

BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 110200-WU

WATER MANAGEMENT SERVICES, INC

**IN RE: APPLICATION FOR INCREASE IN WATER RATES IN
FRANKLIN COUNTY BY WATER MANAGEMENT SERVICES, INC.**

TESTIMONY & EXHIBITS OF:

| | |
|------------|----------------|
| COM | <u>5</u> |
| APA | <u>1</u> |
| ECR | <u>6</u> |
| GCL | <u>1</u> |
| RAD | <u>1</u> |
| SRC | <u> </u> |
| ADM | <u> </u> |
| OPC | <u> </u> |
| CLK | <u>ck Rep.</u> |

JEANNE ALLEN

DOCUMENT NUMBER-DATE

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FPSC-COMMISSION CLERK

1 TESTIMONY OF JEANNE ALLEN

2 BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

3 IN DOCKET NO. 110200-WU

4 REGARDING THE APPLICATION OF

5 WATER MANAGEMENT SERVICES, INC.

6 FOR AN INCREASE IN RATES & CHARGES

7 AND A REVISION OF

8 SERVICE AVAILABILITY CHARGES

9

10 Q. Please state your, name profession and address.

11 A. My name is Jeanne Allen. I am an Audit Partner with the accounting firm, Law, Redd, Crona and
12 Munroe, P.A. My address is 2075 Centre Pointe Blvd., Tallahassee, FL 32308.

13

14 Q. State briefly your educational background and experience.

15 A. I am a Certified Public Accountant, licensed in the state of Florida. I have a Bachelor of Science
16 degree, in Accounting and Finance, from The Florida State University. I have over 17 years
17 experience providing auditing, accounting, consulting and analysis services to various entities,
18 including governmental, not-for-profit and for-profit companies in a variety of industries. My
19 experience includes 3 years working as a Regulatory Analyst with the Florida Public Service
20 Commission, where I participated directly in water and wastewater rate case proceedings for
21 Class A and B utilities.

22

23 Q. On whose behalf are you presenting this testimony?

24 A. I am presenting this testimony and appearing on behalf of Water Management Services, Inc.
25 (WMS), the applicant for rate increase in the present docket.

1 Q. **What is the purpose of your direct testimony?**

2 A. The purpose of my direct testimony is to present information supporting the factual basis for
3 WMS' request to increase its rates and charges as presented in the MFRs, and to request
4 revisions to its service availability charges.

5
6 Q. **Are you sponsoring any exhibits?**

7 A. Yes, I am sponsoring three exhibits. Exhibit (JA-1) is a summary of my education, experience and
8 professional affiliations. Exhibit (JA-2) contains the MFRs, consisting of Volume I – Financial,
9 Rate and Engineering sections; Volume II – Billing Analysis; and Volume III, Additional
10 Engineering Information required by Rule 25-30.440, Florida Administrative Code. Exhibit (JA-3)
11 contains the schedules supporting the request to revise the service availability charges.

12
13 Q. **Would you please summarize the basis for the application to increase rates?**

14 A. Yes. As shown in Schedule B-1, Volume I of Exhibit (JA-2), utility operations resulted in a loss of
15 (\$145,071) in the 2010 test year, based on the unadjusted books, earning a negative rate of
16 return of (3.86%) on a rate base of \$3,757,174. After adjustments to test year operating
17 revenues, expenses and rate base, the utility shows net operating loss of (\$166,113), earning a
18 negative (2.14%) on a rate base of \$ 7,745,845. The adjusted cost of capital or required rate of
19 return for the utility is 5.96%. In order to allow the utility an opportunity to earn a 5.96% rate of
20 return, an increase in revenues of \$714,935 is necessary. This increase is inclusive of the
21 \$270,096 increase in interim rates requested by the utility. As shown in Schedule B-1, the utility
22 is currently not earning a fair rate of return on its existing investment, and with improvements
23 needed to maintain the quality of service, WMS will not be able to continue as a viable water
24 company. WMS cannot continue to operate at a loss for an indefinite period of time. WMS

1 needs a fair and just rate increase both to cover the utility's cost of operations, as well as allow
2 the utility to fund the necessary improvements to continue to provide safe and sufficient service
3 to its customers.
4

5 **Q. How was the revenue requirement determined for interim rates?**

6 A. The revenue requirement for interim rates was determined based on the historic 2010 test year,
7 using a 13 month average rate base and the per book revenues and expenses for 2010, in
8 accordance with Section 367.082, Florida Statutes, and Rule 25-40.437(5), Florida Administrative
9 Code. The requested revenue increase reflects the difference between the achieved rate of
10 return on equity and the minimum of the range of the last authorized rate of return on equity
11 and recognizing the actual cost of debt for the test year.
12

13 **Q. Did you make any adjustments to the per book financial information in determining the
14 revenue requirement for interim rates?**

15 A. Yes. Test year revenues were adjusted to annualize revenues to reflect the reduction of rates
16 that went into effect in February 2010 as a result of the termination of the amortization of rate
17 case expense associated with the limited proceeding, Docket No. 000694-WU. Test year
18 revenues were also adjusted to annualize test year revenues to reflect the rate changes that
19 went into effect in February 2011 as a result of the last full rate case in Docket No. 100104-WU.
20 I made adjustments to normalize or annualize certain continuing expenses that originated in the
21 2010 test year, but were not reflected in the books and records for the entire 12 month period,
22 and to remove certain expenses that will not be recurring in the future as utility operation and
23 maintenance expenses. I also made adjustments to reduce certain administrative salaries and
24 benefits, as well as rent expense, by 5% to reflect the allocation of time and space related to

1 affiliates. Normalization of expenses is necessary to be reflected in the determination of interim
2 rates in order for the utility to maintain the minimum level of rate of return it is entitled to
3 under the statute.

4
5 **Q. In determining final revenue requirements, what adjustments were made to the test year
6 operating revenues and expenses?**

7 A. Operating revenues were annualized to reflect rate changes that occurred during and shortly
8 after the test year, as previously described in relation to interim rates. Operating expenses were
9 adjusted to normalize certain test year expenses either to reflect a full 12 months for some only
10 partially expensed on the books or to reflect known changes in personnel or salaries that are
11 now in effect, and will continue to be in effect for the foreseeable future. Finally, I made
12 adjustments to depreciation expense and taxes associated with adjustments to plant in service,
13 rate base and the requested revenue increase. These are all summarized and detailed in
14 Schedule B-3 of Volume 1 of Exhibit (JA-2).

15
16 **Q. What adjustments were made to Plant in Service?**

17 A. Plant in Service was adjusted to include several pro forma projects necessary to preserve and
18 maintain the quality of service for existing customers. These projects are described in Schedule
19 A-3 of Volume I of Exhibit (JA-2). It is the intent of the utility to begin construction on these
20 projects within one year and complete these projects within two years. The projects include
21 construction of a new ground water supply well and storage tank and improvements to the
22 supply main, water treatment plant and distribution system. These improvements are needed
23 for the utility to maintain safe, efficient and sufficient service to its existing customers.

24

1 Q. **Were any other adjustments made to Plant in Service?**

2 A. Yes. I made adjustments to Plant in Service to remove certain plant items that will be retired in
3 connection with the pro forma additions, as well as adjustments to correct the 13 month
4 average balance for plant items that were sold or otherwise removed from the books during the
5 test year. These adjustments are also reflected in Schedule A-3 of Volume I of Exhibit (JA-2).

6

7 Q. **Were adjustments made to any components of rate base other than Plant in Service?**

8 A. Yes. I made an adjustment to remove the balance in Construction Work in Progress, as that
9 amount is included in the pro forma additions previously discussed. Adjustments to
10 accumulated depreciation were made associated with the pro forma additions and retirements
11 to Plant in Service, as well as corrections to the 13 month average balance for the plant items
12 that were sold or otherwise removed during the 2010 test year. Finally, an adjustment was
13 made to correct accumulated depreciation in relation to a PSC adjustment made in Docket No.
14 940109-WU to reduce the original cost of plant in service, in which there was no corresponding
15 entry made to accumulated depreciation to reflect the reduced cost. These adjustments are
16 also reflected in Schedule A-3 of Volume I of Exhibit (JA-2).

17

18 Q. **Were there any adjustments made to the utility's cost of capital?**

19 A. Yes. In order to fund the cost of the proforma plant additions previously described, it is
20 necessary for WMS to refinance its debt. In addition, adjustments were also made to remove
21 the cost of debt related to certain assets that were sold during or after the 2010 test year, and
22 to remove the cost of debt related to nonutility assets. One other adjustment was made to
23 correct the 13 month average for Customer Deposits in order to remove interim rates held for
24 refund during 2010 that were collected in relation to the last full rate case in Docket No.

1 100104-WU. These adjustments are reflected in Schedules D-1, D-2, D-5 and D-6 of Volume I of
2 Exhibit (JA-2).

3
4 **Q. Is the utility proposing any change in the relative amount of the Base Facility Charge?**

5 A. No.

6
7 **Q. Are there any changes proposed in the miscellaneous service charges?**

8 A. Yes. WMS is proposing new charges for NSF fees and for late payment fees to compensate the
9 utility for its costs associated with processing and customer notices. These charges are detailed
10 at Schedule E-4 of Volume I of Exhibit (JA-2).

