

CLASS "A" OR "B"

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WATER AND/OR WASTEWATER UTILITIES
(Gross Revenue of More Than \$200,000 Each)

ANNUAL REPORT

OF

WU370-10-AR
Residential Water Systems, Inc.
P. O. Box 5220
Ocala, FL 34478-5220

Certificate Number(s)

Submitted To The

STATE OF FLORIDA



11 FEB 16 AM 9:09
PUBLIC SERVICE
COMMISSION REGULATION

FOR THE

YEAR ENDED DECEMBER 31, 2010

GENERAL INSTRUCTIONS

1. Prepare this report in conformity with the 1996 National Association of Regulatory Utility Commissioners Uniform System of Accounts for Water and/or Wastewater Utilities (USOA).
2. Interpret all accounting words and phrases in accordance with the USOA.
3. Complete each question fully and accurately, even if it has been answered in a previous annual report. Enter the word "None" where it truly and completely states the fact.
4. For any question, section, or page which is not applicable to the respondent, enter the words "Not Applicable". Do not omit any pages.
5. Where dates are called for, the month and day should be stated as well as the year.
6. All schedules requiring dollar entries should be rounded to the nearest dollar unless otherwise specifically indicated.
7. Complete this report by means which result in a permanent record, such as by computer or typewriter.
8. If there is not enough room on any schedule, an additional page or pages may be added; provided the format of the added schedule matches the format of the schedule with not enough room. Such a schedule should reference the appropriate schedules, state the name of the utility, and state the year of the report.
9. If it is necessary or desirable to insert additional statements for the purpose of further explanation of schedules, such statement should be made at the bottom of the page or an additional page inserted. Any additional pages should state the name of the utility, the year of the report, and reference the appropriate schedule.
10. For water and wastewater utilities with more than one rate group and/or system, water and wastewater pages should be completed for each rate group and/or system group. These pages should be grouped together and tabbed by rate group and/or system.
11. All other water and wastewater operations not regulated by the Commission and other regulated industries should be reported as "Other than Reporting Systems".
12. Financial information for multiple systems charging rates which are covered under the same tariff should be reported as one system. However, the engineering data must be reported by individual system.
13. For water and wastewater utilities with more than one system, one (1) copy of workpapers showing the consolidation of systems for the operating sections, should be filed with the annual report.
14. The report should be filled out in quadruplicate and the original and two copies returned by March 31, of the year following the date of the report. The report should be returned to:

**Florida Public Service Commission
Division of Economic Regulation
2540 Shumard Oak Boulevard
Tallahassee, Florida 32399-0850**

The fourth copy should be retained by the utility.

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
EXECUTIVE SUMMARY			
Certification	E-1	Business Contracts with Officers, Directors and Affiliates	E-7
General Information	E-2	Affiliation of Officers and Directors	E-8
Directory of Personnel Who Contact the FPSC	E-3	Businesses which are a Byproduct, Coproduct or Joint Product Result of Providing Service	E-9
Company Profile	E-4	Business Transactions with Related Parties.	E-10
Parent / Affiliate Organization Chart	E-5	Part I and II	
Compensation of Officers & Directors	E-6		
FINANCIAL SECTION			
Comparative Balance Sheet - Assets and Other Debits	F-1	Unamortized Debt Discount / Expense / Premium	F-13
Comparative Balance Sheet - Equity Capital and Liabilities	F-2	Extraordinary Property Losses	F-13
Comparative Operating Statement	F-3	Miscellaneous Deferred Debits	F-14
Year End Rate Base	F-4	Capital Stock	F-15
Year End Capital Structure	F-5	Bonds	F-15
Capital Structure Adjustments	F-6	Statement of Retained Earnings	F-16
Utility Plant	F-7	Advances from Associated Companies	F-17
Utility Plant Acquisition Adjustments	F-7	Other Long Term Debt	F-17
Accumulated Depreciation	F-8	Notes Payable	F-18
Accumulated Amortization	F-8	Accounts Payable to Associated Companies	F-18
Regulatory Commission Expense - Amortization of Rate Case Expense	F-9	Accrued Interest and Expense	F-19
Nonutility Property	F-9	Miscellaneous Current & Accrued Liabilities	F-20
Special Deposits	F-9	Advances for Construction	F-20
Investments and Special Funds	F-10	Other Deferred Credits	F-21
Accounts and Notes Receivable - Net	F-11	Contributions In Aid of Construction	F-22
Accounts Receivable from Associated Companies	F-12	Accumulated Amortization of CIAC	F-22
Notes Receivable from Associated Companies	F-12	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	F-23
Miscellaneous Current & Accrued Assets	F-12		

TABLE OF CONTENTS

SCHEDULE	PAGE	SCHEDULE	PAGE
WATER OPERATION SECTION			
Water Listing of System Groups	W-1	CIAC Additions / Amortization	W-8
Year End Water Rate Base	W-2	Water Operating Revenue	W-9
Water Operating Statement	W-3	Water Utility Expense Accounts	W-10
Water Utility Plant Accounts	W-4	Pumping and Purchased Water Statistics, Source Supply	W-11
Basis for Water Depreciation Charges	W-5	Water Treatment Plant Information	W-12
Analysis of Entries in Water Depreciation Reserve	W-6	Calculation of ERC's	W-13
Contributions In Aid of Construction	W-7	Other Water System Information	W-14
WASTEWATER OPERATION SECTION			
Wastewater Listing of System Groups	S-1	Contributions In Aid of Construction	S-7
Year End Wastewater Rate Base	S-2	CIAC Additions / Amortization	S-8
Wastewater Operating Statement	S-3	Wastewater Operating Revenue	S-9
Wastewater Utility Plant Accounts	S-4	Wastewater Utility Expense Accounts	S-10
Basis for Wastewater Depreciation Charges	S-5	Calculation of ERC's	S-11
Analysis of Entries in Wastewater Depreciation Reserve	S-6	Wastewater Treatment Plant Information	S-12
		Other Wastewater System Information	S-13

EXECUTIVE SUMMARY

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010


CERTIFICATION OF ANNUAL REPORT

I HEREBY CERTIFY, to the best of my knowledge and belief:

- | | | | |
|---|--------------------------------|----|---|
| YES
<input checked="checked" type="checkbox"/> | NO
<input type="checkbox"/> | 1. | The utility is in substantial compliance with the Uniform System of Accounts prescribed by the Florida Public Service Commission. |
| YES
<input checked="checked" type="checkbox"/> | NO
<input type="checkbox"/> | 2. | The utility is in substantial compliance with all applicable rules and orders of the Florida Public Service Commission. |
| YES
<input checked="checked" type="checkbox"/> | NO
<input type="checkbox"/> | 3. | There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the the financial statement of the utility. |
| YES
<input checked="checked" type="checkbox"/> | NO
<input type="checkbox"/> | 4. | The annual report fairly represents the financial condition and results of operations of the respondent for the period presented and other information and statements presented in the the report as to the business affairs of the respondent are true, correct and complete for the period for which it represents. |

Items Certified			
1.	2.	3.	4.
X	X	X	X

1.	2.	3.	4.


(Signature of Chief Executive Officer of the utility) *

(Signature of Chief Financial Officer of the utility) *

* Each of the four items must be certified YES or NO. Each item need not be certified by both officers. The items being certified by the officer should be indicated in the appropriate area to the left of the signature.

NOTICE: Section 837.06, Florida Statutes, provides that any person who knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his duty shall be guilty of a misdemeanor of the second degree.

ANNUAL REPORT OF

YEAR OF REPORT
December 31, 2010

Residential Water Systems, Inc

County: Marion

(Exact Name of Utility)

List below the exact mailing address of the utility for which normal correspondence should be sent:

PO Box 5220

Ocala, FL 34478-5220

Telephone: 352 622-4949

E Mail Address: charlie@alternativephone.com

WEB Site:

Sunshine State One-Call of Florida, Inc. Member Number MIR598

Name and address of person to whom correspondence concerning this report should be addressed:

Charles deMenzes

1410 NE 8th Ave

Ocala, FL 34470

Telephone: 352 622-4949

List below the address of where the utility's books and records are located:

1410 NE 8th Avenue

Ocala, FL 34470

Telephone: 352 622-4949

List below any groups auditing or reviewing the records and operations:

Date of original organization of the utility: October 6, 1983

Check the appropriate business entity of the utility as filed with the Internal Revenue Service

Individual

☐

Partnership

☐

Sub S Corporation

☒

1120 Corporation

☐

List below every corporation or person owning or holding directly or indirectly 5% or more of the voting securities of the utility:

	Name	Percent Ownership
1.	Charles deMenzes Revocable Trust	100%

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

**DIRECTORY OF PERSONNEL WHO CONTACT
THE FLORIDA PUBLIC SERVICE COMMISSION**

NAME OF COMPANY REPRESENTATIVE (1)	TITLE OR POSITION (2)	ORGANIZATIONAL UNIT TITLE (3)	USUAL PURPOSE FOR CONTACT WITH FPSC
Charles deMenzes	President	Residential Water Systems, Inc.	All Utility Matters
Deborah Dillon	Vice President	Residential Water Systems, Inc.	All Utility Matters

- (1) Also list appropriate legal counsel, accountants and others who may not be on general payroll.
(2) Provide individual telephone numbers if the person is not normally reached at the company.
(3) Name of company employed by if not on general payroll.

