



City of Venice, FL

Plant Capacity Charge Study Final Report

March 19, 2019





March 19, 2019

Mr. Javier A. Vargas
City of Venice
200 North Warfield Avenue
Venice, FL 34285

Re: Plant Capacity Charge
Study

Dear Mr. Vargas,

Stantec is pleased to present this Final Report of the findings from the Plant Capacity Charge Study that we completed for the City of Venice Utilities System (City). We appreciate the fine assistance provided by you and other members of City staff. I ask that you please distribute this report to the appropriate individuals at the City for their review and comment, in addition to your own.

Key findings and recommendations are provided in the attached report. If you or others at the City have any questions, please do not hesitate to call me at (813) 204-3331 or email andrew.burnham@stantec.com. We appreciate the opportunity to be of service to the City, and we look forward to the possibility of doing so again in the near future.

Sincerely,

A handwritten signature in blue ink, appearing to read "A. Burnham".

Andrew Burnham
Vice President, Financial Services

Enclosure

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ACRONYMS AND ABBREVIATIONS

CIP	capital improvement program
CWIP	construction work in progress
ERU	equivalent residential unit
gpd	gallons per day
LOS	level of service
MGD	millions of gallons per day
RCNLD	replacement cost new less depreciation

1. INTRODUCTION

Stantec Consulting Services Inc. (Stantec) has conducted a Water and Sewer Plant Capacity Charge Study (Study) for the City of Venice, Florida (hereafter referred to as the “City” or “Utility”). This report presents the results of the comprehensive Study, including background information, an explanation of the calculation methodology employed, the basis of the analysis, and the results and recommendations.

1.1 BACKGROUND

A capital charge is a one-time charge paid by a new customer to recover a portion or all the cost of constructing water and sewer system capacity. These charges are also often assessed to existing customers requiring increased system capacity. Capital charges are often called impact fees, system development charges, connection charges, etc., however the City refers to them as plant capacity charges. In general, capital charges are based upon the costs of utility infrastructure including, but not limited to, treatment facilities, effluent disposal facilities, transmission mains and collection systems. Capital charges serve as the mechanism by which growth can “pay its own way” and minimize the extent to which existing customers must bear the cost of facilities that will be used to serve new customers.

The City currently assesses water and sewer plant capacity charges that are designed to recover the cost of water and sewer capacity from new connections to the system. It is recommended that utilities revisit their plant capacity charges periodically, as system costs and capacities change over time. The City has retained the services of Stantec to calculate updated water and sewer plant capacity charges.

1.2 STUDY OBJECTIVES

The objectives of this Study are to:

1. Calculate plant capacity charges for the water and sewer systems based on capital investments and system capacities.
2. Survey water and sewer plant capacity charges for other communities near the City and provide a fee comparison.

1.3 GENERAL METHODOLOGY

There are three primary approaches to the calculation of plant capacity charge. Each of the approaches are discussed below.

Buy-In Method

Under this approach, plant capacity charges are calculated based solely on the existing utility system assets. Specifically, the replacement cost new less depreciation (RCNLD) of each system's major functional components serves as the cost basis for the fee calculation. This approach is most appropriate

for a system with considerable excess capacity, such that most new connections to the system will be served by that existing excess capacity and the customers are effectively “buying-in” to the existing system.

Incremental Cost Method

The second approach is to use the portion of each system’s multi-year capital improvement program (CIP) associated with the provision of additional system capacity by functional system component as the cost basis for the plant capacity charge calculation. This approach is most appropriate where 1) the existing system has limited or no excess capacity to accommodate growth, and 2) the CIP contains a significant number of projects that provide additional system capacity for each functional system component representative of the cost of capacity for the entire system.

Combined Cost Method

The third approach is a combination of the two approaches described above. This approach is most appropriate when 1) there is excess capacity in the current system that will accommodate some growth, but additional capacity is needed in the short-term as reflected in each system’s CIP, and 2) the CIP includes a significant amount of projects that will provide additional system capacity, but does not necessarily have a sufficient number of projects in each functional area to be reflective of a total system.

The table below summarizes each of the three approaches and their typical application.

Table 1-1 Description of Approaches and Applications

Approach:	Description:	Appropriate for:
Buy-in method	Fees are based on cost of constructing existing utility system	System with ample existing capacity to sell
Incremental cost method	Fees are based on planned capital improvements	System with no/very limited existing capacity to sell
Combined method	Fees are based on cost of existing system and planned capital improvements	System with existing capacity to sell and with significant growth-related capital projects

Given that the City has some excess capacity in its current system, yet is planning growth-related projects over the next ten years, the most appropriate methodology chosen for the calculation of the plant capacity charges in this Study is the **combined method**.

2. BASIS OF ANALYSIS

The first step in calculating plant capacity charges is to determine the cost basis for the existing system. The net system value for use in the determination of the plant capacity charges is calculated using the following approach:

- 1) The existing system assets are analyzed to determine the replacement cost new less depreciation of the City's existing water and sewer system components.
- 2) Any donated assets and/or assets not funded by the City (funded by grants, developers, Sarasota County, etc.) are removed from the system assets.
- 3) The assets are further reduced by the outstanding net present value of the principal on debt.
- 4) The resulting net system value is used in the determination of the fee.