11
12 **Q. Is the utility proposing any changes in its Service Availability Charges?**

13 A. Yes. Analysis of WMS's ratio of net Contributions in Aid of Construction (CIAC) to net plant
14 indicates that with present CIAC charges and no additions to plant, the ratio is currently only
15 35%. After the proposed additions to plant, that ratio will drop to 24.9% at design capacity. The
16 current charges are \$1,620 composed of a Plant Capacity Charge of \$845, a Main Extension
17 Charge of \$525 and a Meter Installation Fee of \$250. The utility proposes that the charge be
18 increased to \$10,004.47, with the Plant Capacity Charge increasing to \$9,079.47, the Meter
19 Installation Fee to increase to \$400 and the Main Extension Charge to remain unchanged. This
20 results in the net CIAC to net Plant ratio reaching 75% at design capacity. The increased level of
21 CIAC will have a mitigating effect on monthly service rates to existing and future customers. The
22 development of the proposed Service Availability Charges and other supporting documentation
23 required by Rule 25-30.565, Florida Administrative Code, are found in Exhibit (JA-3).

1 Q. Does that conclude your direct testimony?

2 A. Yes, it does.

3

JEANNE CLARK ALLEN, CPA

**SUMMARY OF PROFESSIONAL EXPERIENCE,
EDUCATION AND AFFILIATIONS**

PROFESSIONAL EXPERIENCE

LAW, REDD, CRONA & MUNROE, P.A., Tallahassee, FL

Audit Partner

October 1998 - Present

- ◆ Plan, perform and supervise financial statement, compliance and performance audits.
- ◆ Prepare financial statements, supplemental schedules and related reports.
- ◆ Provide recommendations to clients regarding internal controls and processes.
- ◆ Perform and report on consulting, forensic accounting analysis and other special projects.
- ◆ Supervise, schedule and provide assistance to audit managers, seniors and staff.
- ◆ Present financial statements and special reports to management and audit committees.

FLORIDA DEPARTMENT OF LOTTERY, Tallahassee, FL

Office of Inspector General Analyst

August 1997 – October 1998

- ◆ Performed financial, compliance, operational, and performance audits.
- ◆ Conducted administrative investigations and management studies.
- ◆ Assisted in planning audits, investigations and evaluations.
- ◆ Developed assignment programs and obtained and analyzed evidentiary data.
- ◆ Prepared work papers and reports documenting program steps and findings.
- ◆ Provided opinions on adequacy and effectiveness of management controls.
- ◆ Presented on the benefits of utilizing automated resources for data analysis and work paper presentation for the Association of Inspectors General and the Florida Audit Forum.

FLORIDA PUBLIC SERVICE COMMISSION, Tallahassee, FL

Regulatory Accounting Analyst

August 1994 – August 1997

- ◆ Reviewed and analyzed financial information to identify issues in utility rate cases.
- ◆ Reviewed, analyzed and critiqued audit work papers and findings.
- ◆ Corresponded with interested parties to relate findings and obtain additional information.
- ◆ Developed and analyzed issues and drafted cross-examination questions.
- ◆ Prepared schedules and reports to reflect results and findings of analysis.
- ◆ Performed desk audit reviews of utility annual reports.

RELATED EXPERIENCE

GARY G. ALLEN, REGISTERED LAND SURVEYOR, Tallahassee, FL

Bookkeeper

May 1999 - April 2011

- ◆ Performed monthly general ledger closings and prepared financial reports.
- ◆ Reconciled account balances and reviewed account activity.
- ◆ Prepared weekly payroll disbursements.
- ◆ Prepared, monitored and maintained accounts payable.
- ◆ Monitored billing and accounts receivable activity.
- ◆ Prepared quarterly payroll tax returns.

EDUCATION

B.S., Accounting and Finance, 1994
The Florida State University, Tallahassee, FL

PROFESSIONAL AFFILIATIONS

Member, American Institute of Certified Public Accountants

Member, Florida Institute of Certified Public Accountants

Board Member, The Tallahassee Museum

Committee Member, FICPA - FSU Accounting Conference

**EXHIBIT (JA-2) IS THE COMPLETE SET OF THE MFRs,
VOLUMES I, II AND III,
WHICH HAVE BEEN PROVIDED
HEREWITH.**

EXHIBIT (JA-3)

Water Management Services, Inc.

Docket No.: 110200-WU

APPLICATION FOR REVISED SERVICE AVAILABILITY CHARGES



Test Year Ended: December 31, 2010

Information Required by 25-30.565(4)

1 25-30.565(4)c - Commission Order in which SACs were last Considered

The PSC considered the level of Service Availability Charges in WMSI's last full rate case filed in 2009, however, per Order No. PSC-11-0010-SC-WU, issued 1/3/2011, the PSC left the existing charges in effect. Accordingly, existing SACs represent the charges previously set by Order No. PSC-94-1383-FOF-WU, issued 11/14/1994.

2 25-30.565(4)d - Basis for Requested Changes

Since the SACs were last set in 1994, Plant in Service has increased from approximately \$2.5 million to approximately \$9 million in 2010, and will increase to approximately \$12.8 million with pro forma additions. The net CIAC balance has not kept up with the net Plant balance and the overall CIAC level is approaching PSC guideline minimum. The Charges, present and proposed are:

| | <u>Present</u> | <u>Proposed</u> |
|----------------------------|----------------|-----------------|
| Plant Capacity Charge: | \$ 845.00 | \$ 9,079.47 |
| Main Extension Charge: | 525.00 | 525.00 |
| Meter Installation Charge: | <u>250.00</u> | <u>400.00</u> |
| Total | \$ 1,620.00 | \$ 10,004.47 |

3 25-30.565(4)e - Original Cost and Capacities

See SAC Schedule 2 for Original Cost

Capacity of Treatment Plant

714,000 gpd permitted @ 350 gpd/ERC = 2,040 ERCs

Capacity of Transmission & Distribution Plant

Indeterminate. No change is being requested in the main extension charge.

4 25-30.565(4)f - Accumulated Depreciation

See SAC Schedule 3

5 25-30.565(4)g - Active Customers and ERCs

See SAC Schedule 4

6 25-30.565(4)h - Treatment Plant Capacity Used in Developing SAC

See SAC Schedule 4

7 25-30.565(4)i - Transmission & Distribution Capacity Used in Developing SAC

See SAC Schedule 4

8 25-30.565(4)j& k - List of Outstanding Developer Agreements and CIAC Terms

None

Information Required by 25-30.565(4)

- 9 25-30.565(4)l & m - CIAC and Accumulated Amortization of CIAC
See SAC Schedule 5
- 10 25-30.565(4)n - Construction & Operating Permits
See SAC Schedule 6
- 11 25-30.565(4)o & p - Statement by Registered Professional Engineer re Proposed Plant Expansion
See SAC Schedule 7
- 12 25-30.565(4)q - Orders by Regulatory Authorities Mandating Construction

Not Applicable

- 13 25-30.565(4)r - Projected Growth Rate of Existing & Future Plant Capacities
See SAC Schedule 4
- 14 25-30.565(4)s - Calculation of Proposed Service Availability Charges
See SAC Schedule 8
- 15 25-30.565(4)t - Data Regarding the Cost of Meters & Meter Installations

See SAC Schedule 9
- 16 25-30.565(4)u - Existing & Proposed on-site and off-site main installation charges & policy.

Existing & Proposed: \$525.00 per Residential ERC; all others \$1.50 per front foot.
- 17 25-30.565(4)v - Existing & Proposed Capital Rate Structure
See SAC Schedule 10
- 18 25-30.565(4)v - Proposed Tariff Sheets
See SAC Schedule 11

Application for Revised Service Availability Charges

Florida Public Service Commission

Schedule SAC 2

Company: Water Management Services, Inc.

