



# The City of Venice

## UPDATE OF FY 2012 WATER & WASTEWATER COST OF SERVICE RATE STUDY

### *Draft Report*

July 22, 2013

Prepared By:

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## **BURTON & ASSOCIATES**

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## **BURTON & ASSOCIATES**

July 22, 2013

Mr. Lennox Bramble, P.E.  
Utilities Director  
City of Venice  
200 North Warfield Avenue  
Venice, FL 34285

Re: Update of FY 2012 Water & Wastewater Cost of Service Rate Study:  
Draft Report

Dear Mr. Bramble:

Burton & Associates is pleased to present this Draft Report Update of FY 2012 Water & Wastewater Cost of Service Rate Study that we have conducted for the City. We appreciate the fine assistance provided by you, your staff, and all of the members of City staff who participated in the analysis.

Upon receipt of comments, we will make appropriate adjustments and produce a Final Report. If you have any questions, please do not hesitate to call Andy Burnham at (813) 443-5138 or me at (904) 247-0787.

Very truly yours,



Michael E. Burton  
President

Enclosure

**Burton & Associates**

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**TABLE OF CONTENTS**

<b>SECTION 1.</b>	<b>INTRODUCTION.....</b>	<b>2</b>
1.1	OBJECTIVE AND SCOPE.....	2
1.2	BACKGROUND .....	2
<b>SECTION 2.</b>	<b>ANALYSIS AND RESULTS.....</b>	<b>4</b>
2.1	COST DETERMINATION AND ALLOCATION .....	4
2.1.1	<i>COST OF SERVICE .....</i>	<i>4</i>
2.1.2	<i>COST ALLOCATION TO SERVICES.....</i>	<i>12</i>
2.1.3	<i>ALLOCATION OF WASTEWATER COSTS TO FUNCTIONS .....</i>	<i>19</i>
2.1.4	<i>ALLOCATION OF WATER COSTS TO FUNCTIONS.....</i>	<i>26</i>
2.2	WHOLESALE RATE ANALYSIS.....	32
2.2.1	<i>BACKGROUND .....</i>	<i>32</i>
2.2.2	<i>ANALYSIS.....</i>	<i>32</i>
2.3	RECLAIMED WATER RATES ANALYSIS.....	36
2.4	EVALUATION OF RATE CLASSES .....	38
2.4.1	<i>BACKGROUND .....</i>	<i>38</i>
2.4.2	<i>ANALYSIS.....</i>	<i>38</i>
2.4.3	<i>CUSTOMER IMPACT ANALYSIS.....</i>	<i>42</i>
<b>SECTION 3.</b>	<b>RECOMMENDATIONS.....</b>	<b>54</b>



## SECTION 1. INTRODUCTION

This report presents the results of a study performed to update certain portions of the FY 2012 Water and Wastewater Cost of Service Rate Study (FY 2012 Rate Study) that Burton & Associates conducted for the City. This study was conducted by Burton & Associates, a firm that specializes in providing utility rate consulting services to local government utilities.

### 1.1 OBJECTIVE AND SCOPE

The objective of this study was to update the FY 2012 Rate Study that we conducted for the City to accomplish the following scope of services:

- Customer Class Analysis - Evaluate the creation of additional/adjusted customer classes (primarily manufactured homes, both individually metered and master metered) and determine appropriate base facility charge factors for each class and the associated base facility charge rates for an alternative mix of customer classes, including any identified new classes.
- Wholesale Rate Analysis - Evaluate the wholesale wastewater rate charged to Sarasota County and develop an updated rate based upon the service agreement with the County and an allocation of costs to the wholesale rate in accordance with that agreement and generally accepted rate making practice regarding wholesale rates. In addition, the scope included development of a wholesale water rate schedule in the event water is in fact taken as part of any existing or new emergency water supply agreements or as part of any other potential wholesale/bulk relationships in the future.
- Reclaimed Water Rate Analysis - Evaluate the current reclaimed water rates relative to the cost of reclaimed water service and develop updated reclaimed water rates reflective of the cost of service analysis.

### 1.2 BACKGROUND

At the completion of the FY 2012 Rate Study, concerns were raised by a number of utility customers about the fact that the study did not distinguish individually metered manufactured homes as a distinct customer class. The customer data that was available in the billing system was coded such that individually metered properties were coded as single family residential units and they were included in the same rate class as single family homes. The contention of those that were concerned about this issue was that the usage of individually metered manufactured homes is similar to master metered multi-family units and such units should have

the same or similar per dwelling unit readiness to serve charges as other similar master metered multi-family customers.

During the presentation of the results of the FY 2012 Rate Study to the City Council, we acknowledged the above stated condition of the billing system data and that identification of manufactured homes as a class may result in a lower unit charge based upon usage, if manufactured homes were identifiable within the utility billing system.

The City Council, after consideration, determined to adopt the recommended rates, but commissioned this update to evaluate, not only the potential of a distinct customer class for all manufactured homes, but to also determine if there are any other similar situations where a group of customers should be identified as a distinct customer class, but were not due based upon the data available within the utility billing system at the time of the FY 2012 Rate Study.

Prior to the initiation of this study, the Utility Department determined that additional items should also be included in the scope of the update, including 1) evaluation of the wholesale wastewater rate structure applicable to Sarasota County, as well as the development of a wholesale water rate structure, and 2) evaluation of retail and bulk reclaimed water rates.

## **SECTION 2. ANALYSIS AND RESULTS**

This section presents the analysis conducted as part of this update and the corresponding results of that analysis.

### **2.1 COST DETERMINATION AND ALLOCATION**

In order to achieve the objectives of this study, the costs of service needed to be allocated to the water, wastewater and reclaimed water systems. In addition, the wastewater costs needed to be allocated in accordance with the service agreement with Sarasota to ensure that the cost basis for that wholesale service was properly identified to support the analysis of the updated wholesale rate. Likewise, the water system costs were then allocated further to determine those costs associated with the supply and transmission of water to the point of wholesale/bulk delivery.

We accomplished the above referenced allocation by evaluating each line item of cost in the FY 2013 Budget. Where possible, costs were directly assigned to water, wastewater or reclaimed water. Where cost items benefitted more than one service, we identified proper allocation criteria to allocate the line item cost to the appropriate services. For example, billing costs are typically allocated based upon number of accounts, whereas human resources costs are typically allocated based upon number of personnel.

If allocation criteria cannot be identified, or are not available, management judgment as to time spent, or level of resources required by service can also be applied to allocate some costs to the appropriate services. Also, administrative and overhead costs are typically allocated based upon the weighted average of all other costs that benefit from the administrative and oversight function.

The cost allocation process resulted in the current cost requirements of the utility being allocated to water, wastewater and reclaimed water services. We then allocated wastewater costs to retail and wholesale service in accordance with generally accepted rate allocation practice and the provision of the service agreement with Sarasota County. Similarly, we then allocated the water costs to water supply, transmission, and distribution, with the costs of supply and a portion of the transmission related costs being identified as the basis for developing a wholesale water rate structure.

#### **2.1.1 COST OF SERVICE**

Schedule 1 presents the detailed list of line item expenses used in the cost of service allocation.

## FY 2012 &amp; FY 2013 Expenses (Source: Expenditure Data FY2011 thru FY2013 budgeted.xls)

## Schedule 1

	FY 2012 Budget	FY 2012 Projection	FY 2013 Budget	ADI.	FY 2013 COSA
<b>UTILITIES ADMINISTRATION [1201]</b>					
12-00 Regular Salaries & Wages	450,361	446,090	414,918		414,918
12-01 Compensation Adjustment	-	-	-		-
12-80 Capitalized Labor	-	-	-		-
14-00 Overtime	-	-	-		-
15-00 Special Pay	22	-	-		-
15-01 Efficiency Savings	-	-	-		-
21-00 FICA	33,160	32,873	30,829		30,829
22-00 Retirement Contributions	23,821	22,114	22,494		22,494
23-00 Life And Health Insurance	54,012	54,012	76,048		76,048
24-00 Workers' Compensation	650	648	-		-
26-00 Other Post Empl Benefit	1,030,000	1,030,000	360,725		360,725
31-00 Professional Services	255,677	253,542	266,318		266,318
31-03 Legal	25,000	23,890	25,000		25,000
31-05 Advertising	500	273	500		500
31-40 Prof Svcs- Info Sys	18,817	16,841	14,000		14,000
32-00 Accounting And Auditing	26,400	12,025	16,508		16,508
34-00 Other Contractual Service	12,500	10,094	2,500		2,500
34-03 Contract Management	-	-	-		-
40-00 Travel And Training	3,250	3,990	2,500		2,500
41-00 Communication Services	10,000	2,473	10,000		10,000
41-40 Communication Svcs- Is	13,491	8,590	13,491		13,491
42-00 Transportation	45,525	47,674	45,525		45,525
43-00 Utility Services	-	-	-		-
43-02 Lift Stations	-	-	-		-
44-00 Rentals And Leases	3,800	2,913	12,320		12,320
44-08 Documatch System Lease	15,896	13,499	15,896		15,896
45-00 Insurance	18,822	18,816	19,562		19,562
46-00 Repair & Maintenance Svcs	1,400	-	3,270		3,270
46-02 Computer Devices	10,000	4,076	10,000		10,000
46-37 Fleet Maint- Labor	650	573	700		700
46-38 Fleet Maint- Parts	500	90	500		500
46-39 Fleet Maint- Other	300	15	300		300
46-40 Repairs/Maint- Info Sys	63,376	39,378	64,000		64,000



FY 2012 & FY 2013 Expenses (Source: Expenditure Data FY2011 thru FY2013 budgeted.xls)					Schedule 1
	FY 2012 Budget	FY 2012 Projection	FY 2013 Budget	ADJ.	FY 2013 COSA
47-00 Printing And Binding	12,000	7,760	17,000		17,000
48-00 Promotional Activities	-	-	-		-
49-00 Other Charges-Obligations	9,000	-	9,000		9,000
49-02 Administrative Charges	1,091,057	1,091,052	986,608		986,608
49-04 Bad Debt Expense	-	-	-		-
49-90 Depreciation	-	-	-		-
49-01 Gain/Loss - Disposal Assets	-	-	-		-
51-00 Office Supplies	1,500	1,341	1,740		1,740
52-00 Operating Supplies	4,500	75	13,200		13,200
52-02 Odor/Corrosion Control	-	-	-		-
52-04 Trees, Shrubs, & Sod	-	-	-		-
52-25 Safety Shoes Reimbursemt	-	-	-		-
52-35 Gasoline	750	406	750		750
53-00 Road Materials & Supplies	-	-	-		-
54-00 Books, Pubs, Subs, Member	2,780	2,238	2,730		2,730
63-00 Improv Other Than Bldgs (1)	-	-	-		-
64-00 Machinery & Equipment (1)	-	-	-		-
64-40 Mach/Equip - Info Systems (1)	-	-	-		-
<b>UTILITIES ADMINISTRATION [1201] EXPENSES</b>	<b>3,239,517</b>	<b>3,147,361</b>	<b>2,458,932</b>	<b>-</b>	<b>2,458,932</b>
<b>UTILITIES DISTRIBUTION [1202]</b>					
12-00 Regular Salaries & Wages	778,234	685,221	839,509		839,509
12-01 Compensation Adjustment	-	-	-		-
12-80 Capitalized Labor	-	-	-		-
14-00 Overtime	22,663	11,300	10,001		10,001
15-00 Special Pay	36,738	32,318	31,748		31,748
15-01 Efficiency Savings	-	-	-		-
21-00 FICA	61,871	53,787	64,764		64,764
22-00 Retirement Contributions	43,766	36,248	48,016		48,016
23-00 Life And Health Insurance	189,042	189,036	249,872		249,872
24-00 Workers' Compensation	18,724	18,720	-		-
26-00 Other Post Empl Benefit	-	-	-		-
31-00 Professional Services	1,000	-	2,500		2,500
31-03 Legal	-	-	-		-

FY 2012 & FY 2013 Expenses (Source: Expenditure Data FY2011 thru FY2013 budgeted.xls)					Schedule 1
	FY 2012 Budget	FY 2012 Projection	FY 2013 Budget	ADL	FY 2013 COSA
31-05 Advertising	-	-	-		-
31-40 Prof Svcs- Info Sys	-	-	-		-
32-00 Accounting And Auditing	-	-	-		-
34-00 Other Contractual Service	22,150	12,287	20,300		20,300
34-03 Contract Management	-	-	-		-
40-00 Travel And Training	7,500	2,994	9,250		9,250
41-00 Communication Services	-	-	-		-
41-40 Communication Svcs- Is	-	-	-		-
42-00 Transportation	375	314	375		375
43-00 Utility Services	-	-	-		-
43-02 Lift Stations	-	-	-		-
44-00 Rentals And Leases	9,950	7,299	8,120		8,120
44-08 Documatch System Lease	-	-	-		-
45-00 Insurance	46,265	46,260	48,083		48,083
46-00 Repair & Maintenance Svcs	1,401,800	1,251,686	703,450		703,450
46-02 Computer Devices	-	-	-		-
46-37 Fleet Maint- Labor	35,000	43,731	35,000		35,000
46-38 Fleet Maint- Parts	33,000	37,736	25,000		25,000
46-39 Fleet Maint- Other	8,000	420	8,000		8,000
46-40 Repairs/Maint- Info Sys	-	-	-		-
47-00 Printing And Binding	1,500	982	1,000		1,000
48-00 Promotional Activities	-	-	-		-
49-00 Other Charges-Obligations	7,000	6,963	-		-
49-02 Administrative Charges	-	-	-		-
49-04 Bad Debt Expense	-	-	-		-
49-90 Depreciation	-	-	-		-
51-00 Office Supplies	3,000	2,173	3,000		3,000
52-00 Operating Supplies	36,000	40,328	40,000		40,000
52-02 Odor/Corrosion Control	-	-	-		-
52-04 Trees, Shrubs, & Sod	3,500	3,492	2,500		2,500
52-25 Safety Shoes Reimbursemt	2,100	1,323	1,800		1,800
52-35 Gasoline	32,000	28,111	40,000		40,000
53-00 Road Materials & Supplies	4,500	3,085	4,500		4,500
54-00 Books, Pubs, Subs, Member	2,000	1,175	2,000		2,000

FY 2012 & FY 2013 Expenses (Source: Expenditure Data FY2011 thru FY2013 budgeted.xls)						Schedule 1
		FY 2012 Budget	FY 2012 Projection	FY 2013 Budget	ADJ.	FY 2013 COSA
63-00 Improv Other Than Bldgs	(1)	1,541,910	158,595	5,867,600	(4,552,065)	1,315,535
64-00 Machinery & Equipment	(1)	300,000	236,371	81,010		81,010
64-40 Mach/Equip - Info Systems	(1)	-	-	-		-
<b>UTILITIES DISTRIBUTION [1202] EXPENSES</b>		<b>4,649,588</b>	<b>2,911,955</b>	<b>8,147,398</b>	<b>(4,552,065)</b>	<b>3,595,333</b>
<b>UTILITIES WATER PRODUCTION [1203]</b>						
12-00 Regular Salaries & Wages		693,041	669,045	672,241		672,241
12-01 Compensation Adjustment		-	-	-		-
12-80 Capitalized Labor		-	-	-		-
14-00 Overtime		44,791	34,294	34,997		34,997
15-00 Special Pay		33,189	39,681	36,116		36,116
15-01 Efficiency Savings		-	-	-		-
21-00 FICA		54,537	54,649	55,149		55,149
22-00 Retirement Contributions		39,886	36,097	39,820		39,820
23-00 Life And Health Insurance		126,028	126,024	130,368		130,368
24-00 Workers' Compensation		20,702	20,700	-		-
26-00 Other Post Empl Benefit		-	-	-		-
31-00 Professional Services		244,850	138,898	441,350		441,350
31-03 Legal		-	-	-		-
31-05 Advertising		-	-	-		-
31-40 Prof Svcs- Info Sys		-	-	-		-
32-00 Accounting And Auditing		-	-	-		-
34-00 Other Contractual Service		11,100	6,415	13,300		13,300
34-03 Contract Management		-	-	-		-
40-00 Travel And Training		1,500	1,431	3,500		3,500
41-00 Communication Services		-	-	-		-
41-40 Communication Svcs- Is		-	-	-		-
42-00 Transportation		450	486	450		450
43-00 Utility Services		617,874	428,694	617,874		617,874
43-02 Lift Stations		-	-	-		-
44-00 Rentals And Leases		4,800	4,721	2,600		2,600
44-08 Documatch System Lease		-	-	-		-
45-00 Insurance		144,859	144,852	150,550		150,550



