	15,852	15,852	15,852	15,852
28	341	Transportation Equipment	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120	44,120
29	343	Tools, Shop & Garage Equipment	8,046	8,046	8,046	8,046	8,046	8,046	8,046	8,046	8,046	8,046	8,046
30	344	Laboratory Equipment	613	613	613	613	613	613	613	613	613	613	21,821
31	345	Power Operated Equipment	36,573	36,573	36,573	36,573	36,573	36,573	36,573	36,573	36,573	36,573	36,573
32	346	Communication Equipment	1,551	1,551	1,551	1,551	1,551	1,551	1,551	1,551	1,551	1,551	1,551
33	347	Miscellaneous Equipment	494	494	494	494	494	494	494	494	494	494	494
34		Total	\$ 1,975,520	\$ 2,001,280	\$ 2,356,357	\$ 3,001,790	\$ 3,119,900	\$ 5,088,493	\$ 5,858,063	\$ 7,207,837	\$ 7,563,407	\$ 9,365,036	\$ 9,365,036
35		(1) Per Schedule No. 8 and Engineering estimates of probable cost prepared by Pigeon-Roberts and Associates, LLC.											

Rainbow Springs Utilities, L.C.  
Summary of Wastewater Plant Additions by Year  
June 30, 2010 through December 31, 2018

Line No.	NARUC Account	Description	Existing 6/30/10	December 31 2010	2011	2012	2013	2014	2015	2016	2017	2018	Total
1		<u>Future Plant (1)</u>											
2	354	Structures and Improvements			\$ 283,339			\$ 56,767	\$ 2,813,291		\$ 111,531		\$ 3,264,928
3	360	Collection Sewers - Force						883,052			1,131,822		2,014,874
4	361.1	Contributed on-site Collection Systems			113,620	149,500	182,390	197,340	645,840	648,830	553,150	553,150	3,043,820
5	364	Flow Measuring Devices				10,568			32,525				43,093
6	370	Receiving Wells			193,737			274,938	174,624		400,900		1,044,200
7	371	Pumping Equipment							1,303,037				1,303,037
8	374	Reuse Distribution Reservoirs							1,575,026				1,575,026
9	375	Reuse Transmission & Distribution Sys.						635,715					635,715
10	380	Reuse Treatment & Disposal Equipment				962,475			1,995,297				2,957,772
11	381	Plant Sewers							149,467				149,467
12	390	Office Furniture & Equipment							4,931				4,931
13					<u>\$ 307,357</u>	<u>\$ 1,405,882</u>	<u>\$ 182,390</u>	<u>\$ 2,047,812</u>	<u>\$ 6,594,038</u>	<u>\$ 648,830</u>	<u>\$ 2,187,403</u>	<u>\$ 553,150</u>	<u>18,036,862</u>
14		<u>Plant Balances By Year</u>											
15	351	Organization	\$ 9,825	\$ 9,825	\$ 9,825	\$ 9,825	\$ 9,825	\$ 9,825	\$ 9,825	\$ 9,825	\$ 9,825	\$ 9,825	\$ 9,825
16	352	Franchises	16,205	16,205	16,205	16,205	16,205	16,205	16,205	16,205	16,205	16,205	16,205
17	353	Land and Land Rights	177,490	177,490	177,490	177,490	177,490	177,490	177,490	177,490	177,490	177,490	177,490
18	354	Structures and Improvements	603,576	603,576	603,576	886,915	886,915	943,682	3,756,973	3,756,973	3,868,504	3,868,504	3,868,504
19	355	Power Generation Equipment	115,743	115,743	115,743	115,743	115,743	115,743	115,743	115,743	115,743	115,743	115,743
20	360	Collection Sewers - Force	85,010	85,010	85,010	85,010	85,010	968,062	968,062	968,062	2,099,884	2,099,884	2,099,884
21	361	Collection Sewers - Gravity	1,169,344	1,169,344	1,169,344	1,169,344	1,169,344	1,169,344	1,169,344	1,169,344	1,169,344	1,169,344	1,169,344
22	361.1	Contributed on-site Collection Systems			113,620	293,120	445,510	642,850	1,288,690	1,937,520	2,490,670	3,043,820	3,043,820
23	363	Services to Customers	112,893	112,893	112,893	112,893	112,893	112,893	112,893	112,893	112,893	112,893	112,893
24	364	Flow Measuring Devices	9,077	9,077	9,077	19,645	19,645	19,645	52,170	52,170	52,170	52,170	52,170
25	366.6	Reuse Services	1,787	1,787	1,787	1,787	1,787	1,787	1,787	1,787	1,787	1,787	1,787
26	370	Receiving Wells	252,013	252,013	445,750	445,750	445,750	720,688	895,312	895,312	1,298,213	1,298,213	1,298,213
27	371	Pumping Equipment	119,199	119,199	119,199	119,199	119,199	119,199	1,422,236	1,422,236	1,422,236	1,422,236	1,422,236
28	374	Reuse Distribution Reservoirs	20,402	20,402	20,402	20,402	20,402	20,402	1,595,428	1,595,428	1,595,428	1,595,428	1,595,428
29	375.6	Reuse Transmission & Distribution Mains	281,804	281,804	281,804	281,804	281,804	917,519	917,519	917,519	917,519	917,519	917,519
30	380.4	Treatment & Disposal Equipment	107,466	107,466	107,466	107,466	107,466	107,466	107,466	107,466	107,466	107,466	107,466
31	380.5	Reuse Treatment & Disposal Equipment	151,645	151,645	151,645	1,114,120	1,114,120	1,114,120	3,109,417	3,109,417	3,109,417	3,109,417	3,109,417
32	381	Plant Sewers	39,175	39,175	39,175	39,175	39,175	39,175	188,642	188,642	188,642	188,642	188,642
33	389	Other Plant & Miscellaneous Equipment	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763	2,763
34	390	Office Furniture and Equipment	950	950	950	950	950	950	5,881	5,881	5,881	5,881	5,881
35		Total	<u>\$ 3,276,367</u>	<u>\$ 3,276,367</u>	<u>\$ 3,583,724</u>	<u>\$ 4,989,606</u>	<u>\$ 5,171,996</u>	<u>\$ 7,219,808</u>	<u>\$ 15,913,846</u>	<u>\$ 16,562,676</u>	<u>\$ 18,760,079</u>	<u>\$ 19,313,229</u>	