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Docket No.: 110200-WU

Preparer: J. Allen

Test Year Ended: December 31, 2010

25-30.565(4)e - Original Cost of Plant

| No. | (1) Line Account No. and Name | (2) Test Year 12/31/10 | (3) ProForma Adjustments | (4) Adjusted Year End TY |
|-----|--|------------------------------|--------------------------------|--------------------------------|
| 1 | <u>INTANGIBLE PLANT</u> | | | |
| 2 | 301.1 Organization | - | - | - |
| 3 | 302.1 Franchises | - | - | - |
| 4 | 399.1 Other Plant & Misc. Equipment | - | - | - |
| 5 | <u>SOURCE OF SUPPLY AND PUMPING PLANT</u> | | | |
| 6 | 303.2 Land & Land Rights | 67,443 | 52,789 | 120,232 |
| 7 | 304.2 Structures & Improvements | 73,471 | - | 73,471 |
| 8 | 305.2 Collect. & Impound. Reservoirs | - | - | - |
| 9 | 306.2 Lake, River & Other Intakes | - | - | - |
| 10 | 307.2 Wells & Springs | 405,021 | 302,292 | 707,313 |
| 11 | 308.2 Infiltration Galleries & Tunnels | - | - | - |
| 12 | 309.2 Supply Mains | 3,984,508 | 304,982 | 4,289,490 |
| 13 | 310.2 Power Generation Equipment | 113,061 | 208,751 | 321,812 |
| 14 | 311.2 Pumping Equipment | 224,689 | 554,854 | 779,543 |
| 15 | 339.2 Other Plant & Misc. Equipment | - | - | - |
| 16 | <u>WATER TREATMENT PLANT</u> | | | |
| 17 | 303.3 Land & Land Rights | - | 448,711 | 448,711 |
| 18 | 304.3 Structures & Improvements | 134,122 | 336,085 | 470,207 |
| 19 | 320.3 Water Treatment Equipment | 78,043 | 29,116 | 107,159 |
| 20 | 339.3 Other Plant & Misc. Equipment | - | - | - |
| 21 | <u>TRANSMISSION & DISTRIBUTION PLANT</u> | | | |
| 22 | 303.4 Land & Land Rights | 20,151 | - | 20,151 |
| 23 | 304.4 Structures & Improvements | - | - | - |
| 24 | 330.4 Dist. Reservoirs & Standpipes | 362,073 | 831,246 | 1,193,319 |
| 25 | 331.4 Trans. & Distribution Mains | 2,425,852 | 811,282 | 3,237,134 |
| 26 | 333.4 Services | 239,451 | - | 239,451 |
| 27 | 334.4 Meters & Meter Installations | 213,366 | - | 213,366 |
| 28 | 335.4 Hydrants | 169,516 | - | 169,516 |
| 29 | 339.4 Other Plant & Misc. Equipment | - | - | - |
| 30 | <u>GENERAL PLANT</u> | | | |
| 31 | 303.5 Land & Land Rights | - | - | - |
| 32 | 304.5 Structures & Improvements | 148,735 | - | 148,735 |
| 33 | 340.5 Office Furniture & Equipment | 81,550 | - | 81,550 |
| 34 | 341.5 Transportation Equipment | 60,725 | - | 60,725 |
| 35 | 342.5 Stores Equipment | - | - | - |
| 36 | 343.5 Tools, Shop & Garage Equipment | 36,743 | - | 36,743 |
| 37 | 344.5 Laboratory Equipment | - | - | - |
| 38 | 345.5 Power Operated Equipment | 64,551 | - | 64,551 |
| 39 | 346.5 Communication Equipment | - | 52,387 | 52,387 |
| 40 | 347.5 Miscellaneous Equipment | - | - | - |
| 41 | 348.5 Other Tangible Plant | - | - | - |
| 42 | TOTAL | \$ 8,903,072 | \$ 3,932,495 | \$ 12,835,567 |
| | Land Only | | | 589,094 |

Application for Revised Service Availability Charges

Florida Public Service Commission

Schedule SAC 3

Company: Water Management Services, Inc.

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Docket No.: 110200-WU

Preparer: J. Allen

Test Year Ended: December 31, 2010

25-30.565(4)f - Accumulated Depreciation of Plant

| Line No. | (1) Account No. and Name | (2) Test Year 12/31/10 | (3) ProForma Adjustments | (4) Adjusted Year End TY |
|----------|--|------------------------------|--------------------------------|--------------------------------|
| 1 | <u>INTANGIBLE PLANT</u> | | | |
| 2 | 301.1 Organization | - | - | - |
| 3 | 302.1 Franchises | - | - | - |
| 4 | 399.1 Other Plant & Misc. Equipment | - | - | - |
| 5 | <u>SOURCE OF SUPPLY AND PUMPING PLANT</u> | | | |
| 6 | 303.2 Land & Land Rights | - | - | - |
| 7 | 304.2 Structures & Improvements | 24,021 | - | 24,021 |
| 8 | 305.2 Collect. & Impound. Reservoirs | - | - | - |
| 9 | 306.2 Lake, River & Other Intakes | - | - | - |
| 10 | 307.2 Wells & Springs | 203,005 | 5,038 | 208,043 |
| 11 | 308.2 Infiltration Galleries & Tunnels | - | - | - |
| 12 | 309.2 Supply Mains | 991,588 | 4,357 | 995,945 |
| 13 | 310.2 Power Generation Equipment | 84,873 | 5,219 | 90,092 |
| 14 | 311.2 Pumping Equipment | 167,127 | (124,612) | 42,515 |
| 15 | 339.2 Other Plant & Misc. Equipment | - | - | - |
| 16 | <u>WATER TREATMENT PLANT</u> | | | |
| 17 | 303.3 Land & Land Rights | - | - | - |
| 18 | 304.3 Structures & Improvements | 43,851 | 5,092 | 48,943 |
| 19 | 320.3 Water Treatment Equipment | 42,709 | (10,708) | 32,001 |
| 20 | 339.3 Other Plant & Misc. Equipment | - | - | - |
| 21 | <u>TRANSMISSION & DISTRIBUTION PLANT</u> | | | |
| 22 | 303.4 Land & Land Rights | - | - | - |
| 23 | 304.4 Structures & Improvements | - | - | - |
| 24 | 330.4 Dist. Reservoirs & Standpipes | 251,569 | 11,233 | 262,802 |
| 25 | 331.4 Trans. & Distribution Mains | 1,043,581 | (63,296) | 980,284 |
| 26 | 333.4 Services | 151,302 | - | 151,302 |
| 27 | 334.4 Meters & Meter Installations | 159,005 | - | 159,005 |
| 28 | 335.4 Hydrants | 74,543 | - | 74,543 |
| 29 | 339.4 Other Plant & Misc. Equipment | - | - | - |
| 30 | <u>GENERAL PLANT</u> | | | |
| 31 | 303.5 Land & Land Rights | - | - | - |
| 32 | 304.5 Structures & Improvements | 48,628 | - | 48,628 |
| 33 | 340.5 Office Furniture & Equipment | 45,685 | - | 45,685 |
| 34 | 341.5 Transportation Equipment | 25,285 | - | 25,285 |
| 35 | 342.5 Stores Equipment | - | - | - |
| 36 | 343.5 Tools, Shop & Garage Equipment | 19,199 | - | 19,199 |
| 37 | 344.5 Laboratory Equipment | - | - | - |
| 38 | 345.5 Power Operated Equipment | 37,377 | - | 37,377 |
| 39 | 346.5 Communication Equipment | - | 2,619 | 2,619 |
| 40 | 347.5 Miscellaneous Equipment | - | - | - |
| 41 | 348.5 Other Tangible Plant | - | - | - |
| 42 | TOTAL | \$ 3,413,348 | \$ (165,058) | \$ 3,248,290 |

25-30.565(4)g - Active Customers as of 12/31/2010 by Meter Size, Customer Class & ERCs

CUSTOMER & ERCs BASED ON METER EQUIVALENCY

| | Customers | Meter Equiv. | Meter Equiv. ERCs |
|------------|--------------|-----------------|-------------------------|
| Res 5/8" | 1,486 | 1.0 | 1,486 |
| Res 3/4" | 171 | 1.5 | 257 |
| Res 1" | 25 | 2.5 | 63 |
| Res 1.5" | <u>5</u> | 5.0 | <u>25</u> |
| | 1,687 | | 1,830 |
| GS 5/8" | 49 | 1.0 | 49 |
| GS 3/4" | 2 | 1.5 | 3 |
| GS 1" | 20 | 2.5 | 50 |
| GS 1.5" | 8 | 5.0 | 40 |
| GS 2" | 5 | 8.0 | 40 |
| GS 3" | <u>2</u> | 16.0 | <u>32</u> |
| | 86 | | 214 |
| Public 1" | 1 | 2.5 | 3 |
| Public 6" | <u>1</u> | 62.5 | <u>63</u> |
| | 2 | | 65 |
| Multi 5/8" | 22 | 1.0 | 22 |
| Multi 3/4" | 1 | 1.5 | 2 |
| Multi 1" | 7 | 2.5 | 18 |
| Multi 1.5" | 2 | 5.0 | 10 |
| Multi 4" | <u>1</u> | 25.0 | <u>25</u> |
| | 33 | | 76 |
| Total | <u>1,808</u> | | <u>2,185</u> |

25-30.565(4)h - ERC CAPACITY OF TREATMENT PLANT For DEVELOPING SAC

For developing SAC, ERCs are based on demand of 350 gpd/ERC, and includes active and inactive existing connections. The Utility has to be ready to serve all existing connections and provide service to inactive customers upon request to activate the meter.

| | ERCs |
|---------------------------------|--------------|
| Connections at Design Capacity | 2,388 |
| Active and Inactive Connections | <u>1,980</u> |
| Remaining ERC Capacity | 408 |

It is projected that it will take 11 years from the 2010 test year to reach design capacity in 2021. This is an average of 37 ERCs per year. This is below average annual growth prior to the recent economic slowdown and new shallow well policy. It is anticipated that annual growth over the next seven years will be below the 37 ERC/yr average (estimated at 15 ERCs for 2011, increasing by 5 per year until 2018 when the growth rate is expected to be 56 ERCs per year); then it will increase annually, getting back to an average of 56+ /yr, which is near the historical average near the end of the 11 year period.