The following section outlines the details of the analysis for the existing water and sewer systems.

2.1 TOTAL PLANT IN SERVICE VALUE

The City provided a detailed asset inventory list, which includes a description of the asset category, year placed in service, department and division of the asset, original cost, and useful life for each system asset through FY 2018. These assets were classified by each major system function, and a replacement cost new less depreciation was calculated for each asset record using the data provided by the City and the Engineering News Record Construction Cost Index. It is important to note that the asset listing includes specific reclaimed water assets. The reclaimed water system is part of the sewer disposal system, and therefore reclaimed-specific assets are included in the sewer treatment system value. Schedule 4 in the Appendix shows the RCNLD for the City's existing system based upon the asset records provided by City staff.

2.2 CREDITS

The below sections describe credits, or reductions in the plant in service, to account for the portion of the asset values that will not be recovered by the water and sewer plant capacity charges.

Principal on Outstanding Debt

Once the system values were identified for each functional component, an adjustment was made in the form of a credit for the principal on all outstanding debt that will be recovered in user fees after new customers connect to the water and/or sewer systems. Upon connection to either system, new customers will pay monthly user rates associated with the use of utility service. In addition to the systems' operating costs, the user rates recover the principal and interest payments associated with the debt incurred to fund the capital costs of the system. Therefore, in order to avoid a double recovery of

those capital costs in the plant capacity charges and user rates, a credit is provided based on the total principal outstanding on debt.

Donated and Grant-Funded Assets

System assets that were donated to the City or funded with grants were excluded from the plant capacity charge calculation. If the City did not incur the cost of purchasing and/or constructing the asset, they cannot include the costs in the system value used to determine the plant capacity charge.

Assets Funded by Sarasota County

As part of an agreement between the City and Sarasota County, a portion of the expansion of the sewer treatment plant was paid for by the County. To avoid recovering asset costs that were not paid for by the City's customers, the sewer plant asset value was reduced by the amount funded by Sarasota County.

Table 2-1 presents the resulting net plant in service values after the reductions for outstanding principal, donated assets, grant-funded assets, and assets funded by Sarasota County.

Table 2-1 Calculation of Net Plant in Service by System Component

	Treatment Net Plant in Service	Transmission/ Conveyance Net Plant in Service
Water		
Gross Plant in Service	\$ 29,336,372	\$ 30,751,749
Less: Principal Credit	7,882,026	10,108,750
Less: Excluded Assets	8,773	12,199,302
Net Plant in Service	\$ 21,445,573	\$ 8,443,697
Sewer		
Gross Plant in Service	\$ 57,000,090	\$ 26,761,048
Less: Principal Credit	12,079,895	7,505,433
Less: Excluded Assets	12,778,067	9,836,765
Net Plant in Service	\$ 32,142,128	\$ 9,418,850

2.3 FUTURE CAPITAL VALUE

The next step in calculating plant capacity charges is to determine the value of future growth-related capital. City staff provided input as to which projects will increase the capacity of the water and/or sewer systems, and therefore should be included in the basis of the fee calculation. These projects are indicated

in Schedule 5 of the Appendix.¹ The CIP value for use in determining the plant capacity charges is calculated using the following approach:

- 1) Planned growth-related water and sewer capital projects between FY 2019 and FY 2023 are allocated to system functions.
- 2) FY 2018 encumbrances and project rollovers for growth-related CIP and current construction work in progress (CWIP) are included in the CIP used in the calculation.
- 3) All, or a portion, of some capital project costs were included in the calculation, although the projects are not growth-related, because they are replacing assets determined by City staff to be fully depreciated and therefore not otherwise captured in the cost basis of the fee.

Table 2-2 presents the resulting CIP cost used in the plant capacity charge calculation, and the detailed project information can be found in Schedule 5 of the Appendix.

Table 2-2 CIP Value by System Component

System	Treatment Growth-Related CIP	Transmission/Conveyance Growth-Related CIP
Water	\$ 11,207,615	\$ 21,246,175
Sewer	140,805	8,741,508

The total net system value and capital costs used as the cost basis for the plant capacity charges are shown in the following table.

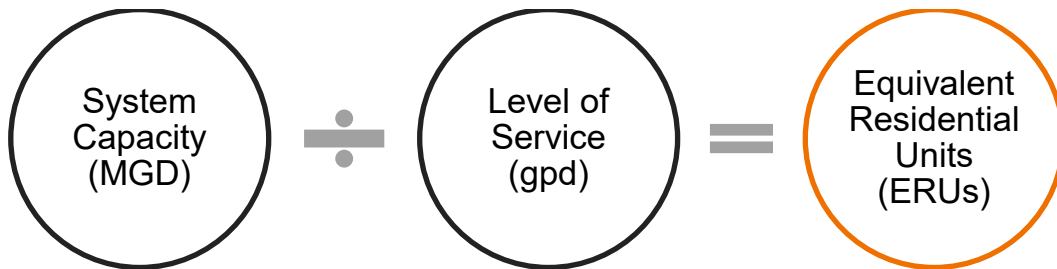
Table 2-3 Total Cost Basis by System Component

System	Treatment Total Cost Basis	Transmission/Conveyance Total Cost Basis
Water	\$ 32,653,188	\$ 29,689,872
Sewer	32,282,933	18,160,358

¹ It is important to note that, although certain projects were used in the basis of the fee calculation in order to most accurately represent the historical and future investment in the system, whether or not a project can be funded using plant capacity charges depends on how much of that project is adding growth to the system. Schedule 5 of the Appendix includes a column that indicates how much of each project is considered to be growth-related at the time of this Study, and therefore could be funded with plant capacity charges.

