

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-**

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**DATE:** October 22, 2020

**TO:** Office of Commission Clerk (Teitzman)

**FROM:** Division of Engineering (M. Watts, Doehling) *TB*  
Division of Accounting and Finance (J. Bloeker, Norris) *ALM*  
Division of Economics (Hudson, Sibley) *JGH*  
Office of the General Counsel (Stiller) *JSC*

**RE:** Docket No. 20180214-WS – Application to transfer facilities and Certificate Nos. 542-W and 470-S in Putnam County from St. John's River Club Utility Company, LLC to St. Johns River Estates Utilities, LLC.

**AGENDA:** 11/03/20 – Regular Agenda – Proposed Agency Action for Issues 2 and 3 - Interested Persons May Participate

**COMMISSIONERS ASSIGNED:** All Commissioners

**PREHEARING OFFICER:** Fay

**CRITICAL DATES:** None

**SPECIAL INSTRUCTIONS:** None

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### Case Background

St. John's River Club Utility Company, LLC (SJRC or Seller) is a Class C water and wastewater utility providing service to approximately 85 customers in the Bayou Club development located in Putnam County. SJRC is located in the St. Johns River Water Management District (SJRWMD). The SJRWMD has implemented district wide irrigation water use restrictions to encourage conservation. SJRC's 2019 Annual Report indicates gross revenues of \$14,644 and \$20,529 for water and wastewater, respectively, and net operating income of \$3,437 for water and \$4,818 for the wastewater system.

The Florida Public Service Commission (Commission) granted original water and wastewater certificates to Buffalo Bluff Utilities, Inc. in 1992.<sup>1</sup> The Commission approved the transfer of Buffalo Bluff Utilities, Inc. to St. John's River Club, L.L.C. in 2005.<sup>2</sup> In 2007, the Commission approved the transfer of the system to SJRC.<sup>3</sup> The rates for the Utility were last set by the Commission in a staff-assisted rate case in 2000.<sup>4</sup>

On November 20, 2018, American Retirement Communities (ARC) filed an application with the Commission for the transfer of Certificate Nos. 542-W and 470-S from SJRC to St. Johns River Estates Utilities, LLC (SJR Estates, Buyer or Utility) in Putnam County. After discussions with staff, the Buyer resubmitted the application in its own name instead of its parent company, ARC, on December 10, 2018.

This recommendation addresses the transfer of the water and wastewater systems and Certificate Nos. 542-W and 470-S, the appropriate net book value of the water and wastewater systems for transfer purposes, and the need for an acquisition adjustment. The Commission has jurisdiction pursuant to Section 367.071, Florida Statutes (F.S.).

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1 Order No. PSC-92-0330-FOF-WS, issued May 11, 1992 in Docket No. 19910646-WS, *In re: Application for water and wastewater certificates in Putnam County by Buffalo Bluff Utilities, Inc.*

2 Order No. PSC-05-0431-PAA-WS, issued April 20, 2005, in Docket No. 20041096-WS, *In re: Application for Transfer of Certificate Nos. 542-W and 470-S in Putnam County from Buffalo Bluff Utilities, Inc. to St. John's River Club, L.L.C.*

3 Order No. PSC-07-0195-FOF-WS, issued March 5, 2007, in Docket No. 20060703-WS, *In re: Application for transfer of Certificate Nos. 542-W and 470-S in Putnam County from St. John's River Club, L.L.C. to St. John's River Club Utility Company, LLC.*

4 Order No. PSC-00-2500-PAA-WS, issued December 26, 2000, in Docket No. 20000327-WS, *In re: Application for Staff-Assisted Rate Case in Putnam County by Buffalo Bluff Utilities, Inc.*

## Discussion of Issues

**Issue 1:** Should the transfer of Certificate Nos. 542-W and 470-S in Putnam County from St. John's River Club Utility Company, LLC to St. Johns River Estates Utilities, LLC be approved?