FY 2012 & FY 2013 Expenses (Source: Expenditure Data FY2011 thru FY2013 budgeted.xls)					Schedule 1
	FY 2012 Budget	FY 2012 Projection	FY 2013 Budget	ADJ.	FY 2013 COSA
46-00 Repair & Maintenance Svcs	392,572	332,413	329,950		329,950
46-02 Computer Devices	-	-	-		-
46-37 Fleet Maint- Labor	5,500	6,809	4,000		4,000
46-38 Fleet Maint- Parts	5,700	3,306	5,700		5,700
46-39 Fleet Maint- Other	1,900	931	1,900		1,900
46-40 Repairs/Maint- Info Sys	-	-	-		-
47-00 Printing And Binding	1,500	1,684	2,500		2,500
48-00 Promotional Activities	1,126	1,126	82,700		82,700
49-00 Other Charges-Obligations	-	-	-		-
49-02 Administrative Charges	-	-	-		-
49-04 Bad Debt Expense	-	-	-		-
49-90 Depreciation	-	-	-		-
51-00 Office Supplies	2,500	1,337	2,500		2,500
52-00 Operating Supplies	342,300	341,687	269,800		269,800
52-02 Odor/Corrosion Control	-	-	100,000		100,000
52-04 Trees, Shrubs, & Sod	500	-	500		500
52-25 Safety Shoes Reimbursemnt	552	552	700		700
52-35 Gasoline	5,400	5,782	6,000		6,000
53-00 Road Materials & Supplies	-	-	-		-
54-00 Books, Pubs, Subs, Member	2,625	1,021	4,375		4,375
63-00 Improv Other Than Bldgs	(1) 619,573	100,325	565,000	(565,000)	-
64-00 Machinery & Equipment	(1) 4,751,650	134,476	5,297,500	(5,297,500)	-
64-40 Mach/Equip - Info Systems	(1) -	-	-		-
<b>UTILITIES WATER PRODUCTION [1203] EXPENSES</b>	<b>8,171,005</b>	<b>2,637,436</b>	<b>8,871,440</b>	<b>(5,862,500)</b>	<b>3,008,940</b>
<b>UTILITIES WATER RECLAMATION [1204]</b>					
12-00 Regular Salaries & Wages	799,006	811,154	809,359		809,359
12-01 Compensation Adjustment	-	-	-		-
12-80 Capitalized Labor	-	-	-		-
14-00 Overtime	39,791	31,163	29,997		29,997
15-00 Special Pay	37,010	17,425	30,983		30,983
15-01 Efficiency Savings	-	-	-		-
21-00 FICA	64,998	63,347	64,366		64,366
22-00 Retirement Contributions	45,824	42,284	47,136		47,136

FY 2012 & FY 2013 Expenses (Source: Expenditure Data FY2011 thru FY2013 budgeted.xls)					Schedule 1
	FY 2012 Budget	FY 2012 Projection	FY 2013 Budget	ADJ.	FY 2013 COSA
23-00 Life And Health Insurance	153,034	153,024	184,688		184,688
24-00 Workers' Compensation	23,265	23,256	-		-
26-00 Other Post Empl Benefit	-	-	-		-
31-00 Professional Services	328,592	339,722	168,000		168,000
31-03 Legal	-	-	-		-
31-05 Advertising	-	-	-		-
31-40 Prof Svcs- Info Sys	-	-	-		-
32-00 Accounting And Auditing	-	-	-		-
34-00 Other Contractual Service	278,000	273,641	256,000		256,000
34-03 Contract Management	-	-	-		-
40-00 Travel And Training	3,000	2,983	4,000		4,000
41-00 Communication Services	-	-	-		-
41-40 Communication Svcs- Is	-	-	-		-
42-00 Transportation	800	332	600		600
43-00 Utility Services	510,000	315,595	500,000		500,000
43-02 Lift Stations	118,000	96,648	118,000		118,000
44-00 Rentals And Leases	74,488	81,521	79,160		79,160
44-08 Documatch System Lease	-	-	-		-
45-00 Insurance	168,077	168,072	174,681		174,681
46-00 Repair & Maintenance Svcs	757,829	750,000	449,850		449,850
46-02 Computer Devices	-	-	-		-
46-37 Fleet Maint- Labor	13,000	12,821	7,000		7,000
46-38 Fleet Maint- Parts	4,000	4,699	4,000		4,000
46-39 Fleet Maint- Other	5,200	4,077	5,200		5,200
46-40 Repairs/Maint- Info Sys	-	-	-		-
47-00 Printing And Binding	400	142	400		400
48-00 Promotional Activities	-	-	-		-
49-00 Other Charges-Obligations	-	-	-		-
49-02 Administrative Charges	-	-	-		-
49-04 Bad Debt Expense	-	-	-		-
49-90 Depreciation	-	-	-		-
51-00 Office Supplies	2,800	2,757	2,500		2,500
52-00 Operating Supplies	186,200	170,055	160,000		160,000
52-02 Odor/Corrosion Control	150,000	94,696	200,000		200,000

FY 2012 & FY 2013 Expenses (Source: Expenditure Data FY2011 thru FY2013 budgeted.xls)					Schedule 1
	FY 2012 Budget	FY 2012 Projection	FY 2013 Budget	ADJ.	FY 2013 COSA
52-04 Trees, Shrubs, & Sod	1,000	898	1,000		1,000
52-25 Safety Shoes Reimbursemnt	800	470	800		800
52-35 Gasoline	18,500	15,040	31,000		31,000
53-00 Road Materials & Supplies	850	-	500		500
54-00 Books, Pubs, Subs, Member	2,105	885	2,255		2,255
63-00 Improv Other Than Bldgs	(1) 2,956,836	1,169,443	3,280,000	(3,280,000)	-
64-00 Machinery & Equipment	(1) 544,623	123,275	2,497,300	(2,497,300)	-
64-40 Mach/Equip - Info Systems	(1) -	-	-		-
<b>UTILITIES WATER RECLAMATION [1204] EXPENSES</b>	<b>7,288,028</b>	<b>4,769,425</b>	<b>9,108,775</b>	<b>(5,777,300)</b>	<b>3,331,475</b>
<b>DEBT SERVICE &amp; TRANSFERS</b>					
R&R Transfer	(1) 1,000,000	1,000,000	914,798	503,374	1,418,173
Series 2001 Bond - Principal & Interest	(1) 2,413,313	2,413,313	-		-
Series 2012 Note - Principal & Interest	(1) -	-	2,558,875		2,558,875
Series 2012 Bond - Principal & Interest	(1) -	-	354,528	804,510	1,159,038
2003 SRF Loan (1)	(1) 411,141	411,141	411,121		411,121
2003 SRF Loan (2)	(1) 46,358	46,358	46,355		46,355
Repayment of General Fund Advance	(1) 502,599	502,599	502,600		502,600
<b>DEBT SERVICE &amp; TRANSFERS EXPENSES</b>	<b>4,373,410</b>	<b>4,373,410</b>	<b>4,788,277</b>	<b>1,307,884</b>	<b>6,086,161</b>
<b>Total Expenditure Requirements</b>	<b>27,721,548</b>	<b>17,839,587</b>	<b>33,374,822</b>	<b>(14,883,981)</b>	<b>18,490,841</b>
(1) Denotes item considered as "Capital" for purposes of analysis					

### **2.1.2 COST ALLOCATION TO SERVICES**

Schedule 2 on the following pages presents the allocation of the cost requirements of the utility identified on Schedule 1 to the water, wastewater and reclaimed water services:

Test Year Expense Allocation Between Water, Sewer & Reclaimed Water Systems

Schedule 2

	Test Year COS	Allocation Basis/Factor	Water % Allocation	Sewer % Allocation	Reuse % Allocation	N/A	Water \$ Allocation	Sewer \$ Allocation	Reuse \$ Allocation
UTILITIES ADMINISTRATION (1201)									
12-00 Regular Salaries & Wages	414,918	Weighted	42.00%	49.86%	8.14%	-	174,266	206,888	33,764
12-01 Compensation Adjustment	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
12-80 Capitalized Labor	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
14-00 Overtime	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
15-00 Special Pay	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
15-01 Efficiency Savings	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
21-00 FICA	30,829	Weighted	42.00%	49.86%	8.14%	-	12,948	15,372	2,509
22-00 Retirement Contributions	22,464	Weighted	42.00%	49.86%	8.14%	-	9,448	11,216	1,830
23-00 Life And Health Insurance	76,048	Weighted	42.00%	49.86%	8.14%	-	31,940	37,919	6,188
24-00 Workers' Compensation	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
26-00 Other Post Empl Benefit	360,725	PTE's	45.98%	45.60%	8.42%	-	165,865	164,492	30,368
31-00 Professional Services	266,318	Weighted	42.00%	49.86%	8.14%	-	111,854	132,793	21,671
31-03 Legal	25,000	Weighted	42.00%	49.86%	8.14%	-	10,500	12,466	2,034
31-05 Advertising	300	Weighted	42.00%	49.86%	8.14%	-	210	249	41
31-40 Prof Svcs- Info Sys	14,000	Weighted	42.00%	49.86%	8.14%	-	5,880	6,981	1,139
32-00 Accounting And Auditing	16,308	Weighted	42.00%	49.86%	8.14%	-	6,933	8,231	1,343
34-00 Other Contractual Service	2,500	Weighted	42.00%	49.86%	8.14%	-	1,050	1,247	203
34-03 Contract Management	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
40-00 Travel And Training	2,500	Weighted	42.00%	49.86%	8.14%	-	1,050	1,247	203
41-00 Communication Services	10,000	Weighted	42.00%	49.86%	8.14%	-	4,200	4,986	814
41-40 Communication Svcs- Is	13,481	Weighted	42.00%	49.86%	8.14%	-	5,666	6,727	1,098
42-00 Transportation	45,525	Weighted	42.00%	49.86%	8.14%	-	19,121	22,700	3,705
43-00 Utility Services	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
43-02 Lift Stations	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
44-00 Rentals And Leases	12,320	Weighted	42.00%	49.86%	8.14%	-	5,174	6,143	1,003
44-08 Document System Lease	15,896	Weighted	42.00%	49.86%	8.14%	-	6,676	7,926	1,294
45-00 Insurance	19,562	Weighted	42.00%	49.86%	8.14%	-	8,216	9,754	1,592
46-00 Repair & Maintenance Svcs	3,270	Weighted	42.00%	49.86%	8.14%	-	1,373	1,631	266
46-02 Computer Devices	10,000	Weighted	42.00%	49.86%	8.14%	-	4,200	4,986	814
46-37 Fleet Maint- Labor	700	Weighted	42.00%	49.86%	8.14%	-	294	349	57
46-38 Fleet Maint- Parts	500	Weighted	42.00%	49.86%	8.14%	-	210	249	41
46-39 Fleet Maint- Other	300	Weighted	42.00%	49.86%	8.14%	-	126	150	24
46-40 Repairs/Maint- Info Sys	64,000	Weighted	42.00%	49.86%	8.14%	-	26,880	31,912	5,208
47-00 Printing And Binding	17,000	Weighted	42.00%	49.86%	8.14%	-	7,140	8,477	1,383
48-00 Promotional Activities	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
49-00 Other Charges-Obligations	9,000	Weighted	42.00%	49.86%	8.14%	-	3,780	4,488	732
49-02 Administrative Charges	986,608	Weighted	42.00%	49.86%	8.14%	-	414,377	491,947	80,285

Test Year Expense Allocation Between Water, Sewer & Reclaimed Water Systems

Schedule 2

	Test Year COS	Allocation Basis/Factor	Water % Allocation	Sewer % Allocation	Reuse % Allocation	N/A	Water \$ Allocation	Sewer \$ Allocation	Reuse \$ Allocation
49-04 Bad Debt Expense	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
49-90 Depreciation	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
49-01 Gain/Loss - Disposal Assets	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
51-00 Office Supplies	1,740	Weighted	42.00%	49.86%	8.14%	-	731	868	142
52-00 Operating Supplies	13,200	Weighted	42.00%	49.86%	8.14%	-	5,544	6,582	1,074
52-02 Odor/Corrosion Control	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
52-04 Trees, Shrubs, & Sod	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
52-25 Safety Shoes Reimbursemt	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
52-35 Gasoline	750	Weighted	42.00%	49.86%	8.14%	-	315	374	61
53-00 Road Materials & Supplies	-	Weighted	42.00%	49.86%	8.14%	-	-	-	-
54-00 Books, Pubs, Subs, Member	2,730	Weighted	42.00%	49.86%	8.14%	-	1,147	1,361	222
63-00 Improv Other Than Bldgs	(1)	Weighted	42.00%	49.86%	8.14%	-	-	-	-
64-00 Machinery & Equipment	(1)	Weighted	42.00%	49.86%	8.14%	-	-	-	-
64-40 Mach/Equip - Info Systems	(1)	Weighted	42.00%	49.86%	8.14%	-	-	-	-
<b>UTILITIES ADMINISTRATION [1201] EXPENSES</b>	<b>2,458,932</b>						<b>1,047,115</b>	<b>1,210,709</b>	<b>201,108</b>
<b>UTILITIES DISTRIBUTION [1202]</b>									
12-00 Regular Salaries & Wages	839,509	LF of Pipe	48.52%	38.64%	12.84%	-	407,315	324,365	107,829
12-01 Compensation Adjustment	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
12-80 Capitalized Labor	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
14-00 Overtime	10,001	LF of Pipe	48.52%	38.64%	12.84%	-	4,852	3,864	1,285
15-00 Special Pay	31,748	LF of Pipe	48.52%	38.64%	12.84%	-	15,404	12,267	4,078
15-01 Efficiency Savings	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
21-00 FICA	64,764	LF of Pipe	48.52%	38.64%	12.84%	-	31,422	25,023	8,318
22-00 Retirement Contributions	48,016	LF of Pipe	48.52%	38.64%	12.84%	-	23,297	18,552	6,167
23-00 Life And Health Insurance	249,872	LF of Pipe	48.52%	38.64%	12.84%	-	121,234	96,544	32,094
24-00 Workers' Compensation	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
26-00 Other Post Empl Benefit	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
31-00 Professional Services	2,500	LF of Pipe	48.52%	38.64%	12.84%	-	1,213	966	321
31-03 Legal	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
31-05 Advertising	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
31-40 Prof Svcs- Info Sys	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
32-00 Accounting And Auditing	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
34-00 Other Contractual Service	20,300	LF of Pipe	48.52%	38.64%	12.84%	-	9,849	7,843	2,607
34-03 Contract Management	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
40-00 Travel And Training	9,250	LF of Pipe	48.52%	38.64%	12.84%	-	4,488	3,574	1,188
41-00 Communication Services	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
41-40 Communication Svcs- Is	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-



Test Year Expense Allocation Between Water, Sewer & Reclaimed Water Systems

Schedule 2

	Test Year CDS	Allocation Basis/Factor	Water % Allocation	Sewer % Allocation	Reuse % Allocation	N/A	Water \$ Allocation	Sewer \$ Allocation	Reuse \$ Allocation
42-00 Transportation	375	LF of Pipe	48.52%	38.64%	12.84%	-	182	145	48
43-00 Utility Services	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
43-02 Lift Stations	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
44-00 Rentals And Leases	8,120	LF of Pipe	48.52%	38.64%	12.84%	-	3,940	3,137	1,043
44-08 Document System Lease	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
45-00 Insurance	48,083	LF of Pipe	48.52%	38.64%	12.84%	-	23,329	18,578	6,176
46-00 Repair & Maintenance Svcs	703,450	LF of Pipe	48.52%	38.64%	12.84%	-	341,302	271,795	90,353
46-02 Computer Devices	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
46-37 Fleet Maint- Labor	35,000	LF of Pipe	48.52%	38.64%	12.84%	-	16,981	13,523	4,496
46-38 Fleet Maint- Parts	25,000	LF of Pipe	48.52%	38.64%	12.84%	-	12,130	9,659	3,211
46-39 Fleet Maint- Other	8,000	LF of Pipe	48.52%	38.64%	12.84%	-	3,881	3,091	1,028
46-40 Repairs/Maint- Info Sys	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
47-00 Printing And Binding	1,000	LF of Pipe	48.52%	38.64%	12.84%	-	485	386	128
48-00 Promotional Activities	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
49-00 Other Charges-Obligations	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
49-02 Administrative Charges	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
49-04 Bad Debt Expense	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
49-90 Depreciation	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
51-00 Office Supplies	3,000	LF of Pipe	48.52%	38.64%	12.84%	-	1,456	1,159	385
52-00 Operating Supplies	40,000	LF of Pipe	48.52%	38.64%	12.84%	-	19,407	15,455	5,138
52-02 Odor/Corrosion Control	-	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
52-04 Trees, Shrubs, & Sod	2,500	LF of Pipe	48.52%	38.64%	12.84%	-	1,213	966	321
52-25 Safety Shoes Reimbursement	1,800	LF of Pipe	48.52%	38.64%	12.84%	-	873	695	231
52-35 Gasoline	40,000	LF of Pipe	48.52%	38.64%	12.84%	-	19,407	15,455	5,138
53-00 Road Materials & Supplies	4,500	LF of Pipe	48.52%	38.64%	12.84%	-	2,183	1,739	578
54-00 Books, Pubs, Subs, Member	2,000	LF of Pipe	48.52%	38.64%	12.84%	-	970	773	257
63-00 Improv Other Than Bldgs	(1) 1,315,535	5-Year R&R CIP	27.39%	65.05%	7.57%	-	360,279	855,721	99,536
64-00 Machinery & Equipment	(1) 81,010	5-Year R&R CIP	27.39%	65.05%	7.57%	-	22,186	52,695	6,129
64-40 Mach/Equip - Info Systems	(1) -	LF of Pipe	48.52%	38.64%	12.84%	-	-	-	-
UTILITIES DISTRIBUTION [1202] EXPENSES		3,595,333				-	1,449,278	1,757,970	388,084
UTILITIES WATER PRODUCTION [1203]									
12-00 Regular Salaries & Wages	672,241	Direct	100.00%	0.00%	0.00%	-	672,241	-	-
12-01 Compensation Adjustment	-	Direct	100.00%	0.00%	0.00%	-	-	-	-
12-80 Capitalized Labor	-	Direct	100.00%	0.00%	0.00%	-	-	-	-
14-00 Overtime	34,997	Direct	100.00%	0.00%	0.00%	-	34,997	-	-
15-00 Special Pay	36,116	Direct	100.00%	0.00%	0.00%	-	36,116	-	-
15-01 Efficiency Savings	-	Direct	100.00%	0.00%	0.00%	-	-	-	-