2.4 CAPACITIES

Once the system values were determined and allocated to each system and its functional components, the next step was to determine system capacities by functional cost component as stated in terms of equivalent residential units (ERUs). Expressing the system capacities in terms of ERUs allows for the development of the unit pricing of capacity, which is essential for the determination of plant capacity charges. The total system capacity, stated in terms of system function in millions of gallons per day (MGD), divided by the level of service in gallons per day is equal to the total number of ERUs the City can serve with the existing system capacity.



2.4.1 System Capacity

The City's water and sewer systems consist of numerous functional components such as water treatment, water transmission, sewer conveyance, and sewer treatment and disposal (including reclaimed water functions). Each of the functional components have a physical or regulatory permitted capacity. For the water treatment system, the capacity used in the analysis is City staff's estimate of the usable potable water treatment capacity after consideration of waste water from the reverse osmosis process. For the sewer treatment system, the capacity used in the analysis is the City's portion of the treatment plant capacity and does not reflect the portion of the treatment plant reserved for, and funded by, the County.

While treatment capacities are readily available and generally accepted to be the physical or regulatory permitted capacity of such facilities, transmission and collection system capacities are more difficult to quantify. As such, it is common to define the capacity for all functional components (including the transmission and conveyance functions) relative to the system's total treatment capacity. For the City, it was determined that, upon completion of the growth-related capital projects, both the water transmission and sewer conveyance systems will have 25% more capacity than their respective treatment system capacities (sewer collection system capacity is based on only the City's portion of sewer treatment capacity). Table 2-4 summarizes the capacity by system component used in the fee calculation for the City.

Table 2-4 System Capacity by System Component

System	Treatment Capacity (MGD)	Transmission/ Collection Capacity (MGD)
Water	3.36	4.20
Sewer	4.00 ¹	5.00

¹ Represents only the City's portion of sewer treatment capacity.

2.4.2 Level of Service Standards

In the evaluation of the capital facility needs for providing water and sewer utility services, it is critical that a level of service (LOS) standard be used. The LOS is an indicator of the extent or degrees of service provided by, or proposed to be provided by a facility, based on and related to the operational characteristics of the facility. Level of service equates to the capacity per unit of demand for each public facility or service. Level of service standards are established to ensure that adequate facility capacity will be provided for future development and for purposes of issuing development orders or permits.

For water and sewer service, the level of service that is commonly used in the industry is the amount of capacity allocable to an ERU expressed as the amount of usage in gallons on an average day or maximum day basis. This allocation would generally represent the amount of capacity allowable to an ERU, whether such capacity is used on an average day or maximum day basis. The LOS used as part of this process is based on the City's 2013 water master plan and represents maximum daily usage per ERU for the water system and average daily usage per ERU for the sewer system. LOS capacities are shown in the following table.

Table 2-5 Level of Service by System Component

System	LOS (gpd per ERU)
Water	227 (max. day)
Sewer	152 (avg. day)

The calculation of ERUs for each system component is based on the total system capacity by system component divided by the LOS for each system. The resulting ERUs for each system component are presented in the following table.

Table 2-6 ERUs by System Component

System	Treatment Capacity (ERUs)	Transmission/ Collection Capacity (ERUs)
Water	14,802	18,502
Sewer	26,316	32,895

3. RESULTS

This section summarizes the results of the Study, the existing and calculated plant capacity charges, and conclusions and recommendations.

3.1 EXISTING FEES

The City currently charges plant capacity charges by meter size. The tables below summarize the fees the City currently charges:

Table 3-1 Existing Plant Capacity Charges

Classification	Equivalency Factor – Number of ERUs	Current Water Charge	Current Sewer Charge	Total Charge
3/4"	1.00	\$ 1,210	\$ 1,450	\$ 2,660
1"	2.50	3,025	3,625	6,650
1.5"	5.00	6,050	7,250	13,300
2"	8.00	9,680	11,600	21,280
3"	16.00	19,360	23,200	42,560
4"	25.00	30,250	36,250	66,500
6"	50.00	60,500	72,500	133,000
8"	80.00	96,800	116,000	212,800
10"	115.00	139,150	166,750	305,900
Manufactured home (per dwelling unit)	0.77	937	1,205	2,142
Multi-family (per dwelling unit)	0.89	1,075	1,290	2,365
Hotel and motel (each room)	0.48	575	886	1,461

3.2 CALCULATED PLANT CAPACITY CHARGES

To calculate the plant capacity charges, the total cost basis described in Section 2 for each functional component was divided by the ERUs for each functional component to calculate a capacity cost per ERU. The following table shows the current and calculated water and sewer plant capacity charges for each meter size and customer type, as well as the change between the current and calculated charges. While the usage characteristics have been thoroughly evaluated for manufactured homes and multi-family developments in order to determine an equivalency factor that is applied based on dwelling units, it is recommended that hotels and motels instead be treated as a commercial customer and charged based on meter size.