**Recommendation:** Yes. The transfer of the water and wastewater systems and Certificate Nos. 542-W and 470-S is in the public interest and should be approved effective the date of the Commission's vote. The resultant order should serve as the Buyer's certificate and should be retained by the Buyer. The existing rates and charges, except the main extension charges, should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or connections made on or after the stamped approval date on the tariffs, pursuant to Rule 25-30.475, Florida Administrative Code (F.A.C.). The Seller is current with respect to annual reports and regulatory assessment fees (RAFs) through December 31, 2019. The Buyer will be responsible for filing annual reports and paying RAFs for 2020 and all future years. (Doehling, M. Watts, J. Blocker, Sibley)

**Staff Analysis:** On November 20, 2018, ARC filed an application on behalf of SJR Estates for the transfer of Certificate Nos. 542-W and 470-S from SJRC to SJR Estates in Putnam County. After discussions with staff in which staff attempted to get clarification regarding the filing, SJR Estates chose to submit a revised application on its own behalf. The revised application was submitted on December 10, 2018. The application is in compliance with Section 367.071, F.S., and Commission rules concerning applications for transfer of certificates. The sale to SJR Estates occurred on August 17, 2018, contingent upon Commission approval, pursuant to Section 367.071(1), F.S.

### Noticing, Territory, and Land Ownership

SJR Estates provided notice of the application pursuant to Section 367.071, F.S., and Rule 25-30.030, F.A.C. No objections to the transfer were filed, and the time for doing so has expired. The application contains a description of the service territory which is appended to this recommendation as Attachment A. The Utility provided a copy of a 99 year lease agreement effective August 9, 2018, as evidence that SJR Estates has rights to long-term use of the land upon which the water and wastewater treatment facilities are located pursuant to Rule 25-30.037(2)(s), F.A.C.

### Purchase Agreement and Financing

Pursuant to Rule 25-30.037(2)(i), and (j), F.A.C., the application contains a statement regarding financing and a copy of the purchase agreement, which includes the purchase price, terms of payment and a list of the assets purchased. There are no developer agreements, customer deposits, or customer advances that must be disposed of regarding the transfer. According to the purchase agreement, the total purchase price for assets is \$10,000. According to the Buyer, the sale took place on August 17, 2018, subject to Commission approval, pursuant to Section 367.071(1), F.S.

### **Facility Description and Compliance**

The Utility's water treatment plant is composed of three four-inch wells with inline Venturi Aerators and hypo-chlorination used as the primary form of treatment. The wastewater system consists of one lift station and an extended aeration treatment facility with chlorinated effluent sent to two percolation ponds. The last sanitary survey of the water treatment facility was conducted on May 8, 2020, by the Department of Environmental Protection (DEP). The last compliance inspection of the wastewater treatment facility was on January 29, 2016. There were no deficiencies noted in either inspection and both systems were determined to be in compliance with the DEP's rules and regulations.

### **Technical and Financial Ability**

Pursuant to Rule 25-30.037(2)(l) and (m), F.A.C., the application contains statements describing the technical and financial ability of the Buyer to provide service to the proposed service area. The application states that while the Buyer does not have experience in the water or wastewater industry, it plans to continue to maintain the system and will hire appropriate staff. Through its review of DEP records, staff has verified that the same plant operator has been retained. The application also includes financial statements supporting the financial ability of the Buyer to provide service to the proposed service area. Based on its review, staff believes the Buyer has demonstrated the technical and financial ability to provide service to the existing service territory.

### **Rates and Charges**

The Utility's rates and charges were last set in a staff-assisted rate case in 2000<sup>5</sup> and have remained unchanged. Rule 25-9.044(1), F.A.C., provides that, in the case of a change of ownership or control of a utility, the rates, classifications, and regulations of the former owner must continue unless authorized to change by the Commission. As discussed in Issue 3, due to the level of net contribution in aid of construction (CIAC) to net plant, staff is recommending that the main extension charge for both water and wastewater be discontinued. Therefore, staff recommends that the Utility's existing rates and charges, except the main extension charges, remain in effect until a change is authorized by this Commission and are shown on Schedule No. 4.

### **Regulatory Assessment Fees and Annual Reports**

Staff has verified that the Seller is current with respect to annual reports and RAFs through December 31, 2019. The Buyer will be responsible for filing annual reports and paying RAFs for 2020 and all future years.