25-30.565(4)i - ERC CAPACITY OF TRANSMISSION & DISTRIBUTION PLANT For DEVELOPING SAC

WMSI is not requesting a change in the existing \$525.00 main extension fee. The area served and the related investment have not substantially changed since the main extension charge was set.

Application for Revised Service Availability Charges

Florida Public Service Commission

Schedule SAC 5

Company: Water Management Services, Inc.

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Docket No.: 110200-WU

Preparer: J. Allen

Test Year Ended: December 31, 2010

25-30.565(4) & m - CIAC and Accumulated Amortization of CIAC

| Line No. | Description | CIAC 12/31/10 | Accum. Amort CIAC 12/31/10 |
|----------|------------------------------------|---------------------|----------------------------------|
| | WATER | | |
| 1 | Plant Capacity Fees | \$ 1,302,998 | \$ 564,632 |
| 2 | Line/Main Extension Fees | 991,891 | 429,819 |
| 3 | Meter Installation Fees | 557,471 | 241,570 |
| 4 | Contributed Property | 375,659 | 162,785 |
| 5 | Contributed Services | 9,497 | 4,116 |
| 6 | Contributed Fire Hydrants | 145,856 | 63,204 |
| 7 | Contributed Fire Sprinkler Systems | <u>5,250</u> | <u>2,275</u> |
| 8 | Total | <u>\$ 3,388,622</u> | <u>\$ 1,468,402</u> |

There is no prepaid CIAC

Application for Revised Service Availability Charges

**Florida Public Service Commission
Schedule SAC 6**

Company: Water Management Services, Inc.

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Docket No.: 110200-WU

Preparer: J. Allen

Test Year Ended: December 31, 2010

25-30.565(4)n - Construction & Operating Permits

Northwest Florida Water Management District Individual Water Use Permit

Note: The NFWFMD permit is in the renewal process. The existing permit expired on July 1, 2011. A copy of the expired permit, as well as the renewal application are included herein.

June 22, 2011

NorthWest Florida Water Management District
152 Water Management Drive
Havana, Florida 32333-4712

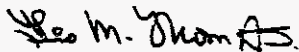
RE: Application for Consumptive Use Permit renewal 2004 0013
St. George Island Water System
Water Management Services, Inc.

Please find enclosed the Application for Consumptive Use Permit #2004 0013 renewal for the St. George Island Water System, owned and operated by Water Management Services, Inc.

We are respectfully requesting a renewal of our permit at our present permit quantities for the next seven years. It is important to note that even though our water consumption is down in recent years (since 2007), our request for new service has consistently increased even during these time. We believe that our consumption could easily double at anytime as the existing residential and commercial facilities are adequate to handle the doubling of the number of occupants without any new construction. With the oil spill fears gone, and if our country bounces back, folks will be ready for a long deserved vacation and the usage will return to the previous levels.

We thank you for your consideration of this renewal application. It is our desire and pledge to operate the well field to best utilize our precious resource such that it is there for all of us for a long, long time.

Sincerely,



Les M. Thomas, PE (FL 24705)
Utility Consulting Engineer
3460 Point View Circle
Gainesville, GA 30506



CONSUMPTIVE USE PERMIT

District Use Only

Application for Public Supply Uses

CUPA #: _____

Color: Blue

Northwest Florida Water Management District
152 Water Management, Havana, FL 32333 (850) 539-5999 (Suncom) 771-2080

SECTION I - INSTRUCTIONS TO THE APPLICANT

1. Type or print in INK.
2. Please submit TWO (2) COPIES of this application and all other submitted materials (letters, etc.).
3. A checklist is provided on page 9.

SECTION II - GENERAL INFORMATION

1. TYPE OF APPLICATION:

New (Proposed) Unpermitted (Existing) Modification Renewal

2. WATER USE PERMIT NUMBER (if application is for renewal or modification): 20040013

3. Department of Environmental Protection Public Water Supply System I.D. Number 1190789

4. APPLICANT (Complete legal name in which permit should be issued)

NAME: Water Management Services, Inc.

ADDRESS: 250 John Knox Road, Suite 4

CITY, STATE, ZIP: Tallahassee, FL 32303

DAY PHONE: 850-668-0440 NIGHT PHONE: 850-524-6200

Applicant is: Owner Lessee Other (explain) _____

5. AGENT OR CONSULTANT Address all correspondence to the person below? Yes No

NAME: Les M. Thomas, P.E.

ADDRESS: 3460 Pointview Circle

CITY, STATE, ZIP: Gainesville, GA 30506

DAY PHONE: 678-677-6420 NIGHT PHONE: 678-677-6420

6. OWNER (IF OTHER THAN APPLICANT) N/A

NAME: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

DAY PHONE: _____

NIGHT PHONE: _____

SECTION III - PROPERTY CONTROL

Is the PROPERTY AT THE WITHDRAWAL POINT(S) owned or leased?

Owned Leased

If leased, specify expiration date and whether it is renewable.

Lease Expiration Date: _____ Renewable? Yes No

If requested, a copy of the current lease (signed by the property owner) detailing the lease arrangement and the duration of the lease must be submitted.

SECTION IV - CLASSIFICATION

Check applicable classification:

- Non-Utility Public Supply (See Tables A and B of Section V)
Chapter 10D-6, F. A. C., may be used to calculate the average daily rate (ADR) and maximum daily rate (MDR) of withdrawals (see page 10).

Utility Public Supply (See Tables B and C of Section V)

SECTION V - CONSUMPTIVE WATER USE INFORMATION

1. TABLE A *N.A.*

Water Use Public Supply (Non-Utility)

| WATER USAGE | PRESENT (GPD) | PROJECTED 5 YEARS (GPD) | PROJECTED 7 YEARS (GPD) | PROJECTED 10 YEARS (GPD) |
|----------------------------|---------------|-------------------------|-------------------------|--------------------------|
| AVERAGE DAILY RATE (ADR) | | | | |
| MAXIMUM DAILY RATE (MDR) | | | | |
| MAXIMUM MONTHLY RATE (MMR) | | | | |

2. TABLE B

Population Data (Utility and Non-Utility)

| POPULATION | PRESENT | PROJECTED 5 YEARS | PROJECTED 7 YEARS | PROJECTED 10 YEARS |
|-----------------------------|---------|-------------------|-------------------|--------------------|
| AVERAGE POPULATION | 3520 | 4475 | 5550 | 6570 |
| PEAK POPULATION <i>175%</i> | 6160 | 7831 | 9712 | 11,497 |

3. TABLE C

Annual Water Use Public Supply (Utility)

| USE TYPE (PROVIDE IF AVAILABLE) | PRESENT (GPD) | PROJECTED 5 YEARS (GPD) | PROJECTED 7 YEARS (GPD) | PROJECTED 10 YEARS (GPD) |
|--|---------------|-------------------------|-------------------------|--------------------------|
| | 2010 | | | |
| A. RESIDENTIAL SINGLE-FAMILY | 352,000 | 447,500 | 555,000 | 657,000 |
| B. RESIDENTIAL MULTI-FAMILY | 17,000 | 27,500 | 32,000 | 37,000 |
| C. COMMERCIAL/INDUSTRIAL | 42,000 | 53,000 | 65,000 | 75,000 |
| D. RECREATION IRRIGATION | 0 | 0 | 0 | 0 |
| E. FIRE FIGHTING/TESTING | 0 | 0 | 0 | 0 |
| F. TREATMENT LOSSES | 0 | 0 | 0 | 0 |
| G. OTHER METERED USES <i>STATE PARK</i> | 18,000 | 18,000 | 18,000 | 18,000 |
| H. OTHER (SPECIFY ALL OTHER UNACCOUNTED FOR WATER USES) <i>FLUSHING</i> | 44,000 | 44,000 | 44,000 | 44,000 |
| TOTAL AVERAGE DAILY WATER USE (GPD) | 472,000 | 590,000 | 714,000 | 814,000 |
| TOTAL MAXIMUM DAILY WATER USE (GPD) <i>175%</i> | 835,000 | 1,032,000 | 1,240,000 | 1,424,000 |
| TOTAL MAXIMUM MONTHLY WATER USE (GAL) <i>150%</i> | 20,460,000 | 26,550,000 | 32,700,000 | 36,600,000 |

SECTION VI - SERVICE AREA

1. SERVICE AREA

- A. Average historic per capita use: 100 GPCD (Normally 100 GPCD or less)
- B. Maximum historic per capita use: 125 GPCD (Normally less than 150 GPCD)
- C. Projected AVERAGE per capita use: 100 GPCD for calendar year ALL
- D. Projected MAXIMUM per capita use: 125 GPCD for calendar year ALL
- E. Explain the method of projecting population and estimating per capita usage. Include the calculations used in determining the historic and projected per capita use amounts:

The population projection is based on the historic growth rate of 56 customers per year with 3.5 persons per customer.