Table 3-2 Calculated Plant Capacity Charges

Classification	Equivalency Factor – Number of ERUs	Calculated Water Charge	Calculated Sewer Charge	Total Charge	\$ Change
3/4"	1.00	\$ 3,925	\$ 1,832	\$ 5,757	\$ 3,097
1"	1.67	6,542	3,054	9,596	2,946
1.5"	3.33	13,084	6,108	19,192	5,892
2"	5.33	20,935	9,773	30,708	9,428
3"	11.67	45,796	21,378	67,174	24,614
4"	20.00	78,507	36,647	115,154	48,654
6"	45.00	176,640	82,457	259,097	126,097
8"	53.33	209,351	97,726	307,077	94,277
10"	140.00	549,546	256,532	806,078	500,178
Manufactured home (per dwelling unit) ¹	0.77	3,038	1,418	4,456	2,314
Multi-family (per dwelling unit) ¹	0.83	3,262	1,523	4,785	2,420
Hotel and motel (each room) ²	Fee applied based on meter size				N/A

¹ Equivalency factor based on 2013 study of usage analysis.

² Stantec recommends using the meter size-based fee for hotel and motel developments.

3.3 LOCAL PLANT CAPACITY CHARGE SURVEY

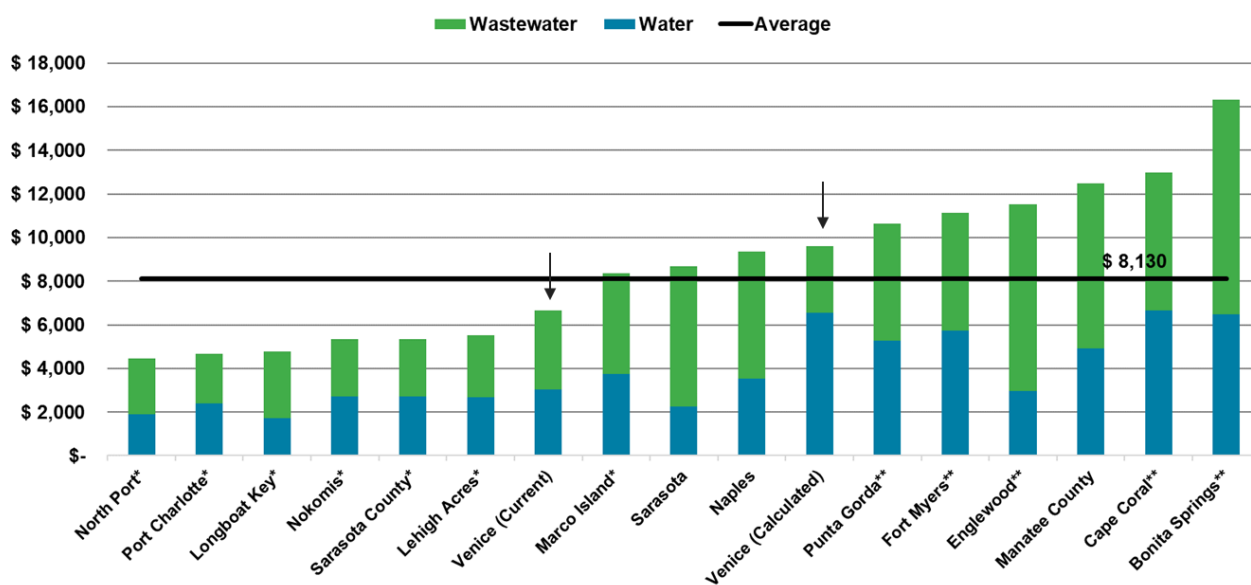
The following surveys show the plant capacity charges for communities surrounding the City. The City's current development practice is to use a 1" meter, but 3/4" meters would also suffice for most residential properties. The following surveys show a comparison of both 1" and 3/4" charges, as well as an average for all the communities surveyed.