Test Year Expense Allocation Between Water, Sewer & Reclaimed Water Systems

Schedule 2

Test Year COS	Allocation Basis/Factor	Water % Allocation	Sewer % Allocation	Reuse % Allocation	N/A	Water \$ Allocation	Sewer \$ Allocation	Reuse \$ Allocation
21-00 FICA	55,149 Direct	100.00%	0.00%	0.00%	-	55,149	-	-
22-00 Retirement Contributions	39,820 Direct	100.00%	0.00%	0.00%	-	39,820	-	-
23-00 Life And Health Insurance	130,368 Direct	100.00%	0.00%	0.00%	-	130,368	-	-
24-00 Workers' Compensation	- Direct	100.00%	0.00%	0.00%	-	-	-	-
25-00 Other Post Empl Benefit	- Direct	100.00%	0.00%	0.00%	-	-	-	-
31-00 Professional Services	441,350 Direct	100.00%	0.00%	0.00%	-	441,350	-	-
31-03 Legal	- Direct	100.00%	0.00%	0.00%	-	-	-	-
31-05 Advertising	- Direct	100.00%	0.00%	0.00%	-	-	-	-
31-40 Prof Svcs- Info Sys	- Direct	100.00%	0.00%	0.00%	-	-	-	-
32-00 Accounting And Auditing	- Direct	100.00%	0.00%	0.00%	-	-	-	-
34-00 Other Contractual Service	13,300 Direct	100.00%	0.00%	0.00%	-	13,300	-	-
34-03 Contract Management	- Direct	100.00%	0.00%	0.00%	-	-	-	-
40-00 Travel And Training	3,500 Direct	100.00%	0.00%	0.00%	-	3,500	-	-
41-00 Communication Services	- Direct	100.00%	0.00%	0.00%	-	-	-	-
41-40 Communication Svcs- Is	- Direct	100.00%	0.00%	0.00%	-	-	-	-
42-00 Transportation	450 Direct	100.00%	0.00%	0.00%	-	450	-	-
43-00 Utility Services	617,874 Direct	100.00%	0.00%	0.00%	-	617,874	-	-
43-02 Lift Stations	- Direct	100.00%	0.00%	0.00%	-	-	-	-
44-00 Rentals And Leases	2,600 Direct	100.00%	0.00%	0.00%	-	2,600	-	-
44-08 Documatch System Lease	- Direct	100.00%	0.00%	0.00%	-	-	-	-
45-00 Insurance	150,550 Direct	100.00%	0.00%	0.00%	-	150,550	-	-
46-00 Repair & Maintenance Svcs	329,950 Direct	100.00%	0.00%	0.00%	-	329,950	-	-
46-02 Computer Devices	- Direct	100.00%	0.00%	0.00%	-	-	-	-
46-37 Fleet Maint- Labor	4,000 Direct	100.00%	0.00%	0.00%	-	4,000	-	-
46-38 Fleet Maint- Parts	5,700 Direct	100.00%	0.00%	0.00%	-	5,700	-	-
46-39 Fleet Maint- Other	1,900 Direct	100.00%	0.00%	0.00%	-	1,900	-	-
46-40 Repairs/Maint- Info Sys	- Direct	100.00%	0.00%	0.00%	-	-	-	-
47-00 Printing And Binding	2,500 Direct	100.00%	0.00%	0.00%	-	2,500	-	-
48-00 Promotional Activities	82,700 Direct	100.00%	0.00%	0.00%	-	82,700	-	-
49-00 Other Charges-Obligations	- Direct	100.00%	0.00%	0.00%	-	-	-	-
49-02 Administrative Charges	- Direct	100.00%	0.00%	0.00%	-	-	-	-
49-04 Bad Debt Expense	- Direct	100.00%	0.00%	0.00%	-	-	-	-
49-90 Depreciation	- Direct	100.00%	0.00%	0.00%	-	-	-	-
51-00 Office Supplies	2,500 Direct	100.00%	0.00%	0.00%	-	2,500	-	-
52-00 Operating Supplies	269,800 Direct	100.00%	0.00%	0.00%	-	269,800	-	-
52-02 Odor/Corrosion Control	100,000 Direct	100.00%	0.00%	0.00%	-	100,000	-	-
52-04 Trees, Shrubs, & Sod	500 Direct	100.00%	0.00%	0.00%	-	500	-	-
52-25 Safety Shoes Reimbursemt	700 Direct	100.00%	0.00%	0.00%	-	700	-	-

Test Year Expense Allocation Between Water, Sewer & Reclaimed Water Systems

Schedule 2

	Test Year COS	Allocation Basis/Factor	Water % Allocation	Sewer % Allocation	Reuse % Allocation	N/A	Water \$ Allocation	Sewer \$ Allocation	Reuse \$ Allocation
52-35 Gasoline	6,000	Direct	100.00%	0.00%	0.00%	-	6,000	-	-
53-00 Road Materials & Supplies	-	Direct	100.00%	0.00%	0.00%	-	-	-	-
54-00 Books, Pubs, Subs, Member	4,375	Direct	100.00%	0.00%	0.00%	-	4,375	-	-
63-00 Improv Other Than Bldgs	(1)	Direct	100.00%	0.00%	0.00%	-	-	-	-
64-00 Machinery & Equipment	(1)	Direct	100.00%	0.00%	0.00%	-	-	-	-
64-40 Mach/Equip - Info Systems	(3)	Direct	100.00%	0.00%	0.00%	-	-	-	-
<b>UTILITIES WATER PRODUCTION [1200] EXPENSES</b>	<b>9,888,940</b>						<b>9,888,940</b>	-	-
<b>UTILITIES WATER RECLAMATION [1204]</b>									
12-00 Regular Salaries & Wages	809,359	Staff Estimate	0.00%	90.00%	10.00%	-	-	728,423	80,936
12-01 Compensation Adjustment	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
12-80 Capitalized Labor	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
14-00 Overtime	29,997	Staff Estimate	0.00%	90.00%	10.00%	-	-	26,997	3,000
15-00 Special Pay	30,983	Staff Estimate	0.00%	90.00%	10.00%	-	-	27,885	3,098
15-01 Efficiency Savings	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
21-00 FICA	64,366	Staff Estimate	0.00%	90.00%	10.00%	-	-	57,929	6,437
22-00 Retirement Contributions	47,136	Staff Estimate	0.00%	90.00%	10.00%	-	-	42,422	4,714
23-00 Life And Health Insurance	184,688	Staff Estimate	0.00%	90.00%	10.00%	-	-	166,219	18,469
24-00 Workers' Compensation	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
26-00 Other Post Empl Benefit	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
31-00 Professional Services	168,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	151,200	16,800
31-03 Legal	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
31-05 Advertising	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
31-40 Prof Svcs- Info Sys	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
32-00 Accounting And Auditing	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
34-00 Other Contractual Service	256,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	230,400	25,600
34-03 Contract Management	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
40-00 Travel And Training	4,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	3,600	400
41-00 Communication Services	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
41-40 Communication Svcs- Is	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
42-00 Transportation	600	Staff Estimate	0.00%	90.00%	10.00%	-	-	540	60
43-00 Utility Services	500,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	450,000	50,000
43-02 Lift Stations	118,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	106,200	11,800
44-00 Rentals And Leases	79,160	Staff Estimate	0.00%	90.00%	10.00%	-	-	71,244	7,916
44-06 Documatch System Lease	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
45-00 Insurance	174,681	Staff Estimate	0.00%	90.00%	10.00%	-	-	157,213	17,468
46-00 Repair & Maintenance Svcs	449,850	Staff Estimate	0.00%	90.00%	10.00%	-	-	404,865	44,985
46-02 Computer Devices	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-

Test Year Expense Allocation Between Water, Sewer & Reclaimed Water Systems

Schedule 2

	Test Year CDS	Allocation Basis/Factor	Water % Allocation	Sewer % Allocation	Reuse % Allocation	N/A	Water \$ Allocation	Sewer \$ Allocation	Reuse \$ Allocation
46-37 Fleet Maint- Labor	7,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	6,300	700
46-38 Fleet Maint- Parts	4,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	3,600	400
46-39 Fleet Maint- Other	5,200	Staff Estimate	0.00%	90.00%	10.00%	-	-	4,680	520
46-40 Repairs/Maint- Info Sys	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
47-00 Printing And Binding	400	Staff Estimate	0.00%	90.00%	10.00%	-	-	360	40
48-00 Promotional Activities	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
49-00 Other Charges-Obligations	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
49-02 Administrative Charges	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
49-04 Bad Debt Expense	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
49-90 Depreciation	-	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
51-00 Office Supplies	2,500	Staff Estimate	0.00%	90.00%	10.00%	-	-	2,250	250
52-00 Operating Supplies	160,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	144,000	16,000
52-02 Odor/Corrosion Control	200,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	180,000	20,000
52-04 Trees, Shrubs, & Sod	1,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	900	100
52-25 Safety Shoes Reimbursement	800	Staff Estimate	0.00%	90.00%	10.00%	-	-	720	80
52-35 Gasoline	31,000	Staff Estimate	0.00%	90.00%	10.00%	-	-	27,900	3,100
53-00 Road Materials & Supplies	500	Staff Estimate	0.00%	90.00%	10.00%	-	-	450	50
54-00 Books, Pubs, Subs, Member	2,255	Staff Estimate	0.00%	90.00%	10.00%	-	-	2,030	226
63-00 Improv Other Than Bldgs	(1)	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
64-00 Machinery & Equipment	(1)	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
64-40 Mach/Equip - Info Systems	(1)	Staff Estimate	0.00%	90.00%	10.00%	-	-	-	-
<b>UTILITIES WATER RECLAMATION (1304) EXPENSES</b>	<b>3,331,475</b>					-	-	<b>2,998,828</b>	<b>332,648</b>
<b>DEBT SERVICE &amp; TRANSFERS</b>									
R&R Transfer	(1)	1,418,173	5-Year R&R CIP	27.39%	65.05%	7.57%	-	388,387	922,484
Series 2001 Bond - Principal & Interest	(1)	-	Docs	48.66%	51.34%	0.00%	-	-	-
Series 2012 Note - Principal & Interest	(1)	2,558,875	Docs	48.66%	51.34%	0.00%	-	1,245,149	1,313,726
Series 2012 Bond - Principal & Interest	(1)	1,159,038	Project List	35.91%	46.16%	17.93%	-	416,216	534,972
2003 SRF Loan (1)	(1)	411,121	Loan Docs	0.00%	50.53%	49.47%	-	-	207,759
2003 SRF Loan (2)	(1)	46,355	Loan Docs	0.00%	50.53%	49.47%	-	-	23,426
Repayment of General Fund Advance	(1)	502,600	Weighted	42.00%	49.86%	8.14%	-	211,093	250,608
<b>DEBT SERVICE &amp; TRANSFERS EXPENSES</b>		<b>6,096,161</b>					<b>2,260,845</b>	<b>3,252,876</b>	<b>582,340</b>
Total Expenditures		\$ 18,490,841					7,766,178	9,219,883	1,504,680
						0.0%	42.0%	49.9%	8.1%

(1) Denotes item considered as "Capital" for purposes of analysis

Prepared by Burton & Associates

6/20/2013

### **2.1.3 ALLOCATION OF WASTEWATER COSTS TO FUNCTIONS**

In order to properly determine the wholesale wastewater rate for Sarasota County it was necessary to allocate wastewater operating and capital costs to the primary system functions of collection, conveyance and treatment/disposal. This allocation is presented on Schedule 3 on the following pages:

Sewer System Test Year Expense Function Allocation

Schedule 3

	Test Year CDS	Allocation Basis/Factor	Collection % Allocation	Conveyance % Allocation	Treatment & Disposal % Allocation	Total % Allocation	Collection \$ Allocation	Conveyance \$ Allocation	Treatment & Disposal \$ Allocation
UTILITIES ADMINISTRATION [1201]									
12-00 Regular Salaries & Wages	206,888	Weighted	28%	10%	62%	100%	57,206	21,554	128,128
12-01 Compensation Adjustment	-	Weighted	28%	10%	62%	100%	-	-	-
12-80 Capitalized Labor	-	Weighted	28%	10%	62%	100%	-	-	-
14-00 Overtime	-	Weighted	28%	10%	62%	100%	-	-	-
15-00 Special Pay	-	Weighted	28%	10%	62%	100%	-	-	-
15-01 Efficiency Savings	-	Weighted	28%	10%	62%	100%	-	-	-
21-00 FICA	15,372	Weighted	28%	10%	62%	100%	4,250	1,602	9,520
22-00 Retirement Contributions	11,216	Weighted	28%	10%	62%	100%	3,101	1,169	6,946
23-00 Life And Health Insurance	37,919	Weighted	28%	10%	62%	100%	10,485	3,951	23,484
24-00 Workers' Compensation	-	Weighted	28%	10%	62%	100%	-	-	-
26-00 Other Post Empl Benefit	164,492	FTE's	25%	9%	65%	100%	41,403	15,600	107,489
31-00 Professional Services	132,793	Weighted	28%	10%	62%	100%	36,718	13,835	82,240
31-03 Legal	12,466	Weighted	28%	10%	62%	100%	3,447	1,299	7,720
31-05 Advertising	249	Weighted	28%	10%	62%	100%	69	26	154
31-40 Prof Svcs- Info Sys	6,981	Weighted	28%	10%	62%	100%	1,930	727	4,323
32-00 Accounting And Auditing	8,231	Weighted	28%	10%	62%	100%	2,276	858	5,098
34-00 Other Contractual Service	1,247	Weighted	28%	10%	62%	100%	345	130	772
34-03 Contract Management	-	Weighted	28%	10%	62%	100%	-	-	-
40-00 Travel And Training	1,247	Weighted	28%	10%	62%	100%	345	130	772
41-00 Communication Services	4,986	Weighted	28%	10%	62%	100%	1,379	519	3,088
41-40 Communication Svcs- Is	6,727	Weighted	28%	10%	62%	100%	1,860	701	4,166
42-00 Transportation	22,700	Weighted	28%	10%	62%	100%	6,277	2,365	14,058
43-00 Utility Services	-	Weighted	28%	10%	62%	100%	-	-	-
43-02 Lift Stations	-	Weighted	28%	10%	62%	100%	-	-	-
44-00 Rentals And Leases	6,143	Weighted	28%	10%	62%	100%	1,699	640	3,804
44-08 Documatch System Lease	7,826	Weighted	28%	10%	62%	100%	2,192	826	4,909
45-00 Insurance	9,754	Weighted	28%	10%	62%	100%	2,697	1,016	6,041
46-00 Repair & Maintenance Svcs	1,631	Weighted	28%	10%	62%	100%	451	170	1,010
46-02 Computer Devices	4,986	Weighted	28%	10%	62%	100%	1,379	519	3,088
46-37 Fleet Maint- Labor	349	Weighted	28%	10%	62%	100%	97	36	216
46-38 Fleet Maint- Parts	249	Weighted	28%	10%	62%	100%	69	26	154
46-39 Fleet Maint- Other	150	Weighted	28%	10%	62%	100%	41	16	93
46-40 Repairs/Maint- Info Sys	31,912	Weighted	28%	10%	62%	100%	8,824	3,325	19,763
47-00 Printing And Binding	8,477	Weighted	28%	10%	62%	100%	2,344	883	5,250
48-00 Promotional Activities	-	Weighted	28%	10%	62%	100%	-	-	-
49-00 Other Charges-Obligations	4,488	Weighted	28%	10%	62%	100%	1,241	468	2,779
49-02 Administrative Charges	491,947	Weighted	28%	10%	62%	100%	136,026	51,253	304,667
49-04 Bad Debt Expense	-	Weighted	28%	10%	62%	100%	-	-	-