SECTION VII - REQUESTED WITHDRAWAL AMOUNTS

1. APPLYING FOR GROUND WATER? Yes No

A. Total GROUND WATER amount requested (APPLY FOR TOTAL SYSTEM USAGE):

- (1) Average Daily Rate of Withdrawal (ADR) 714,000 Gallons Per Day*
- (2) Maximum Daily Rate of Withdrawal (MDR) 1,240,000 Gallons Per Day**
- (3) Maximum Monthly Rate of Withdrawal (MMR) 32,700,000 Gallons Per Month
- (4) Number of **Consecutive** Days MDR is to be pumped. 3 Days (Typically 3 days)

* Total yearly water use divided by 365 days.
 ** Maximum amount of water requested per 24 hours - cannot exceed system pump capacity.

B. WITHDRAWAL FACILITY

| TOTAL NUMBER OF WELLS | IN USE | NOT IN USE | PROPOSED |
|-----------------------|--------|------------|----------|
| | 4 | 0 | 1 |

2. APPLYING FOR SURFACE WATER? Yes No

A. Total SURFACE WATER amount requested (APPLY FOR TOTAL SYSTEM USAGE):

- (1) Average Daily Rate of Withdrawal (ADR) _____ Gallons Per Day*
- (2) Maximum Daily Rate of Withdrawal (MDR) _____ Gallons Per Day**
- (3) Maximum Monthly Rate of Withdrawal (MMR) _____ Gallons Per Month
- (4) Number of **Consecutive** Days MDR is to be pumped. _____ Days (Typically 3 days)

* Total yearly water use divided by 365 days.
 ** Maximum amount of water requested per 24 hours - cannot exceed system pump capacity.

B. WITHDRAWAL FACILITY

Name of Creek, Stream, River, Lake, or Impoundment: _____

| TOTAL NUMBER OF WELLS | IN USE | NOT IN USE | PROPOSED |
|-----------------------|--------|------------|----------|
| | | | |

3. Provide calculations that support the requested average daily rate (ADR), maximum daily rate (MDR), and maximum monthly rate (MMR) of withdrawals (site references, metered reports). An example for calculating water use amounts is provided on page 10.

(ADR): Population x 100 gpcd
 (MDR): 175% of annual average day
 (MMR): 150% of AADR

SECTION IX - REUSE OF RECLAIMED WATER

1. Does the Applicant operate a domestic wastewater treatment plant? Yes No
 If yes, complete items 2 - 4 below and provide a map showing the location of the plant(s) and major effluent and reclaimed water transmission lines.

2. Wastewater Treatment Plant Capacity and Flows

WASTEWATER TREATMENT PLANTS

| WASTEWATER AVAILABILITY | PLANT NAME: 1. | | PLANT NAME: 2. | | PLANT NAME: 3. | |
|-------------------------|-------------------|------------|-------------------|------------|-------------------|------------|
| | CAPACITY (MGD) | FLOW (MGD) | CAPACITY (MGD) | FLOW (MGD) | CAPACITY (MGD) | FLOW (MGD) |
| PRESENT AVERAGE | | | | | | |
| 5YEAR AVERAGE | | | | | | |
| 7YEAR AVERAGE | | | | | | |
| 10YEAR AVERAGE | | | | | | |
| LEVEL OF TREATMENT | | | | | | |

3. Reclaimed Water Availability

WASTEWATER TREATMENT PLANTS

| RECLAIMED WATER AVAILABILITY | PLANT NAME: 1. | | PLANT NAME: 2. | | PLANT NAME: 3. | |
|------------------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|
| | REUSE CAPACITY (MGD) | REUSE FLOW (MGD) | REUSE CAPACITY (MGD) | REUSE FLOW (MGD) | REUSE CAPACITY (MGD) | REUSE FLOW (MGD) |
| PRESENT AVERAGE | | | | | | |
| 5YEAR AVERAGE | | | | | | |
| 7YEAR AVERAGE | | | | | | |
| 10YEAR AVERAGE | | | | | | |

4. Reuse customers and volumes of reclaimed water provided (attach additional sheets if necessary).

REUSE CUSTOMERS

| VOLUME OF RECLAIMED WATER PROVIDED (MGD) | CUSTOMER NAME: 1. | | CUSTOMER NAME: 2. | | CUSTOMER NAME: 3. | |
|--|----------------------|--|----------------------|--|----------------------|--|
| | PRESENT AVERAGE | | | | | |
| 5YEAR AVERAGE | | | | | | |
| 7YEAR AVERAGE | | | | | | |
| 10YEAR AVERAGE | | | | | | |

SECTION X - FIRE FLOW AND WELLFIELD CHARACTERISTICS

- FIRE FLOW** - Describe fire flow and standby capacity. THE SYSTEM CAN DELIVER A MINIMUM OF 500 GPM ANYWHERE IN THE SYSTEM. ALL PUMPING UNITS AND ALL WELLS ARE ON AUTOMATIC STANDBY (EMERGENCY) GENERATORS. A 290,000 GALLON GROUND STORAGE AND A 150,000 GALLON ELEVATED STORAGE TANK ARE ALSO AVAILABLE.
- WELLFIELD OPERATION SCHEDULE** - Describe the typical wellfield operation schedule. Include in the description those wells that are primary, secondary (peaking), stand-by, and the well rotation schedule - if any. Identify well numbers with those referenced in the ground water withdrawal table.
WE OPERATE A "LEAD"- "LAG" AUTOMATIC CYCLE. WELL #4 IS ALWAYS "LEAD" AND #1, #2, AND #3 ROTATE AS "LAG" PUMPS.
- WELLFIELD PROTECTION ORDINANCE?** (Check applicable): Yes No Pending N/A
If "yes," provide a copy of the ordinance and discuss whether the proposed water use will affect existing land uses as a consequence of the ordinance.

SECTION XI - SITE WITHDRAWAL INFORMATION

- Describe the facility(ies) to which water is supplied. ALL RESIDENTS, BUSINESSES AND THE STATE PARK ON ST. GEORGE ISLAND
- COUNTY: FRANKLIN
- Submit a United States Geological Survey 7 - 1/2 minute topographic quad map (or copy) that delineates the following items:
 - Name of the quad map (Example: Quincy Quad).
 - Property AND service boundaries.
 - Approximate location of all existing AND proposed wells and/or surface water withdrawal pumps - with identification numbers (e.g. Well #1, Well #2, etc.).
 - Potential impacts to wetlands MAY require the submittal of a recent aerial map having a minimum scale of 1" = 2,000 feet.

SECTION XII - MODIFICATION AND PERMIT COMPLIANCE

If this application is for a modification, please describe the modification requested and the reason the modification is necessary. For modification and renewal requests, describe the applicant's compliance with EACH of the conditions of the existing permit:

MODIFICATION DESCRIPTION: N/A

SECTION XII - MODIFICATION AND PERMIT COMPLIANCE (CONTINUED)

PERMIT CONDITION COMPLIANCE:

SECTION XIII - IMPACTS

Please attach a detailed description of the anticipated impacts on the resource and on existing legal users which could be impacted by the proposed use. The District shall require any other necessary information in accordance with the provisions of Section 40A-2.101(3), Florida Administrative Code and Chapter 373.223, Florida Statutes.

See attached statement

SECTION XIV - CONSERVATION

Provide a description of any water conservation measures currently implemented and those measures to be implemented in the future. If applicant is a utility, please provide a copy of the present and any proposed potable water rate structures.

CURRENT: THE UTILITY MAINTAINS AN ONGOING LEAK DETECTION PROGRAM. THE UTILITY ALSO ENCOURAGES THE USE OF XERISCAPE.

FUTURE: CONTINUE PRESENT PROGRAMS INCLUDING MAIL OUT PROGRAM TO CUSTOMERS STRESSING IMPORTANCE OF CONSERVING WATER.

SECTION XV - INTERCONNECTIONS

1. Explain in detail any interconnection(s) with other suppliers. Indicate the average day and maximum day amounts of water that can be supplied via the interconnection(s). NONE

| Name of Utility | Diameter of Interconnected Pipelines | Average Daily Supply (GPD) | Maximum Daily Supply (GPD) | Maximum Monthly Supply (GAL) |
|-----------------|--------------------------------------|----------------------------|----------------------------|------------------------------|
| | | | | |
| | | | | |

2. Would the applicant consider becoming a part of a regional public water supply system that would ensure additional water supplies?

Yes No Pending Unsure If "yes," when? NOV

SECTION XVI - DESALINATION AQUIFER STORAGE OR RECOVERY

1. If your system includes desalination, provide the following information: N/A
- A. Withdrawal capacity _____ GPD
 - B. Potable water supply capacity _____ GPD
 - C. Reject water discharge capacity _____ GPD
 - D. Treatment efficiency ratio (treated water to reject) _____
 - E. Amount of raw water that can be blended with the R. O. permeate _____ GPD
 - F. Highest level of dissolved solids (TDS) or chlorides that can be efficiently and economically treated using the installed membranes _____ MGL
 - G. Chloride ion concentration in rejected water _____ MGL
and receiving water body _____ MGL
 - H. Location of effluent discharge on a U. S. G. S. 7 - 1/2 minute topographic map

SECTION XVII - APPLICANT CERTIFICATION

I hereby certify that the information contained herein is true and accurate and that I have legal authority to undertake the activities described herein and execute this application.