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

COMPANY PROFILE

Provide a brief narrative company profile which covers the following areas:

- A. Brief company history.
- B. Public services rendered.
- C. Major operating divisions and functions.
- D. Current and projected growth patterns.
- E. Major transactions having a material effect on operations.

- A. The company was organized to provide potable water service to various subdivisions in Marion County
- B. The primary goal of the Company is to continue rendering quality service to its existing customers.
- C. The Company provides water treatment and distribution services, only in Marion County
- D. The Company expects to continue an average growth rate of approximately .01%
- E. None

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

PARENT / AFFILIATE ORGANIZATION CHART

Current as of December 31, 2010

Complete below an organizational chart that show all parents, subsidiaries and affiliates of the utility.

The chart must also show the relationship between the utility and affiliates listed on E-7, E-10(a) and E-10(b).

Residential Water Systems, Inc.

MIRA International, Inc

Residential Water Systems, Inc and Mira International, Inc have common ownership

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

COMPENSATION OF OFFICERS

For each officer, list the time spent on respondent as an officer compared to time spent on total business activities and the compensation received as an officer from the respondent.			
NAME (a)	TITLE (b)	% OF TIME SPENT AS OFFICER OF THE UTILITY (c)	OFFICERS' COMPENSATION (d)
Charles deMenzes	President	100%	\$ _____
Deborah Dillon	Vice President	100%	_____
		_____	_____
		_____	_____
		_____	_____
		_____	_____
		_____	_____
		_____	_____
		_____	_____

COMPENSATION OF DIRECTORS

For each director, list the number of director meetings attended by each director and the compensation received as a director from the respondent.			
NAME (a)	TITLE (b)	NUMBER OF DIRECTORS' MEETINGS ATTENDED (c)	DIRECTORS' COMPENSATION (d)
Charles deMenzes	President	100%	\$ None _____
Deborah Dillon	Vice President	100%	None _____
		_____	_____
		_____	_____
		_____	_____
		_____	_____
		_____	_____
		_____	_____
		_____	_____

<p>YEAR OF REPORT December 31, 2010</p>
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[illegible]

E-7

<p>YEAR OF REPORT</p> <p>December 31, 2010</p>

For each of the officials listed on page E-6, list the principal occupation or business affiliations or connections with any other business or financial organizations, firms, or partnerships. For purposes of this part, an official will be considered to have an affiliation with any business or financial organization, firm or partnership in which he is an officer, director, trustee, partner, or a person exercising similar functions.

E-8

YEAR OF REPORT
December 31, 2010

[illegible]

YEAR OF REPORT
December 31, 2010

BUSINESS TRANSACTIONS WITH RELATED PARTIES (Cont'd)

Part II. Specific Instructions: Sale, Purchase and Transfer of Assets

1. Enter in this part all transactions relating to the purchase, sale, or transfer of assets.
2. Below are examples of some types of transactions to include:
 - purchase, sale or transfer of equipment
 - purchase, sale or transfer of land and structures
 - purchase, sale or transfer of securities
 - noncash transfers of assets
 - noncash dividends other than stock dividends
 - write-off of bad debts or loans
3. The columnar instructions follow:
 - (a) Enter name of related party or company.
 - (b) Describe briefly the type of assets purchased, sold or transferred.
 - (c) Enter the total received or paid. Indicate purchase with "P" and sale with "S".
 - (d) Enter the net book value for each item reported.
 - (e) Enter the net profit or loss for each item reported. (column (c) - column (d))
 - (f) Enter the fair market value for each item reported. In space below or in a supplemental schedule, describe the basis used to calculate fair market value.

[illegible]

FINANCIAL SECTION

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
UTILITY PLANT				
101-106	Utility Plant	F-7	\$ 1,173,774.00	\$ 1,176,924.00
108-110	Less: Accumulated Depreciation and Amortization	F-8	411,980.00	448,417.00
Net Plant			\$ 761,794.00	\$ 728,507.00
114-115	Utility Plant Acquisition adjustment (Net)	F-7		-
116 *	Other Utility Plant Adjustments			
Total Net Utility Plant			\$ 761,794.00	\$ 728,507.00
OTHER PROPERTY AND INVESTMENTS				
121	Nonutility Property	F-9	\$ -	\$ -
122	Less: Accumulated Depreciation and Amortization		-	-
Net Nonutility Property			\$ -	\$ -
123	Investment in Associated Companies	F-10	-	
124	Utility Investments	F-10	-	
125	Other Investments	F-10	-	
126-127	Special Funds	F-10	-	
Total Other Property & Investments			\$ -	\$ -
CURRENT AND ACCRUED ASSETS				
131	Cash		\$ 8,592.24	\$ 9,350.66
132	Special Deposits	F-9	-	-
133	Other Special Deposits	F-9	-	-
134	Working Funds			
135	Temporary Cash Investments			
141-144	Accounts and Notes Receivable, Less Accumulated Provision for Uncollectible Accounts	F-11	15,073.77	100.44 18,562.29
145	Accounts Receivable from Associated Companies	F-12		
146	Notes Receivable from Associated Companies	F-12		
151-153	Material and Supplies			
161	Stores Expense			
162	Prepayments			
171	Accrued Interest and Dividends Receivable			
172 *	Rents Receivable			
173 *	Accrued Utility Revenues			
174	Miscellaneous Current and Accrued Assets	F-12	300.00	300.00
Total Current and Accrued Assets			\$ 23,966.01	\$ 28,313.39

* Not Applicable for Class B Utilities

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT December 31, 2010
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**COMPARATIVE BALANCE SHEET
ASSETS AND OTHER DEBITS**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
	DEFERRED DEBITS			
181	Unamortized Debt Discount & Expense	F-13	\$ 6,129	\$ 4,884
182	Extraordinary Property Losses	F-13		
183	Preliminary Survey & Investigation Charges		-	-
184	Clearing Accounts		-	-
185 *	Temporary Facilities		-	-
186	Miscellaneous Deferred Debits	F-14		-
187 *	Research & Development Expenditures		-	-
190	Accumulated Deferred Income Taxes		-	-
Total Deferred Debits			\$ 6,129	\$ 4,884
TOTAL ASSETS AND OTHER DEBITS			\$ 791,889	\$ 761,704

* Not Applicable for Class B Utilities

NOTES TO THE BALANCE SHEET

The space below is provided for important notes regarding the balance sheet.

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
EQUITY CAPITAL				
201	Common Stock Issued	F-15	\$ 100	\$ 100
204	Preferred Stock Issued	F-15		-
202,205 *	Capital Stock Subscribed			
203,206 *	Capital Stock Liability for Conversion			
207 *	Premium on Capital Stock			
209 *	Reduction in Par or Stated Value of Capital Stock			
210 *	Gain on Resale or Cancellation of Reacquired Capital Stock			
211	Other Paid - In Capital		88,870	88,870
212	Discount On Capital Stock			
213	Capital Stock Expense			
214-215	Retained Earnings	F-16	(227,323)	(234,966)
216	Reacquired Capital Stock			
218	Proprietary Capital (Proprietorship and Partnership Only)			
Total Equity Capital			\$ (138,353)	\$ (145,996)
LONG TERM DEBT				
221	Bonds	F-15		
222 *	Reacquired Bonds			
223	Advances from Associated Companies	F-17	16,980	66,580
224	Other Long Term Debt	F-17	338,345	319,407
Total Long Term Debt			\$ 355,325	\$ 385,987
CURRENT AND ACCRUED LIABILITIES				
231	Accounts Payable			-
232	Notes Payable	F-18	40,500	22,500
233	Accounts Payable to Associated Companies	F-18	-	-
234	Notes Payable to Associated Companies	F-18	5,000	-
235	Customer Deposits		2,000	2,060
236	Accrued Taxes	W/S-3	4,984	5,599
237	Accrued Interest	F-19	-	-
238	Accrued Dividends			
239	Matured Long Term Debt			
240	Matured Interest			
241	Miscellaneous Current & Accrued Liabilities	F-20		
Total Current & Accrued Liabilities			\$ 52,484	\$ 30,159