36 (1) Per Schedule No.10 and Engineering estimates of probable cost prepared by Pigeon-Roberts and Associates, LLC.

Rainbow Springs Utilities, L.C.  
Allocation of Future Water Plant Costs by NARUC Account and Year  
June 30, 2010 through December 31, 2018

Line No.	NARUC Act. No.	Description	Hard Costs	Percent	Engineering, Permitting, Contingency & Other Soft Costs	Total Cost Before AFUDC	Percent	AFUDC	Total Cost
1		<u>Capacity Upgrade - 2011 completion</u>							
2	304	Structures & Improvements	\$ 15,100	9.06%	\$ 7,773	\$ 22,873	9.06%	\$ 2,434	\$ 25,307
3	309	Supply Mains	15,000	9.00%	7,721	22,721	9.00%	2,418	25,139
4	310	Power Generation Equipment	75,000	45.02%	38,623	113,623	45.02%	12,085	125,718
5	311	Pumping Equipment	61,500	36.92%	31,674	93,174	36.92%	9,919	103,093
6			<u>166,600</u>	<u>100.00%</u>	<u>85,790</u>	<u>252,390</u>	<u>100.00%</u>	<u>28,866</u>	<u>279,256</u>
7		<u>SW 92nd St. &amp; US 41 main loop - 2012 completion</u>							
8									
9	331	Transmission & Distribution Mains	179,548	100.00%	127,820	307,368	100.00%	32,888	340,256
10		<u>Tract "B-B" water main extension - 2015 completion</u>							
11									
12	331	Transmission & Distribution Mains	198,330	100.00%	121,484	319,824	100.00%	34,027	353,851
13		<u>South US 41 commercial &amp; Tract F interconnect - 2014 completion</u>							
14									
15	331	Transmission & Distribution Mains	587,842	100.00%	225,641	793,483	100.00%	84,414	877,897
16		<u>Water supply facility to serve Tract H - 2016 completion</u>							
17									
18	304	Structures & Improvements	217,250	35.43%	84,370	301,620	35.43%	32,092	333,712
19	307	Wells & Springs (upgrade)	109,500	17.86%	42,530	152,030	17.86%	16,178	168,208
20	309	Supply Mains	70,000	11.41%	27,171	97,171	11.41%	10,335	107,506
21	310	Power Generation Equipment	85,000	13.86%	33,005	118,005	13.86%	12,555	130,560
22	330	Distribution Reservoirs & Standpipes	95,000	15.49%	36,887	131,887	15.49%	14,031	145,919
23	380	Water Treatment Equipment	38,500	5.95%	14,169	50,669	5.95%	5,390	56,058
24			<u>613,250</u>	<u>100.00%</u>	<u>238,132</u>	<u>851,382</u>	<u>100.00%</u>	<u>90,581</u>	<u>941,963</u>
25		<u>Tract F - Public water supply wells - 2012 completion</u>							
26									
27	307	Wells & Springs	106,750	100.00%	80,880	187,630	100.00%	19,967	207,597
28		<u>Tract F water supply, Phase I - 2014 completion</u>							
29									
30	304	Structures & Improvements	220,750	35.45%	91,151	311,901	35.45%	33,187	345,088
31	307	Wells & Springs (upgrade)	114,500	18.39%	47,285	161,785	18.39%	17,206	178,991
32	309	Supply Mains	70,000	11.24%	28,901	98,901	11.24%	10,518	109,417
33	310	Power Generation Equipment	85,000	13.65%	35,098	120,098	13.65%	12,771	132,869
34	330	Distribution Reservoirs & Standpipes	95,000	15.25%	39,212	134,212	15.25%	14,268	148,480
35	380	Water Treatment Equipment	37,500	6.02%	15,479	52,979	6.02%	5,632	58,611
			<u>822,750</u>	<u>100.00%</u>	<u>257,128</u>	<u>879,878</u>	<u>100.00%</u>	<u>83,560</u>	<u>963,438</u>