### **Conclusion**

Based on the foregoing, staff recommends the transfer of the water and wastewater systems and Certificate Nos. 542-W and 470-S is in the public interest and should be approved effective the date of the Commission's vote. The resultant order should serve as the Buyer's certificate and should be retained by the Buyer. The existing rates and charges, except the main extension charges, should remain in effect until a change is authorized by the Commission in a subsequent proceeding. The tariffs reflecting the transfer should be effective for services rendered or

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<sup>5</sup> Order No. PSC-00-2500-PAA-WS, issued December 26, 2000, in Docket No. 20000327-WS, *In re: Application for staff-assisted rate case in Putnam County by Buffalo Bluff Utilities, Inc.*

connections made on or after the stamped approval date on the tariffs, pursuant to Rule 25-30.475, F.A.C. The seller is current with respect to annual reports and RAFs through December 31, 2019. The Buyer will be responsible for filing annual reports and paying RAFs for 2020 and all future years.

Date: October 22, 2020

**Issue 2:** What is the appropriate net book value for the SJR Estates systems for transfer purposes and should an acquisition adjustment be approved?

**Recommendation:** The net book value (NBV) of the water and wastewater systems for transfer purposes is \$1,079 and \$7,664, respectively, as of August 17, 2018. No positive acquisition adjustment should be included in rate base. Within 90 days of the date of the final order, SJR Estates should be required to notify the Commission in writing that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in SJR Estates' 2020 Annual Report when filed. (J. Blocker)

**Staff Analysis:** Rate base was last established as of December 31, 2004, in Order No. PSC-2005-0431-PAA-WS. The purpose of establishing net book value for both the water and wastewater systems for transfers is to determine whether an acquisition adjustment should be approved. The NBV does not include normal ratemaking adjustments for non-used and useful plant and working capital. The NBV has been updated to reflect balances as of August 17, 2018. Staff's recommended NBV, as described below, is shown on Schedule Nos. 1, 2 and 3, attached to the recommendation.

### **Utility Plant in Service (UPIS)**

The Utility's general ledger reflected water and wastewater UPIS balances of \$99,234 and \$132,899, respectively, as of August 17, 2018. Audit staff reviewed UPIS additions since the last rate case proceeding and as a result of a lack of proper supporting invoices, has decreased UPIS for water by \$14,204 and wastewater by \$3,914. Therefore, staff recommends that the Utility's water and wastewater UPIS balances as of August 17, 2018, should be \$85,030 and \$128,985, respectively.

### **Land**

According to the Utility's general ledger, as of August 17, 2018, the water and wastewater land balances were \$4,152 and \$10,960, respectively. Water and wastewater land additions were noted in the general ledger for 2017 and 2018. Upon discussion however, the Buyer stated that the Seller did not have any additions during those periods and could not provide any supporting documentation. Audit staff determined that water land was overstated by \$3,049, and wastewater land was overstated by \$1,122. Therefore, staff recommends that the Utility's water and wastewater land balances as of August 17, 2018, should be \$1,103 and \$9,838, respectively.

### **Accumulated Depreciation**

The Utility's general ledger reflected an accumulated depreciation balance of \$83,867 for water and \$126,343 for wastewater as of August 17, 2018. Audit staff calculated water and wastewater accumulated depreciation using the rates from Rule 25-30.140, F.A.C., and the audited plant additions and retirements as of August 17, 2018. Based on this calculation, water and wastewater accumulated depreciation is overstated by \$3,189 and \$831, respectively. As such, staff recommends that the Utility's accumulated depreciation balances should be \$80,678 for water and \$125,512 for wastewater, as of August 17, 2018.