* Not Applicable for Class B Utilities

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

**COMPARATIVE BALANCE SHEET
EQUITY CAPITAL AND LIABILITIES**

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
DEFERRED CREDITS				
251	Unamortized Premium On Debt	F-13	\$ _____	\$ _____ -
252	Advances For Construction	F-20	_____ -	_____ -
253	Other Deferred Credits	F-21	_____	_____ -
255	Accumulated Deferred Investment Tax Credits			
Total Deferred Credits			\$ _____ -	\$ _____ -
OPERATING RESERVES				
261	Property Insurance Reserve		\$ _____	\$ _____
262	Injuries & Damages Reserve		_____	_____
263	Pensions and Benefits Reserve		_____	_____
265	Miscellaneous Operating Reserves			
Total Operating Reserves			\$ _____ -	\$ _____ -
CONTRIBUTIONS IN AID OF CONSTRUCTION				
271	Contributions in Aid of Construction	F-22	\$ 1,049,690	\$ 1,050,040
272	Accumulated Amortization of Contributions in Aid of Construction	F-22	(525,852)	(558,587)
Total Net C.I.A.C.			\$ 523,838	\$ 491,453
ACCUMULATED DEFERRED INCOME TAXES				
281	Accumulated Deferred Income Taxes - Accelerated Depreciation		\$ _____	\$ _____
282	Accumulated Deferred Income Taxes - Liberalized Depreciation		_____	_____
283	Accumulated Deferred Income Taxes - Other			
Total Accumulated Deferred Income Tax			\$ _____ -	\$ _____ -
TOTAL EQUITY CAPITAL AND LIABILITIES			\$ 793,294	\$ 761,603

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

COMPARATIVE OPERATING STATEMENT

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR * (e)
	UTILITY OPERATING INCOME			
400	Operating Revenues	F-3(b)	\$ 235,155	\$ 234,655
469, 530	Less: Guaranteed Revenue and AFPI	F-3(b)	-	-
	Net Operating Revenues		\$ 235,155	\$ 234,655
401	Operating Expenses	F-3(b)	\$ 199,511	\$ 206,449
403	Depreciation Expense:	F-3(b)	\$ 41,605	\$ 36,437
	Less: Amortization of CIAC	F-22	37,452	32,735
	Net Depreciation Expense		\$ 4,153	\$ 3,702
406	Amortization of Utility Plant Acquisition Adjustment	F-3(b)	-	-
407	Amortization Expense (Other than CIAC)	F-3(b)	-	-
408	Taxes Other Than Income	W/S-3	13,245	13,040
409	Current Income Taxes	W/S-3	-	-
410.10	Deferred Federal Income Taxes	W/S-3	-	-
410.11	Deferred State Income Taxes	W/S-3	-	-
411.10	Provision for Deferred Income Taxes - Credit	W/S-3	-	-
412.10	Investment Tax Credits Deferred to Future Periods	W/S-3	-	-
412.11	Investment Tax Credits Restored to Operating Income	W/S-3	-	-
	Utility Operating Expenses		\$ 216,909	\$ 223,191
	Net Utility Operating Income		\$ 18,246	\$ 11,464
469, 530	Add Back: Guaranteed Revenue and AFPI	F-3(b)	-	-
413	Income From Utility Plant Leased to Others		-	-
414	Gains (losses) From Disposition of Utility Property		-	-
420	Allowance for Funds Used During Construction		-	-
	Total Utility Operating Income [Enter here and on Page F-3(c)]		\$ 18,246	\$ 11,464

* For each account,
Column e should
agree with Columns
f, g and h
on F-3(b)

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

COMPARATIVE OPERATING STATEMENT (Cont'd)

WATER SCHEDULE W-3 * (f)	WASTEWATER SCHEDULE S-3 * (g)	OTHER THAN REPORTING SYSTEMS (h)
\$ 234,655 -	\$ \$	\$
\$ 234,655	\$	\$ -
\$ 206,449	\$	\$
36,437 32,735	\$ \$	
\$ 3,702	\$	\$ -
- - 13,040 - - - - - - -	\$ \$ \$ \$ \$ \$ \$ \$ \$ \$	
\$ 223,191	\$ -	\$ -
\$ 11,464	\$ -	\$ -
- - - -	\$ \$ \$ \$	
\$ 11,464	\$	\$ -

* Total of Schedules W-3 / S-3 for all rate groups.

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

COMPARATIVE OPERATING STATEMENT (Cont'd)

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	PREVIOUS YEAR (d)	CURRENT YEAR (e)
Total Utility Operating Income [from page F-3(a)]			\$ 18,246	\$ 11,464
OTHER INCOME AND DEDUCTIONS				
415	Revenues-Merchandising, Jobbing, and Contract Deductions		\$	\$
416	Costs & Expenses of Merchandising Jobbing, and Contract Work			
419	Interest and Dividend Income			
421	Nonutility Income			
426	Miscellaneous Nonutility Expenses			
Total Other Income and Deductions			\$ -	\$ -
TAXES APPLICABLE TO OTHER INCOME				
408.20	Taxes Other Than Income		\$	\$
409.20	Income Taxes			
410.20	Provision for Deferred Income Taxes			
411.20	Provision for Deferred Income Taxes - Credit			
412.20	Investment Tax Credits - Net			
412.30	Investment Tax Credits Restored to Operating Income			
Total Taxes Applicable To Other Income			\$ -	\$ -
INTEREST EXPENSE				
427	Interest Expense	F-19	\$ (17,564)	\$ (17,862)
428	Amortization of Debt Discount & Expense	F-13	(1,245)	(1,245)
429	Amortization of Premium on Debt	F-13		
Total Interest Expense			\$ (18,809)	\$ (19,107)
EXTRAORDINARY ITEMS				
433	Extraordinary Income		\$	\$
434	Extraordinary Deductions			
409.30	Income Taxes, Extraordinary Items			
Total Extraordinary Items			\$ -	\$ -
NET INCOME			\$ (563)	\$ (7,643)

Explain Extraordinary Income:

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

SCHEDULE OF YEAR END RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REF. PAGE (c)	WATER UTILITY (d)	WASTEWATER UTILITY (e)
101	Utility Plant In Service	F-7	\$ 1,176,924	\$ -
	Less: Nonused and Useful Plant (1)		-	-
108	Accumulated Depreciation	F-8	448,417	-
110	Accumulated Amortization	F-8	-	-
271	Contributions in Aid of Construction	F-22	1,050,040	-
252	Advances for Construction	F-20	-	-
Subtotal			\$ (321,533)	\$ -
272	Add: Accumulated Amortization of Contributions in Aid of Construction	F-22	558,587	-
Subtotal			\$ 237,054	\$ 0
114	Plus or Minus: Acquisition Adjustments (2)	F-7	-	-
115	Accumulated Amortization of Acquisition Adjustments (2)	F-7	-	-
	Working Capital Allowance (3)		25,806	-
105	Other (Specify): Construction in Process		-	-
RATE BASE			\$ 262,860	\$ -
NET UTILITY OPERATING INCOME			\$ 11,464	\$ -
ACHIEVED RATE OF RETURN (Operating Income / Rate Base)			4.36%	-

NOTES :

- (1) Estimate based on the methodology used in the last rate proceeding.
- (2) Include only those Acquisition Adjustments that have been approved by the Commission.
- (3) Calculation consistent with last rate proceeding.
In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

**SCHEDULE OF CURRENT COST OF CAPITAL
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING (1)**

CLASS OF CAPITAL (a)	DOLLAR AMOUNT (2) (b)	PERCENTAGE OF CAPITAL (c)	ACTUAL COST RATES (3) (d)	WEIGHTED COST (c x d) (e)
Common Equity	\$ 100	-		
Preferred Stock		-		
Long Term Debt	319,407	-	5.00%	
Customer Deposits	2,060	-	6.00%	
Tax Credits - Zero Cost		-		
Tax Credits - Weighted Cost		-		
Deferred Income Taxes		-		
Other (Explain)		-		
		-		
Total	\$ 321,567			

- (1) If the utility's capital structure is not used, explain which capital structure is used.

- (2) Should equal amounts on Schedule F-6, Column (g).
- (3) Mid-point of the last authorized Return On Equity or current leverage formula if none has been established.

Must be calculated using the same methodology used in the last rate proceeding using current annual report year end amounts and cost rates.

APPROVED RETURN ON EQUITY

Current Commission Return on Equity:	_____ %
Commission order approving Return on Equity:	_____

APPROVED AFUDC RATE

COMPLETION ONLY REQUIRED IF AFUDC WAS CHARGED DURING YEAR

Current Commission Approved AFUDC rate:	_____ %
Commission order approving AFUDC rate:	_____

If any utility capitalized any charge in lieu of AFUDC (such as interest only), state the basis of the charge, an explanation as to why AFUDC was not charged and the percentage capitalized.