Rainbow Springs Utilities, L.C.  
Allocation of Future Water Plant Costs by NARUC Account and Year  
June 30, 2010 through December 31, 2018

Line No.	NARUC Actl. No.	Description	Hard Costs	Percent	Engineering, Permitting, Contingency & Other Soft Costs	Total Cost Before AFUDC	Percent	AFUDC	Total Cost
1		<u>Tract F water supply facility - Phase II - 2018 completion</u>							
2									
3	304	Structures & Improvements	\$ 312,000	30.16%	\$ 88,745	\$ 398,745	30.16%	\$ 42,406	\$ 441,152
4	309	Supply Mains	117,000	11.31%	32,529	149,529	11.31%	15,902	165,432
5	311	Pumping Equipment	154,000	14.89%	42,826	196,826	14.89%	20,936	217,762
6	330	Distribution Reservoirs & Standpipes	420,000	40.60%	116,773	536,773	40.60%	57,085	593,857
7	380	Water Treatment Equipment	16,500	1.59%	4,573	21,073	1.59%	2,236	23,309
8	344	Laboratory Equipment	15,000	1.45%	4,170	19,170	1.45%	2,036	21,206
9			<u>1,034,500</u>	<u>100.00%</u>	<u>287,817</u>	<u>1,322,117</u>	<u>100.00%</u>	<u>140,603</u>	<u>1,462,720</u>
10		Total	<u>\$ 3,489,570</u>		<u>\$ 1,424,500</u>	<u>\$4,914,070</u>		<u>\$ 522,686</u>	<u>\$5,436,756</u>
11		<u>Allocation of AFUDC by Project</u>							
12		Capacity Upgrade - 2011 completion				\$ 252,390	5.14%	\$ 26,866	\$ 279,256
13		SW 92nd St. & US 41 main loop - 2012 completion				307,368	6.25%	32,668	340,036
14		Tract "B-B" water main extension - 2015 completion				319,824	6.51%	34,027	353,851
15		South US 41 commercial & Tract F Interconnect - 2014 completion				793,483	16.15%	84,414	877,897
16		Water supply facility to serve Tract H - 2016 completion				851,382	17.33%	90,581	941,963
17		Tract F - Public water supply wells - 2012 completion				187,630	3.82%	19,967	207,597
18		Tract F water supply, Phase I - 2014 completion				879,876	17.90%	93,560	973,436
19		Tract F water supply facility - Phase II - 2018 completion				<u>1,322,117</u>	<u>26.90%</u>	<u>140,603</u>	<u>1,462,720</u>
20		Total cost before AFUDC				<u>\$4,914,070</u>	<u>100.00%</u>	<u>\$ 522,686</u>	<u>\$5,436,756</u>



Rainbow Springs Utilities, L.C.  
Calculation of Water AFUDC on Future Construction

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	\$ 204,753		\$ 204,753	\$ 102,377	\$ 852	\$ 205,605
2	2	204,753	\$ 205,605	410,358	307,981	2,562	412,920
3	3	204,753	412,920	617,673	515,297	4,287	621,960
4	4	204,753	621,960	826,713	724,337	6,026	832,740
5	5	204,753	832,740	1,037,493	935,116	7,780	1,045,273
6	6	204,753	1,045,273	1,250,026	1,147,650	9,548	1,259,575
7	7	204,753	1,259,575	1,464,328	1,361,951	11,331	1,475,659
8	8	204,753	1,475,659	1,680,412	1,578,036	13,129	1,693,541
9	9	204,753	1,693,541	1,898,294	1,795,918	14,942	1,913,236
10	10	204,753	1,913,236	2,117,989	2,015,613	16,770	2,134,759
11	11	204,753	2,134,759	2,339,512	2,237,136	18,613	2,358,125
12	12	204,753	2,358,125	2,562,878	2,460,502	20,471	2,583,350
13	13	204,753	2,583,350	2,788,103	2,685,726	22,345	2,810,448
14	14	204,753	2,810,448	3,015,201	2,912,825	24,235	3,039,436
15	15	204,753	3,039,436	3,244,189	3,141,812	26,140	3,270,329
16	16	204,753	3,270,329	3,475,082	3,372,705	28,061	3,503,143
17	17	204,753	3,503,143	3,707,896	3,605,519	29,998	3,737,894
18	18	204,753	3,737,894	3,942,647	3,840,270	31,951	3,974,598
19	19	204,753	3,974,598	4,179,351	4,076,974	33,921	4,213,271
20	20	204,753	4,213,271	4,418,024	4,315,648	35,906	4,453,931
21	21	204,753	4,453,931	4,658,684	4,556,307	37,909	4,696,592
22	22	204,753	4,696,592	4,901,345	4,798,969	39,928	4,941,273
23	23	204,752	4,941,273	5,146,025	5,043,649	41,963	5,187,988
24	24	204,752	5,187,988	5,392,740	5,290,364	44,016	5,436,756
25	TOTAL	\$ 4,914,070				\$ 522,686	\$ 5,436,756

26 Note: AFUDC is based on the annual rate of return (Schedule No. A-2) discounted to a  
27 monthly rate of 0.8320020% . This rate was approved in Order No. PSC-96-1229-FOF-WS.

