

State of Florida




Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD
TALLAHASSEE, FLORIDA 32399-0850

-M-E-M-O-R-A-N-D-U-M-

DATE: February 7, 2025

TO: Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

FROM: Justin Swards, Public Utilities Supervisor, Division of Accounting & Finance 

RE: Docket No. 20240011 - Application for certificate to provide water service in St. Johns County, by Riverdale Utility Holding, Inc.

Please place the following email and attachments in the docket referenced above.

From: [Martin S. Friedman](#)
To: [Justin Swards](#)
Cc: [Elaine "Lannie" Kremin](#); [Debbie Swain](#); [Robert Shelnut](#)
Subject: Questions on Riverdale
Date: Friday, January 17, 2025 2:38:32 PM
Attachments: [image634994.png](#)
[image530620.png](#)
[Riverdale Questions to Finalize Revenue Requirement - 1.7.2025.docx](#)
[Riverdale - PSC Response to O&M Tab \(Licensed Operator\) - 1.16.2025.xlsx](#)
[Riverdale Heritage - Response Letter to PSC Regarding Meter Testing Fee - 1.14.2024\(5438230.1\).pdf](#)
Importance: High

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Justin,

Riverdale has contacted an outside firm to handle the water operations and were given the breakdown per the attached excel file. Not materially different but more specificity. Since the water system has not been completed we have to work from estimates and these are the moist current we have.

Let me know if you have any additional questions.

Thanks, Marty



Martin S Friedman
Attorney at Law
MFriedman@deanmead.com
D: 407-310-2077

Dean, Mead, Egerton, Bloodworth, Capouano & Bozarth, P.A.
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From: Justin Swards <jsewards@psc.state.fl.us>
Sent: Tuesday, January 7, 2025 3:49 PM
To: Martin S. Friedman <MFriedman@deanmead.com>
Subject: Questions on Riverdale

CAUTION: This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Marty,

Per our conversation, attached are a few additional questions we had in order to round out our analysis of Riverdale as quickly as possible. Please give me a call if any clarification is needed. As soon as we have the responses we can file them in the docket and get everything wrapped up.

Thank you,

Justin Swards

Public Utilities Supervisor

Division of Accounting and Finance

Florida Public Service Commission

JSwards@PSC.STATE.FL.US

850-413-6844

1. Please refer to the “O&M” tab of the excel file provided in response to staff’s first data request.
 - a. The utility reflected three positions under labor, Licensed Operator, Mechanic/Maintenance, Administrative/Billing, are these positions anticipated to be contracted services, or are any of the three anticipated to be direct employees of Riverdale? **Contracted Services**
 - b. For any anticipated direct employees, please provide estimated expenses for pensions and benefits and associated payroll taxes. **N/A – Third Party Contractor - No direct employees**
 - c. In response to staff’s second data request, the Utility indicated the Mechanic/Maintenance position was full-time, however, according to the excel file the position is listed at 1040 hours, or part-time. Is the anticipated position full-time or part-time? **N/A – Third Party Contractor – No direct employees**
 - d. Does the \$52,000 salary listed represent a full-time or part-time salary?
N/A – No direct employees
 - e. What are the responsibilities of the Licensed Operator? In what areas of responsibilities do the anticipated Licensee Operator and Mechanic/Maintenance position overlap? **There is no overlap as the Licensed Operator will be responsible for all Operations and Maintenance.**
2. Please refer to Schedule No. 8 of the filing. How was a 7.00% cost rate for long debt determined? **Determined by evaluation of “Band of Investments” and alternative investments**

Table 3 Engineer's Opinion of Annual Operation Maintenance Costs for 90,000 GPD Riverdale Water Treatment Plant