**SCHEDULE OF CAPITAL STRUCTURE ADJUSTMENTS
CONSISTENT WITH THE METHODOLOGY USED IN THE LAST RATE PROCEEDING**

CLASS OF CAPITAL (a)	PER BOOK BALANCE (b)	NON-UTILITY ADJUSTMENTS (c)	NON-JURISDICTIONAL ADJUSTMENTS (d)	OTHER (1) ADJUSTMENTS SPECIFIC (e)	OTHER (1) ADJUSTMENTS PRO RATA (f)	CAPITAL STRUCTURE (g)
Common Equity	\$ 100	\$	\$	\$	\$	\$
Preferred Stock						
Long Term Debt						
Customer Deposits						
Tax Credits - Zero Cost						
Tax Credits - Weighted Cost						
Deferred Inc. Taxes						
Other (Explain)						
Total	\$ 100	\$	\$	\$	\$	\$

(1) Explain below all adjustments made in Columns (e) and (f):

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT December 31, 2010
--

**UTILITY PLANT
ACCOUNTS 101 - 106**

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
101	Plant Accounts: Utility Plant In Service	\$ 1,176,924	\$	\$	\$ 1,176,924
102	Utility Plant Leased to Other				-
103	Property Held for Future Use				-
104	Utility Plant Purchased or Sold				-
105	Construction Work in Progress	-			-
106	Completed Construction Not Classified				-
	Total Utility Plant	\$ 1,176,924	\$ -	\$ -	\$ 1,176,924

**UTILITY PLANT ACQUISITION ADJUSTMENTS
ACCOUNTS 114 AND 115**

Report each acquisition adjustment and related accumulated amortization separately.
For any acquisition adjustments approved by the Commission, include the Order Number.

ACCT. NO. (a)	DESCRIPTION (b)	WATER (c)	WASTEWATER (d)	OTHER THAN REPORTING SYSTEMS (e)	TOTAL (f)
114	Acquisition Adjustment	\$			\$ -
					-
					-
					-
					-
					-
	Total Plant Acquisition Adjustments	\$ -	\$ -	\$ -	\$ -
115	Accumulated Amortization	\$			\$ -
					-
					-
					-
					-
					-
	Total Accumulated Amortization	\$ -	\$ -	\$ -	\$ -
	Net Acquisition Adjustments	\$ -	\$ -	\$ -	\$ -

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

ACCUMULATED DEPRECIATION (ACCT. 108) AND AMORTIZATION (ACCT. 110)

DESCRIPTION (a)	WATER (b)	WASTEWATER (c)	OTHER THAN REPORTING SYSTEMS (d)	TOTAL (e)
ACCUMULATED DEPRECIATION				
Account 108				
Balance first of year	\$ 411,980	\$	\$ -	\$ 411,980
Credit during year:				
Accruals charged to:				
Account 108.1 (1)	\$ 36,437	\$	\$	\$ 36,437
Account 108.2 (2)				-
Account 108.3 (2)				-
Other Accounts (specify):				-
				-
				-
Salvage				-
Other Credits (Specify):				-
				-
Total Credits	\$ 36,437	\$ -	\$ -	\$ 36,437
Debits during year:				
Book cost of plant retired	-			-
Cost of Removal				-
Other Debits (specify):				-
				-
				-
Total Debits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ 448,417	\$ -	\$ -	\$ 448,417
ACCUMULATED AMORTIZATION				
Account 110				
Balance first of year	\$	\$	\$	\$ -
Credit during year:				
Accruals charged to:				
Account 110.2 (3)	\$	\$	\$	\$ -
Other Accounts (specify):				-
				-
Total credits	\$ -	\$ -	\$ -	\$ -
Debits during year:				
Book cost of plant retired				-
Other debits (specify):				-
				-
Total Debits	\$ -	\$ -	\$ -	\$ -
Balance end of year	\$ -	\$ -	\$ -	\$ -

- (1) Account 108 for Class B utilities.
(2) Not applicable for Class B utilities.
(3) Account 110 for Class B utilities.

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

**REGULATORY COMMISSION EXPENSE
AMORTIZATION OF RATE CASE EXPENSE (ACCOUNTS 666 AND 766)**

DESCRIPTION OF CASE (DOCKET NO.) (a)	EXPENSE INCURRED DURING YEAR (b)	CHARGED OFF DURING YEAR	
		ACCT. (d)	AMOUNT (e)
Rate Case 2002-2003 Docket No. 030423-WU	\$ _____	665	\$ _____ 979
_____	_____	_____	_____
_____	_____	_____	_____
Total	\$ _____	_____	\$ _____ 979

NONUTILITY PROPERTY (ACCOUNT 121)

Report separately each item of property with a book cost of \$25,000 or more included in Account 121.

Other Items may be grouped by classes of property.

DESCRIPTION (a)	BEGINNING YEAR (b)	ADDITIONS (c)	REDUCTIONS (d)	ENDING YEAR BALANCE (e)
None	\$ _____	\$ _____	\$ _____	\$ _____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Nonutility Property	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -

SPECIAL DEPOSITS (ACCOUNTS 132 AND 133)

Report hereunder all special deposits carried in Accounts 132 and 133.

DESCRIPTION OF SPECIAL DEPOSITS (a)	YEAR END BOOK COST (b)
SPECIAL DEPOSITS (Account 132): Customer Deposits	\$ _____
_____	_____
_____	_____
Total Special Deposits	\$ _____ -
OTHER SPECIAL DEPOSITS (Account 133):	\$ _____
_____	_____
_____	_____
Total Other Special Deposits	\$ _____ -

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

INVESTMENTS AND SPECIAL FUNDS
ACCOUNTS 123 - 127

Report hereunder all investments and special funds carried in Accounts 123 through 127.

DESCRIPTION OF SECURITY OR SPECIAL FUND (a)	FACE OR PAR VALUE (b)	YEAR END BOOK COST (c)
INVESTMENT IN ASSOCIATED COMPANIES (Account 123):		
_____	\$ _____	\$ _____
None	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Investment in Associated Companies		\$ _____
UTILITY INVESTMENTS (Account 124):		
_____	\$ _____	\$ _____
None	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Utility Investment		\$ _____
OTHER INVESTMENTS (Account 125):		
_____	\$ _____	\$ _____
None	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Investment		\$ _____
SPECIAL FUNDS (Class A Utilities: Accounts 126 and 127; Class B Utilities: Account 127):		
_____		\$ _____
None		_____
_____		_____
_____		_____
_____		_____
_____		_____
Total Special Funds		\$ _____

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

ACCOUNTS AND NOTES RECEIVABLE - NET
ACCOUNTS 141 - 144

Report hereunder all accounts and notes receivable included in Accounts 141, 142, and 144. Amounts included in
Amounts included in Accounts 142 and 144 should be listed individually.

DESCRIPTION (a)		TOTAL (b)
CUSTOMER ACCOUNTS RECEIVABLE (Account 141):		
Water	\$ 18,808	
Wastewater		
Other		
Total Customer Accounts Receivable		\$ 18,808
OTHER ACCOUNTS RECEIVABLE (Account 142):		
Employee accounts receivable	\$	
Total Other Accounts Receivable		\$ -
NOTES RECEIVABLE (Account 144):		
None	\$	
Total Notes Receivable		\$ -
Total Accounts and Notes Receivable		\$ 18,808
ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS (Account 143)		
Balance first of year	\$ 145	
Add: Provision for uncollectibles for current year	\$	
Collection of accounts previously written off		
Utility Accounts		
Others		
Total Additions	\$ -	
Deduct accounts written off during year:		
Utility Accounts		
Others		
Total accounts written off	\$ -	
Balance end of year		\$ 145
TOTAL ACCOUNTS AND NOTES RECEIVABLE - NET		\$ 18,663

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

ACCOUNTS RECEIVABLE FROM ASSOCIATED COMPANIES

ACCOUNT 145

Report each account receivable from associated companies separately.

DESCRIPTION (a)	TOTAL (b)
None	\$
Total	\$

NOTES RECEIVABLE FROM ASSOCIATED COMPANIES

ACCOUNT 146

Report each note receivable from associated companies separately.