Rainbow Springs Utilities, L.C.  
Allocation of Future Wastewater Plant Costs by NARUC Account and Year  
June 30, 2010 through December 31, 2018

Line No.	NARUC Act. No.	Description	Hard Costs	Percent	Engineering, Permitting, Contingency & Other Soft Costs	Total Cost Before AFUDC	Percent	AFUDC	Total Cost
1		<u>Phase IV capacity expansion from 230 mgd to 275 mgd - 2012 completion</u>							
2									
3	354	Structures and Improvements	\$ 23,500	4.90%	\$ 10,989	\$ 34,489	4.90%	\$ 3,666	\$ 38,155
4	364	Flow Measuring Devices	6,500	1.36%	3,050	9,550	1.36%	1,018	10,568
5	380	Treatment & Disposal Equipment	449,000	93.74%	210,221	659,221	93.74%	70,140	729,361
6			<u>479,000</u>	<u>100.00%</u>	<u>224,260</u>	<u>703,260</u>	<u>100.00%</u>	<u>74,824</u>	<u>778,084</u>
7		<u>Phase V capacity expansion &amp; reuse class I treatment - from 275 mgd to 480 mgd - 2015 completion</u>							
8									
9									
10	354	Structures and Improvements	1,910,500	47.74%	502,648	2,413,148	47.74%	256,865	2,669,813
11	364	Flow Measuring Devices	23,300	0.58%	6,107	29,407	0.58%	3,118	32,525
12	370	Receiving Wells	125,000	3.12%	32,850	157,850	3.12%	16,774	174,624
13	371	Pumping Equipment	405,000	10.12%	106,552	511,552	10.12%	54,408	565,960
14	380	Treatment & Disposal Equipment	1,427,800	35.68%	375,670	1,803,470	35.68%	191,827	1,995,297
15	381	Plant Sewers	107,000	2.67%	28,112	135,112	2.67%	14,355	149,467
16	390	Office Furniture & Equipment	3,500	0.09%	948	4,448	0.09%	484	4,931
17			<u>4,002,100</u>	<u>100.00%</u>	<u>1,052,887</u>	<u>5,054,987</u>	<u>100.00%</u>	<u>537,630</u>	<u>5,592,617</u>
27		<u>Sprayfield expansion at existing site - from 230 mgd to 275 mgd - 2012 completion</u>							
28									
29	354	Structures and Improvements	144,100	51.26%	77,520	221,620	51.26%	23,563	245,184
30	380	Treatment & Disposal Equipment	137,000	48.74%	73,710	210,710	48.74%	22,405	233,114
31			<u>281,100</u>	<u>100.00%</u>	<u>151,230</u>	<u>432,330</u>	<u>100.00%</u>	<u>45,968</u>	<u>478,298</u>
32		<u>Golf course reclaimed water system - 2015 completion</u>							
33									
34	354	Structures and Improvements	101,500	5.84%	28,189	129,680	5.84%	13,788	143,478
35	371	Pumping Equipment	521,300	30.02%	144,903	666,203	30.02%	70,874	737,077
36	374	Reuse Distribution Reservoirs	1,114,000	64.14%	309,599	1,423,599	64.14%	151,427	1,575,026
37			<u>1,736,800</u>	<u>100.00%</u>	<u>482,693</u>	<u>2,219,493</u>	<u>100.00%</u>	<u>236,088</u>	<u>2,455,581</u>
38		<u>Tract F collection &amp; reuse system - 2014 completion</u>							
39									
40	354	Structures and Improvements	36,120	3.07%	15,186	51,306	3.07%	5,461	56,767
41	360	Force Mains	582,120	47.72%	236,049	798,169	47.72%	84,883	883,052
42	370	Receiving Wells	175,000	14.86%	73,508	248,508	14.86%	26,433	274,938
43	375	Reuse Transmission & Distribution System	404,700	34.35%	189,913	574,614	34.35%	61,101	635,715
44			<u>1,177,940</u>	<u>100.00%</u>	<u>494,654</u>	<u>1,672,594</u>	<u>100.00%</u>	<u>177,878</u>	<u>1,850,472</u>

Rainbow Springs Utilities, L.C.  
Allocation of Future Wastewater Plant Costs by NARUC Account and Year  
June 30, 2010 through December 31, 2018