It is important to note that the reader must view the comparison with caution as no in-depth analysis has been performed to identify the methods used in the development of the capital charges imposed by other utilities, nor has any analysis been performed to determine whether 100% of the cost of new facilities is recovered from such fees (or if a portion of the costs are recovered through user fees). Additionally, no analysis was conducted as to the types of capital facilities currently in service or planned for the utilities surveyed. Some reasons why impact fees differ among utilities include the following:

- Source of supply
- Proximity to source of supply
- Type and complexity of treatment
- Effluent disposal method
- Density of service area
- Availability of grant funding to finance CIP

- Age of system
- Utility life cycle (e.g., growth-oriented vs. mature)
- Level of service standards
- Administrative policies

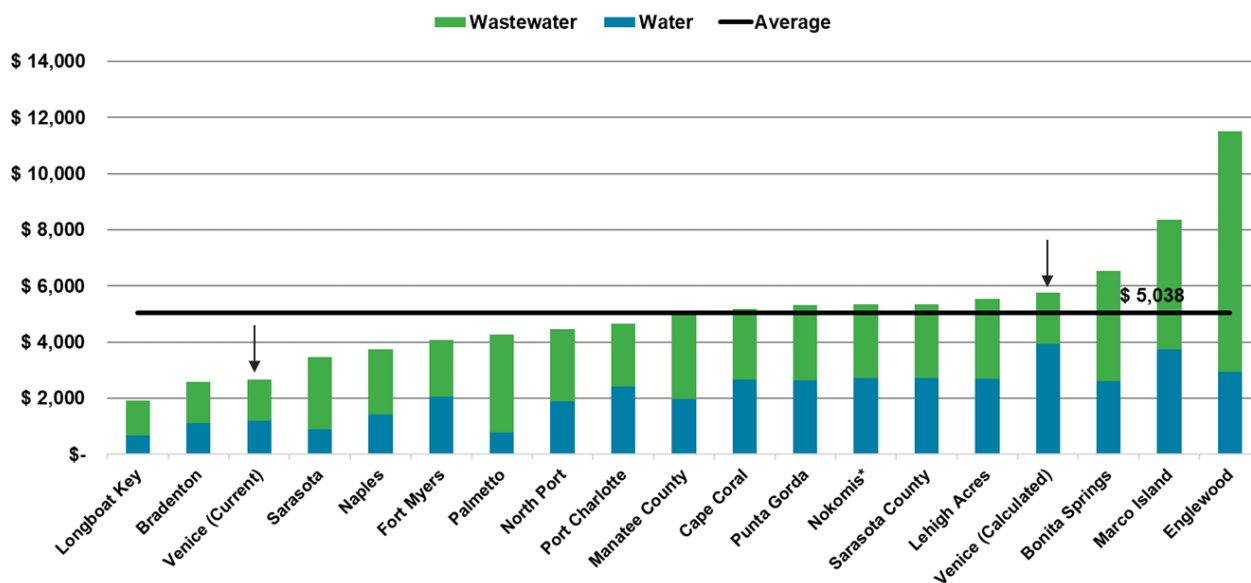
Figure 3-1 Residential 1” Plant Capacity Charge Survey



*Fees are charged per ERU; assuming 1 ERU.

**Fees represent non-residential fee for a 1' meter.

Figure 3-2 Residential 3/4” Plant Capacity Charge Survey



3.4 CONCLUSIONS AND RECOMMENDATIONS

Our analysis indicates that the City's current plant capacity charges, shown in Table 3-1, are supported by cost and could be increased to the levels shown in Table 3-2. We recommend that the City review its plant capacity charges at least every five years to ensure that they continue to reflect its current cost of capacity. As the City continues to expand its facilities, future changes in technology, demands, development patterns, or other factors may necessitate additional adjustments to its development fees.

Disclaimer

This document was produced by Stantec Consulting Services, Inc. (“Stantec”) for City of Venice, Florida (“City”) and is based on a specific scope agreed upon by both parties. Stantec’s scope of work and services do not include serving as a “municipal advisor” for purposes of the registration requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act (2010) or the municipal advisor registration rules issued by the Securities and Exchange Commission. Stantec is not advising the City, or any municipal entity or other person or entity, regarding municipal financial products or the issuance of municipal securities, including advice with respect to the structure, terms, or other similar matters concerning such products or issuances.

In preparing this report, Stantec utilized information and data obtained from the City or public and/or industry sources. Stantec has relied on the information and data without independent verification, except only to the extent such verification is expressly described in this document. Any projections of future conditions presented in the document are not intended as predictions, as there may be differences between forecasted and actual results, and those differences may be material.

Additionally, the purpose of this document is to summarize Stantec’s analysis and findings related to this project, and it is not intended to address all aspects that may surround the subject area. Therefore, this document may have limitations, assumptions, or reliances on data that are not readily apparent on the face of it. Moreover, the reader should understand that Stantec was called on to provide judgments on a variety of critical factors which are incapable of precise measurement. As such, the use of this document and its findings by the City should only occur after consultation with Stantec, and any use of this document and findings by any other person is done so entirely at their own risk

APPENDIX: SUPPORTING SCHEDULES

- Schedule 1 Water Plant Capacity Charge Calculation
- Schedule 2 Sewer Plant Capacity Charge Calculation
- Schedule 3 Current and Calculated Plant Capacity Charges by Meter Size
- Schedule 4 Fixed Assets Listing and Functional Allocations
- Schedule 5 Capital Improvement Program Costs and Allocations
- Schedule 6 Outstanding Debt