Sewer System Test Year Expense Function Allocation

Schedule 3

Test Year COS	Allocation Base/Factor	Collection % Allocation	Conveyance % Allocation	Treatment & Disposal % Allocation	Total % Allocation	Collection \$ Allocation	Conveyance \$ Allocation	Treatment & Disposal \$ Allocation
49-90 Depreciation	-	Weighted	28%	10%	62%	100%	-	-
49-01 Gain/Loss - Disposal Assets	-	Weighted	28%	10%	62%	100%	-	-
51-00 Office Supplies	868	Weighted	28%	10%	62%	100%	240	90
52-00 Operating Supplies	6,582	Weighted	28%	10%	62%	100%	1,820	686
52-02 Odor/Corrosion Control	-	Weighted	28%	10%	62%	100%	-	-
52-04 Trees, Shrubs, & Sod	-	Weighted	28%	10%	62%	100%	-	-
52-25 Safety Shoes Reimbursemt	-	Weighted	28%	10%	62%	100%	-	-
52-35 Gasoline	374	Weighted	28%	10%	62%	100%	103	39
53-00 Road Materials & Supplies	-	Weighted	28%	10%	62%	100%	-	-
54-00 Books, Pubs, Subs, Member	1,361	Weighted	28%	10%	62%	100%	376	142
63-00 Improv Other Than Bldgs	(1)	Weighted	28%	10%	62%	100%	-	-
64-00 Machinery & Equipment	(1)	Weighted	28%	10%	62%	100%	-	-
64-40 Mach/Equip - Info Systems	(1)	Weighted	28%	10%	62%	100%	-	-
<b>UTILITIES ADMINISTRATION [1201] EXPENSES</b>	<b>1,210,709</b>					<b>330,689</b>	<b>124,600</b>	<b>755,421</b>
<b>UTILITIES DISTRIBUTION [1202]</b>								
12-00 Regular Salaries & Wages	324,365	LF of Pipe	73%	27%	0%	100%	235,595	88,769
12-01 Compensation Adjustment	-	LF of Pipe	73%	27%	0%	100%	-	-
12-80 Capitalized Labor	-	LF of Pipe	73%	27%	0%	100%	-	-
14-00 Overtime	3,864	LF of Pipe	73%	27%	0%	100%	2,807	1,058
15-00 Special Pay	12,267	LF of Pipe	73%	27%	0%	100%	8,910	3,357
15-01 Efficiency Savings	-	LF of Pipe	73%	27%	0%	100%	-	-
21-00 FICA	25,023	LF of Pipe	73%	27%	0%	100%	18,175	6,848
22-00 Retirement Contributions	18,552	LF of Pipe	73%	27%	0%	100%	13,475	5,077
23-00 Life And Health Insurance	96,544	LF of Pipe	73%	27%	0%	100%	70,123	26,421
24-00 Workers' Compensation	-	LF of Pipe	73%	27%	0%	100%	-	-
26-00 Other Post Empl Benefit	-	LF of Pipe	73%	27%	0%	100%	-	-
31-00 Professional Services	966	LF of Pipe	73%	27%	0%	100%	702	264
31-03 Legal	-	LF of Pipe	73%	27%	0%	100%	-	-
31-05 Advertising	-	LF of Pipe	73%	27%	0%	100%	-	-
31-40 Prof Svcs- Info Sys	-	LF of Pipe	73%	27%	0%	100%	-	-
32-00 Accounting And Auditing	-	LF of Pipe	73%	27%	0%	100%	-	-
34-00 Other Contractual Service	7,843	LF of Pipe	73%	27%	0%	100%	5,697	2,147
34-03 Contract Management	-	LF of Pipe	73%	27%	0%	100%	-	-
40-00 Travel And Training	3,574	LF of Pipe	73%	27%	0%	100%	2,596	978
41-00 Communication Services	-	LF of Pipe	73%	27%	0%	100%	-	-
41-40 Communication Svcs- Is	-	LF of Pipe	73%	27%	0%	100%	-	-
42-00 Transportation	145	LF of Pipe	73%	27%	0%	100%	105	40
43-00 Utility Services	-	LF of Pipe	73%	27%	0%	100%	-	-
43-02 Lift Stations	-	LF of Pipe	73%	27%	0%	100%	-	-

Sewer System Test Year Expense Function Allocation

Schedule 3

Test Year COS	Allocation Basis/Factor	Collection % Allocation	Conveyance % Allocation	Treatment & Disposal % Allocation	Total % Allocation	Collection \$ Allocation	Conveyance \$ Allocation	Treatment & Disposal \$ Allocation
44-00 Rentals And Leases	3,137 LF of Pipe	73%	27%	0%	100%	2,279	859	-
44-08 Document System Lease	- LF of Pipe	73%	27%	0%	100%	-	-	-
45-00 Insurance	18,578 LF of Pipe	73%	27%	0%	100%	13,494	5,084	-
46-00 Repair & Maintenance Svcs	271,795 LF of Pipe	73%	27%	0%	100%	197,412	74,383	-
46-02 Computer Devices	- LF of Pipe	73%	27%	0%	100%	-	-	-
46-37 Fleet Maint- Labor	13,523 LF of Pipe	73%	27%	0%	100%	9,822	3,701	-
46-38 Fleet Maint- Parts	9,659 LF of Pipe	73%	27%	0%	100%	7,016	2,643	-
46-39 Fleet Maint- Other	3,091 LF of Pipe	73%	27%	0%	100%	2,245	846	-
46-40 Repairs/Maint- Info Sys	- LF of Pipe	73%	27%	0%	100%	-	-	-
47-00 Printing And Binding	386 LF of Pipe	73%	27%	0%	100%	281	106	-
48-00 Promotional Activities	- LF of Pipe	73%	27%	0%	100%	-	-	-
49-00 Other Charges-Obligations	- LF of Pipe	73%	27%	0%	100%	-	-	-
49-02 Administrative Charges	- LF of Pipe	73%	27%	0%	100%	-	-	-
49-04 Bad Debt Expense	- LF of Pipe	73%	27%	0%	100%	-	-	-
49-90 Depreciation	- LF of Pipe	73%	27%	0%	100%	-	-	-
51-00 Office Supplies	1,158 LF of Pipe	73%	27%	0%	100%	842	317	-
52-00 Operating Supplies	15,455 LF of Pipe	73%	27%	0%	100%	11,225	4,230	-
52-02 Odor/Corrosion Control	- LF of Pipe	73%	27%	0%	100%	-	-	-
52-04 Tires, Shrub, & Sod	966 LF of Pipe	73%	27%	0%	100%	702	264	-
52-25 Safety Shoes Reimbursemt	695 LF of Pipe	73%	27%	0%	100%	505	190	-
52-35 Gasoline	15,455 LF of Pipe	73%	27%	0%	100%	11,225	4,230	-
53-00 Road Materials & Supplies	1,739 LF of Pipe	73%	27%	0%	100%	1,263	476	-
54-00 Books, Pubs, Subs, Member	773 LF of Pipe	73%	27%	0%	100%	561	211	-
63-00 Improv Other Than Bldgs	(1) 855,721 LF of Pipe	73%	27%	0%	100%	621,534	234,187	-
64-00 Machinery & Equipment	(1) 52,695 LF of Pipe	73%	27%	0%	100%	38,274	14,421	-
64-40 Mach/Equip - Info Systems	(1) - LF of Pipe	73%	27%	0%	100%	-	-	-
<b>UTILITIES DISTRIBUTION [1202] EXPENSES</b>	<b>1,757,970</b>					<b>1,276,864</b>	<b>481,107</b>	<b>-</b>
<b>UTILITIES WATER PRODUCTION [1203]</b>								
12-00 Regular Salaries & Wages	- Direct	0%	0%	0%	0%	-	-	-
12-01 Compensation Adjustment	- Direct	0%	0%	0%	0%	-	-	-
12-80 Capitalized Labor	- Direct	0%	0%	0%	0%	-	-	-
14-00 Overtime	- Direct	0%	0%	0%	0%	-	-	-
15-00 Special Pay	- Direct	0%	0%	0%	0%	-	-	-
15-01 Efficiency Savings	- Direct	0%	0%	0%	0%	-	-	-
21-00 FICA	- Direct	0%	0%	0%	0%	-	-	-
22-00 Retirement Contributions	- Direct	0%	0%	0%	0%	-	-	-
23-00 Life And Health Insurance	- Direct	0%	0%	0%	0%	-	-	-
24-00 Workers' Compensation	- Direct	0%	0%	0%	0%	-	-	-
26-00 Other Post Empl Benefit	- Direct	0%	0%	0%	0%	-	-	-
31-00 Professional Services	- Direct	0%	0%	0%	0%	-	-	-



Sewer System Test Year Expense Function Allocation

Schedule 3

Test Year COS	Allocation Basis/Factor	Collection % Allocation	Conveyance % Allocation	Treatment & Disposal % Allocation	Total % Allocation	Collection \$ Allocation	Conveyance \$ Allocation	Treatment & Disposal \$ Allocation
31-03 Legal	Direct	0%	0%	0%	0%	-	-	-
31-05 Advertising	Direct	0%	0%	0%	0%	-	-	-
31-40 Prof Svcs- Info Sys	Direct	0%	0%	0%	0%	-	-	-
32-00 Accounting And Auditing	Direct	0%	0%	0%	0%	-	-	-
34-00 Other Contractual Service	Direct	0%	0%	0%	0%	-	-	-
34-03 Contract Management	Direct	0%	0%	0%	0%	-	-	-
40-00 Travel And Training	Direct	0%	0%	0%	0%	-	-	-
41-00 Communication Services	Direct	0%	0%	0%	0%	-	-	-
41-40 Communication Svcs- Is	Direct	0%	0%	0%	0%	-	-	-
42-00 Transportation	Direct	0%	0%	0%	0%	-	-	-
43-00 Utility Services	Direct	0%	0%	0%	0%	-	-	-
43-02 Lift Stations	Direct	0%	0%	0%	0%	-	-	-
44-00 Rentals And Leases	Direct	0%	0%	0%	0%	-	-	-
44-08 Documatch System Lease	Direct	0%	0%	0%	0%	-	-	-
45-00 Insurance	Direct	0%	0%	0%	0%	-	-	-
46-00 Repair & Maintenance Svcs	Direct	0%	0%	0%	0%	-	-	-
46-02 Computer Devices	Direct	0%	0%	0%	0%	-	-	-
46-37 Fleet Maint- Labor	Direct	0%	0%	0%	0%	-	-	-
46-38 Fleet Maint- Parts	Direct	0%	0%	0%	0%	-	-	-
46-39 Fleet Maint- Other	Direct	0%	0%	0%	0%	-	-	-
46-40 Repairs/Maint- Info Sys	Direct	0%	0%	0%	0%	-	-	-
47-00 Printing And Binding	Direct	0%	0%	0%	0%	-	-	-
48-00 Promotional Activities	Direct	0%	0%	0%	0%	-	-	-
49-00 Other Charges-Obligations	Direct	0%	0%	0%	0%	-	-	-
49-02 Administrative Charges	Direct	0%	0%	0%	0%	-	-	-
49-04 Bad Debt Expense	Direct	0%	0%	0%	0%	-	-	-
49-90 Depreciation	Direct	0%	0%	0%	0%	-	-	-
51-00 Office Supplies	Direct	0%	0%	0%	0%	-	-	-
52-00 Operating Supplies	Direct	0%	0%	0%	0%	-	-	-
52-02 Odor/Corrosion Control	Direct	0%	0%	0%	0%	-	-	-
52-04 Trees, Shrubs, & Sod	Direct	0%	0%	0%	0%	-	-	-
52-25 Safety Shoes Reimbursemt	Direct	0%	0%	0%	0%	-	-	-
52-35 Gasoline	Direct	0%	0%	0%	0%	-	-	-
53-00 Road Materials & Supplies	Direct	0%	0%	0%	0%	-	-	-
54-00 Books, Publ, Subs, Member	Direct	0%	0%	0%	0%	-	-	-
63-00 Improv Other Than Bldgs (1)	Direct	0%	0%	0%	0%	-	-	-
64-00 Machinery & Equipment (1)	Direct	0%	0%	0%	0%	-	-	-
64-40 Mach/Equip - Info Systems (1)	Direct	0%	0%	0%	0%	-	-	-
UTILITIES WATER PRODUCTION [1203] EXPENSES	-	-	-	-	-	-	-	-

Sewer System Test Year Expense Function Allocation

Schedule 3

	Test Year COS	Allocation Basis/Factor	Collection % Allocation	Conveyance % Allocation	Treatment & Disposal % Allocation	Total % Allocation	Collection \$ Allocation	Conveyance \$ Allocation	Treatment & Disposal \$ Allocation
<b>UTILITIES WATER RECLAMATION [1204]</b>									
12-00 Regular Salaries & Wages	728,423	Direct	0%	0%	100%	100%	-	-	728,423
12-01 Compensation Adjustment	-	Direct	0%	0%	100%	100%	-	-	-
12-80 Capitalized Labor	-	Direct	0%	0%	100%	100%	-	-	-
14-00 Overtime	26,997	Direct	0%	0%	100%	100%	-	-	26,997
15-00 Special Pay	27,885	Direct	0%	0%	100%	100%	-	-	27,885
15-01 Efficiency Savings	-	Direct	0%	0%	100%	100%	-	-	-
21-00 FICA	57,929	Direct	0%	0%	100%	100%	-	-	57,929
22-00 Retirement Contributions	42,422	Direct	0%	0%	100%	100%	-	-	42,422
23-00 Life And Health Insurance	166,219	Direct	0%	0%	100%	100%	-	-	166,219
24-00 Workers' Compensation	-	Direct	0%	0%	100%	100%	-	-	-
26-00 Other Post Empl Benefit	-	Direct	0%	0%	100%	100%	-	-	-
31-00 Professional Services	151,200	Direct	0%	0%	100%	100%	-	-	151,200
31-03 Legal	-	Direct	0%	0%	100%	100%	-	-	-
31-05 Advertising	-	Direct	0%	0%	100%	100%	-	-	-
31-40 Prof Svcs- Info Sys	-	Direct	0%	0%	100%	100%	-	-	-
32-00 Accounting And Auditing	-	Direct	0%	0%	100%	100%	-	-	-
34-00 Other Contractual Service	230,400	Direct	0%	0%	100%	100%	-	-	230,400
34-03 Contract Management	-	Direct	0%	0%	100%	100%	-	-	-
40-00 Travel And Training	3,600	Direct	0%	0%	100%	100%	-	-	3,600
41-00 Communication Services	-	Direct	0%	0%	100%	100%	-	-	-
41-40 Communication Svcs- Is	-	Direct	0%	0%	100%	100%	-	-	-
42-00 Transportation	540	Direct	0%	0%	100%	100%	-	-	540
43-00 Utility Services	450,000	Direct	0%	0%	100%	100%	-	-	450,000
43-02 Lift Stations	106,200	Direct	0%	0%	100%	100%	-	-	106,200
44-00 Rentals And Leases	71,244	Direct	0%	0%	100%	100%	-	-	71,244
44-08 Documatch System Lease	-	Direct	0%	0%	100%	100%	-	-	-
45-00 Insurance	157,213	Direct	0%	0%	100%	100%	-	-	157,213
46-00 Repair & Maintenance Svcs	404,865	Direct	0%	0%	100%	100%	-	-	404,865
46-02 Computer Devices	-	Direct	0%	0%	100%	100%	-	-	-
46-37 Fleet Maint- Labor	6,300	Direct	0%	0%	100%	100%	-	-	6,300
46-38 Fleet Maint- Parts	3,600	Direct	0%	0%	100%	100%	-	-	3,600
46-39 Fleet Maint- Other	4,680	Direct	0%	0%	100%	100%	-	-	4,680
46-40 Repairs/Maint- Info Sys	-	Direct	0%	0%	100%	100%	-	-	-
47-00 Printing And Binding	360	Direct	0%	0%	100%	100%	-	-	360
48-00 Promotional Activities	-	Direct	0%	0%	100%	100%	-	-	-
49-00 Other Charges-Obligations	-	Direct	0%	0%	100%	100%	-	-	-
49-02 Administrative Charges	-	Direct	0%	0%	100%	100%	-	-	-
49-04 Bad Debt Expense	-	Direct	0%	0%	100%	100%	-	-	-
49-80 Depreciation	-	Direct	0%	0%	100%	100%	-	-	-
51-00 Office Supplies	2,250	Direct	0%	0%	100%	100%	-	-	2,250