Line No.	NARUC Act. No.	Description	Hard Costs	Percent	Engineering, Permitting, Contingency & Other Soft Costs	Total Cost Before AFUDC	Percent	AFUDC	Total Cost
1		<u>Tract H wastewater &amp; reuse transmission system - 2017 completion</u>							
2									
3	354	Structures and Improvements	\$ 46,831	5.58%	\$ 23,059	\$ 69,890	5.58%	\$ 7,430	\$ 77,320
4	360	Force Mains	672,288	80.12%	331,089	1,003,377	80.12%	106,687	1,110,063
5	370	Receiving Wells	120,000	14.30%	59,093	179,093	14.30%	19,042	198,135
6			<u>839,119</u>	<u>100.00%</u>	<u>413,241</u>	<u>1,252,360</u>	<u>100.00%</u>	<u>133,158</u>	<u>1,385,518</u>
7		<u>Tract "B-B" wastewater transmission system - 2017 completion</u>							
8									
9	354	Structures and Improvements	20,250	13.22%	10,675	30,925	13.22%	3,286	34,211
10	360	Force Mains	12,877	8.41%	6,791	19,668	8.41%	2,091	21,759
11	370	Receiving Wells	120,000	78.37%	63,284	183,284	78.37%	19,481	202,765
12			<u>153,127</u>	<u>100.00%</u>	<u>80,750</u>	<u>233,877</u>	<u>100.00%</u>	<u>24,858</u>	<u>258,735</u>
13		<u>Master pump station (LS 11) expansion - 2011 completion</u>							
14									
15	370	Receiving Wells	140,000	100.00%	35,000	175,000	100.00%	18,737	193,737
16		Total	<u>\$ 8,809,186</u>		<u>\$ 2,934,715</u>	<u>\$11,743,901</u>		<u>\$ 1,249,141</u>	<u>\$ 12,993,042</u>
17		<u>Allocation of AFUDC by Project</u>							
18		Plant capacity expansion Phase IV - restricted reuse - 2012 completion				\$ 703,260	5.99%	\$ 74,824	\$ 778,084
19		Plant capacity expansion Phase V - public access reuse - 2015 completion				5,054,987	43.04%	537,630	5,592,617
21		On-site sprayfield expansion to .275 mgd - 2012 completion				432,330	3.68%	45,968	478,298
22		Golf course reuse water system - 2015 completion				2,219,493	18.90%	236,088	2,455,581
23		Tract F - collection system & reuse water system - 2014 completion				1,672,594	14.24%	177,878	1,850,472
24		Tract H - collection system & reuse transmission system - 2017 completion				1,252,360	10.66%	133,158	1,385,518
25		Tract "B-B" - collection system - 2017 completion				233,877	1.99%	24,858	258,735
26		Master pump station expansion (LS 11) - 2011 completion				175,000	1.50%	18,737	193,737
27		Total				<u>\$11,743,901</u>	<u>100.00%</u>	<u>\$ 1,249,141</u>	<u>\$ 12,993,042</u>

Rainbow Springs Utilities, L.C.  
 Summary of Wastewater Accumulated Depreciation and Depreciation Additions by Year  
 December 31, 2009 through December 31, 2018

Line No.	NARUC Account	Description	Rate	To		2011	2012	2013	2014	2015	2016	2017	2018	Total
				Existing 6/30/10	December 31 2010									
1		<u>Depreciation of Future Plant</u>												
2	354	Structures and Improvements	3.13%				\$ 4,434	\$ 8,869	\$ 9,757	\$ 54,673	\$ 98,701	\$ 100,447	102,192	379,073
3	360	Collection Sewers - Force	3.33%						14,703	29,406	29,406	48,250	67,095	188,860
4	361.1	Contributed on-site Collection Systems	2.58%		-	1,466	4,860	9,141	14,040	24,917	41,618	57,124	71,395	224,560
5	364	Flow Measuring Devices	5.00%				264	528	528	1,342	2,155	2,155	2,155	9,126
6	370	Receiving Wells	3.33%			3,226	6,451	6,451	11,029	18,514	21,422	28,097	34,772	129,963
7	371	Pumping Equipment	5.56%							36,224	72,449	72,449	72,449	253,571
8	374	Reuse Distribution Reservoirs	2.70%							21,263	42,526	42,526	42,526	148,840
9	375	Reuse Transmission & Distribution Sys.	2.33%						7,406	14,812	14,812	14,812	14,812	66,655
10	380	Reuse Treatment & Disposal Equipment	5.56%				26,757	53,514	53,514	108,983	164,452	164,452	164,452	736,123
11	381	Plant Sewers	2.86%							2,137	4,275	4,275	4,275	14,962
12	390	Office Furniture & Equipment	6.67%							164	329	329	329	1,151
13		Total				\$ 4,691	\$ 42,767	\$ 78,503	\$ 110,977	\$ 312,436	\$ 492,144	\$ 534,915	\$ 576,451	\$ 2,152,885
14		<u>Depreciation of Existing and</u>												
15		<u>Future Plant</u>												
16	351	Organization	2.50%	\$ 2,948	\$ 123	246	\$ 246	\$ 246	\$ 246	\$ 246	\$ 246	\$ 246	\$ 246	\$ 5,038
17	352	Franchises	2.50%	4,862	203	405	405	405	405	405	405	405	405	8,306
18	354	Structures and Improvements	3.13%	274,738	9,446	18,892	23,326	27,760	28,649	73,565	117,593	119,339	121,084	814,393
19	355	Power Generation Equipment	5.00%	88,107	2,894	5,787	5,787	5,787	5,787	5,787	5,787	5,787	5,787	137,298
20	360	Collection Sewers - Force	3.33%	51,798	1,415	2,831	2,831	2,831	17,534	32,236	32,236	51,081	69,926	264,720
21	361	Collection Sewers - Gravity	2.22%	610,456	12,980	25,959	25,959	25,959	25,959	25,959	25,959	25,959	25,959	831,111
22	361.1	Contributed on-site Collection Systems	2.58%	-	-	1,466	4,860	9,141	14,040	24,917	41,618	57,124	71,395	224,560
23	363	Services to Customers	2.63%	62,497	1,485	2,969	2,969	2,969	2,969	2,969	2,969	2,969	2,969	87,734
24	364	Flow Measuring Devices	5.00%	9,077	-	-	264	528	528	1,342	2,155	2,155	2,155	18,203
25	366.6	Reuse Services	2.63%	870	23	47	47	47	47	47	47	47	47	1,269
26	370	Receiving Wells	4.00%	135,700	5,040	13,306	16,532	16,532	21,110	28,595	31,502	38,177	44,852	351,347
27	371	Pumping Equipment	5.56%	72,124	3,314	6,627	6,627	6,627	6,627	42,852	79,076	79,076	79,076	382,028
28	374	Reuse Distribution Reservoirs	2.70%	8,118	275	551	551	551	551	21,814	43,077	43,077	43,077	161,640
29	375	Reuse Transmission & Distribution System	2.33%	95,775	3,283	6,566	6,566	6,566	13,972	21,378	21,378	21,378	21,378	218,241
30	380.4	Treatment & Disposal Equipment	5.56%	90,572	2,988	5,975	5,975	5,975	5,975	5,975	5,975	5,975	5,975	141,360
31	380.5	Reuse Treatment & Disposal Equipment	5.56%	109,816	4,218	8,431	35,188	61,945	61,945	117,414	172,884	172,884	172,884	917,407
32	381	Plant Sewers	2.86%	15,448	560	1,120	1,120	1,120	1,120	3,258	5,395	5,395	5,395	39,934
33	389	Other Plant & Miscellaneous Equipment	5.56%	844	77	154	154	154	154	154	154	154	154	2,150
34	390	Office Furniture and Equipment	6.67%	662	32	63	63	63	63	228	392	392	392	2,352
35		Total		\$ 1,634,213	\$ 48,353	\$ 101,396	\$ 139,472	\$ 175,208	\$ 207,682	\$ 409,141	\$ 588,849	\$ 631,620	\$ 673,156	\$ 4,608,090