DESCRIPTION (a)	INTEREST RATE (b)	TOTAL (c)
None	%	\$
	%	
	%	
	%	
	%	
	%	
	%	
	%	
	%	
Total		\$

MISCELLANEOUS CURRENT AND ACCRUED ASSETS

ACCOUNT 174

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
Utility Deposit - Progress Energy	\$ 300
Total Miscellaneous Current and Accrued Liabilities	\$ 300

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

**UNAMORTIZED DEBT DISCOUNT AND EXPENSE AND PREMIUM ON DEBT
ACCOUNTS 181 AND 251**

Report the net discount and expense or premium separately for each security issue.

DESCRIPTION (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
UNAMORTIZED DEBT DISCOUNT AND EXPENSE (Account 181):		
Unamortized Debt Discount	\$ 1,245	\$ 4,884
Total Unamortized Debt Discount and Expense	\$ 1,245	\$ 4,884
UNAMORTIZED PREMIUM ON DEBT (Account 251):		
None		
Total Unamortized Premium on Debt	\$	\$ -

**EXTRAORDINARY PROPERTY LOSSES
ACCOUNT 182**

Report each item separately.

DESCRIPTION (a)	TOTAL (b)
None	\$
Total Extraordinary Property Losses	\$

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

**MISCELLANEOUS DEFERRED DEBITS
ACCOUNT 186**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
DEFERRED RATE CASE EXPENSE (Class A Utilities: Account 186.1)		
Unamortized Rate Case	\$ 979	\$ -
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Deferred Rate Case Expense	\$ 979	\$ -
OTHER DEFERRED DEBITS (Class A Utilities: Account 186.2):		
None	\$ _____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Debits	\$ -	\$ -
REGULATORY ASSETS (Class A Utilities: Account. 186.3):		
_____	\$ _____	\$ _____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Assets	\$ -	\$ -
TOTAL MISCELLANEOUS DEFERRED DEBITS	\$ 979	\$ -

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

**CAPITAL STOCK
ACCOUNTS 201 AND 204***

DESCRIPTION (a)	RATE (b)	TOTAL (c)
COMMON STOCK		
Par or stated value per share	%	\$ 1
Shares authorized		500
Shares issued and outstanding		100
Total par value of stock issued	%	\$ 100
Dividends declared per share for year	%	\$ -
PREFERRED STOCK		
Par or stated value per share	None	\$
Shares authorized		
Shares issued and outstanding		
Total par value of stock issued	%	\$
Dividends declared per share for year	%	\$

* Account 204 not applicable for Class B utilities.

**BONDS
ACCOUNT 221**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
None	%		\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT December 31, 2010
--

STATEMENT OF RETAINED EARNINGS

- Dividends should be shown for each class and series of capital stock. Show amounts as dividends per share.
- Show separately the state and federal income tax effect of items shown in Account No. 439.

ACCT. NO. (a)	DESCRIPTION (b)	AMOUNTS (c)
215	Unappropriated Retained Earnings: Balance Beginning of Year	\$ (227,323)
439	Changes to Account: Adjustments to Retained Earnings (requires Commission approval prior to use): Credits: _____	\$ _____
	Total Credits:	\$ -
	Debits: _____	\$ _____
	Total Debits:	\$ -
435	Balance Transferred from Income	\$ (7,643)
436	Appropriations of Retained Earnings: _____ _____	_____ _____
	Total Appropriations of Retained Earnings	\$ -
437	Dividends Declared: Preferred Stock Dividends Declared _____	_____
438	Common Stock Dividends Declared _____ Shareholder Distributions _____	_____ _____
	Total Dividends Declared	\$ -
215	Year end Balance	\$ (234,966)
214	Appropriated Retained Earnings (state balance and purpose of each appropriated amount at year end): _____ _____ _____	_____ _____ _____
214	Total Appropriated Retained Earnings	\$ _____
Total Retained Earnings		\$ (234,966)
Notes to Statement of Retained Earnings:		

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT December 31, 2010
--

**ADVANCES FROM ASSOCIATED COMPANIES
ACCOUNT 223**

Report each advance separately.

DESCRIPTION (a)	TOTAL (b)
	\$
Mira Accounts Payable	66,580
Total	\$ <u>66,580</u>

**OTHER LONG-TERM DEBT
ACCOUNT 224**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
	%		\$
State of Florida SRF Loan	3.35 %	Fixed	123,553
Independent National Bank	6.50 %	Fixed	195,854
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total			\$ <u>319,407</u>

* For variable rate obligations, provide the basis for the rate. (i.e., prime + 2%, etc.)

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

**NOTES PAYABLE
ACCOUNTS 232 AND 234**

DESCRIPTION OF OBLIGATION (INCLUDING DATE OF ISSUE AND DATE OF MATURITY) (a)	INTEREST		PRINCIPAL AMOUNT PER BALANCE SHEET (d)
	ANNUAL RATE (b)	FIXED OR VARIABLE * (c)	
NOTES PAYABLE (Account 232):			\$
deMenzes - Refundable Advance - Meter Upgrades	0.00 %		22,500
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 232			\$ 22,500
NOTES PAYABLE TO ASSOC. COMPANIES (Account 234):			\$
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
	%		
Total Account 234			\$ -

* For variable rate obligations, provide the basis for the rate. (i.e.. prime + 2%, etc.)

**ACCOUNTS PAYABLE TO ASSOCIATED COMPANIES
ACCOUNT 233**

Report each account payable separately.

DESCRIPTION (a)	TOTAL (b)
None	\$
Total	\$ -

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

ACCRUED INTEREST AND EXPENSE
ACCOUNTS 237 AND 427

DESCRIPTION OF DEBIT (a)	BALANCE BEGINNING OF YEAR (b)	INTEREST ACCRUED DURING YEAR		INTEREST PAID DURING YEAR (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
ACCOUNT NO. 237.1 - Accrued Interest on Long Term Debt	\$		\$	\$	\$
		427.4	17,862	17,862	
Total Account 237.1	\$		\$	\$	\$
			17,862	17,862	-
ACCOUNT NO. 237.2 - Accrued Interest on Other Liabilities	\$	427	\$	\$	\$
Total Account 237.2	\$		\$	\$	\$
			-	-	-
Total Account 237 (1)	\$		\$	\$	\$
			17,862	17,862	-
INTEREST EXPENSED:					
Total accrual Account 237		237	\$	17,862	(1) Must agree to F-2 (a), Beginning and Ending Balance of Accrued Interest.
Less Capitalized Interest Portion of AFUDC:					(2) Must agree to F-3 (c), Current Year Interest Expense
Net Interest Expensed to Account No. 427 (2)			\$	17,862	

YEAR OF REPORT
December 31, 2010

DESCRIPTION - Provide itemized listing (a)	BALANCE END OF YEAR (b)
None	\$

NAME OF PAYOR * (a)	BALANCE BEGINNING OF YEAR (b)	DEBITS		CREDITS (e)	BALANCE END OF YEAR (f)
		ACCT. DEBIT (c)	AMOUNT (d)		
	\$ _____	252	\$ _____	_____	\$ _____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
	_____	252	_____	_____	_____ -
Total	\$ _____ -		\$ _____ -	\$ _____ -	\$ _____ -

F-20

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT December 31, 2010
--

**OTHER DEFERRED CREDITS
ACCOUNT 253**

DESCRIPTION - Provide itemized listing (a)	AMOUNT WRITTEN OFF DURING YEAR (b)	YEAR END BALANCE (c)
REGULATORY LIABILITIES (Class A Utilities: Account 253.1):		
_____	\$ _____	\$ _____
None	_____	_____
_____	_____	_____
_____	_____	_____
Total Regulatory Liabilities	\$ _____ -	\$ _____ -
OTHER DEFERRED LIABILITIES (Class A Utilities: Account 253.2):		
_____	\$ _____	\$ _____
None	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total Other Deferred Liabilities	\$ _____ -	\$ _____ -
TOTAL OTHER DEFERRED CREDITS	\$ _____ -	\$ _____ -

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	WATER (W-7) (b)	WASTEWATER (S-7) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>1,049,690</u>	\$ <u>-</u>	\$ <u> </u>	\$ <u>1,049,690</u>
Add credits during year:	\$ <u>350</u>	<u> </u>	<u> </u>	<u>350</u>
Less debit charged during the year	\$ <u>-</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>-</u>
Total Contribution In Aid of Construction	\$ <u><u>1,050,040</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,050,040</u></u>

**ACCUMULATED AMORTIZATION OF CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 272**

DESCRIPTION (a)	WATER (W-8(a)) (b)	WASTEWATER (S-8(a)) (c)	W & WW OTHER THAN SYSTEM REPORTING (d)	TOTAL (e)
Balance first of year	\$ <u>525,852</u>	\$ <u>-</u>	\$ <u> </u>	\$ <u>525,852</u>
Debits during the year:	\$ <u>32,735</u>	<u> </u>	<u> </u>	\$ <u>32,735</u>
Credits during the year	\$ <u>-</u>	\$ <u> </u>	\$ <u> </u>	\$ <u>-</u>
Total Accumulated Amortization of Contributions In Aid of Construction	\$ <u><u>558,587</u></u>	\$ <u><u>-</u></u>	\$ <u><u>-</u></u>	\$ <u><u>558,587</u></u>

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

**RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE
INCOME FOR FEDERAL INCOME TAXES (UTILITY OPERATIONS)**

1. The reconciliation should include the same detail as furnished on Schedule M-1 of the federal tax return for the year. The reconciliation shall be submitted even though there is no taxable income for the year. Descriptions should clearly indicate the nature of each reconciling amount and show the computations of all tax accruals.
2. If the utility is a member of a group which files a consolidated federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating intercompany amounts to be eliminated in such consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments or sharing of the consolidated tax among the group members.