Date: October 22, 2020

### **Contributions-in-Aid-of-Construction (CIAC) and Accumulated Amortization of CIAC**

As of August 17, 2018, the Utility's general ledger reflected CIAC balances of \$31,205 and \$34,285 for the water and wastewater, respectively. Staff reviewed the CIAC balances and has no adjustments. As of August 17, 2018, the Utility's general ledger reflected accumulated amortization of CIAC balances of \$27,520 and \$29,024 for water and wastewater, respectively. Staff recalculated accumulated amortization of CIAC balances based on the approved rate from Order No. PSC-2005-0431-PAA-WS. Based on staff's recalculation, water and wastewater accumulated amortization of CIAC was overstated by \$691 and \$386, respectively. Therefore, staff recommends CIAC balances of \$31,205 for water and \$34,285 for wastewater, and accumulated amortization of CIAC balances of \$26,829 for water and \$28,638 for wastewater, as of August 17, 2018.

### **Net Book Value**

The Utility reflected a NBV for water of \$15,834 and a NBV for wastewater of \$12,255. Based on the adjustments above, staff recommends a NBV \$1,079 for water and a NBV of \$7,664 for wastewater, for a total NBV of \$8,743.

### **Acquisition Adjustment**

An acquisition adjustment results when the purchase price differs from the NBV of the assets at the time of the acquisition. The Utility and its assets were purchased for \$10,000. As stated above, staff recommends the appropriate total NBV to be \$8,743. Pursuant to Rule 25-30.0371, F.A.C., a positive acquisition adjustment may be appropriate when the purchase price is greater than the NBV, and a negative acquisition adjustment may be appropriate when the purchase price is less than NBV. However, pursuant to Rule 25-30.0371(2), F.A.C., a positive acquisition adjustment shall not be included in rate base unless there is proof of extraordinary circumstances. The Buyer did not request a positive acquisition adjustment. As such, staff recommends that no positive acquisition adjustment be approved.

### **Conclusion**

Based on the above, staff recommends that the NBV of the Utility, for transfer purposes, is \$8,743 (\$1,079 + \$7,664), as of August 17, 2018. No positive acquisition adjustment should be included in rate base. Within 90 days of the date of the final order, the Buyer should be required to notify the Commission in writing that it has adjusted its books in accordance with the Commission's decision. The adjustments should be reflected in SJR Estates' 2020 Annual Report.

Date: October 22, 2020

**Issue 3:** Should the Utility's main extension charge be discontinued?

**Recommendation:** Yes. The Utility's main extension charge should be discontinued for the water and wastewater systems. SJR Estates should provide notice to customers who have requested service within 12 calendar months prior to the month the application was filed to the present. The Utility should file revised tariffs reflecting the discontinuance of the main extension charges. The revised tariffs should be effective for connections made on or after the stamped approval date on the tariff sheets. The Utility should provide proof of the date notice was given within 10 days of the date of the notice. (Hudson)

**Staff Analysis:** The Utility's existing service availability charges include main extension charges of \$545 for water and \$935 for wastewater. A main extension charge allows the Utility to recover a portion of the cost of the Utility's distribution and collection lines from future customers. Currently, the Utility is not built out and can accommodate approximately 20 additional connections.

Rule 25-30.580, F.A.C., establishes guidelines for designing service availability charges. Pursuant to the Rule, the maximum amount of contributions-in-aid-of construction (CIAC), net of amortization, should not exceed 75 percent of the total original cost, net of accumulated depreciation, of the utility's facilities and plant when the facilities and plant are at their designed capacity. The minimum amount of CIAC should not be less than the percentage of such facilities and plant that is represented by the water transmission and distribution and wastewater collection systems. The maximum guideline is designed to ensure that the Utility retains an investment in the system.

Staff's recommended net book values yield contribution levels of 100 percent for water and 163 percent for wastewater. As a result, because the Utility has fully recovered the cost of the Utility's distribution and collection lines and the contribution levels exceed the maximum guideline in Rule 25-30.580, F.A.C., staff recommends that the Utility's main extension charge should be discontinued for the water and wastewater systems.

Based on the above, the Utility's main extension charge should be discontinued for the water and wastewater systems. SJR Estates should provide notice to customers who have requested service within 12 calendar months prior to the month the application was filed to the present. The Utility should file revised tariffs reflecting the discontinuance of the main extension charges. The revised tariff should be effective for connections made on or after the stamped approval date on the tariff sheets. The Utility should provide proof of the date notice was given within 10 days of the date of the notice.