Sewer System Test Year Expense Function Allocation

Schedule 3

	Test Year COS	Allocation Basis/Factor	Collection % Allocation	Conveyance % Allocation	Treatment & Disposal % Allocation	Total % Allocation	Collection \$ Allocation	Conveyance \$ Allocation	Treatment & Disposal \$ Allocation
52-00 Operating Supplies	144,000	Direct	0%	0%	100%	100%	-	-	144,000
52-02 Odor/Corrosion Control	180,000	Direct	0%	0%	100%	100%	-	-	180,000
52-04 Trees, Shrubs, & Sod	900	Direct	0%	0%	100%	100%	-	-	900
52-25 Safety Shoes Reimbursement	720	Direct	0%	0%	100%	100%	-	-	720
52-35 Gasoline	27,900	Direct	0%	0%	100%	100%	-	-	27,900
53-00 Road Materials & Supplies	450	Direct	0%	0%	100%	100%	-	-	450
54-00 Books, Pubs, Subs, Member	2,030	Direct	0%	0%	100%	100%	-	-	2,030
63-00 Improv Other Than Bldgs (1)	-	Direct	0%	0%	100%	100%	-	-	-
64-00 Machinery & Equipment (1)	-	Direct	0%	0%	100%	100%	-	-	-
64-40 Mach/Equip - Info Systems (1)	-	Direct	0%	0%	100%	100%	-	-	-
<b>UTILITIES WATER RECLAMATION [1204] EXPENSES</b>	<b>2,998,328</b>						-	-	<b>2,998,328</b>
<b>DEBT SERVICE &amp; TRANSFERS</b>									
R&R Transfer (1)	922,484	5-Year R&R CIP / M	55%	21%	25%	100%	505,123	190,324	227,036
Series 2001 Bond - Principal & Interest (1)	-	Docs / MP	11%	4%	85%	100%	-	-	-
Series 2012 Note - Principal & Interest (1)	1,313,726	Docs / MP	11%	4%	85%	100%	147,588	55,609	1,110,529
Series 2012 Bond - Principal & Interest (1)	534,972	Project List / MP	41%	15%	43%	100%	219,826	82,828	232,519
2003 SRF Loan (1)	207,759	Loan Docs	0%	0%	100%	100%	-	-	207,759
2003 SRF Loan (2)	23,426	Loan Docs	0%	0%	100%	100%	-	-	23,426
Repayment of General Fund Advance (1)	250,609	Weighted	28%	10%	62%	100%	69,295	26,109	155,204
<b>DEBT SERVICE &amp; TRANSFERS EXPENSES</b>	<b>3,252,976</b>						<b>941,832</b>	<b>354,871</b>	<b>1,956,273</b>
<b>TOTAL EXPENDITURES</b>	<b>9,219,983</b>						<b>2,549,385</b>	<b>960,577</b>	<b>5,710,021</b>
% Allocation							27.7%	10.4%	61.9%

(1) Denotes Item considered as "Capital" for purposes of analysis

**2.1.4 ALLOCATION OF WATER COSTS TO FUNCTIONS**

In order to properly determine a wholesale water rate structure to be applied to any water used as part of an emergency supply agreement or other appropriate wholesale/bulk services, it was necessary to allocate water operating and capital costs to the primary system functions of supply/treatment, transmission, and distribution. This allocation is presented on Schedule 4 on the following pages:

Water System Test Year Expense Function Allocation

Schedule 4

	Test Year COS	Allocation Basis/Factor	Supply/Treat % Allocation	Transmission % Allocation	Distribution % Allocation	Total % Allocation	Supply/Treat \$ Allocation	Transmission \$ Allocation	Distribution \$ Allocation
<b>UTILITIES ADMINISTRATION [1201]</b>									
12-00 Regular Salaries & Wages	174,266	Weighted	68%	8%	24%	100%	117,682	14,733	41,851
12-01 Compensation Adjustment	-	Weighted	68%	8%	24%	100%	-	-	-
12-80 Capitalized Labor	-	Weighted	68%	8%	24%	100%	-	-	-
14-00 Overtime	-	Weighted	68%	8%	24%	100%	-	-	-
15-00 Special Pay	-	Weighted	68%	8%	24%	100%	-	-	-
15-01 Efficiency Savings	-	Weighted	68%	8%	24%	100%	-	-	-
21-00 FICA	12,944	Weighted	68%	8%	24%	100%	8,744	1,095	3,110
22-00 Retirement Contributions	9,448	Weighted	68%	8%	24%	100%	6,400	799	2,249
23-00 Life And Health Insurance	31,940	Weighted	68%	8%	24%	100%	21,569	2,700	7,671
24-00 Workers' Compensation	-	Weighted	68%	8%	24%	100%	-	-	-
26-00 Other Post Empl Benefit	165,865	FTE's	58%	11%	31%	100%	95,999	18,191	51,675
31-00 Professional Services	111,854	Weighted	68%	8%	24%	100%	75,535	9,456	26,863
31-03 Legal	10,500	Weighted	68%	8%	24%	100%	7,091	888	2,522
31-05 Advertising	210	Weighted	68%	8%	24%	100%	142	18	50
31-40 Prof Svcs- Info Sys	5,881	Weighted	68%	8%	24%	100%	3,971	497	1,412
32-00 Accounting And Auditing	6,933	Weighted	68%	8%	24%	100%	4,682	586	1,665
34-00 Other Contractual Service	1,050	Weighted	68%	8%	24%	100%	709	89	252
34-03 Contract Management	-	Weighted	68%	8%	24%	100%	-	-	-
40-00 Travel And Training	1,050	Weighted	68%	8%	24%	100%	709	89	252
41-00 Communication Services	4,200	Weighted	68%	8%	24%	100%	2,836	355	1,009
41-40 Communication Svcs- Is	5,666	Weighted	68%	8%	24%	100%	3,826	479	1,361
42-00 Transportation	19,121	Weighted	68%	8%	24%	100%	12,912	1,616	4,592
43-00 Utility Services	-	Weighted	68%	8%	24%	100%	-	-	-
43-02 Lift Stations	-	Weighted	68%	8%	24%	100%	-	-	-
44-00 Rentals And Leases	5,174	Weighted	68%	8%	24%	100%	3,494	437	1,243
44-08 Document System Lease	6,676	Weighted	68%	8%	24%	100%	4,509	564	1,603
45-00 Insurance	8,216	Weighted	68%	8%	24%	100%	5,548	695	1,973
46-00 Repair & Maintenance Svcs	1,373	Weighted	68%	8%	24%	100%	927	116	330
46-02 Computer Devices	4,200	Weighted	68%	8%	24%	100%	2,836	355	1,009
46-37 Fleet Maint- Labor	294	Weighted	68%	8%	24%	100%	199	25	71
46-38 Fleet Maint- Parts	210	Weighted	68%	8%	24%	100%	142	18	50
46-39 Fleet Maint- Other	126	Weighted	68%	8%	24%	100%	85	11	30
46-40 Repairs/Maint- Info Sys	26,881	Weighted	68%	8%	24%	100%	18,152	2,273	6,455
47-00 Printing And Binding	7,140	Weighted	68%	8%	24%	100%	4,822	604	1,715
48-00 Promotional Activities	-	Weighted	68%	8%	24%	100%	-	-	-
49-00 Other Charges-Obligations	3,780	Weighted	68%	8%	24%	100%	2,553	320	908
49-02 Administrative Charges	414,377	Weighted	68%	8%	24%	100%	279,829	35,032	99,516
49-04 Bad Debt Expense	-	Weighted	68%	8%	24%	100%	-	-	-
49-90 Depreciation	-	Weighted	68%	8%	24%	100%	-	-	-
49-01 Gain/Loss - Disposal Assets	-	Weighted	68%	8%	24%	100%	-	-	-
51-00 Office Supplies	731	Weighted	68%	8%	24%	100%	494	62	176
52-00 Operating Supplies	5,544	Weighted	68%	8%	24%	100%	3,744	469	1,331
52-02 Odor/Corrosion Control	-	Weighted	68%	8%	24%	100%	-	-	-
52-04 Trees, Shrubs, & Sod	-	Weighted	68%	8%	24%	100%	-	-	-
52-25 Safety Shoes Reimbursement	-	Weighted	68%	8%	24%	100%	-	-	-
52-35 Gasoline	315	Weighted	68%	8%	24%	100%	213	27	76
53-00 Road Materials & Supplies	-	Weighted	68%	8%	24%	100%	-	-	-
54-00 Books, Pubs, Subs, Member	1,147	Weighted	68%	8%	24%	100%	774	97	275
63-00 Improv Other Than Bldgs [1]	-	Weighted	68%	8%	24%	100%	-	-	-
64-00 Machinery & Equipment [1]	-	Weighted	68%	8%	24%	100%	-	-	-
64-40 Mach/Equip - Info Systems [1]	-	Weighted	68%	8%	24%	100%	-	-	-
<b>UTILITIES ADMINISTRATION [1201] EX1</b>	<b>1,047,115</b>						<b>693,107</b>	<b>92,694</b>	<b>261,314</b>



## Water System Test Year Expense Function Allocation

Schedule 4

	Test Year COS	Allocation Base/Factor	Supply/Treat % Allocation	Transmission % Allocation	Distribution % Allocation	Total % Allocation	Supply/Treat \$ Allocation	Transmission \$ Allocation	Distribution \$ Allocation
UTILITIES DISTRIBUTION [1202]									
12-00 Regular Salaries & Wages	407,315	LF of Pipe	0%	26%	74%	100%	-	106,053	301,262
12-01 Compensation Adjustment	-	LF of Pipe	0%	26%	74%	100%	-	-	-
12-80 Capitalized Labor	-	LF of Pipe	0%	26%	74%	100%	-	-	-
14-00 Overtime	4,852	LF of Pipe	0%	26%	74%	100%	-	1,263	3,589
15-00 Special Pay	15,404	LF of Pipe	0%	26%	74%	100%	-	4,011	11,393
15-01 Efficiency Savings	-	LF of Pipe	0%	26%	74%	100%	-	-	-
21-00 FICA	31,422	LF of Pipe	0%	26%	74%	100%	-	8,181	23,241
22-00 Retirement Contributions	23,297	LF of Pipe	0%	26%	74%	100%	-	6,066	17,231
23-00 Life And Health Insurance	121,234	LF of Pipe	0%	26%	74%	100%	-	31,566	89,668
24-00 Workers' Compensation	-	LF of Pipe	0%	26%	74%	100%	-	-	-
26-00 Other Post Empl Benefit	-	LF of Pipe	0%	26%	74%	100%	-	-	-
31-00 Professional Services	1,213	LF of Pipe	0%	26%	74%	100%	-	316	897
31-03 Legal	-	LF of Pipe	0%	26%	74%	100%	-	-	-
31-05 Advertising	-	LF of Pipe	0%	26%	74%	100%	-	-	-
31-40 Prof Svcs- Info Sys	-	LF of Pipe	0%	26%	74%	100%	-	-	-
32-00 Accounting And Auditing	-	LF of Pipe	0%	26%	74%	100%	-	-	-
34-00 Other Contractual Service	9,849	LF of Pipe	0%	26%	74%	100%	-	2,564	7,285
34-03 Contract Management	-	LF of Pipe	0%	26%	74%	100%	-	-	-
40-00 Travel And Training	4,488	LF of Pipe	0%	26%	74%	100%	-	1,169	3,319
41-00 Communication Services	-	LF of Pipe	0%	26%	74%	100%	-	-	-
41-40 Communication Svcs- Is	-	LF of Pipe	0%	26%	74%	100%	-	-	-
42-00 Transportation	182	LF of Pipe	0%	26%	74%	100%	-	47	135
43-00 Utility Services	-	LF of Pipe	0%	26%	74%	100%	-	-	-
43-02 Lift Stations	-	LF of Pipe	0%	26%	74%	100%	-	-	-
44-00 Rentals And Leases	3,940	LF of Pipe	0%	26%	74%	100%	-	1,026	2,914
44-08 Document System Lease	-	LF of Pipe	0%	26%	74%	100%	-	-	-
45-00 Insurance	23,329	LF of Pipe	0%	26%	74%	100%	-	6,074	17,255
46-00 Repair & Maintenance Svcs	341,302	LF of Pipe	0%	26%	74%	100%	-	88,865	252,437
46-02 Computer Devices	-	LF of Pipe	0%	26%	74%	100%	-	-	-
46-37 Fleet Maint- Labor	16,981	LF of Pipe	0%	26%	74%	100%	-	4,421	12,560
46-38 Fleet Maint- Parts	12,130	LF of Pipe	0%	26%	74%	100%	-	3,158	8,971
46-39 Fleet Maint- Other	3,881	LF of Pipe	0%	26%	74%	100%	-	1,011	2,871
46-40 Repair/Maint- Info Sys	-	LF of Pipe	0%	26%	74%	100%	-	-	-
47-00 Printing And Binding	485	LF of Pipe	0%	26%	74%	100%	-	126	359
48-00 Promotional Activities	-	LF of Pipe	0%	26%	74%	100%	-	-	-
49-00 Other Charges-Obligations	-	LF of Pipe	0%	26%	74%	100%	-	-	-
49-02 Administrative Charges	-	LF of Pipe	0%	26%	74%	100%	-	-	-
49-04 Bad Debt Expense	-	LF of Pipe	0%	26%	74%	100%	-	-	-
49-90 Depreciation	-	LF of Pipe	0%	26%	74%	100%	-	-	-
51-00 Office Supplies	1,456	LF of Pipe	0%	26%	74%	100%	-	379	1,077
52-00 Operating Supplies	19,407	LF of Pipe	0%	26%	74%	100%	-	5,053	14,354
52-02 Odor/Corrosion Control	-	LF of Pipe	0%	26%	74%	100%	-	-	-
52-04 Trees, Shrubs, & Sod	1,213	LF of Pipe	0%	26%	74%	100%	-	316	897
52-25 Safety Shoes Reimbursement	873	LF of Pipe	0%	26%	74%	100%	-	227	646
53-35 Gasoline	19,407	LF of Pipe	0%	26%	74%	100%	-	5,053	14,354
53-00 Road Materials & Supplies	2,183	LF of Pipe	0%	26%	74%	100%	-	568	1,615
54-00 Books, Pubs, Subs, Member	970	LF of Pipe	0%	26%	74%	100%	-	253	718
63-00 Improv Other Than Bldgs	[1] 360,279	LF of Pipe	0%	26%	74%	100%	-	93,806	266,473
64-00 Machinery & Equipment	[1] 22,186	LF of Pipe	0%	26%	74%	100%	-	5,777	16,409
64-40 Mach/Equip - Info Systems	[1] -	LF of Pipe	0%	26%	74%	100%	-	-	-
UTILITIES DISTRIBUTION [1202] EXPEN		1,449,278					377,350	1,071,928	