Further, I authorize Les M. Thomas, PE. to act as my agent for permit application coordination.

[Signature]
APPLICANT SIGNATURE

6-27-11
DATE

I hereby certify that I am the authorized agent of the applicant.

[Signature]
AGENT SIGNATURE

6/22/2011
DATE

I hereby certify that the applicant has sufficient legal control of the property described in this application.

[Signature]
PROPERTY OWNER SIGNATURE

6-27-11
DATE

**NORTHWEST FLORIDA WATER MANAGEMENT DISTRICT
INDIVIDUAL WATER USE PERMIT**

(NFWFMD Form No. A2-E)

Permit granted to: Water Management Services, Inc. Permit No.: 20040013 Renewal/Modification
3200 Commonwealth Blvd. Date Permit Granted: June 22, 2006
Tallahassee, Florida 32303 Permit Expires On: July 1, 2011
(Legal Name and Address) Source Classification: Floridan Aquifer
Use Classification: Public Supply
County: Franklin Area: B Location: Section 30, 31 1/4 Section _____
Application No.: I06687 Township 8 South Range 6 West

Terms and standard conditions of this Permit are as follows:

1. That all statements in the application and in supporting data are true and accurate and based upon the best information available, and that all conditions set forth herein will be complied with. If any of the statements in the application and in the supporting data are found to be untrue and inaccurate, or if the Permittee fails to comply with all of the conditions set forth herein, then this Permit shall be revoked as provided by Chapter 373.243, Florida Statutes.
2. This Permit is predicated upon the assertion by the Permittee that the use of water applied for and granted is and continues to be a reasonable and beneficial use as defined in Section 373.019(4), Florida Statutes, is and continues to be consistent with the public interest, and will not interfere with any legal use of water existing on the date this Permit is granted.
3. This Permit is conditioned on the Permittee having obtained or obtaining all other necessary permit(s) to construct, operate and certify withdrawal facilities and the operation of water system.
4. This Permit is issued to the Permittee contingent upon continued ownership, lease or other present control of property rights in underlying, overlying, or adjacent lands. This Permit may be assigned to a subsequent owner as provided by Chapter 40A-2.351, Florida Administrative Code, and the acceptance by the transferee of all terms and conditions of the Permit.

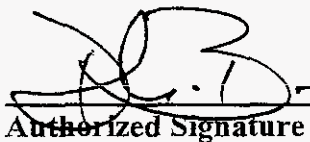
5. This Permit authorizes the Permittee to make a combined average annual withdrawal of 714,000 gallons of water per day, a maximum combined withdrawal of 1,240,000 gallons during a single day, and a combined monthly withdrawal of 32,700,000 gallons. Withdrawals for the individual facilities are authorized as shown in the table below in paragraph six. However, the total combined amount of water withdrawn by all facilities listed in paragraph six shall not exceed the amounts identified above.

6. Individual Withdrawal Facility Authorization

| WITHDRAWAL POINT ID NO. | LOCATION SEC,TWN,RNG | GALLONS/DAY AVERAGE | GALLONS/DAY MAXIMUM |
|--------------------------|-------------------------|------------------------|------------------------|
| WMS #1/AAA5300 | Sec. 31, T8S, R6W | | 360,000 |
| WMS #2/AAA5299 | Sec. 31, T8S, R6W | | 360,000 |
| WMS #3/AAA5297 | Sec. 31, T8S, R6W | | 720,000 |
| WMS #4/AAD9754 | Sec. 30, T8S, R6W | | 720,000 |
| WMS-MO #1/AAB0501 | Sec. 31, T8S, R6W | | -0- |
| WMS-MO #2/To Be Assigned | Sec. 30, T8S, R6W | | -0- |

7. The use of the permitted water withdrawal is restricted to the use classification set forth by the Permit. Any change in the use of said water shall require a modification of this Permit.
8. The District's staff, upon proper identification, will have permission to enter, inspect and observe permitted and related facilities in order to determine compliance with the approved plans, specifications and conditions of this Permit.
9. The District's staff, upon providing prior notice and proper identification, may request permission to collect water samples for analysis, measure static and/or pumping water levels and collect any other information deemed necessary to protect the water resources of the area.
10. The District reserves the right, at a future date, to require the Permittee to submit pumpage records for any or all withdrawal points(s) covered by this Permit.
11. Permittee shall mitigate any significant adverse impact caused by withdrawals permitted herein on the resource and legal water withdrawals and uses, and on adjacent land use, which existed at the time of permit application. The District reserves the right to curtail permitted withdrawal rates if the withdrawal causes significant adverse impact on the resource and legal uses of water, or adjacent land use, which existed at the time of permit application.
12. Permittee shall not cause significant saline water intrusion or increased chloride levels. The District reserves the right to curtail permitted withdrawal rates if withdrawals cause significant saline water intrusion or increased chloride levels.

13. The District, pursuant to Section 373.042, Florida Statutes, at a future date, may establish minimum and/or management water levels in the aquifer, aquifers, or surface water hydrologically associated with the permitted withdrawals; these water levels may require the Permittee to limit withdrawal from these water sources at times when water levels are below established levels.
14. Nothing in this Permit should be construed to limit the authority of the Northwest Florida Water Management District to declare water shortages and issue orders pursuant to Section 373.175, Florida Statutes, or to formulate and implement a plan during periods of water shortage pursuant to Section 373.246, Florida Statutes, or to declare Water Resource Caution Areas pursuant to Chapters 40A-2.801, and 62-40.41, Florida Administrative Code
 - (a) In the event of a declared water shortage, water withdrawal reductions shall be made as ordered by the District.
 - (b) In the event of a declared water shortage or an area as a Water Resource Caution Area, the District may alter, modify or inactivate all or parts of this permit.
15. The Permittee shall properly plug and abandon any well determined unsuitable for its intended use, not properly operated and maintained, or removed from service. The well(s) shall be plugged and abandoned to District Standards in accordance with Section 40A-3.531, Florida Administrative Code.
16. Any Specific Permit Condition(s) enumerated in Attachment A are herein made a part of this Permit.



Authorized Signature
Northwest Florida Water Management District

ATTACHMENT A
Water Management Services, Inc.

Individual Water Use Permit No. 20040013
Individual Water Use Application No. I06318

1. The Permittee shall reference the utility's production and monitoring wells by their Florida Unique Well Identification Number (FLUWID AAA####) when corresponding with the District. All water quality and water level data submitted shall clearly identify, by FLUWID #, the well associated with the data.
2. The Permittee shall maintain, in working order, in-line totaling flow meters on all production wells.
3. The Permittee shall limit the combined withdrawal amounts from wells WMS #1 (AAA5300), WMS #2 (AAA5299), and WMS #3 (AAA5297) to no more than 50 percent of its total annual withdrawal. The Permittee shall not withdraw at a rate of more than 250 gpm from either well WMS #1 (AAA5300) or WMS #2 (AAA5299), nor withdraw at a rate of more than 500 gpm from either well WMS #3 (AAA5297) or WMS #4 (AAD9754). The Permittee, by January 31 of each year, shall submit certification and documentation to the District that the utility has complied with this condition.
4. The Permittee, by January 31, April 30, July 31, and October 31 of each year, shall report the following information.
 - a. The data required on Water Use Summary Reporting Form NFWFMD A2-I for each production well for the preceding three months even if no water is used.
 - b. Static water level data for all all production and monitor wells during the first two weeks of each month. The Permittee shall use a District-approved method and shall not withdraw water from the wells for as long as possible (preferably 24 hours but at least four hours) prior to measuring the water level. All measurements shall be taken from the same measuring point. If the measuring point elevation is different from land surface, the Permittee shall provide the difference between these two elevations. All measurements shall reflect the depth to water from land surface elevation.

The Permittee, if preferred, may submit the report electronically by e-mailing it to compliance@nfwfmd.state.fl.us.

5. The Permittee, during the first two weeks of January, April, July and October, shall conduct water quality sampling from all production and monitor wells. The water-quality analyses shall test for the following parameters: chloride, sodium and total-dissolved solids. Prior to sampling, the Permittee shall purge a minimum of three to five well volumes from the wells, and shall report with each set of test results, the duration of

purging, purge volume, and purge rates used. The Permittee shall submit the results by the last day of the following month (e.g., data for samples collected in January are due by February 28). The Permittee, if preferred, may submit the report electronically by e-mailing it to compliance@nwfwmd.state.fl.us.