Schedule 1: Water Plant Capacity Charge Calculation

Functional Component	Treatment	Transmission	Total
<i>System Value Calculation:</i>			
Gross Plant in Service Value	\$ 29,336,372	\$ 30,751,749	\$ 60,088,122
Capital Improvement Cost	\$ 11,207,615	\$ 21,246,175	\$ 32,453,790
Gross System Value	\$ 40,543,988	\$ 51,997,924	\$ 92,541,912
<i>Credits:</i>			
Principal Credit	\$ 7,882,026	\$ 10,108,750	\$ 17,990,776
Specific Asset Contributions / Exclusions	\$ 8,773	\$ 12,199,302	\$ 12,208,075
Net System Value	\$ 32,653,188	\$ 29,689,872	\$ 62,343,060
<i>ERU Calculation:</i>			
Million Gallons Per Day (MGD)	3.36	4.20	
Level of Service (gpd)	227	227	
Equivalent Residential Units (ERUs)	14,802	18,502	
<i>Fee Calculation:</i>			
Calculated Cost per ERU	\$ 2,206	\$ 1,605	\$ 3,811
Escalation Factor to Effective Year			3.00%
Calculated Fee per ERU	\$ 2,272	\$ 1,653	\$ 3,925
Current Fee			1,210
\$ Change			2,715
% Change			224%

Schedule 2: Sewer Plant Capacity Charge Calculation

Functional Component	Treatment / Disposal	Conveyance	Total
<i>System Value Calculation:</i>			
Gross Plant in Service Value	\$ 57,000,090	\$ 26,761,048	\$ 83,761,138
Capital Improvement Cost	\$ 140,805	\$ 8,741,508	\$ 8,882,313
Gross System Value	\$ 57,140,895	\$ 35,502,556	\$ 92,643,451
<i>Credits:</i>			
Principal Credit	\$ 12,079,895	\$ 7,505,433	\$ 19,585,328
Specific Asset Contributions / Exclusions	\$ 12,778,067	\$ 9,836,765	\$ 22,614,832
Net System Value	\$ 32,282,933	\$ 18,160,358	\$ 50,443,291
<i>ERU Calculation:</i>			
Million Gallons Per Day (MGD)	4.00	5.00	
Level of Service (gpd)	152	152	
Equivalent Residential Units (ERUs)	26,316	32,895	
<i>Fee Calculation:</i>			
Calculated Cost per ERU	\$ 1,227	\$ 552	\$ 1,779
Escalation Factor to Effective Year			3.00%
Calculated Fee per ERU	\$ 1,264	\$ 569	\$ 1,832
Current Fee			1,450
\$ Change			382
% Change			26%

Schedule 3: Current and Calculated Plant Capacity Charges by Meter Size

Water

Meter Size	AWWA Meter Equivalencies	Current Plant Capacity Charge	Calculated Plant Capacity Charge	\$ Change
3/4"	1.0	\$ 1,210	\$ 3,925	\$ 2,715
1"	1.7	\$ 3,025	\$ 6,542	\$ 3,517
1.5"	3.3	\$ 6,050	\$ 13,084	\$ 7,034
2"	5.3	\$ 9,680	\$ 20,935	\$ 11,255
3"	11.7	\$ 19,360	\$ 45,796	\$ 26,436
4"	20.0	\$ 30,250	\$ 78,507	\$ 48,257
6"	45.0	\$ 60,500	\$ 176,640	\$ 116,140
8"	53.3	\$ 96,800	\$ 209,351	\$ 112,551
10"	140.0	\$ 139,150	\$ 549,546	\$ 410,396

Classification	Scaling Factor ¹	Current Plant Capacity Charge	Calculated Plant Capacity Charge
Each Manufactured Home Dwelling Unit	0.77	\$ 937	\$ 3,038
Each Multifamily Dwelling Unit	0.83	\$ 1,075	\$ 3,262

Sewer

Meter Size	AWWA Meter Equivalencies	Current Plant Capacity Charge	Calculated Plant Capacity Charge	\$ Change
3/4" x 5/8"	1.0	\$ 1,450	\$ 1,832	\$ 382
1"	1.7	\$ 3,625	\$ 3,054	\$ (571)
1.5"	3.3	\$ 7,250	\$ 6,108	\$ (1,142)
2"	5.3	\$ 11,600	\$ 9,773	\$ (1,827)
3"	11.7	\$ 23,200	\$ 21,378	\$ (1,822)
4"	20.0	\$ 36,250	\$ 36,647	\$ 397
6"	45.0	\$ 72,500	\$ 82,457	\$ 9,957
8"	53.3	\$ 116,000	\$ 97,726	\$ (18,274)
10"	140.0	\$ 166,750	\$ 256,532	\$ 89,782

Classification	Scaling Factor ¹	Current Plant Capacity Charge	Calculated Plant Capacity Charge
Each Manufactured Home Dwelling Unit	0.77	\$ 1,205	\$ 1,418
Each Multifamily Dwelling Unit	0.83	\$ 1,290	\$ 1,523

¹Scaling factors were determined through the rate structure and usage analysis study conducted in 2013 and the calculated fees are scaled based on the 3/4" fee.