Water System Test Year Expense Function Allocation

Schedule 4

Test Year COS	Allocation Basis/Factor	Supply/Treat % Allocation	Transmission % Allocation	Distribution % Allocation	Total % Allocation	Supply/Treat \$ Allocation	Transmission \$ Allocation	Distribution \$ Allocation
<b>UTILITIES WATER PRODUCTION [1203]</b>								
12-00 Regular Salaries & Wages	672,241	Direct	100%	0%	0%	100%	672,241	-
12-01 Compensation Adjustment	-	Direct	100%	0%	0%	100%	-	-
12-80 Capitalized Labor	-	Direct	100%	0%	0%	100%	-	-
14-00 Overtime	34,997	Direct	100%	0%	0%	100%	34,997	-
15-00 Special Pay	36,116	Direct	100%	0%	0%	100%	36,116	-
15-01 Efficiency Savings	-	Direct	100%	0%	0%	100%	-	-
21-00 FICA	55,149	Direct	100%	0%	0%	100%	55,149	-
22-00 Retirement Contributions	39,820	Direct	100%	0%	0%	100%	39,820	-
23-00 Life And Health Insurance	130,368	Direct	100%	0%	0%	100%	130,368	-
24-00 Workers' Compensation	-	Direct	100%	0%	0%	100%	-	-
26-00 Other Post Empl Benefit	-	Direct	100%	0%	0%	100%	-	-
31-00 Professional Services	441,350	Direct	100%	0%	0%	100%	441,350	-
31-03 Legal	-	Direct	100%	0%	0%	100%	-	-
31-05 Advertising	-	Direct	100%	0%	0%	100%	-	-
31-40 Prof Svcs- Info Sys	-	Direct	100%	0%	0%	100%	-	-
32-00 Accounting And Auditing	-	Direct	100%	0%	0%	100%	-	-
34-00 Other Contractual Service	13,300	Direct	100%	0%	0%	100%	13,300	-
34-03 Contract Management	-	Direct	100%	0%	0%	100%	-	-
40-00 Travel And Training	3,500	Direct	100%	0%	0%	100%	3,500	-
41-00 Communication Services	-	Direct	100%	0%	0%	100%	-	-
41-40 Communication Svcs- Is	-	Direct	100%	0%	0%	100%	-	-
42-00 Transportation	450	Direct	100%	0%	0%	100%	450	-
43-00 Utility Services	617,874	Direct	100%	0%	0%	100%	617,874	-
43-02 Lift Stations	-	Direct	100%	0%	0%	100%	-	-
44-00 Rentals And Leases	2,600	Direct	100%	0%	0%	100%	2,600	-
44-08 Documatch System Lease	-	Direct	100%	0%	0%	100%	-	-
45-00 Insurance	150,550	Direct	100%	0%	0%	100%	150,550	-
46-00 Repair & Maintenance Svcs	329,950	Direct	100%	0%	0%	100%	329,950	-
46-02 Computer Devices	-	Direct	100%	0%	0%	100%	-	-
46-37 Fleet Maint- Labor	4,000	Direct	100%	0%	0%	100%	4,000	-
46-38 Fleet Maint- Parts	5,700	Direct	100%	0%	0%	100%	5,700	-
46-39 Fleet Maint- Other	1,900	Direct	100%	0%	0%	100%	1,900	-
46-40 Repairs/Maint- Info Sys	-	Direct	100%	0%	0%	100%	-	-
47-00 Printing And Binding	2,500	Direct	100%	0%	0%	100%	2,500	-
48-00 Promotional Activities	82,700	Direct	100%	0%	0%	100%	82,700	-
49-00 Other Charges-Obligations	-	Direct	100%	0%	0%	100%	-	-
49-02 Administrative Charges	-	Direct	100%	0%	0%	100%	-	-
49-04 Bad Debt Expense	-	Direct	100%	0%	0%	100%	-	-
49-90 Depreciation	-	Direct	100%	0%	0%	100%	-	-
51-00 Office Supplies	2,500	Direct	100%	0%	0%	100%	2,500	-
52-00 Operating Supplies	269,800	Direct	100%	0%	0%	100%	269,800	-
52-02 Odor/Corrosion Control	100,000	Direct	100%	0%	0%	100%	100,000	-
52-04 Trees, Shrubs, & Sod	500	Direct	100%	0%	0%	100%	500	-
52-25 Safety Shoes Reimbursement	700	Direct	100%	0%	0%	100%	700	-
52-35 Gasoline	6,000	Direct	100%	0%	0%	100%	6,000	-
53-00 Road Materials & Supplies	-	Direct	100%	0%	0%	100%	-	-
54-00 Books, Pubs, Subs, Member	4,375	Direct	100%	0%	0%	100%	4,375	-
63-00 Improv Other Than Bldgs	(1)	Direct	100%	0%	0%	100%	-	-
64-00 Machinery & Equipment	(1)	Direct	100%	0%	0%	100%	-	-
64-40 Mach/Equip- Info Systems	(1)	Direct	100%	0%	0%	100%	-	-
<b>UTILITIES WATER PRODUCTION [1203]</b>	<b>3,008,940</b>					<b>3,008,940</b>	-	-



Water System Test Year Expense Function Allocation

Schedule 4

Test Year COS	Allocation Basis/Factor	Supply/Treat % Allocation	Transmission % Allocation	Distribution % Allocation	Total % Allocation	Supply/Treat \$ Allocation	Transmission \$ Allocation	Distribution \$ Allocation
<b>UTILITIES WATER RECLAMATION [1204]</b>								
12-00 Regular Salaries & Wages	- Direct	0%	0%	0%	0%	-	-	-
12-01 Compensation Adjustment	- Direct	0%	0%	0%	0%	-	-	-
12-80 Capitalized Labor	- Direct	0%	0%	0%	0%	-	-	-
14-00 Overtime	- Direct	0%	0%	0%	0%	-	-	-
15-00 Special Pay	- Direct	0%	0%	0%	0%	-	-	-
15-01 Efficiency Savings	- Direct	0%	0%	0%	0%	-	-	-
21-00 FICA	- Direct	0%	0%	0%	0%	-	-	-
22-00 Retirement Contributions	- Direct	0%	0%	0%	0%	-	-	-
23-00 Life And Health Insurance	- Direct	0%	0%	0%	0%	-	-	-
24-00 Workers' Compensation	- Direct	0%	0%	0%	0%	-	-	-
26-00 Other Post Empl Benefit	- Direct	0%	0%	0%	0%	-	-	-
31-00 Professional Services	- Direct	0%	0%	0%	0%	-	-	-
31-03 Legal	- Direct	0%	0%	0%	0%	-	-	-
31-05 Advertising	- Direct	0%	0%	0%	0%	-	-	-
31-40 Prof Svcs- Info Sys	- Direct	0%	0%	0%	0%	-	-	-
32-00 Accounting And Auditing	- Direct	0%	0%	0%	0%	-	-	-
34-00 Other Contractual Service	- Direct	0%	0%	0%	0%	-	-	-
34-03 Contract Management	- Direct	0%	0%	0%	0%	-	-	-
40-00 Travel And Training	- Direct	0%	0%	0%	0%	-	-	-
41-00 Communication Services	- Direct	0%	0%	0%	0%	-	-	-
41-40 Communication Svcs- Is	- Direct	0%	0%	0%	0%	-	-	-
42-00 Transportation	- Direct	0%	0%	0%	0%	-	-	-
43-00 Utility Services	- Direct	0%	0%	0%	0%	-	-	-
43-02 Lift Stations	- Direct	0%	0%	0%	0%	-	-	-
44-00 Rentals And Leases	- Direct	0%	0%	0%	0%	-	-	-
44-08 Documatch System Lease	- Direct	0%	0%	0%	0%	-	-	-
45-00 Insurance	- Direct	0%	0%	0%	0%	-	-	-
46-00 Repair & Maintenance Svcs	- Direct	0%	0%	0%	0%	-	-	-
46-02 Computer Devices	- Direct	0%	0%	0%	0%	-	-	-
46-37 Fleet Maint- Labor	- Direct	0%	0%	0%	0%	-	-	-
46-38 Fleet Maint- Parts	- Direct	0%	0%	0%	0%	-	-	-
46-39 Fleet Maint- Other	- Direct	0%	0%	0%	0%	-	-	-
46-40 Repairs/Maint- Info Sys	- Direct	0%	0%	0%	0%	-	-	-
47-00 Printing And Binding	- Direct	0%	0%	0%	0%	-	-	-
48-00 Promotional Activities	- Direct	0%	0%	0%	0%	-	-	-
49-00 Other Charges-Obligations	- Direct	0%	0%	0%	0%	-	-	-
49-02 Administrative Charges	- Direct	0%	0%	0%	0%	-	-	-
49-04 Bad Debt Expense	- Direct	0%	0%	0%	0%	-	-	-
49-90 Depreciation	- Direct	0%	0%	0%	0%	-	-	-
51-00 Office Supplies	- Direct	0%	0%	0%	0%	-	-	-
52-00 Operating Supplies	- Direct	0%	0%	0%	0%	-	-	-
52-02 Odor/Corrosion Control	- Direct	0%	0%	0%	0%	-	-	-
52-04 Trees, Shrubs, & Sod	- Direct	0%	0%	0%	0%	-	-	-
52-25 Safety Shoes Reimbursement	- Direct	0%	0%	0%	0%	-	-	-
52-35 Gasoline	- Direct	0%	0%	0%	0%	-	-	-
53-00 Road Materials & Supplies	- Direct	0%	0%	0%	0%	-	-	-
54-00 Books, Pubs, Subs, Member	- Direct	0%	0%	0%	0%	-	-	-
63-00 Improv Other Than Bldgs	- Direct	0%	0%	0%	0%	-	-	-
64-00 Machinery & Equipment	- Direct	0%	0%	0%	0%	-	-	-
64-40 Mach/Equip - Info Systems	- Direct	0%	0%	0%	0%	-	-	-
<b>UTILITIES WATER RECLAMATION [1204]</b>								

Water System Test Year Expense Function Allocation

Schedule 4

	Test Year COS	Allocation Basis/Factor	Supply/Treat % Allocation	Transmission % Allocation	Distribution % Allocation	Total % Allocation	Supply/Treat \$ Allocation	Transmission \$ Allocation	Distribution \$ Allocation	
DEBT SERVICE & TRANSFERS										
R&R Transfer	(1)	388,387	5-Year R&R Cl	58%	11%	31%	100%	224,867	42,576	120,944
Series 2001 Bond - Principal & Intere	(1)	-	Weighted	68%	8%	24%	100%	-	-	-
Series 2012 Note - Principal & Intere	(1)	1,245,149	Weighted	68%	8%	24%	100%	840,849	105,268	299,032
Series 2012 Bond - Principal & Intere	(1)	416,216	Project List /	81%	5%	14%	100%	336,186	20,838	59,193
2003 SRF Loan (1)	(1)	-	Loan Docs	0%	0%	0%	0%	-	-	-
2003 SRF Loan (2)	(1)	-	Loan Docs	0%	0%	0%	0%	-	-	-
Repayment of General Fund Advanc	(1)	211,093	Weighted	68%	8%	24%	100%	142,551	17,846	50,696
DEBT SERVICE & TRANSFERS EXPENSE:		2,260,845					1,544,452	186,528	529,865	
TOTAL EXPENDITURES		7,766,178					5,244,500	656,571	1,865,107	
% Allocation							67.5%	8.5%	24.0%	

(1) Denotes Item considered as "Capital" for purposes of analysis

## 2.2 WHOLESALE RATE ANALYSIS

After performing the cost determination and cost allocation tasks, the results of which are presented in the previous sub-section, the next task was to determine 1) the costs to be recovered in the Sarasota County wholesale wastewater rate, and 2) the costs to be included in a new rate schedule for wholesale water service.

### 2.2.1 BACKGROUND

The current Sarasota County (County) wholesale wastewater rate (SC Rate) is \$5.29 per 1,000 gallons plus a 10% Renewal & Replacement (R&R) surcharge. The SC Rate only includes operations and maintenance (O&M) costs, as the County previously paid capital costs for its reserved capacity charge for its share of plant capacity, which is 3.0 million gallons per day (MGD). Notwithstanding the fact that the County has 3.0 mgd of reserved capacity in the wastewater treatment plant, the County's flows have been in the range of 1.0 mgd.

In addition to the wholesale wastewater rate for the County, the City is also in need of a wholesale water rate that would be applicable to any water provided under emergency potable water supply agreements (Sarasota County & potentially Peace River Water Supply Authority) as well as any other potential future wholesale/bulk customers.

### 2.2.2 ANALYSIS

**Wastewater:** The current SC Rate is all variable as there is no fixed cost component. However, many of the O&M costs included in the rate calculation are fixed costs that do not vary with flow. With the current SC Rate, if the County does not use its capacity allocation, it does not pay for all of its share of the fixed O&M costs that are included in the rate calculation.

Therefore, we are recommending a new SC Rate that includes 1) a fixed cost component which will be a flat monthly charge per MGD of reserved capacity that will include fixed O&M costs that the County will pay whether it sends the City any flow or not, and 2) a variable cost component that will be a rate per thousand gallons of metered volume for variable costs charged based upon the amount of flow sent to the City for treatment.

We believe that the recommended rate structure is fairer, provides the City with more guaranteed revenue through the fixed charge, and provides the County with a greater incentive to send the City wastewater due to the lower marginal rate for flow.

The recommended new Sarasota County Wholesale Wastewater Rate is as follows:

Monthly Fixed O&M Fee / MGD of Reserved Capacity	\$43,885
Variable O&M Rate / 1,000 Gallons	\$0.55

A summary of the wholesale rate calculation and a comparison of revenues under the current rates compared to revenue under the new rates are presented in Schedule 5.

**Water:** We performed a cost of service analysis to determine the portion of water system costs associated with water supply, transmission, and distribution. We then reviewed the City's existing and potential future points of interconnection points and the portions of the transmission system likely to be used to provide water to such points and determined that almost 70% of the total water system costs would likely be utilized in providing wholesale water service. As is common practice within the industry, we then applied the resulting percentage to the City's non-residential rates (excluding the billing charge) to determine the following rate components:

1. Monthly readiness-to-serve charge by meter size for fixed costs
2. Rate per thousand gallons of metered volume for variable costs

If in the future, there are specific customers that would require dedicated wholesale water service, the rate structure could be revised to reflect reserved capacity as the basis for recovering the fixed costs associated with such reserved capacity.

A summary of the supporting analysis and rates for a wholesale water rate is presented on Schedule 6.



**FY 2013 Cost Allocation Summary - Sewer System****Schedule 5**

<b>FY 13 Revenue vs Expenses</b>	<b>Revenues</b>	<b>Revenue %</b>	<b>Expenses</b>	<b>Expense %</b>
Water	\$ 8,060,307	44%	\$ 7,766,178	42%
Sewer	\$ 9,940,092	54%	\$ 9,219,983	50%
Reclaimed	\$ 490,442	3%	\$ 1,504,680	8%
<b>Total</b>	<b>\$ 18,490,841</b>	<b>100%</b>	<b>\$ 18,490,841</b>	<b>100%</b>

<b>Sewer Cost Allocation</b>	<b>O&amp;M</b>	<b>Capital</b>	<b>Total</b>	<b>COS %</b>
Collection	\$ 947,744	\$ 1,601,640	\$ 2,549,385	28%
Conveyance	\$ 357,099	\$ 603,479	\$ 960,577	10%
Treatment & Disposal	\$ 3,753,748	\$ 1,956,273	\$ 5,710,021	62%
<b>Total Cost Allocation</b>	<b>\$ 5,058,591</b>	<b>\$ 4,161,392</b>	<b>\$ 9,219,983</b>	<b>100%</b>

<b>Sewer System Flow &amp; Capacity Summary</b>	<b>MGD</b>	<b>% of Total</b>
City Average ADF (2006 - 2011)	1.92	65%
County Average ADF (2006 - 2011)	1.03	35%
<b>Total ADF</b>	<b>2.95</b>	<b>100%</b>
City Capacity (ADF) (Equals Total Plant Capacity, Less County Reserve)	3.00	50%
County Reserved Capacity (ADF)	3.00	50%
<b>Total Wastewater Treatment Plant Capacity</b>	<b>6.00</b>	<b>100%</b>

**New FY 2013 County Bulk Sewer Rate Calculation**

Monthly Fixed O&M Fee / MGD of Reserved Capacity	\$ 43,885	
Variable O&M Rate / TGAL	\$ 0.55	(Includes Utilities & Operating Supplies; Based Upon Estimated ADF)

<b>County Bulk Sewer Cost Calculations</b>	<b>County ADF MGD --&gt;</b>	<b>1.0</b>	<b>2.0</b>	<b>3.0</b>
<b>FY 2013 Annualized Bulk Sewer Costs - New Rates</b>		\$ 1,781,572	\$ 1,983,270	\$ 2,184,968
<b>10% R&amp;R Surcharge</b>		\$ 178,157	\$ 198,327	\$ 218,497
<b>Subtotal</b>		\$ 1,959,729	\$ 2,181,597	\$ 2,403,464
<b>Effective Cost / TGAL of ADF</b>		\$ 5.37	\$ 2.99	\$ 2.19
<b>Current FY 13 Rate / TGAL</b>	\$ 5.29	\$ 1,930,850	\$ 3,861,700	\$ 5,792,550
<b>10% R&amp;R Surcharge</b>		\$ 193,085	\$ 386,170	\$ 579,255
<b>Subtotal</b>		\$ 2,123,935	\$ 4,247,870	\$ 6,371,805
<b>Effective Cost / TGAL of ADF</b>		\$ 5.82	\$ 5.82	\$ 5.82
<b>Variance (New - Current)</b>		\$ (164,206)	\$ (2,066,273)	\$ (3,968,341)

**FY 2013 Cost Allocation Summary - Water System**

Schedule 6

<b>FY 13 Revenue vs Expenses</b>	<b>Revenues</b>	<b>Revenue %</b>	<b>Expenses</b>	<b>Expense %</b>
Water	\$ 8,060,307	44%	\$ 7,766,178	42%
Sewer	\$ 9,940,092	54%	\$ 9,219,983	50%
Reclaimed	\$ 490,442	3%	\$ 1,504,680	8%
<b>Total</b>	<b>\$ 18,490,841</b>	<b>100%</b>	<b>\$ 18,490,841</b>	<b>100%</b>
<b>Water Cost Allocation</b>	<b>O&amp;M</b>	<b>Capital</b>	<b>Total</b>	<b>COS %</b>
Supply/Treat	\$ 3,700,047	\$ 1,544,452	\$ 5,244,500	68%
Transmission	\$ 370,461	\$ 286,110	\$ 656,571	8%
Distribution	\$ 1,052,360	\$ 812,747	\$ 1,865,107	24%
<b>Total Cost Allocation</b>	<b>\$ 5,122,869</b>	<b>\$ 2,643,309</b>	<b>\$ 7,766,178</b>	<b>100%</b>
<b>Water System Costs Utilized in Bulk Service</b>	<b>% of System Cost</b>	<b>Total</b>		
Supply/Treat	100%	\$ 5,244,500		
Transmission	28%	\$ 184,876		
Distribution	0%	\$ -		
<b>Total Costs Utilized in Bulk Service</b>		<b>\$ 5,429,375</b>		
<b>% of Total Water System Costs</b>		<b>69.9%</b>		
<b>FY 2014 Rates (Effective 10/1/13)</b>	<b>Retail</b>	<b>Bulk</b>		
Monthly Water Billing Charge	\$ 1.26	\$ 1.26		
Monthly Readiness-to-Serve Charge				
5/8 x 3/4	\$ 18.94	\$ 13.24		
1	\$ 47.35	\$ 33.10		
1 1/2	\$ 94.71	\$ 66.21		
2	\$ 151.53	\$ 105.94		
3	\$ 303.07	\$ 211.88		
4	\$ 473.54	\$ 331.05		
6	\$ 947.09	\$ 662.12		
8	\$ 1,515.34	\$ 1,059.38		
Monthly Consumption Charge (\$ / 1,000 gallons)	\$ 5.46	\$ 3.82		



## **2.3 RECLAIMED WATER RATES ANALYSIS**

We conducted an analysis of the current reclaimed water revenues and also identified the cost of providing reclaimed water service. In summary, we found that the current reclaimed water rates do not recover the full cost of providing service. The bulk rates (low pressure) recover 7% of cost of providing bulk service, while retail rates (high pressure) recover 42% of cost of providing retail service. In total, the current reclaimed water rates recover approximately 1/3 or 33% of the cost of providing reclaimed water service.