6. The Permittee, by July 31 of each year, shall report on the progress of implementation of the following water conservation/efficiency measures. The Permittee shall:
 - a. Provide an account of the amount of water withdrawn, the actual amount of water accounted for through the billing system, and an estimate of unaccounted for water by suspected cause (e.g., leaks, line breaks, inaccurate meters, unmetered users, line flushing, etc.). The Permittee shall also submit a progress report, including documentation, to the District of the unaccounted for totals and the actions taken to account for and reduce system water losses to less than ten percent of the water withdrawn during the previous year (amount withdrawn verses amount delivered).
 - b. Submit a copy of the present rate structure and tap fees.
 - c. Consider revising existing membership and/or tap fees (non-rate) fees to promote the installation of minimally sized connections/meters to meet non-discretionary water demand and discourage wasteful, discretionary use (e.g., irrigation, aesthetic use). The Permittee shall report to the District any recommended revisions and any actions undertaken as part of the required evaluation.
 - d. Provide documentation to the District that WMS have formally requested that Franklin County adopt a Florida Friendly Landscape Ordinance that, at a minimum, meets the provisions of Chapter 373.185, Florida Statutes, and an Irrigation Efficiency Ordinance that provides for year-round enhanced irrigation efficiency hours of before 10 a.m. and after 4 p.m. and irrigation for a maximum number of days each week (e.g. two days).
 - e. Provide updated status of its plumbing fixtures retrofit program designed to enhance water use efficiency. The Permittee, at a minimum, shall promote and make available to its customer's toilet tank displacement and faucet and showerhead aerators/flow-restrictors. The customers' kits shall provide sufficient units to retrofit all faucets and showerheads within a household or business establishment. The Permittee shall provide special assistance to hotels, motels and condominiums.
 - f. Provide updated status of a comprehensive public education and information campaign to promote water conservation and efficiency. The campaign shall consist of newspaper notices and articles, periodic radio and television announcements, periodic mail-outs to customers and the posting of signs and informational brochures in the rooms of hotels, motels and rental property. The campaign shall be oriented to emphasize the program being implemented and water conservation in general. The campaign shall be designed to regularly reach permanent and part-time residents and tourists.

7. The Permittee, by April 30 of each year, shall submit the following information for the previous year:
 - a. The total amount of water being billed to each type of customer (e.g., residential, commercial) within its service area and each total divided by the number of meters of each customer type. This analysis will be used to identify trends in total water use and water conservation/efficiency within the service area. The Permittee may submit additional analytical information in support of its water conservation and efficiency initiatives.
 - b. A summary of per-capita demands within its service area for each year and how the demands were calculated. The method utilized to estimate per capita demands shall be sufficiently documented that the calculated demands can be used to measure water efficiency/conservation progress within the WMS service area. The method of estimating the population served shall also be provided.
 - c. The number of active service connections.
8. The Permittee shall mitigate any adverse impact caused by withdrawals permitted herein on the water resources of the area or on domestic or other legal water withdrawals and uses. The Permittee shall report the occurrence of any such impacts to the District and shall identify the mitigation action undertaken to address the impacts or provide for the user to be connected to a water-supply system.

Application for Revised Service Availability Charges

Florida Public Service Commission
 Schedule SAC 7
 Page 1 of 1
 Preparer: J. Allen

Company: Water Management Services, Inc.
 Docket No.: 110200-WU
 Test Year Ended: December 31, 2010

25-30.565(4) & p - Statement by Registered Professional Engineer re Proposed Plant Expansion

| Line No. | Proposed Plant Improvements | Account No. | Installed Cost |
|----------|---|-------------|----------------|
| 1 | Structures and Improvements Construct new mechanical, electrical, generator and chlorine storage building with HVAC system; mobilization, layout testing and bond | 304 | 336,085 |
| 2 | Wells and Springs Well #5 - permit and construct new 500 gpm ground water supply well | 307 | 302,292 |
| 3 | Supply Mains Construct water main and tie in from existing line on bridge to new water tank; Well #5 tie in to existing main | 309 | 304,982 |
| 4 | Power Generation Equipment Install new emergency generators with fuel tanks per FDEP requirements at new high service PS, Well # 3 and Well #5 | 310 | 208,751 |
| 5 | Pumping Equipment High service end pump packages with suction and discharge piping; control system for high service pumps, 5 wells, and all instrumentation; sitework and plant piping, valves and meters | 311 | 655,150 |
| 6 | Water Treatment Plant Flow proportional chlorination systems | 320 | 63,261 |
| 7 | Distribution Reservoirs and Standpipes 600,000 gallon pre-stressed concrete ground storage tank, including dedicated fire protection, 100,000 gallon inner tank, 2,600 gpm fixed tray, screened aerator; chlorine distribution system; inlet/outlet piping | 330 | 831,246 |
| 8 | Transmission and Distribution Mains Construct new distribution mains and tie new water plant to existing potable water distribution system | 331 | 811,282 |
| 9 | Communication Equipment SCADA system for wells, high service pumps, ground storage tank water level, distribution system pressure including high service pump discharge flow rate totalizer with digital display and recorder | 346 | 52,387 |
| 10 | Subtotal - Adjustments for Proforma Plant Additions - See Schedule A-3, pg 1 of 2 | | 3,565,436 |
| 11 | Land required for building plant and Well #5 | 303 | 501,500 |
| 12 | Total - Adjustments for Proforma 2011 Plant Additions | | \$ 4,066,936 |

The proposed improvements are necessary for the utility to maintain safe, efficient and sufficient service to existing customers. They do not add to the capacity of the system.

The projected construction time is 12 months after approval.

Registered Professional Engineer
 P.E. No. 24705 State of Florida

Geo M. Thomas

Company: Water Management Services, Inc.
 Docket No.: 110200-WU
 Test Year Ended: December 31, 2010

25-30.565(4)s - Calculation of Proposed Service Availability Charges

SERVICE AVAILABILITY CHARGE CALCULATION
 2010 TY

WATER

| | | | |
|----|---|----|-----------|
| 1 | YEAR END GROSS BOOK VALUE | \$ | 8,903,072 |
| 2 | LAND | | 87,594 |
| 3 | YEAR END DEPRECIABLE ASSETS | | 8,815,478 |
| 4 | YEAR END ACCUMULATED DEPRECIATION TO DATE | | 3,413,348 |
| 5 | ACCUMULATED DEPRECIATION AT DESIGN CAPACITY | | 6,648,338 |
| 6 | NET PLANT AT DESIGN CAPACITY | \$ | 2,254,734 |
| 7 | | | |
| 8 | YEAR END TRANSMISSION & DISTRIBUTION LINES | \$ | 2,425,852 |
| 9 | MINIMUM LEVEL OF C.I.A.C. | | 27.25% |
| 10 | YEAR END C.I.A.C. TO DATE | \$ | 3,388,622 |
| 11 | YEAR END ACCUMULATED AMORTIZATION OF C.I.A.C. TO DATE | | 1,468,402 |
| 12 | NET C.I.A.C. TO DATE | | 1,920,220 |
| 13 | YEAR END LEVEL OF C.I.A.C. TO DATE | | 34.98% |
| 14 | ACCUMULATED AMORTIZATION OF C.I.A.C. AT DESIGN CAPACITY | \$ | 2,510,047 |
| 15 | FUTURE CUSTOMERS (ERC) TO BE CONNECTED | | 408 |
| 16 | COMPOSITE DEPRECIATION RATE | | 3.34% |
| 17 | COMPOSITE C.I.A.C. AMORTIZATION RATE | | 2.79% |
| 18 | NUMBER OF YEARS TO DESIGN CAPACITY | | 11 |
| 19 | EXISTING SERVICE AVAILABILITY CHARGE PER ERC | \$ | 1,620.00 |
| 20 | LEVEL OF C.I.A.C. AT DESIGN CAPACITY | | 63.74% |
| 21 | NET C.I.A.C. AT DESIGN CAPACITY | \$ | 1,437,178 |
| 23 | REQUESTED SERVICE AVAILABILITY CHARGE PER ERC | \$ | 2,356.25 |
| 24 | LEVEL OF C.I.A.C. AT DESIGN CAPACITY | | 75.00% |
| 25 | NET C.I.A.C. AT DESIGN CAPACITY | \$ | 1,691,051 |
| 26 | MINIMUM SERVICE AVAILABILITY CHARGE PER ERC | \$ | 0 |
| 27 | LEVEL OF C.I.A.C. AT DESIGN CAPACITY | | 27.25% |
| 28 | NET C.I.A.C. AT DESIGN CAPACITY | \$ | 878,575 |
| 29 | MAXIMUM SERVICE AVAILABILITY CHARGE PER ERC | \$ | 2,356.25 |
| 30 | LEVEL OF C.I.A.C. AT DESIGN CAPACITY | | 75.00% |
| 31 | NET C.I.A.C. AT DESIGN CAPACITY | \$ | 1,691,051 |