**Issue 4:** Should this docket be closed?

**Recommendation:** Yes. If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the order, a consummating order should be issued and the docket should be closed administratively upon Commission staff's verification that the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision. (Stiller)

**Staff Analysis:** If no protest to the proposed agency action is filed by a substantially affected person within 21 days of the date of the issuance of the order, a consummating order should be issued and the docket should be closed administratively upon Commission staff's verification that the Buyer has notified the Commission in writing that it has adjusted its books in accordance with the Commission's decision.

**ST. JOHNS RIVER ESTATES UTILITIES, LLC**

**DESCRIPTION OF TERRITORY SERVED**

A part of Sections 33 and 34, Township 10 South, Range 26 East and a part of Section 39, Township 10 South, Range 26 East and part of Section 39, Township 11 South, Range 26 East, Putnam County, Florida, being more particularly described as follows: For a point of reference commence at the point of intersection of the northerly line of said Section 39, Township 10 South, Range 26 East, said point being 100.00 feet easterly of as measured at right angles to the center line of the CSX Transportation right-of-way as now established; thence S 28°27'00" E, a distance of 1226.87 feet to the northeasterly right-of-way of County Road 309-B as now established to the POINT OF BEGINNING; thence northwesterly along said northeasterly right-of-way line, along the arc of a curve concave northeasterly and have a radius of 1860.08 feet, a chord bearing of N 53°28'26" W and a chord distance of 118.36 feet; thence N 28°27'00" W, a distance of 1281.54 feet; thence N 61°33'00" E, a distance of 50.00 feet; thence N 28°27'00" W, along the easterly right-of-way line of the CSX Transportation right-of-way, said right-of-way line being 100.00 feet easterly of as measured at right angles to said center line as now established, a distance of 1404.97 feet; thence N 73°28'46" E, a distance of 478.55 feet; thence N 01°09'00" W, a distance of 210.00 feet; thence N 88°51'00" E, a distance of 210.00 feet; thence N 01°09'00" W, a distance of 600 feet more or less to the waters of Murphy Creek; thence southeasterly along said waters of Murphy Creek a distance of approximately 4700 feet to the easterly line of Section 39, Township 10 South, Range 26 East; thence S 26°14'14" E, along said easterly line of said Section 39, Township 10 South, Range 26 East and the easterly line of said Section 39, Township 11 South, Range 26 East, a distance of 1447 feet more or less; thence S 74°31'16" W a distance of 1674.27 feet, to the northeasterly right-of-way line of County Road 309-B as now established; thence N 59°08'00" W along said northeasterly right-of-way line a distance of 203.67 feet; thence northwesterly along the northeasterly right-of-way line, along the arc of a curve concave northeasterly and having a radius of 1860.08 feet, a chord bearing of N 57°11'47" W and a chord distance of 125.6 feet to the POINT OF BEGINNING.

**FLORIDA PUBLIC SERVICE COMMISSION**

Authorizes

**St. Johns River Estates Utilities, LLC**  
pursuant to  
**Certificate Number 542-W**

to provide water service in Putnam County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

| Order Number       | Date Issued | Docket Number | Filing Type          |
|--------------------|-------------|---------------|----------------------|
| PSC-92-0330-FOF-WS | 5/11/92     | 19910646-WS   | Original Certificate |
| PSC-05-0431-PAA-WS | 4/20/05     | 20041096-WS   | Transfer             |
| PSC-07-0195-FOF-WS | 3/05/07     | 20060703-WS   | Transfer             |
| *                  | *           | 20180214-WS   | Transfer             |

**\*Order Numbers and dates to be provided at time of issuance.**

**FLORIDA PUBLIC SERVICE COMMISSION**

Authorizes

**St. Johns River Estates Utilities, LLC**  
pursuant to  
**Certificate Number 470-S**

to provide wastewater service in Putnam County in accordance with the provisions of Chapter 367, Florida Statutes, and the Rules, Regulations, and Orders of this Commission in the territory described by the Orders of this Commission. This authorization shall remain in force and effect until superseded, suspended, cancelled or revoked by Order of this Commission.