During our deliberations with the Stakeholder Work Group, there was much discussion about raising the reclaimed water rates to approach the actual cost of service. It was to the general consensus of the group that a plan to increase the reclaimed water rates to approximately 75% cost recovery by 10/1/17 was the best plan. However since presenting the preliminary results to the City Council, there has been additional discussion with the Stakeholder Work Group.

Based upon that additional discussion, it is our final recommendation that reclaimed water rates be increased initially at a more moderate level. Specifically, we are recommending that the reclaimed water rate structure (both bulk and retail service) include a billing charge as well as a readiness-to-serve charge similar to water and wastewater rates. In addition, we are recommending a 3% increase to the bulk usage rate and a similar level of increase to the retail usage rates, with a slightly greater distribution of the increase to the 2<sup>nd</sup> tier rate of the usage structure. We are also recommending a more comprehensive review of reclaimed water rates as part of a future study that would be conducted after a representative of the bulk reclaimed water user class is added to the Stakeholder Committee.

The impact of implementing the final recommended rate structure adjustments identified herein in for FY 2014 will increase the total cost recovery to approximately 45% of the current cost of service, and serves to reduce the current of subsidy required from sewer rates, and to a lesser degree, from water rates.

A summary of the reclaimed water analysis in the new rate calculations is presented in Schedule 7 on the following page:

**FY 2013 Cost Allocation Summary - Reclaimed Water System**

Schedule 7

<b>FY 13 Revenue vs Expenses</b>	<b>Revenues</b>	<b>Revenue %</b>	<b>Expenses</b>	<b>Expense %</b>
Water	\$ 8,060,307	44%	\$ 7,766,178	42%
Sewer	\$ 9,940,092	54%	\$ 9,219,983	50%
Reclaimed	\$ 490,442	3%	\$ 1,504,680	8%
<b>Total</b>	<b>\$ 18,490,841</b>	<b>100%</b>	<b>\$ 18,490,841</b>	<b>100%</b>

  

<b>Reclaimed Water Cost Allocation</b>	<b>O&amp;M</b>	<b>Capital</b>	<b>Total</b>	<b>COS %</b>
Treatment/Production	\$ 193,104	\$ 5,395	\$ 198,500	13%
HSP & Storage	\$ 226,209	\$ 219,977	\$ 446,185	30%
Transmission	\$ 193,016	\$ 224,178	\$ 417,193	28%
Distribution	\$ 204,346	\$ 238,455	\$ 442,801	29%
<b>Total Cost Allocation</b>	<b>\$ 816,675</b>	<b>\$ 688,005</b>	<b>\$ 1,504,680</b>	<b>100%</b>

  

	<b>Treat, HSP/Stor. &amp; Trans.</b>	<b>Distribution</b>	<b>Total</b>	<b>Current Rev.</b>
Low Pressure/Bulk Costs	\$ 405,088	\$ -	\$ 405,088	\$ 29,128
Retail/High Pressure Costs	\$ 656,791	\$ 442,801	\$ 1,099,592	\$ 466,366
<b>Subtotal</b>	<b>\$ 1,061,878</b>	<b>\$ 442,801</b>	<b>\$ 1,504,680</b>	<b>\$ 495,494</b>
Low Pressure/Bulk Volume (MGD ADF)	0.81	-		
Retail/High Pressure Volume (MGD ADF)	1.31	1.31		

  

	<b>Current Rev.</b>	<b>Current Cost Recovery</b>	<b>FY 2014 Cost Recovery %</b>	<b>FY 2014 Cost Recovery \$</b>
Low Pressure/Bulk*	\$ 29,128	7%	8%	\$ 32,980
Retail/High Pressure	\$ 466,366	42%	59%	\$ 648,651
<b>Subtotal</b>	<b>\$ 495,494</b>	<b>33%</b>	<b>45%</b>	<b>\$ 681,631</b>

\*FY 2014 Cost Recovery is after an assumed 25% usage reduction per discussions with City staff.

## 2.4 EVALUATION OF RATE CLASSES

### 2.4.1 BACKGROUND

The primary emphasis of this task was to evaluate individually metered manufactured homes to determine if, based upon usage, they should be distinguished as a separate customer class and have a monthly readiness-to-serve charge per dwelling unit similar to the multi-family class rate that was recommended in the FY 2012 Rate Study. The scope of work also included evaluation of any other customer groups that should be separately distinguished as class of customer.

It should be pointed out that there was discussion of this particular matter in the FY 2012 Rate Study. However, the City's billing system did not distinguish individually metered manufactured homes as a separate class but rather, included them as individually metered single-family homes. Therefore, it was not possible to set a separate rate for individually metered manufactured homes based upon the data available at that time.

### 2.4.2 ANALYSIS

As part of the scope of this update, we worked with City staff to identify all individually and master metered manufactured homes, mobile homes, and condominiums in the City and set them up as separate customer classes for purposes of the analysis. We prepared bill frequency analyses to include manufactured homes, mobile homes, and condominiums as separate customer classes. The results of that bill frequency analysis indicated that the average use for manufactured homes and mobile homes during the three peak use months of the year was slightly less than the average use for condominiums.

After much discussion with the Stakeholder Work Group, it is our recommendation that, because the peak month usage of manufactured homes, mobile homes, and condos is so similar, that manufactured homes, mobile homes, and condos should be combined into the same customer class.

A summary of the results of this analysis are as follows:

1. Equivalency factors per dwelling unit for residential customer classes for readiness to serve charges are as follows:
  - Single Family Home = 100%
  - Manufactured/Mobile Homes & Condos = 77.4%
  - All Other Master-Metered Multi-Family Residential Accounts: 83.1%
2. This compares to the current equivalency factors which are:

All individually metered residential accounts = 100%

All master-metered multi-family accounts = 85.7%

3. We recommend establishing an additional residential customer class for manufactured homes, mobile homes, and condominiums, to include individually metered and master-metered customers of this nature.
4. The general impact of this recommendation will be a reduction in base charges to all non-single-family home residential accounts and a slight increase to base charges for single-family homes & commercial customers.

A summary of the comparative analysis of the usage statistics for manufactured/mobile homes and condos, single-family homes, and other master-metered multi-family customers is presented in Schedule 8 on the following page, while a summary of the recommended FY 2014 rates based upon the re-defined customer classes is presented in the subsequent tables.

## FY 2012 Monthly Billed Consumption &amp; Unit for Single-Family &amp; Multi-Family Residential Accounts

Schedule 8

Service Bill Rate Component	WA CONS												
Monthly Consumption (1,000 GAL)	Jan '12	Feb '12	Mar '12	Apr '12	May '12	Jun '12	Jul '12	Aug '12	Sep '12	Oct '11	Nov '11	Dec '11	Total
Condos, Manufactured & Mobile Homes	11,472	14,347	18,692	16,123	12,361	10,440	9,155	8,070	7,744	7,899	9,080	13,364	138,747
Multi-Family Residential	6,615	8,247	10,568	8,958	6,860	6,850	5,658	5,506	5,291	5,187	5,505	7,682	82,927
Single-Family Residential	20,855	22,566	27,975	24,625	22,925	21,813	18,510	16,532	17,550	17,200	17,909	24,526	252,986

Service Bill Rate Component	WA DMND												
Monthly Billed Units	Jan '12	Feb '12	Mar '12	Apr '12	May '12	Jun '12	Jul '12	Aug '12	Sep '12	Oct '11	Nov '11	Dec '11	Total
Condos, Manufactured & Mobile Homes	6,359	6,369	6,369	6,459	6,358	6,375	6,367	6,372	6,366	6,370	6,361	6,377	76,502
Multi-Family Residential	3,359	3,359	3,371	3,371	3,371	3,371	3,363	3,363	3,363	3,359	3,359	3,359	40,368
Single-Family Residential	7,551	7,561	7,577	7,574	7,569	7,586	7,607	7,617	7,615	7,539	7,543	7,565	90,904

Monthly Consumption / Unit	Jan '12	Feb '12	Mar '12	Apr '12	May '12	Jun '12	Jul '12	Aug '12	Sep '12	Oct '11	Nov '11	Dec '11	Total
Condos, Manufactured & Mobile Homes	1.80	2.25	2.93	2.50	1.94	1.64	1.44	1.27	1.22	1.24	1.43	2.10	1.81
Multi-Family Residential	1.97	2.46	3.13	2.66	2.04	2.03	1.68	1.64	1.57	1.54	1.64	2.29	2.05
Single-Family Residential	2.76	2.98	3.69	3.25	3.03	2.88	2.43	2.17	2.30	2.28	2.37	3.24	2.78
Condo/Manufactured/Mobile Use as % of Single-Family	65.3%	75.5%	79.5%	76.8%	64.2%	57.0%	59.1%	58.4%	52.8%	54.4%	60.1%	64.6%	65.2%
Multi-Family Use as % of Single-Family	71.3%	82.3%	84.9%	81.7%	67.2%	70.7%	69.1%	75.4%	68.3%	67.7%	69.0%	70.5%	73.8%

Average Monthly Consumption / Unit	Feb - Apr
Condo/Manufactured/Mobile Max 3 Months	2.56
Multi-Family Residential Max 3 Months	2.75
Single-Family Residential Max 3 Months	3.31
Condo/Manufactured/Mobile Use as % of Single-Family	77.4%
Multi-Family Use as % of Single-Family	83.1%

Source: Detailed monthly billing data provided by City staff for FY 2012



PROPOSED INSIDE CITY WATER RATES									CURRENT INSIDE CITY WATER RATES				
Billing Charge: \$ 1.26 \$ 1.26 \$ 1.26 \$ 1.26 \$ 1.26 \$ 1.26									\$ 1.45 \$ 1.45 \$ 1.45 \$ 1.45				
Readiness Charge: \$ 18.94 \$ 18.94 \$ 15.74 \$ 14.66 \$ 14.66 \$ 18.94									\$ 17.24 \$ 17.24 \$ 14.78 \$ 17.24				
Usage Charge - per 1,000 GAL:													
Customer Class									Customer Class				
Blk	RES	SFR	COM	MFR	MH	CON	IRR	N/A	SFR	COM	MFR	IRR	N/A
1	2,000	\$ 4.10	\$ 5.46	\$ 4.10	\$ 4.10	\$ 4.10	\$ 6.31		\$ 4.05	\$ 5.39	\$ 4.05	\$ 6.04	
2	5,000	\$ 6.31		\$ 6.31	\$ 6.31	\$ 6.31	\$ 7.89		\$ 6.22		\$ 6.22	\$ 7.55	
3	10,000	\$ 7.89		\$ 7.89	\$ 7.89	\$ 7.89	\$ 9.86		\$ 7.78		\$ 7.78	\$ 9.04	
4	999,000	\$ 9.86		\$ 9.86	\$ 9.86	\$ 9.86			\$ 9.72		\$ 9.72		

PROPOSED INSIDE CITY SEWER RATES									CURRENT INSIDE CITY SEWER RATES				
Billing Charge:	\$	1.26	\$ 1.26	\$	1.26	\$ 1.26	\$ 1.26	\$ 1.26	\$	1.45	\$ 1.45	\$ 1.45	
Readiness Charge:	\$	21.17	\$ 21.17	\$	17.59	\$ 16.38	\$ 16.38	\$ 1.81	\$	19.73	\$ 19.73	\$ 16.92	
Usage Charge - per 1,000 GAL:													
Customer Class									Customer Class				
Blk	RES	SFR	COM	MFR	MH	CON	HP-RW	LP-RW	SFR	COM	MFR	HP-RW	LP-RW
1	999,000	\$ 6.33	\$ 6.33	\$ 6.33	\$ 6.33	\$ 6.33	\$ 0.92	\$ 0.09	\$ 6.38	\$ 6.38	\$ 6.38	\$ 0.91	\$ 0.09
2							\$ 1.31					\$ 1.19	
3													

SFR = Single-Family Residential (Individually-Metered)  
COM = Commercial  
MFR = Multi-Family Residential (Master-Metered)  
MH = Manufactured/Mobile Homes (Individually & Master-Metered)  
CON = Condominiums (Individually & Master-Metered)  
IRR = Separate Irrigation Only Meter  
N/A = Not Applicable



**2.4.3 CUSTOMER IMPACT ANALYSIS**

Based upon the FY 2014 rate schedule recommended in the prior sub-section, we have performed a customer impact analysis for a number of customer classes. This customer impact analysis is presented in the schedules on the following pages. It is important to note, that absent any changes to the rate structure, all rates would otherwise increase by 3.0% in FY 2014 per the City's approved ordinance.