DESCRIPTION (a)	REF. NO. (b)	AMOUNT (c)
Net income for the year	F-3(c)	\$ -
Reconciling items for the year:		
Taxable income not reported on books:		
_____		-
_____		-
_____		-
_____		-
Deductions recorded on books not deducted for return:		
_____		-
_____		-
_____		-
_____		-
Income recorded on books not included in return:		
_____		-
_____		-
_____		-
_____		-
Deduction on return not charged against book income:		
_____		-
_____		-
_____		-
_____		-
Federal tax net income		\$ -

Computation of tax :

This Corporation is an "S" Corporation, therefore this schedule is not applicable

**WATER
OPERATION
SECTION**

UTILITY NAME:

Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

WATER LISTING OF SYSTEM GROUPS

List below the name of each reporting system and its certificate number. Those systems which have been consolidated under the same tariff should be assigned a group number. Each individual system which has not been consolidated should be assigned its own group number.

The water financial schedules (W-2 through W-10) should be filed for the group in total.

The water engineering schedules (W-11 through W-14) must be filed for each system in the group.

All of the following water pages (W-2 through W-14) should be completed for each group and arranged by group number.

SYSTEM NAME / COUNTY	CERTIFICATE NUMBER	GROUP NUMBER
High Point / Marion County	WU370-10-AR	1

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT December 31, 2010
--

SYSTEM NAME / COUNTY : High Point / Marion County

SCHEDULE OF YEAR END WATER RATE BASE

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	WATER UTILITY (d)
101	Utility Plant In Service	W-4(b)	\$ 1,176,924
	Less:		
	Nonused and Useful Plant (1)		
108	Accumulated Depreciation	W-6(b)	448,417
110	Accumulated Amortization		
271	Contributions in Aid of Construction	W-7	1,050,040
252	Advances for Construction		-
Subtotal			\$ (321,533)
272	Add:		
	Accumulated Amortization of Contributions in Aid of Construction	W-8(a)	\$ 558,587
Subtotal			\$ 237,054
	Plus or Minus:		
114	Acquisition Adjustments (2)		-
115	Accumulated Amortization of Acquisition Adjustments (2)		-
	Working Capital Allowance (3)		25,806
	Other (Specify):		
105	Construction in Process		-
WATER RATE BASE			\$ 262,860
WATER OPERATING INCOME		W-3	\$ 11,464
ACHIEVED RATE OF RETURN (Water Operating Income / Water Rate Base)			4.36%

NOTES : (1) Estimate based on the methodology used in the last rate proceeding.

(2) Include only those Acquisition Adjustments that have been approved by the Commission.

(3) Calculation consistent with last rate proceeding.

In absence of a rate proceeding, Class A utilities will use the Balance Sheet Method and Class B Utilities will use the One-eighth Operating and Maintenance Expense Method.

UTILITY NAME:

Residential Water Systems, Inc**YEAR OF REPORT**

December 31, 2010

SYSTEM NAME / COUNTY :

High Point / Marion County**WATER OPERATING STATEMENT**

ACCT. NO. (a)	ACCOUNT NAME (b)	REFERENCE PAGE (c)	CURRENT YEAR (d)
	UTILITY OPERATING INCOME		
400	Operating Revenues	W-9	\$ 234,655
469	Less: Guaranteed Revenue and AFPI	W-9	-
	Net Operating Revenues		\$ 234,655
401	Operating Expenses	W-10(a)	\$ 206,449
403	Depreciation Expense	W-6(a)	36,437
	Less: Amortization of CIAC	W-8(a)	32,735
	Net Depreciation Expense		\$ 3,702
406	Amortization of Utility Plant Acquisition Adjustment		-
407	Amortization Expense (Other than CIAC)		-
408.10	Taxes Other Than Income		
	Utility Regulatory Assessment Fee		10,559
408.11	Property Taxes		2,481
408.12	Payroll Taxes		
408.13	Other Taxes and Licenses		
408	Total Taxes Other Than Income		\$ 13,040
409.1	Income Taxes		
410.10	Deferred Federal Income Taxes		
410.11	Deferred State Income Taxes		
411.10	Provision for Deferred Income Taxes - Credit		
412.10	Investment Tax Credits Deferred to Future Periods		
412.11	Investment Tax Credits Restored to Operating Income		
	Utility Operating Expenses		\$ 223,191
	Utility Operating Income		\$ 11,464
469	Add Back:		
	Guaranteed Revenue (and AFPI)	W-9	\$ -
413	Income From Utility Plant Leased to Others		
414	Gains (losses) From Disposition of Utility Property		
420	Allowance for Funds Used During Construction		
	Total Utility Operating Income		\$ 11,464

YEAR OF REPORT
December 31, 2010

UTILITY NAME: Residential Water Systems, Inc

SYSTEM NAME / COUNTY : High Point / Marion County

WATER UTILITY PLANT ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	PREVIOUS YEAR (c)	ADDITIONS (d)	RETIREMENTS (e)	CURRENT YEAR (f)
301	Organization	\$ 1,000	\$		\$ 1,000
302	Franchises	0			
303	Land and Land Rights	7,704			7,704
304	Structures and Improvements	26,470			26,470
305	Collecting and Impounding Reservoirs	0			
306	Lake, River and Other Intakes	0			
307	Wells and Springs	19,657			19,657
308	Infiltration Galleries and Tunnels	0			
309	Supply Mains	6,379			6,379
310	Power Generation Equipment	24,723	100		24,823
311	Pumping Equipment	33,279			33,279
320	Water Treatment Equipment	1,984			1,984
330	Distribution Reservoirs and Standpipes	151,909			151,909
331	Transmission and Distribution Mains	566,402			566,402
333	Services	106,247			106,247
334	Meters and Meter Installations	167,509	3,050		170,559
335	Hydrants	21,220			21,220
336	Backflow Prevention Devices	0			
339	Other Plant Miscellaneous Equipment	6,920			6,920
340	Office Furniture and Equipment	3,083			3,083
341	Transportation Equipment	0			
342	Stores Equipment	0			
343	Tools, Shop and Garage Equipment	0			
344	Laboratory Equipment	0			
345	Power Operated Equipment	29,288			29,288
346	Communication Equipment	0			
347	Miscellaneous Equipment	0			
349	Abandonment of Regional Plant	0			
TOTAL WATER PLANT		\$ 1,173,774	\$ 3,150	\$	\$ 1,176,924

NOTE: Any adjustments made to reclassify property from one account to another must be footnoted.

W-4(a)
GROUP 1

UTILITY NAME: Residential Water Systems, Inc

SYSTEM NAME / COUNTY: High Point / Marion County

WATER UTILITY PLANT MATRIX

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 INTANGIBLE PLANT (d)	.2 SOURCE OF SUPPLY AND PUMPING PLANT (e)	.3 WATER TREATMENT PLANT (f)	.4 TRANSMISSION AND DISTRIBUTION PLANT (g)	.5 GENERAL PLANT (h)
301	Organization	\$ 1,000	\$ 1,000	\$	\$	\$	\$
302	Franchises						
303	Land and Land Rights	7,704		7,704			
304	Structures and Improvements	26,470		26,470			
305	Collecting and Impounding Reservoirs						
306	Lake, River and Other Intakes						
307	Wells and Springs	19,657		19,657			
308	Infiltration Galleries and Tunnels						
309	Supply Mains	6,379		6,379			
310	Power Generation Equipment	24,823		24,823			
311	Pumping Equipment	33,279		33,279			
320	Water Treatment Equipment	1,984			1,984		
330	Distribution Reservoirs and Standpipes	151,909			151,909		
331	Transmission and Distribution Mains	566,402			566,402		
333	Services	106,247			106,247		
334	Meters and Meter Installations	170,559			170,559		
335	Hydrants	21,220			21,220		
336	Backflow Prevention Devices						
339	Other Plant Miscellaneous Equipment	6,920	6,920				3,083
340	Office Furniture and Equipment	3,083					
341	Transportation Equipment						
342	Stores Equipment						
343	Tools, Shop and Garage Equipment						
344	Laboratory Equipment						
345	Power Operated Equipment	29,288					29,288
346	Communication Equipment						
347	Miscellaneous Equipment						
349	Abandonment of Regional Plant						
TOTAL WATER PLANT		\$ 1,176,924	\$ 7,920	\$ 118,312	\$ 1,984	\$ 1,016,337	\$ 32,371