Schedule 4: Fixed Assets Listing and Functional Allocations

Source: Utilities Fixed Assets 093018.xlsx

Shading denotes assets not included in PCC cost basis (contributed assets, assets funded by grants or Sarasota County, meters, hydrants, and transmission/distribution assets assumed to be fully depreciated).

Table with columns: Acquisition Method, Asset Number, Div, Asset Description, Original Cost, Year Acquired, Annual Depreciation, Accumulated Depreciation, Net Book Value, ENR Escalation Factor, RCN, RCNLD, % of Asset Contributed or Excluded, Contributed / Excluded Asset Value (Not Used in PCC), Net Asset Value (Used in PCC), Admin Allocation, Water Allocation, Sewer Allocation, Reclaimed Allocation, Source of Supply / Treatment, Water System (Transmission / Distribution), Sewer System (Treatment / Disposal, Collection / Conveyance), Reclaimed System (Transmission / Distribution).

Schedule 4: Fixed Assets Listing and Functional Allocations

Source: Utilities Fixed Assets 093018.xlsx

Shading denotes assets not included in PCC cost basis (contributed assets, assets funded by grants or Sarasota County, meters, hydrants, and transmission/distribution assets assumed to be fully depreciated).

Acquisition Method	Asset Number	Div	Asset Description	Original Cost	Year Acquired	Annual Depreciation	Accumulated Depreciation	Net Book Value	ENR Escalation Factor	RCN	RCNLD	% of Asset Contributed or Excluded	Contributed / Excluded Asset Value (Not Used in PCC)	Net Asset Value (Used in PCC)	ALLOCATION OF COSTS											
															Admin Allocation	Water Allocation	Sewer Allocation	Reclaimed Allocation	Water System		Sewer System		Reclaimed System			
																			Source of Supply / Treatment	Transmission / Distribution	Treatment / Disposal	Collection / Conveyance	Transmission / Distribution			
PU	E7231287	4	LS #00 2 PUMPS, ETC	\$ 5,570	1987	\$ 162	\$ 5,026	\$ 544	2.51	\$ 13,956	\$ 1,363	0%	\$ -	\$ 1,363	0%	0%	100%	0%	0%	0%	0%	0%	0%	0%	0%	
TO	E7231292	4	LS #56-PUMPS (2)HYDROMATIC 1.5HP	\$ 6,178	1989	\$ 126	\$ 3,654	\$ 2,523	2.39	\$ 14,777	\$ 6,036	100%	\$ 6,036	\$ -	0%	0%	100%	0%	0%	0%	0%	100%	0%	0%	0%	0%
TO	E7231293	4	LS #55 - PUMPS & MOTORS 15HP (2)	\$ 5,697	1989	\$ 117	\$ 3,388	\$ 2,308	2.39	\$ 13,627	\$ 5,522	100%	\$ 5,522	\$ -	0%	0%	100%	0%	0%	0%	0%	100%	0%	0%	0%	0%
TO	E7231294	4	LS #54 - PUMPS & MOTORS 4.5HP	\$ 5,209	1988	\$ 106	\$ 3,168	\$ 2,040	2.44	\$ 12,724	\$ 4,984	100%	\$ 4,984	\$ -	0%	0%	100%	0%	0%	0%	0%	100%	0%	0%	0%	0%
PU	S7701087	4	GOULDS VERTICAL TURBINE PUMP	\$ 7,585	2008	\$ 759	\$ 7,585	\$ -	1.33	\$ 10,076	\$ -	0%	\$ -	\$ -	0%	0%	100%	0%	0%	0%	0%	100%	0%	0%	0%	0%
PU	00000051	2	SUNGUARD FLEET MANAGEMENT	\$ 29,120	2013	\$ 3,009	\$ 15,045	\$ 14,075	1.16	\$ 33,673	\$ 16,275	0%	\$ -	\$ 16,275	0%	50%	46%	5%	0%	100%	0%	100%	0%	100%	0%	100%
PU	B8351003	2	XC2 BACKFLOW PREVENTION SOFTWARE	\$ 10,301	2008	\$ 1,030	\$ 10,301	\$ -	1.33	\$ 13,684	\$ -	0%	\$ -	\$ -	0%	100%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%
PU	C8350006	3	QUA-QUICK INTEGRATION SOFTWARE	\$ 32,113	2011	\$ 4,588	\$ 32,113	\$ -	1.22	\$ 39,086	\$ -	0%	\$ -	\$ -	0%	100%	0%	0%	0%	100%	0%	0%	0%	0%	0%	0%
PU	D8350054	1	NAVILINE MODULES	\$ 16,935	2005	\$ 1,303	\$ 16,935	\$ -	1.48	\$ 25,107	\$ -	0%	\$ -	\$ -	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
PU	D8350054	1	NAVILINE MODULES	\$ 8,001	2005	\$ 615	\$ 8,001	\$ -	1.48	\$ 11,862	\$ -	0%	\$ -	\$ -	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
PU	D8351004	4	SCADA UPGRADE (IFIX)	\$ 35,832	2008	\$ 3,583	\$ 35,832	\$ -	1.33	\$ 47,601	\$ -	0%	\$ -	\$ -	0%	0%	100%	0%	0%	0%	0%	0%	100%	0%	0%	0%
Total				\$ 170,407,004						\$ 289,620,556	\$ 143,849,260		\$ 34,822,908	\$ 109,026,352												

Schedule 5: Capital Improvement Program Costs and Allocations

Source: CIP Program FY 19-FY 23.xlsx, CIP Program FY 20-FY 24.xlsx, 2018 Capital Improvement Program - Status of Projects 93018.xlsx.