|                    |         |             |                      |
|--------------------|---------|-------------|----------------------|
| PSC-92-0330-FOF-WS | 5/11/92 | 19910646-WS | Original Certificate |
| PSC-05-0431-PAA-WS | 4/20/05 | 20041096-WS | Transfer             |
| PSC-07-0195-FOF-WS | 3/05/07 | 20060703-WS | Transfer             |
| *                  | *       | 20180214-WS | Transfer             |

**\*Order Numbers and dates to be provided at time of issuance**

**St. Johns River Estates Utilities, LLC  
 Schedule of Net Book Value as of August 17, 2018**

**Water System**

| <b><u>Description</u></b>        | <b><u>Balance<br/>Per Utility</u></b> | <b><u>Adjustments</u></b> | <b><u>Staff<br/>Recommended</u></b> |
|----------------------------------|---------------------------------------|---------------------------|-------------------------------------|
| Utility Plant in Service         | \$99,234                              | (\$14,204)                | \$85,030                            |
| Land & Land Rights               | 4,152                                 | (3,049)                   | 1,103                               |
| Accumulated Depreciation         | (83,867)                              | 3,189                     | (80,678)                            |
| CIAC                             | (31,205)                              | -                         | (31,205)                            |
| Accumulated Amortization of CIAC | <u>27,520</u>                         | <u>(691)</u>              | <u>26,829</u>                       |
| Total                            | <u>\$15,834</u>                       | <u>(\$14,755)</u>         | <u>\$1,079</u>                      |

**Wastewater System**

| <b><u>Description</u></b>        | <b><u>Balance<br/>Per Utility</u></b> | <b><u>Adjustments</u></b> | <b><u>Staff<br/>Recommended</u></b> |
|----------------------------------|---------------------------------------|---------------------------|-------------------------------------|
| Utility Plant in Service         | \$132,899                             | (\$3,914)                 | \$128,985                           |
| Land & Land Rights               | 10,960                                | (1,122)                   | 9,838                               |
| Accumulated Depreciation         | (126,343)                             | 831                       | (125,512)                           |
| CIAC                             | (34,285)                              | -                         | (34,285)                            |
| Accumulated Amortization of CIAC | <u>29,024</u>                         | <u>(386)</u>              | <u>28,638</u>                       |
| Total                            | <u>\$12,255</u>                       | <u>(\$4,591)</u>          | <u>\$7,664</u>                      |

**Explanation of Staff's Recommended  
Adjustments to Net Book Value as of August 17, 2018**

| <b><u>Explanation</u></b>  | <b><u>Water</u></b> | <b><u>Wastewater</u></b> |
|--|---------------------|--------------------------|
| Utility Plant in Service<br>To reflect appropriate amount of utility plant in service.                 | <u>(\$14,204)</u>   | <u>(\$3,914)</u>         |
| Land<br>To reflect appropriate amount of land.   | <u>(\$3,049)</u>    | <u>(\$1,122)</u>         |
| Accumulated Depreciation<br>To reflect appropriate amount of accumulated depreciation.                 | <u>\$3,189</u>      | <u>\$831</u>             |
| Accumulated Amortization of CIAC<br>To reflect appropriate amount of Accumulated Amortization of CIAC. | <u>(\$691)</u>      | <u>(\$386)</u>           |
| Total Adjustments to Net Book Value as of August 17, 2018  | <u>(\$14,755)</u>   | <u>(\$4,591)</u>         |

**St. Johns River Estates Utilities, LLC  
 Schedule of Staff's Recommended Account Balances as of August 17, 2018**

**Water System**

| <u>Account No.</u> | <u>Description</u>                | <u>UPIS</u>     | <u>Accumulated Depreciation</u> |
|--------------------|-----------------------------------|-----------------|---------------------------------|
| 304                | Structures & Improvements         | \$3,825         | (\$3,825)                       |
| 307                | Wells & Springs                   | 13,229          | (13,229)                        |
| 311                | Pumping Equipment                 | 10,924          | (10,505)                        |
| 320                | Water Treatment Equipment         | 854             | (854)                           |
| 330                | Distribution Reservoirs           | 7,350           | (7,350)                         |
| 331                | Transmission & Distribution Mains | 33,346          | (29,853)                        |
| 333                | Services                          | 8,530           | (8,322)                         |
| 334                | Meters & Meter Install            | <u>6,972</u>    | <u>(6,740)</u>                  |
|                    | Total                             | <u>\$85,030</u> | <u>(\$80,678)</u>               |