W-4(b)
GROUP 1

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY : High Point / Marion County

BASIS FOR WATER DEPRECIATION CHARGES

ACCT. NO. (a)	ACCOUNT NAME (b)	AVERAGE SERVICE LIFE IN YEARS (c)	AVERAGE NET SALVAGE IN PERCENT (d)	DEPRECIATION RATE APPLIED IN PERCENT (100% - d) / c (e)
304	Structures and Improvements	33		3.03%
305	Collecting and Impounding Reservoirs			
306	Lake, River and Other Intakes			
307	Wells and Springs	30		3.33%
308	Infiltration Galleries and Tunnels			
309	Supply Mains	35		2.86%
310	Power Generation Equipment	15		6.67%
311	Pumping Equipment	20		5.00%
320	Water Treatment Equipment	22		4.55%
330	Distribution Reservoirs and Standpipes	22		4.55%
331	Transmission and Distribution Mains	43		2.33%
333	Services	43		2.33%
334	Meters and Meter Installations	20		5.00%
335	Hydrants	45		2.22%
336	Backflow Prevention Devices			
339	Other Plant Miscellaneous Equipment	25		4.00%
340	Office Furniture and Equipment	15		6.67%
341	Transportation Equipment	6		16.67%
342	Stores Equipment	20		5.00%
343	Tools, Shop and Garage Equipment	1		100.00%
344	Laboratory Equipment	10		10.00%
345	Power Operated Equipment	12		8.33%
346	Communication Equipment	10		10.00%
347	Miscellaneous Equipment	15		6.67%
349	Abandonment of Regional Plant	8		12.50%
Water Plant Composite Depreciation Rate *				

* If depreciation rates prescribed by this Commission are on a total composite basis, entries should be made on this line only.

UTILITY NAME: Residential Water Systems, Inc

SYSTEM NAME / COUNTY : High Point / Marion County

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION

ACCT. NO. (a)	ACCOUNT NAME (b)	BALANCE AT BEGINNING OF YEAR (c)	ACCUALS (d)	OTHER CREDITS * (e)	TOTAL CREDITS (d + e) (f)
301	Organization	\$ 863	\$	25	\$ 888
304	Structures and Improvements	16,284		980	17264
305	Collecting and Impounding Reservoirs	0			0
306	Lake, River and Other Intakes	0			0
307	Wells and Springs	11,224		655	11879
308	Infiltration Galleries and Tunnels	0			0
309	Supply Mains	2,675		182	2857
310	Power Generation Equipment	4,372		1,237	5609
311	Pumping Equipment	9,441		1,664	11105
320	Water Treatment Equipment	1,587		198	1785
330	Distribution Reservoirs and Standpipes	36,241		4,105	40346
331	Transmission and Distribution Mains	214,617		13,172	227789
333	Services	44,687		2,470	47157
334	Meters and Meter Installations	39,420		8,454	47874
335	Hydrants	4,150		471	4621
336	Backflow Prevention Devices	0			0
339	Other Plant Miscellaneous Equipment	5,013		384	5397
340	Office Furniture and Equipment	3,083		0	3083
341	Transportation Equipment	0			0
342	Stores Equipment	0			0
343	Tools, Shop and Garage Equipment	0			0
344	Laboratory Equipment	0			0
345	Power Operated Equipment	18,323		2,440	20763
346	Communication Equipment	0			0
347	Miscellaneous Equipment	0			0
349	Abandonment of Regional Plant	0			0
TOTAL WATER ACCUMULATED DEPRECIATION		\$ 411,980	\$ 0	\$ 36,437	\$ 448,417

* Specify nature of transaction
Use () to denote reversal entries.

W-6(a)
GROUP 1

UTILITY NAME:

Residential Water Systems, Inc

SYSTEM NAME / COUNTY :

High Point / Marion County

YEAR OF REPORT
December 31, 2010

ANALYSIS OF ENTRIES IN WATER ACCUMULATED DEPRECIATION (CONT'D)

ACCT. NO. (a)	ACCOUNT NAME (b)	PLANT RETIRED (g)	SALVAGE AND INSURANCE (h)	COST OF REMOVAL AND OTHER CHARGES (i)	TOTAL CHARGES (g-h+i) (j)	BALANCE AT END OF YEAR (c+f-j) (l)
301	Organization	\$			\$	\$ 888
304	Structures and Improvements					17,264
305	Collecting and Impounding Reservoirs					0
306	Lake, River and Other Intakes					0
307	Wells and Springs					11,879
308	Infiltration Galleries and Tunnels					0
309	Supply Mains					2,857
310	Power Generation Equipment					5,609
311	Pumping Equipment					11,105
320	Water Treatment Equipment					1,785
330	Distribution Reservoirs and Standpipes					40,346
331	Transmission and Distribution Mains					227,789
333	Services					47,157
334	Meters and Meter Installations					47,874
335	Hydrants					4,621
336	Backflow Prevention Devices					0
339	Other Plant Miscellaneous Equipment					5,397
340	Office Furniture and Equipment					3,083
341	Transportation Equipment					0
342	Stores Equipment					0
343	Tools, Shop and Garage Equipment					0
344	Laboratory Equipment					0
345	Power Operated Equipment					20,763
346	Communication Equipment					0
347	Miscellaneous Equipment					0
349	Abandonment of Regional Plant					0
TOTAL WATER ACCUMULATED DEPRECIATION		\$	\$	\$	\$	\$ 448,417

W-6(b)
GROUP 1

UTILITY NAME:

Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY :

High Point / Marion County

**CONTRIBUTIONS IN AID OF CONSTRUCTION
ACCOUNT 271**

DESCRIPTION (a)	REFERENCE (b)	WATER (c)
Balance first of year		\$ 1,049,690
Add credits during year:		
Contributions received from Capacity, Main Extension and Customer Connection Charges	W-8(a)	\$ 350
Contributions received from Developer or Contractor Agreements in cash or property	W-8(a)	0
Total Credits		\$ 350
Less debits charged during the year (All debits charged during the year must be explained below)		\$
Total Contributions In Aid of Construction		\$ 1,050,040

If any prepaid CIAC has been collected, provide a supporting schedule showing how the amount is determined.

Explain all debits charged to Account 271 during the year below:

Residential Water Systems, Inc

December 31, 2010

High Point / Marion County

**ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION RECEIVED FROM CAPACITY,
MAIN EXTENSION AND CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR**

EXPENSES OF THE CUSTOMER CONNECTION CHARGES RECEIVED DURING THE YEAR			
DESCRIPTION OF CHARGE (a)	NUMBER OF CONNECTIONS (b)	CHARGE PER CONNECTION (c)	AMOUNT (d)
		\$ _____	\$ _____ -
Hookup	<u>2</u>	<u>175.00</u>	<u>350</u>
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
	_____	_____	-
Total Credits			\$ <u>350</u>

ACCUMULATED AMORTIZATION OF WATER CONTRIBUTIONS IN AID OF CONSTRUCTION

DESCRIPTION (a)	WATER (b)
Balance first of year	\$ 525,852
Debits during the year:	
Accruals charged to Account 272	\$ 32,735
Other debits (specify) :	
Total debits	\$ 32,735
Credits during the year (specify) :	
	\$ 0
Total credits	\$ -
Balance end of year	\$ 558,587

Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

High Point / Marion County

WATER CIAC SCHEDULE "B"

ADDITIONS TO CONTRIBUTIONS IN AID OF CONSTRUCTION

RECEIVED FROM ALL DEVELOPERS OR CONTRACTORS AGREEMENTS

WHICH CASH OR PROPERTY WAS RECEIVED DURING THE YEAR

DESCRIPTION (a)	INDICATE CASH OR PROPERTY (b)	AMOUNT (c)
None _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____	_____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____
Total Credits		\$ _____

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY : High Point / Marion County

WATER OPERATING REVENUE

ACCT. NO. (a)	DESCRIPTION (b)	BEGINNING YEAR NO. CUSTOMERS * (c)	YEAR END NUMBER OF CUSTOMERS (d)	AMOUNT (e)
460	Water Sales: Unmetered Water Revenue			\$
461.1	Metered Water Revenue: Sales to Residential Customers	700	700	227,209
461.2	Sales to Commercial Customers			
461.3	Sales to Industrial Customers			
461.4	Sales to Public Authorities			
461.5	Sales Multiple Family Dwellings			
Total Metered Sales		700	700	\$ 227,209
462.1	Fire Protection Revenue: Public Fire Protection			
462.2	Private Fire Protection			
Total Fire Protection Revenue		-	-	\$ -
464	Other Sales To Public Authorities			
465	Sales To Irrigation Customers			
466	Sales For Resale			
467	Interdepartmental Sales			
Total Water Sales		700	700	\$ 227,209
469	Other Water Revenues: Guaranteed Revenues (Including Allowance for Funds Prudently Invested or AFPI)			\$
470	Forfeited Discounts			
471	Miscellaneous Service Revenues			
472	Rents From Water Property			
473	Interdepartmental Rents			
474	Other Water Revenues			7,446
Total Other Water Revenues				\$ 7,446
Total Water Operating Revenues				\$ 234,655

* Customer is defined by Rule 25-30.210(1), Florida Administrative Code.