SERVICE AVAILABILITY CHARGE CALCULATION
 2010 TY w/ProForma 2011

WATER

| | | | |
|----|---|----|------------|
| 1 | YEAR END GROSS BOOK VALUE | \$ | 12,835,567 |
| 2 | LAND | | 589,094 |
| 3 | YEAR END DEPRECIABLE ASSETS | | 12,246,473 |
| 4 | YEAR END ACCUMULATED DEPRECIATION TO DATE | | 3,248,290 |
| 5 | ACCUMULATED DEPRECIATION AT DESIGN CAPACITY | | 7,064,527 |
| 6 | NET PLANT AT DESIGN CAPACITY | \$ | 5,771,039 |
| 7 | | | |
| 8 | YEAR END TRANSMISSION & DISTRIBUTION LINES | \$ | 3,237,134 |
| 9 | MINIMUM LEVEL OF C.I.A.C. | | 25.22% |
| 10 | YEAR END C.I.A.C. TO DATE | \$ | 3,388,622 |
| 11 | YEAR END ACCUMULATED AMORTIZATION OF C.I.A.C. TO DATE | | 1,468,402 |
| 12 | NET C.I.A.C. TO DATE | | 1,920,220 |
| 13 | YEAR END LEVEL OF C.I.A.C. TO DATE | | 20.03% |
| 14 | ACCUMULATED AMORTIZATION OF C.I.A.C. AT DESIGN CAPACITY | \$ | 2,510,047 |
| 15 | FUTURE CUSTOMERS (ERC) TO BE CONNECTED | | 408 |
| 16 | COMPOSITE DEPRECIATION RATE | | 2.83% |
| 17 | COMPOSITE C.I.A.C. AMORTIZATION RATE | | 2.79% |
| 18 | NUMBER OF YEARS TO DESIGN CAPACITY | | 11 |
| 19 | EXISTING SERVICE AVAILABILITY CHARGE PER ERC | \$ | 1,620.00 |
| 20 | LEVEL OF C.I.A.C. AT DESIGN CAPACITY | | 24.90% |
| 21 | NET C.I.A.C. AT DESIGN CAPACITY | \$ | 1,437,178 |
| 23 | REQUESTED SERVICE AVAILABILITY CHARGE PER ERC | \$ | 10,004.47 |
| 24 | LEVEL OF C.I.A.C. AT DESIGN CAPACITY | | 75.00% |
| 25 | NET C.I.A.C. AT DESIGN CAPACITY | \$ | 4,328,280 |
| 26 | MINIMUM SERVICE AVAILABILITY CHARGE PER ERC | \$ | 1,673.01 |
| 27 | LEVEL OF C.I.A.C. AT DESIGN CAPACITY | | 25.22% |
| 28 | NET C.I.A.C. AT DESIGN CAPACITY | \$ | 1,455,458 |
| 29 | MAXIMUM SERVICE AVAILABILITY CHARGE PER ERC | \$ | 10,004.47 |
| 30 | LEVEL OF C.I.A.C. AT DESIGN CAPACITY | | 75.00% |
| 31 | NET C.I.A.C. AT DESIGN CAPACITY | \$ | 4,328,280 |

Application for Revised Service Availability Charges

Florida Public Service Commission

Company: Water Management Services, Inc.

Schedule SAC 9

Docket No.: 110200-WU

Page 1 of 1

Test Year Ended: December 31, 2010

Preparer: J. Allen

25-30.565(4)t - Cost of Meters and Meter Installations

| <u>Line No.</u> | <u>Meter Installation Fee</u> | <u>Current</u> | <u>Proposed</u> |
|-----------------|-------------------------------------|------------------|-----------------|
| 1 | 5/8" x 3/4" meter | \$ 250.00 | \$ 400.00 |
| 2 | <u>Calculation of Proposed Fee:</u> | | |
| 3 | Cost of Meter Installation | | |
| 4 | Meter Cost | \$ 116.00 | |
| 5 | Saddle | 70.00 | |
| 6 | Meter Riser | 41.00 | |
| 7 | Meter Box | 22.00 | |
| 8 | Meter Coupling | 28.00 | |
| 9 | Curb Stop | 47.00 | |
| 10 | B.M. Hose | 9.00 | |
| 11 | Miscellaneous Parts | 10.00 | |
| 12 | Labor & Backhoe/Truck | <u>57.00</u> | |
| 13 | Proposed Charge | <u>\$ 400.00</u> | |

Company: Water Management Services, Inc.

Schedule SAC 10

Docket No.: 110200-WU

Page 1 of 1

Test Year Ended: December 31, 2010

Preparer: J. Allen

25-30.565(4)v - Existing & Proposed Capital Structure

EXISTING CAPITAL STRUCTURE

| Line No. | Class of Capital | Prior Year 12/31/2009 | Test Year 12/31/2010 | Thirteen Month Average |
|----------|----------------------------|--------------------------|-------------------------|------------------------------|
| 1 | Long-Term Debt | 7,730,876 | 8,096,036 | 7,831,613 |
| 2 | Short-Term Debt | - | - | - |
| 3 | Preferred Stock | - | - | - |
| 4 | Common Equity | (2,055,446) | (2,336,947) | (2,163,302) |
| 5 | Customer Deposits | 103,669 | 136,174 | 112,209 |
| 6 | Tax Credits - Zero Cost | - | - | - |
| 7 | Tax Credits - Wtd. Cost | - | - | - |
| 8 | Accum. Deferred Income Tax | - | - | - |
| 9 | Accum Deferred Income Tax | - | - | - |
| 10 | Total | 5,779,100 | 5,895,263 | 5,780,520 |

PROPOSED CAPITAL STRUCTURE

| Line No. | Class of Capital | Prior Year 12/31/2009 | Test Year 12/31/2010 | 2011 Proforma |
|----------|----------------------------|--------------------------|-------------------------|------------------|
| 11 | Long-Term Debt | 7,730,876 | 8,096,036 | 11,778,773 |
| 12 | Short-Term Debt | - | - | - |
| 13 | Preferred Stock | - | - | - |
| 14 | Common Equity | (2,055,446) | (2,336,947) | (2,163,302) |
| 15 | Customer Deposits | 103,669 | 136,174 | 112,209 |
| 16 | Tax Credits - Zero Cost | - | - | - |
| 17 | Tax Credits - Wtd. Cost | - | - | - |
| 18 | Accum. Deferred Income Tax | - | - | - |
| 19 | Other (explain) | - | - | - |
| 20 | Total | 5,779,100 | 5,895,263 | 9,727,680 |

Application for Revised Service Availability Charges

Company: Water Management Services, Inc.

Docket No.: 110200-WU

Test Year Ended: December 31, 2010

Florida Public Service Commission

Schedule SAC 11

Page 1 of 3

Preparer: J. Allen

25-30.565(4)w - Proposed Tariff Sheets

WATER MANAGEMENT SERVICES, INC.
WATER TARIFF

5.0 REQUIREMENT FOR PAYMENT OF C.I.A.C.

The Utility requires the payment of contributions in aid of construction either by cash payments or through transfer of water distribution facilities and appurtenances thereto which have been installed by the contributor or through a combination of both cash payments and a transfer of such facilities to the Utility.

For the purpose of this Policy, the term contributions in aid of construction shall include the on-site water distribution system contributed in cash, or in kind payments to defray, in part or in total, the cost of the off-site lines and related facilities; payments to defray the cost of the treatment facilities; and meter installation fees.

6.0 C.I.A.C. - TREATMENT FACILITIES

Utility requires that all contributors pay contributions based in part on a pro rata share of the cost of treatment plant facilities, whether or not the facilities have been constructed or may be constructed to continue to render service. Such payments are herein defined as contributions in aid of construction and shall be made by all contributors upon approval of the governmental agency having jurisdiction of this Policy, where water service is available or agreed to be made available, in the territory.

Utility further declares that these contributions shall be uniform among all contributors notwithstanding provisions of prior developer agreements or the practices and procedures pertaining to such charges as established prior to the adoption of Chapter 25-30.585, F.A.C.

6.1 SCHEDULE OF C.I.A.C. FOR TREATMENT FACILITIES

C.I.A.C. for treatment facilities to be paid prior to the commencement of water service as a prerequisite for such service is \$9,079.47 per ERC or \$25.94 per gallon.

EFFECTIVE DATE: _____
TYPE OF FILING: Rate Increase

GENE D. BROWN
Issuing Officer
As its President

FIRST REVISED SHEET NO. 41.0
REPLACES ORIGINAL SHEET NO. 41.0

WATER MANAGEMENT SERVICES, INC.
WATER TARIFF

SCHEDULE OF FEES AND CHARGES

| DESCRIPTION | AMOUNT | SHEET NO. |
|--|----------------|-----------|
| Plant Capacity Charge | | |
| Residential-per ERC (350 gpd) | \$9,079.47 | 29.0 |
| All Others-per gallon | \$25.94 | 29.0 |
| Main Extension Charge | | |
| Residential-per ERC (350 gpd) | \$525.00 | 30.0 |
| All Others-per gallon | \$1.50 | 30.0 |
| Meter Installation Fee | | |
| 5/8" x 3/4" | \$400.00 | 35.0 |
| Over 5/8" x 3/4" | Actual Cost | |
| Plan Review Charge | | |
| Refer to Rule 9.1 | Actual Cost | 32.0 |
| Inspection Fee | | |
| Refer to Rule 12.1 | Actual Cost | 35.0 |
| Customer Connection (Tap-in) charge | | |
| Refer to Rule 14.0 | Actual Cost | 36.0 |
| Allowance for Funds Prudently Invested | | |
| Refer to Rule 20.0 | Per Schedule | 39.0 |
| CIAC Tax Impact Charge | | |
| Refer to Rule 21.0 | Not Applicable | 39.0 |

EFFECTIVE DATE: _____
TYPE OF FILING: Rate Increase

GENE D. BROWN
Issuing Officer
As its President