2024

2035

	Operator	Quantity		Unit Cost		Annual Amount	1.3120867	80%	TOTAL	
601	Third Party Contractor - Licensed Operator	12	mo/yr	\$6,500	/mo	\$78,000.00	102,343		102,343	
601							-		-	102,343
	Contractural									
630	Accounting	12	mo/yr	\$200	/mo	\$2,400.00		3,149	3,149	
630	Annual PSC Audit & Report	1	/yr	\$2,500		\$2,500.00		3,280	3,280	6,429
655	Insurance	1	/yr	\$7,500		\$7,500.00		9,841	9,841	
	Materials									
620	Materials for pretreatment ²					\$142.46		150	150	
620	Cartridge filter replacement ²	12	filters/yr	153.7205	/filter	\$1,844.65		1,936	1,936	
620	Materials for membrane process ²					\$269.71		283	283	
620	Membrane replacement ²	7.2	element/yr	719.2332	/element	\$5,178.48		5,436	5,436	
620	Materials for cleaning ²					\$109.32		115	115	
620	Materials for feed water and booster pumps ²					\$295.15		310	310	
620	Materials for High Service pumps					\$295.15		310	310	
620	Materials for backwash transfer pumps					\$295.15		310	310	
620	Misc Materials for distribution system & sprayfield					\$2,400.00		2,519	2,519	
620	Office Supplies	12	mo/yr	\$50	/mo	\$600.00		630	630	
620	Postage	12	mo/yr	\$165	/mo	\$1,980.00		2,078	2,078	14,077
	Building and Ground maintenance (materials and labor)²	1450	sf	6.479029	/sf/yr	\$9,394.59		9,861	9,861	
	Chemicals									
618	Sulfuric Acid - Small Qty ²	15479.11255	lbs/yr	0.195098	/lb	\$3,019.95		3,170	3,170	
618	Antiscalant - Premium ²	863.8335949	lbs/yr	4.298511	/lb	\$3,713.20		3,898	3,898	
618	Membrane Cleaner - Low pH Sulfate Control ²	11.25	gal/yr	38.52575	/gal	\$433.41		455	455	
618	Membrane Cleaner - High pH Detergent ²	11.25	gal/yr	44.17766	/gal	\$497.00		522	522	
618	Disinfection - Sodium Hypochlorite	6849.225	lb/yr	0.383693	/lb	\$2,628.00		2,759	2,759	10,804
	Energy									
615	Energy for feed water and booster pumps ²	47.06336636	Mwh/yr	0.110018	/kwh	\$5,177.79		5,435	5,435	
615	Energy for high service pumps	15655.63725	kwh/yr	0.110018	/kwh	\$1,722.39		1,808	1,808	
615	Energy for backwash transfer pumps	3913.909314	kwh/yr	0.110018	/kwh	\$430.60		452	452	
615	Energy for lighting ²	0.696919315	Mwh/yr	0.110018	/kwh	\$76.67		80	80	
615	Energy for ventilation	3285	kwh/yr	0.110018	/kwh	\$361.41		379	379	8,154
	Laboratory Fees									
630	Permit Compliance Sampling	12	mo	\$1,500	/mo	\$18,000.00		18,894	18,894	
	Total Estimated Annual Costs					\$149,265.08	102,343	78,060	180,403	

Notes:

1. Cost for contract operation based on vendor price estimate.

2. Material, Building/Grounds, Chemicals, and Energy costs based on Work Breakdown Structure-Based (WBS) Cost Model for Reverse Osmosis/Nanofiltration Drinking Water Treatment, US EPA Office of Water, March 2023

Riverdale Heritage Land, Inc.
2120 Corporate Square Blvd., Suite 3
Jacksonville, Florida 32216
Phone (904) 724-7800

January 14, 2025

Justin Sowards
Public Utilities Supervisor
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, FL 32399-0850

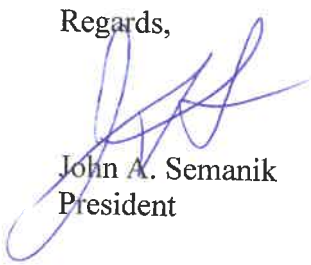
RE: Meter Testing Fee

Dear Mr. Sowards:

Please accept this letter as our confirmation to be consistent with the rule in 25-30.266 of the Florida Administrative Code regarding meter testing fees.

Please let us know if you have any questions or require additional information.

Regards,



John A. Semanik
President