Rainbow Springs Utilities, L.C.  
 Schedule Of Active Customers On Line And  
 ERC's by Meter Size and Customer Class at  
 June 30, 2010

Line No.		No. Of Customers	Meter Size	ERC Factor	Factored ERC's
	<u>Water</u>				
1	Residential	<u>1,477</u>	5/8 X 3/4	1.0	<u>1,477</u>
2	Irrigation	944	5/8 X 3/4	1.0	944
3		1		5.0	5
4		<u>1</u>		8.0	<u>8</u>
5	Total irrigation	<u>946</u>			<u>957</u>
6	Fire lines	1	6"	5.0	5
7		<u>1</u>	8"	7.0	<u>7</u>
8	Total fire lines	<u>2</u>			<u>12</u>
9	General Service				
10		2	5/8 X 3/4	1.0	2
11		1	1.0"	2.5	3
12		1	1.5"	5.0	5
13		<u>3</u>	2.0"	8.0	<u>24</u>
14	Total General Service	<u>7</u>			<u>34</u>
15	Total	<u>2,432</u>			<u>2,480</u>
	<u>Wastewater</u>				
16	Residential	1,477	5/8 X 3/4	1.0	1,477
17	Commercial	<u>3</u>	2.0"	8.0	<u>24</u>
18	Total	<u>1,480</u>			<u>1,501</u>

Rainbow Springs Utilities, L.C.  
Schedule of Future ERC Connections  
Through December 31, 2016

Line No.	Total Planned Units (1)	Existing 6/30/2010	Remaining Future @ 6/30/2010	Projected Absorption of Remaining Connections										Total Units Added	Remaining Buildable Units 2021	Unbuildable/ Double Lots (3) 2021
				2010	2011	2012	2013	2014	2015	2016	2017	2018				
1																
2																
3																
4																
5																
6																
7																
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34 (1) Each residential unit is equal to 1 ERC. An ERC has been defined by the Company's engineer as 350 gpd for water and 160 gpd for wastewater.

35 (2) Commercial ERC's were determined by the flow per square foot as determined by the company's engineer divided by the flow per ERC as  
36 noted in Note (1) above.

37 (3) Certain homeowners have purchased more than 1 lot for estate type homes or the physical location of the lots with respect to the multiple lot estate homes will prevent the connection of all  
38 platted lots.

Rainbow Springs Utilities, L.C.  
Schedule Of Capital Structure  
June 30, 2010

Line No.	Dollar Amount	Percentage Of Capital	Cost Rate	Weighted Cost
1				
<u>Common Equity</u>				
2	\$ 2,377,768			
3	(1,672,779)			
4	<u>704,989</u>	<u>46.57%</u>	<u>11.88%</u>	<u>5.53%</u>
5				
<u>Long Term Debt</u>				
6	799,768	52.83%	6.50%	3.43%
7	9,178	0.60%	6.00%	0.04%
8	<u>808,946</u>	<u>53.43%</u>		<u>3.47%</u>
9	<u>\$ 1,513,935</u>	<u>100.00%</u>		<u>9.00%</u>

Rainbow Springs Utilities, L.C.  
Service Availability Case  
Detailed Statements Concerning Costs And Capacities (1)

Line  
No.