W-9

GROUP 1

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY : High Point / Marion County

WATER UTILITY EXPENSE ACCOUNTS

ACCT. NO. (a)	ACCOUNT NAME (b)	CURRENT YEAR (c)	.1 SOURCE OF SUPPLY AND EXPENSES - OPERATIONS (d)	.2 SOURCE OF SUPPLY AND EXPENSES - MAINTENANCE (e)
601	Salaries and Wages - Employees	\$ -	\$	
603	Salaries and Wages - Officers, Directors and Majority Stockholders	85,000	8,500	8,500
604	Employee Pensions and Benefits	8,400	840	840
610	Purchased Water	-		
615	Purchased Power	12,235	11,623	
616	Fuel for Power Production	-		
618	Chemicals	1,357		
620	Materials and Supplies			
631	Contractual Services-Engineering	1,100	1,100	
632	Contractual Services - Plant Operation	6,845		
633	Contractual Services - Legal	-		
634	Contractual Services - Mgt. Fees	60,000	6,000	6,000
635	Contractual Services - Testing	200	200	
636	Contractual Services - Other			
641	Rental of Building/Real Property	4,850		
642	Rental of Equipment	-		
650	Transportation Expenses	-		
656	Insurance - Vehicle	-		
657	Insurance - General Liability	6,800	6,800	
658	Insurance - Workman's Comp.	-		
659	Insurance - Other	-		
660	Advertising Expense	-		
666	Regulatory Commission Expenses - Amortization of Rate Case Expense	-		
667	Regulatory Commission Exp.-Other	-		
668	Water Resource Conservation Exp.	-		
670	Bad Debt Expense			
675	Miscellaneous Expenses	\$ 19,662	5,490	5,242
Total Water Utility Expenses		\$ 206,449	\$ 40,553	\$ 20,582

Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

High Point / Marion County

WATER EXPENSE ACCOUNT MATRIX

[illegible]

W-10(b)
GROUP 1

UTILITY NAME:

Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY :

High Point / Marion County**PUMPING AND PURCHASED WATER STATISTICS**

MONTH (a)	WATER PURCHASED FOR RESALE (Omit 000's) (b)	FINISHED WATER PUMPED FROM WELLS (Omit 000's) (c)	WATER USED FOR LINE FLUSHING, FIGHTING FIRES, ETC. (d)	TOTAL WATER PUMPED AND PURCHASED (Omit 000's) [(b)+(c)-(d)] (e)	WATER SOLD TO CUSTOMERS (Omit 000's) (f)
January	0	5,531	17	5,514	5,514
February	0	4,480	-231	4,711	4,711
March	0	5,269	505	4,764	4,764
April	0	9,326	941	8,385	8,385
May	0	9,566	-1,064	10,630	10,630
June	0	9,351	606	8,745	8,745
July	0	8,594	1,024	7,570	7,570
August	0	7,580	-2,007	9,587	9,587
September	0	11,532	2,686	8,846	8,846
October	0	10,338	864	9,474	9,474
November	0	9,000	-303	9,303	9,303
December	0	7,315	2,516	4,799	4,799
Total for Year	-	97,882	5,554	92,328	92,328

If water is purchased for resale, indicate the following:

Vendor _____

If water is sold to other water utilities for redistribution, list names of such utilities below:

SOURCE OF SUPPLY

List for each source of supply:	CAPACITY OF WELL	GALLONS PER DAY FROM SOURCE	TYPE OF SOURCE
_____	_____*	_____	_____
_____	_____*	_____	_____
_____	_____	_____	_____

* Annual

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY : High Point / Marion County

WATER TREATMENT PLANT INFORMATION

Provide a separate sheet for each water treatment facility

Permitted Capacity of Plant (GPD): 250,000

Location of measurement of capacity
(i.e. Wellhead, Storage Tank): Hydropneumatic Tanks

Type of treatment (reverse osmosis,
(sedimentation, chemical, aerated, etc.): Chemical

LIME TREATMENT

Unit rating (i.e., GPM, pounds
per gallon): _____

Manufacturer: _____

FILTRATION

Type and size of area: _____

Pressure (in square feet): _____

Manufacturer: _____

Gravity (in GPM/square feet): _____

Manufacturer: _____

UTILITY NAME: Residential Water Systems, Inc

YEAR OF REPORT
December 31, 2010

SYSTEM NAME / COUNTY : High Point / Marion County

CALCULATION OF THE WATER SYSTEM METER EQUIVALENTS

METER SIZE (a)	TYPE OF METER (b)	EQUIVALENT FACTOR (c)	NUMBER OF METERS (d)	TOTAL NUMBER OF METER EQUIVALENTS (c x d) (e)
All Residential		1.0		
5/8"	Displacement	1.0	518	518
3/4"	Displacement	1.5	0	
1"	Displacement	2.5	181	453
1 1/4"	Displacement, Compound or Turbine	3.8		
1 1/2"	Displacement or Turbine	5.0		
2"	Displacement, Compound or Turbine	8.0		
3"	Displacement	15.0		
3"	Compound	16.0		
3"	Turbine	17.5		
4"	Displacement or Compound	25.0		
4"	Turbine	30.0		
6"	Displacement or Compound	50.0		
6"	Turbine	62.5		
8"	Compound	80.0		
8"	Turbine	90.0		
10"	Compound	115.0		
10"	Turbine	145.0		
12"	Turbine	215.0	0	
Total Water System Meter Equivalents				971

CALCULATION OF THE WATER SYSTEM EQUIVALENT RESIDENTIAL CONNECTIONS

Provide a calculation used to determine the value of one water equivalent residential connection (ERC).

Use one of the following methods:

- If actual flow data are available from the preceding 12 months, divide the total annual single family residence (SFR) gallons sold by the average number of single family residence customers for the same period and divide the result by 365 days.
- If no historical flow data are available, use:

$$ERC = (\text{Total SFR gallons sold (Omit 000)} / 365 \text{ days} / 350 \text{ gallons per day})$$

ERC Calculation:

92,328,000 SFR gallons sold / 710 avg customers / 365 days

356

UTILITY NAME:

Residential Water Systems, Inc

YEAR OF REPORT

December 31, 2010

SYSTEM NAME / COUNTY :

High Point / Marion County

OTHER WATER SYSTEM INFORMATION

Furnish information below for each system. A separate page should be supplied where necessary.

1. Present ERC's * the system can efficiently serve. 971
2. Maximum number of ERCs * which can be served. 1100
3. Present system connection capacity (in ERCs *) using existing lines. 971
4. Future connection capacity (in ERCs *) upon service area buildout. 129
5. Estimated annual increase in ERCs *. 2
6. Is the utility required to have fire flow capacity? Yes
If so, how much capacity is required? 30,000
7. Attach a description of the fire fighting facilities. Hydrants
8. Describe any plans and estimated completion dates for any enlargements or improvements of this system. _____

9. When did the company last file a capacity analysis report with the DEP? _____
10. If the present system does not meet the requirements of DEP rules:
 - a. Attach a description of the plant upgrade necessary to meet the DEP rules.
 - b. Have these plans been approved by DEP? _____
 - c. When will construction begin? _____
 - d. Attach plans for funding the required upgrading.
 - e. Is this system under any Consent Order with DEP? _____
11. Department of Environmental Protection ID # 3424625
12. Water Management District Consumptive Use Permit # 2-83-0023ANFM
 - a. Is the system in compliance with the requirements of the CUP? NO
 - b. If not, what are the utility's plans to gain compliance? CUP Application in Process

* An ERC is determined based on the calculation on the bottom of Page W-13.

**WASTEWATER
OPERATION
SECTION**

N/A