Project Name	Encumbered	Project Roll	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	Total Project Costs	% Used in PCC	Cost Included in PCC	% Usable to Fund Projects	ALLOCATION OF EXPANSION RELATED PROJECT COSTS														
												Admin Allocation	Water Allocation	Sewer Allocation	Reclaimed Allocation	Water System		Sewer System		Reclaimed System						
																Treatment	Transmission	Treatment/Disposal	Collection	Transmission						
Construction Work in Progress																										
Div 1202																										
70 LS #47 Forcemain Replacement	\$ -	\$ -	\$ 5,193	\$ -	\$ -	\$ -	\$ -	\$ 5,193	100%	\$ 5,193	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%	0%					
71 US 41 Bypass-Gulf Coast to Center	\$ -	\$ -	\$ 62,274	\$ -	\$ -	\$ -	\$ -	\$ 62,274	100%	\$ 62,274	0%	0%	50%	50%	0%	0%	100%	0%	0%	100%	0%					
72 Eastgate Utility Relo Ph I	\$ 1,091,028	\$ -	\$ 215,062	\$ -	\$ -	\$ -	\$ -	\$ 1,306,090	100%	\$ 1,306,090	20%	0%	100%	0%	0%	0%	100%	0%	0%	0%	0%					
73 Watermain Replacement PH5	\$ 1,762,024	\$ -	\$ 654,043	\$ -	\$ -	\$ -	\$ -	\$ 2,416,067	100%	\$ 2,416,067	20%	0%	100%	0%	0%	0%	100%	0%	0%	0%	0%					
74 Watermain Replacement PH6	\$ 173,327	\$ (353,290)	\$ 181,362	\$ -	\$ -	\$ -	\$ -	\$ 1,399	100%	\$ 1,399	20%	0%	100%	0%	0%	0%	100%	0%	0%	0%	0%					
75 Venetion Prkwy Srvc Relocate	\$ -	\$ -	\$ 306,095	\$ -	\$ -	\$ -	\$ -	\$ 306,095	100%	\$ 306,095	20%	0%	50%	50%	0%	0%	100%	0%	0%	100%	0%					
Div 1203																										
76 WTP Building Improvements	\$ -	\$ -	\$ 308,294	\$ -	\$ -	\$ -	\$ -	\$ 308,294	100%	\$ 308,294	0%	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%					
77 Booster Station - AJAX Property	\$ -	\$ -	\$ 150,279	\$ -	\$ -	\$ -	\$ -	\$ 150,279	100%	\$ 150,279	0%	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%					
78 Sodium Hypochlorite Tank Replacement	\$ -	\$ -	\$ 49,042	\$ -	\$ -	\$ -	\$ -	\$ 49,042	100%	\$ 49,042	0%	0%	100%	0%	0%	100%	0%	0%	0%	0%	0%					
Div 1204																										
79 EWRF LKS FM Relocate	\$ 211,353	\$ -	\$ 66,506	\$ -	\$ -	\$ -	\$ -	\$ 277,859	24%	\$ 66,506	0%	0%	0%	100%	0%	0%	0%	100%	0%	0%	0%					
80 EWRF Blower Replacement	\$ 626,972	\$ -	\$ 74,299	\$ -	\$ -	\$ -	\$ -	\$ 701,271	11%	\$ 74,299	0%	0%	0%	100%	0%	0%	100%	0%	0%	0%	0%					
Total	\$ 4,584,770	\$ 10,115,341	\$ 13,259,949	\$ 25,582,025	\$ 18,998,825	\$ 8,636,400	\$ 1,947,150	\$ 83,124,460		\$ 41,336,103					\$ 11,207,615	\$ 21,246,175	\$ 140,805	\$ 8,741,508	\$ -							

Schedule 6: Outstanding Debt Service¹

	Outstanding Principal	Water %	Sewer %	Reclaimed %²
2013 PNC (SRF) Refunding Loan	\$ 2,059,000	0%	51%	50%
Series 2012 Revenue Bonds	18,760,000	53%	47%	0%
Series 2015 Revenue Bonds	14,350,000	43%	57%	0%
SRF Loan # DW580430 (Drinking Water - Construction Loan Agreement)	1,927,575	100%	0%	0%
SRF Loan # WW580430 (Clean Water - Construction Loan Agreement)	479,529	0%	100%	0%
Total	\$ 37,576,104	\$ 17,990,776	\$ 18,566,123	\$ 1,019,205

¹Allocations between water, sewer, and reclaimed are based on actual spending of individual bond proceeds.

²Reclaimed debt service is reflected in the Sewer Treatment/Disposal portion of the calculation.