1 (A) Water and Wastewater Treatment & Disposal Systems

2 Rainbow Springs Utilities, LC provides drinking water as well as potable water for irrigation. The present system has a  
3 permitted capacity of 2.380 MGD. The utility installs the off-site water transmission and distribution system, while the  
4 on-site transmission and distribution systems are contributed by the developer. The present system has the capacity to  
5 serve approximately 3,000 ERC's without expansion to the system. See Schedule No. 15 for a summary of the existing  
6 (in developed tracts) and remaining connections which can be served.

7 Wastewater treatment is provided through a Class 3 plant with restricted reuse irrigation. The capacity of the existing  
8 plant and disposal system is .230 MGD. The utility invests and installs the off-site collection system, while developers  
9 contribute the on-site collection systems. The treatment and disposal system is close to capacity, with an expansion to  
10 .275 MGD scheduled to be completed in 2012. The present collection system has the capacity to serve approximately  
11 2050 ERC's without expansion to the system.

12 (B) Cost, Account Nos., Capacity & Timetable Of Proposed Plant Expansions

13 The proposed Water and wastewater plant expansions are based on the company's master plan and the engineer's  
14 opinion of probable costs, prepared by Pigeon-Roberts and Associates, LLC. See Exhibit 2. A description of the  
15 planned construction and completion dates are shown on Schedules Nos. 8 and 10. The various phases of water and  
16 wastewater plant expansion will be completed in 2018. At that time, the plants are expected to be operating at their  
17 designed capacity and providing service to approximately 4000 water connections (3034 potable water and 957 irrigation),  
18 and 3,000 wastewater connections.

19 The water NARUC accounts based on the engineer's probable cost estimates are shown on Schedules 6, 7, 8, and 10.

20 (C) How Proposed Expansion Will Affect Capacity Of The Existing Plant

21 The water plant projects will extend the off-site transmission and distribution system to areas not presently served. See  
22 descriptions in Engineer's opinion of probable cost. The water treatment facilities will increase capacity from 2.380 MGD  
23 to 3.128 MGD and will enable the company to serve expected customers in 2018.

24 The Wastewater plant projects will expand treatment and disposal capacity from .230 MGD limited access reuse to .480  
25 MGD, with class I public access reuse to the Golf course and public access in Tract F. The proposed improvements  
26 include expansion of the existing sprayfield, reclaimed water transmission system, and off-site collection system  
27 extensions. See engineer's opinion of probable cost (Exhibit 2). These projects are necessary to serve the expected  
28 2018 customer base in 2018. At that time the system will be operating at its designed capacity.

29 (D) Projected Growth Rate For Utilization Of Existing & Proposed Capacity

30 The projected growth for 2010 through 2018 is based on the engineer's capacity analysis (Exhibit 2), which is  
31 summarized on Schedule No. 15. The new connections through 2018 are based on estimates of the build status of the  
32 various developed and undeveloped tracts shown in the engineer's flow projections. As mentioned above, the water and  
33 wastewater plants are expected to be operating at their designed capacities in 2018. This year was used to develop the  
34 proposed service availability charges.

35 (1) These statements are based on information provided by the company's engineer, Pigeon-Roberts and Associates, LLC,  
36 Engineers-Planners-surveyors & Mappers.



Rainbow Springs Utilities, L.C.  
Statement Regarding Existing and Proposed On - Site and  
Off - Site Main Extension Policy  
June 30, 2010

Line

No.

- 1 The Utility's existing main extension policy is to invest in the off-site water transmission and distribution and  
2 wastewater collection system. These cost are recovered in part through a main extension charge for each new  
3 connection.
  
- 4 The on-site water transmission and distribution and wastewater collection systems are built and paid for by the  
5 developer and donated to the company as property CIAC.
  
- 6 The utility proposes no change to its current policy and has requested separate plant capacity and main extension  
7 charges.

**SPECIAL USE PERMIT**

**NAME:** Rainbow Springs, Ltd.  
**ADDRESS:** 8625 SW 200<sup>th</sup> Circle, Dunnellon, FL 34431  
**TELEPHONE:** 352-489-2525  
**APPLICATION NO:** 080403SU

**WHEREAS**, the Marion County Board of County Commissioners has considered the above-referenced application for a Special Use Permit and has approved the application on April 15, 2008 subject to conditions, and

**WHEREAS**, the Zoning Director is authorized to issue Special Use Permits in accordance with Board action, now therefore

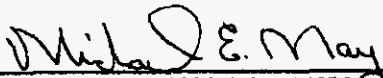
**A SPECIAL USE PERMIT** is hereby issued to the above-listed property owner, pursuant to Board of County Commissioners' Resolution 08-R-174 for the Special Use of construction and expansion of the existing Rainbow Springs effluent disposal spray field in an M-1 (Light Industrial) zone, on Parcel Account No. 3291-000-013.