**Wastewater System**

| <u>Account No.</u> | <u>Description</u>               | <u>UPIS</u>      | <u>Accumulated Depreciation</u> |
|--------------------|----------------------------------|------------------|---------------------------------|
| 354                | Structures & Improvements        | \$49,635         | (\$49,635)                      |
| 360                | Collection Sewers - Force        | 8,681            | (8,681)                         |
| 361                | Collection Sewers - Gravity      | 20,587           | (19,360)                        |
| 363                | Services to Customers            | 2,414            | (2,355)                         |
| 370                | Receiving Wells                  | 6,614            | {6,614}                         |
| 380                | Treatment & Disposal - Equipment | 12,965           | (10,779)                        |
| 381                | Plant Sewers                     | <u>28,089</u>    | <u>(28,089)</u>                 |
|                    | Total                            | <u>\$128,985</u> | <u>(\$125,512)</u>              |

**St. Johns River Estates Utilities, LLC  
Monthly Water Rates**

**Residential and General Service**

Base Facility Charge by Meter Size

|                          |          |
|--------------------------|----------|
| 5/8" x 3/4"              | \$7.91   |
| 3/4"                     | \$11.87  |
| 1"                       | \$19.78  |
| 1 1/2"                   | \$39.55  |
| 2"                       | \$63.28  |
| 3"                       | \$126.56 |
| 4"                       | \$197.75 |
| 6"                       | \$395.50 |
| Charge Per 1,000 gallons | \$3.63   |

**Initial Customer Deposits**

|   |                           |
|---|---------------------------|
| Residential and General Service – 5/8" X 3/4" | \$50.00                   |
| All Other Meter Sizes                         | 2x average estimated bill |

**Miscellaneous Service Charges**

|  |         |
|--|---------|
| Initial Connection Charge                        | \$25.00 |
| Normal Reconnection Charge                       | \$25.00 |
| Violation Reconnection Charge                    | \$25.00 |
| Premises Visit Charge (in lieu of disconnection) | \$25.00 |

**Service Availability Charges**

|                           |             |
|---------------------------|-------------|
| Meter Installation Charge |             |
| 5/8" x 3/4"               | \$110.00    |
| All Others Per Gallon     | Actual Cost |

**St. Johns River Estates Utilities, LLC  
Monthly Wastewater Rates**

**Residential Service**

|  |         |
|--|---------|
| Base Facility Charge – All Meter Sizes       | \$11.09 |
| Charge Per 1,000 gallons<br>8,000 gallon cap | \$3.84  |

**General Service**

|                                    |          |
|------------------------------------|----------|
| Base Facility Charge by Meter Size |          |
| 5/8" x 3/4"                        | \$11.09  |
| 3/4"                               | \$16.64  |
| 1"                                 | \$27.73  |
| 1 1/2"                             | \$55.45  |
| 2"                                 | \$88.72  |
| 3"                                 | \$177.44 |
| 4"                                 | \$277.25 |
| 6"                                 | \$554.50 |
| Charge Per 1,000 gallons           | \$4.60   |

**Initial Customer Deposits**

|   |                           |
|---|---------------------------|
| Residential and General Service – 5/8" X 3/4" | \$50.00                   |
| All other meter sizes                         | 2x average estimated bill |

**Miscellaneous Service Charges**

|  |             |
|--|-------------|
| Initial Connection Charge                        | \$25.00     |
| Normal Reconnection Charge                       | \$25.00     |
| Violation Reconnection Charge                    | Actual Cost |
| Premises Visit Charge (in lieu of disconnection) | \$25.00     |