1. The site shall be developed and operated consistent with the submitted conceptual plan and the conditions as provided with this approval.
2. Effluent nitrate sampling shall be performed at regular intervals a minimum of once every two weeks and the results included in the monthly reporting to FDEP. Nitrates shall be tested on a quarterly basis for all monitoring wells.
3. Groundwater testing shall be performed as required by FDEP.
4. The proposed spray field expansion shall be buffered by a 25 ft. wide land use buffer of natural vegetation where existing, and cleared areas shall be planted with pine tree plantings at 10 trees per 100 linear feet, as indicated in the Findings of Fact.

DOCUMENT NUMBER-DATE  
00847 FEB-4 =  
FPSC-COMMISSION CLERK

**REVOCAION:** Violation or failure to comply with one or more condition(s) of this Special Use Permit could result in revocation of this Special Use Permit by the Board of County Commissioners at a noticed public hearing.

**THIS SPECIAL USE PERMIT IS SUBJECT TO ALL APPLICABLE PROVISIONS OF THE MARION COUNTY LAND DEVELOPMENT CODE, NOT INCONSISTENT HEREWITH.**

  
**MICHAEL E. MAY, DIRECTOR, MARION COUNTY  
ZONING/DEVELOPMENT REVIEW DEPARTMENT**  
DATE: 21 April 2008

## RESOLUTION NO. 08-R-174

### A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF MARION COUNTY, FLORIDA, APPROVING THE ISSUANCE OF A SPECIAL USE PERMIT, PROVIDING AN EFFECTIVE DATE.

WHEREAS, an application for a Special Use Permit was duly filed by Pigeon-Roberts & Associates, LLC, and was considered by the Marion County Zoning Commission at its meeting on March 31, 2008; and

WHEREAS, the aforementioned application was considered at a public hearing held by the Board of County Commissioners of Marion County, Florida at its meeting on Tuesday, April 15, 2008; now therefore,

**BE IT RESOLVED** by the Board of County Commissioners of Marion County, Florida:

**SECTION 1. SPECIAL USE PERMIT APPLICATION APPROVAL 080403SU – Rainbow Springs LTD.** The application for a Special Use Permit as submitted by Pigeon-Roberts & Associates, LLC, a copy of said application being on file with the Zoning Director, is hereby approved for a special use permit in a M-1 (Light Industrial) zoning classification on 24.36 acres for the intended use of allowing construction & expansion of the existing Rainbow Springs effluent disposal sprayfield on Parcel Account No. 3291-000-013.

**SECTION 2. FINDINGS AND CONDITIONS.** The Board of County Commissioners agrees with the recommendation and findings of the Zoning Commission recommending approval of the Special Use Permit and the Board approves the Special Use Permit subject to the following conditions:

1. The site shall be developed and operated consistent with the submitted conceptual plan and the conditions as provided with this approval.
2. Effluent nitrate sampling shall be performed at regular intervals a minimum of once every two weeks and the results included in the monthly reporting to FDEP. Nitrates shall be tested on a quarterly basis for all monitoring wells.
3. Groundwater testing shall be performed as required by FDEP.
4. The proposed sprayfield expansion shall be buffered by a 25' wide land use buffer of natural vegetation where existing, and cleared areas shall be planted with pine tree plantings at (10) trees per 100 linear feet, as indicated in the Findings of Fact.

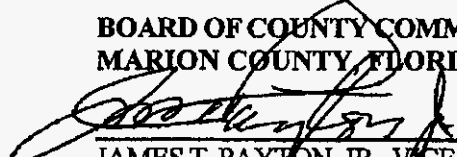
**SECTION 3. REVOCATION.** Violation or failure to comply with one or more condition(s) of this Special Use Permit could result in revocation of this Special Use Permit by the Board at a noticed public hearing.

**SECTION 4. EFFECTIVE DATE.** This Resolution shall take effect immediately upon its adoption.

**DULY ADOPTED** in regular session this 15<sup>th</sup> day of April, 2008.

**ATTEST:**

  
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DAVID R. ELLSPERMANN, CLERK

**BOARD OF COUNTY COMMISSIONERS  
MARION COUNTY, FLORIDA**  
  
\_\_\_\_\_  
JAMES T. PAYTON, JR., VICE-CHAIRMAN

## LAND USE AND ZONING CONSIDERATIONS

The subject site is zoned M-1 (Industrial) and is currently undeveloped. The Future Land Use Mapping of the Marion County Comprehensive Plan specifically identifies the property as DRI. The Development of regional Impact designation is utilized because the site is located within Tract "E" of the rainbow Springs "Vested" development as described and concuded in the Binding Letter Of Modification for Rainbow Springs that was issued by the State in April, 1978. (see Figure-2, Land Use and Zoning Map). Land to the west, is zoned M-1 (industrial) and is identified as "DRI", Land to the North is Zoned B-2 (Commercial Business) and is also is within the "DRI" designation as well as lands to the east that is Zoned M-1 (Industrial). The land to the south is outside of the vested DRI, however is zoned A-1 (agricultural) with a future land use designation as "IND" (industrial).

The present uses adjacent to the subject parcel are undeveloped to the north, west and south and is the existing sprayfield to the east.

Figure 2- Land Use and Zoning Map