**3/4" Meter Residential  
Single Family Home**

SFR Inside City 3/4" Meter Water & Sewer Bill Calculations						
<u>Usage</u> <u>(Gallons)</u>	<u>% of Bills</u>	<u>Agg. %</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Chg</u>	<u>% Chg</u>
0	21.8%	21.8%	\$ 39.87	\$ 42.63	\$ 2.76	6.9%
1,000	14.6%	36.3%	\$ 50.30	\$ 53.06	\$ 2.76	5.5%
2,000	17.7%	54.0%	\$ 60.73	\$ 63.49	\$ 2.76	4.5%
3,000	16.3%	70.3%	\$ 73.33	\$ 76.13	\$ 2.80	3.8%
4,000	11.5%	81.8%	\$ 85.93	\$ 88.77	\$ 2.84	3.3%
5,000	7.3%	89.1%	\$ 98.53	\$ 101.41	\$ 2.88	2.9%
6,000	4.0%	93.1%	\$ 112.69	\$ 115.63	\$ 2.94	2.6%
7,000	2.4%	95.5%	\$ 126.85	\$ 129.85	\$ 3.00	2.4%
8,000	1.4%	96.9%	\$ 141.01	\$ 144.07	\$ 3.06	2.2%
9,000	0.9%	97.8%	\$ 155.17	\$ 158.29	\$ 3.12	2.0%
10,000	0.6%	98.4%	\$ 169.33	\$ 172.51	\$ 3.18	1.9%
11,000	0.4%	98.8%	\$ 185.43	\$ 188.70	\$ 3.27	1.8%
12,000	0.3%	99.0%	\$ 201.53	\$ 204.89	\$ 3.36	1.7%
13,000	0.2%	99.2%	\$ 217.63	\$ 221.08	\$ 3.45	1.6%
14,000	0.1%	99.3%	\$ 233.73	\$ 237.27	\$ 3.54	1.5%
15,000	0.1%	99.4%	\$ 249.83	\$ 253.46	\$ 3.63	1.5%
16,000	0.1%	99.5%	\$ 265.93	\$ 269.65	\$ 3.72	1.4%
17,000	0.1%	99.6%	\$ 282.03	\$ 285.84	\$ 3.81	1.4%
18,000	0.1%	99.6%	\$ 298.13	\$ 302.03	\$ 3.90	1.3%
19,000	0.0%	99.7%	\$ 314.23	\$ 318.22	\$ 3.99	1.3%
20,000	0.0%	99.7%	\$ 330.33	\$ 334.41	\$ 4.08	1.2%

**59% of all bills were issued for 3/4" SFR Customers (36% of all Equivalent Residential Units)**

### 3/4" Meter Residential Manufactured/Mobile Home

Individually Metered Manufactured/Mobile Home Monthly Bill Calculations						
<u>Usage</u> <u>(Gallons)</u>	<u>% of Bills</u>	<u>Agg. %</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Chg</u>	<u>% Chg</u>
0	34.1%	34.1%	\$ 39.87	\$ 33.56	\$ (6.31)	-15.8%
1,000	21.6%	55.7%	\$ 50.30	\$ 43.99	\$ (6.31)	-12.5%
2,000	21.0%	76.7%	\$ 60.73	\$ 54.42	\$ (6.31)	-10.4%
3,000	12.8%	89.5%	\$ 73.33	\$ 67.06	\$ (6.27)	-8.6%
4,000	6.2%	95.7%	\$ 85.93	\$ 79.70	\$ (6.23)	-7.3%
5,000	2.3%	98.0%	\$ 98.53	\$ 92.34	\$ (6.19)	-6.3%
6,000	0.9%	98.9%	\$ 112.69	\$ 106.56	\$ (6.13)	-5.4%
7,000	0.4%	99.3%	\$ 126.85	\$ 120.78	\$ (6.07)	-4.8%
8,000	0.2%	99.5%	\$ 141.01	\$ 135.00	\$ (6.01)	-4.3%
9,000	0.1%	99.6%	\$ 155.17	\$ 149.22	\$ (5.95)	-3.8%
10,000	0.1%	99.7%	\$ 169.33	\$ 163.44	\$ (5.89)	-3.5%
20,000	0.0%	99.9%	\$ 325.33	\$ 325.34	\$ 0.01	0.0%
30,000	0.0%	100.0%	\$ 481.33	\$ 487.24	\$ 5.91	1.2%

13.7% of all bills were issued for I-M MH Residential Customers (6.2% of all Equivalent Residential Units)



### 3/4" Meter Residential Condo

Individually Metered Condo Monthly Bill Calculations							
<u>Usage</u> <u>(Gallons)</u>	<u>% of Bills</u>	<u>Agg. %</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Chg</u>	<u>% Chg</u>	
0	29.3%	29.3%	\$ 39.87	\$ 33.56	\$ (6.31)	-15.8%	
1,000	18.6%	47.9%	\$ 50.30	\$ 43.99	\$ (6.31)	-12.5%	
2,000	22.0%	69.9%	\$ 60.73	\$ 54.42	\$ (6.31)	-10.4%	
3,000	13.5%	83.4%	\$ 73.33	\$ 67.06	\$ (6.27)	-8.6%	
4,000	6.8%	90.2%	\$ 85.93	\$ 79.70	\$ (6.23)	-7.3%	
5,000	3.6%	93.8%	\$ 98.53	\$ 92.34	\$ (6.19)	-6.3%	
6,000	2.0%	95.7%	\$ 112.69	\$ 106.56	\$ (6.13)	-5.4%	
7,000	1.1%	96.8%	\$ 126.85	\$ 120.78	\$ (6.07)	-4.8%	
8,000	0.4%	97.2%	\$ 141.01	\$ 135.00	\$ (6.01)	-4.3%	
9,000	0.4%	97.6%	\$ 155.17	\$ 149.22	\$ (5.95)	-3.8%	
10,000	0.2%	97.8%	\$ 169.33	\$ 163.44	\$ (5.89)	-3.5%	
20,000	0.0%	98.9%	\$ 325.33	\$ 325.34	\$ 0.01	0.0%	
30,000	0.0%	99.5%	\$ 481.33	\$ 487.24	\$ 5.91	1.2%	

2.5% of all bills were issued for I-M Condo Residential Customers (1.5% of all Equivalent Residential Units)

## 2" Multi-Family – 32 Units Customer

Multi-Family W/S Bill Calculations			2"	Meter Size	32	Units
Usage (Gallons)	% of Bills	Agg. %	Current	Proposed	\$ Chg.	% Chg.
0	0.0%	0.0%	\$ 1,017.30	\$ 1,069.08	\$ 51.78	5.1%
10,000	0.0%	0.0%	\$ 1,121.60	\$ 1,173.38	\$ 51.78	4.6%
20,000	0.0%	0.0%	\$ 1,225.90	\$ 1,277.68	\$ 51.78	4.2%
30,000	0.0%	8.3%	\$ 1,330.20	\$ 1,381.98	\$ 51.78	3.9%
40,000	8.3%	50.0%	\$ 1,434.50	\$ 1,486.28	\$ 51.78	3.6%
50,000	16.7%	83.3%	\$ 1,538.80	\$ 1,590.58	\$ 51.78	3.4%
60,000	0.0%	91.7%	\$ 1,643.10	\$ 1,694.88	\$ 51.78	3.2%
70,000	0.0%	100.0%	\$ 1,760.42	\$ 1,812.44	\$ 52.02	3.0%
80,000	0.0%	100.0%	\$ 1,886.42	\$ 1,938.84	\$ 52.42	2.8%
90,000	0.0%	100.0%	\$ 2,012.42	\$ 2,065.24	\$ 52.82	2.6%
100,000	0.0%	100.0%	\$ 2,138.42	\$ 2,191.64	\$ 53.22	2.5%
110,000	0.0%	100.0%	\$ 2,264.42	\$ 2,318.04	\$ 53.62	2.4%
120,000	0.0%	100.0%	\$ 2,390.42	\$ 2,444.44	\$ 54.02	2.3%
130,000	0.0%	100.0%	\$ 2,516.42	\$ 2,570.84	\$ 54.42	2.2%
140,000	0.0%	100.0%	\$ 2,642.42	\$ 2,697.24	\$ 54.82	2.1%
150,000	0.0%	100.0%	\$ 2,768.42	\$ 2,823.64	\$ 55.22	2.0%

2.8% of all bills were issued for Multi-Family Residential Customers (15.2% of all Equivalent Residential Units)

*\*Excludes Master Metered Condos & Manufactured/Mobile Homes*



### 3/4" Meter Commercial Customer

Commercial 3/4" Meter Monthly Water & Sewer Bill Calculations							
Usage (Gallons)	% of Bills	Agg. %	Current	Proposed	\$ Chg	% Chg	
0	34.0%	34.0%	\$ 39.87	\$ 42.63	\$ 2.76	6.9%	
1,000	20.0%	54.1%	\$ 51.64	\$ 54.42	\$ 2.78	5.4%	
2,000	11.9%	66.0%	\$ 63.41	\$ 66.21	\$ 2.80	4.4%	
3,000	7.3%	73.3%	\$ 75.18	\$ 78.00	\$ 2.82	3.8%	
4,000	4.9%	78.2%	\$ 86.95	\$ 89.79	\$ 2.84	3.3%	
5,000	3.9%	82.0%	\$ 98.72	\$ 101.58	\$ 2.86	2.9%	
6,000	2.9%	84.9%	\$ 110.49	\$ 113.37	\$ 2.88	2.6%	
7,000	2.3%	87.2%	\$ 122.26	\$ 125.16	\$ 2.90	2.4%	
8,000	2.1%	89.3%	\$ 134.03	\$ 136.95	\$ 2.92	2.2%	
9,000	1.2%	90.4%	\$ 145.80	\$ 148.74	\$ 2.94	2.0%	
10,000	1.0%	91.5%	\$ 157.57	\$ 160.53	\$ 2.96	1.9%	
20,000	0.3%	96.9%	\$ 275.27	\$ 278.43	\$ 3.16	1.1%	
30,000	0.1%	98.8%	\$ 392.97	\$ 396.33	\$ 3.36	0.9%	
40,000	0.1%	99.4%	\$ 510.67	\$ 514.23	\$ 3.56	0.7%	
50,000	0.0%	99.7%	\$ 628.37	\$ 632.13	\$ 3.76	0.6%	
60,000	0.0%	99.8%	\$ 746.07	\$ 750.03	\$ 3.96	0.5%	
70,000	0.0%	99.8%	\$ 863.77	\$ 867.93	\$ 4.16	0.5%	
80,000	0.0%	99.9%	\$ 981.47	\$ 985.83	\$ 4.36	0.4%	
90,000	0.0%	99.9%	\$ 1,099.17	\$ 1,103.73	\$ 4.56	0.4%	
100,000	0.0%	99.9%	\$ 1,216.87	\$ 1,221.63	\$ 4.76	0.4%	

6% of all bills were issued for 3/4" Commercial Customers (3% of all Equivalent Residential Units)

### 1½" Meter Commercial Customer

Commercial 1.5" Meter Monthly Water & Sewer Bill Calculations						
Usage (Gallons)	% of Bills	Agg. %	Current	Proposed	\$ Chg	% Chg
0	2.5%	2.5%	\$ 187.78	\$ 203.07	\$ 15.29	8.1%
1,000	4.2%	6.7%	\$ 199.55	\$ 214.86	\$ 15.31	7.7%
2,000	5.5%	12.3%	\$ 211.32	\$ 226.65	\$ 15.33	7.3%
3,000	4.2%	16.4%	\$ 223.09	\$ 238.44	\$ 15.35	6.9%
4,000	4.3%	20.8%	\$ 234.86	\$ 250.23	\$ 15.37	6.5%
5,000	3.2%	24.0%	\$ 246.63	\$ 262.02	\$ 15.39	6.2%
6,000	3.2%	27.2%	\$ 258.40	\$ 273.81	\$ 15.41	6.0%
7,000	4.5%	31.7%	\$ 270.17	\$ 285.60	\$ 15.43	5.7%
8,000	4.6%	36.3%	\$ 281.94	\$ 297.39	\$ 15.45	5.5%
9,000	3.2%	39.5%	\$ 293.71	\$ 309.18	\$ 15.47	5.3%
10,000	2.2%	41.7%	\$ 305.48	\$ 320.97	\$ 15.49	5.1%
20,000	1.5%	58.9%	\$ 423.18	\$ 438.87	\$ 15.69	3.7%
30,000	1.2%	67.4%	\$ 540.88	\$ 556.77	\$ 15.89	2.9%
40,000	0.6%	74.0%	\$ 658.58	\$ 674.67	\$ 16.09	2.4%
50,000	0.4%	81.7%	\$ 776.28	\$ 792.57	\$ 16.29	2.1%
60,000	0.3%	86.2%	\$ 893.98	\$ 910.47	\$ 16.49	1.8%
70,000	0.2%	88.9%	\$ 1,011.68	\$ 1,028.37	\$ 16.69	1.6%
80,000	0.2%	91.5%	\$ 1,129.38	\$ 1,146.27	\$ 16.89	1.5%
90,000	0.1%	93.0%	\$ 1,247.08	\$ 1,264.17	\$ 17.09	1.4%
100,000	0.2%	94.6%	\$ 1,364.78	\$ 1,382.07	\$ 17.29	1.3%
150,000	0.0%	97.4%	\$ 1,953.28	\$ 1,971.57	\$ 18.29	0.9%
200,000	0.0%	99.0%	\$ 2,541.78	\$ 2,561.07	\$ 19.29	0.8%

0.7% of all bills were issued for 1.5" Commercial Customers (2.1% of all Equivalent Residential Units)



**2" Meter Commercial Customer**

Commercial 2" Meter Monthly Water & Sewer Bill Calculations						
<u>Usage</u>						
<u>(Gallons)</u>	<u>% of Bills</u>	<u>Agg. %</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Chg</u>	<u>% Chg</u>
0	10.0%	10.0%	\$ 298.72	\$ 323.40	\$ 24.68	8.3%
10,000	1.8%	24.3%	\$ 416.42	\$ 441.30	\$ 24.88	6.0%
20,000	1.6%	39.4%	\$ 534.12	\$ 559.20	\$ 25.08	4.7%
30,000	1.3%	52.1%	\$ 651.82	\$ 677.10	\$ 25.28	3.9%
40,000	0.3%	58.9%	\$ 769.52	\$ 795.00	\$ 25.48	3.3%
50,000	0.4%	66.4%	\$ 887.22	\$ 912.90	\$ 25.68	2.9%
60,000	0.1%	71.8%	\$ 1,004.92	\$ 1,030.80	\$ 25.88	2.6%
70,000	0.4%	74.9%	\$ 1,122.62	\$ 1,148.70	\$ 26.08	2.3%
80,000	0.1%	78.2%	\$ 1,240.32	\$ 1,266.60	\$ 26.28	2.1%
90,000	0.0%	81.4%	\$ 1,358.02	\$ 1,384.50	\$ 26.48	1.9%
100,000	0.3%	84.5%	\$ 1,475.72	\$ 1,502.40	\$ 26.68	1.8%
150,000	0.0%	90.6%	\$ 2,064.22	\$ 2,091.90	\$ 27.68	1.3%
200,000	0.0%	94.6%	\$ 2,652.72	\$ 2,681.40	\$ 28.68	1.1%
250,000	0.0%	96.3%	\$ 3,241.22	\$ 3,270.90	\$ 29.68	0.9%
300,000	0.0%	97.5%	\$ 3,829.72	\$ 3,860.40	\$ 30.68	0.8%
500,000	0.0%	99.1%	\$ 6,183.72	\$ 6,218.40	\$ 34.68	0.6%

0.6% of all bills were issued for 2.0" Commercial Customers (2.8% of all Equivalent Residential Units)

### Hospital

Hospital Monthly Water & Sewer Bill Calculations						
<u>Avg. Usage</u>						
<u>(Tgal)</u>	<u>% of Bills</u>	<u>Agg. %</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Chg</u>	<u>% Chg</u>
2,000	100.0%	100.0%	\$ 35,052.93	\$ 36,057.89	\$ 1,004.96	2.9%

**0.01% of all bills were issued for the Hospital (1.5% of all Equivalent Residential Units)**

### 3/4" Meter Irrigation Only

Potable Irrigation 3/4" Meter Monthly Bill Calculations						
<u>Usage</u> <u>(Gallons)</u>	<u>% of Bills</u>	<u>Agg. %</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Chg</u>	<u>% Chg</u>
0	24.8%	24.8%	\$ 18.69	\$ 20.20	\$ 1.51	8.1%
5,000	3.9%	48.5%	\$ 48.89	\$ 51.75	\$ 2.86	5.8%
10,000	3.2%	66.6%	\$ 86.64	\$ 91.20	\$ 4.56	5.3%
15,000	1.9%	79.5%	\$ 131.84	\$ 140.50	\$ 8.66	6.6%
20,000	1.0%	85.9%	\$ 177.04	\$ 189.80	\$ 12.76	7.2%
30,000	0.7%	93.1%	\$ 267.44	\$ 288.40	\$ 20.96	7.8%
40,000	0.0%	95.6%	\$ 357.84	\$ 387.00	\$ 29.16	8.1%
50,000	0.0%	96.6%	\$ 448.24	\$ 485.60	\$ 37.36	8.3%
100,000	0.0%	99.3%	\$ 900.24	\$ 978.60	\$ 78.36	8.7%

**2.7% of residential & commercial customers have a separate irrigation meter**



### 3/4" Meter Retail Reclaimed Water Customer

Retail Reclaimed Water 3/4" Meter Monthly Bill Calculations						
<u>Usage</u> <u>(Gallons)</u>	<u>% of Bills</u>	<u>Agg. %</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Chg</u>	<u>% Chg</u>
0	48.8%	48.8%	\$ -	\$ 3.07	\$ 3.07	N/A
5,000	2.4%	64.3%	\$ 4.55	\$ 7.67	\$ 3.12	68.6%
10,000	2.2%	75.8%	\$ 9.10	\$ 12.27	\$ 3.17	34.8%
15,000	1.6%	84.7%	\$ 14.49	\$ 18.04	\$ 3.55	24.5%
20,000	1.0%	90.7%	\$ 20.44	\$ 24.59	\$ 4.15	20.3%
30,000	0.3%	96.4%	\$ 32.34	\$ 37.69	\$ 5.35	16.5%
40,000	0.1%	98.6%	\$ 44.24	\$ 50.79	\$ 6.55	14.8%
50,000	0.1%	99.3%	\$ 56.14	\$ 63.89	\$ 7.75	13.8%
100,000	0.0%	99.9%	\$ 115.64	\$ 129.39	\$ 13.75	11.9%

**27% of residential & commercial customers have a separate reclaimed water meter**

**Bulk Reclaimed Water Customers**

Low-Pressure Reclaimed Water Monthly Bill Calculations					With 25% Use Reduction	
<u>Meter Size</u>	<u>Current</u>	<u>Proposed</u>	<u>\$ Chg</u>	<u>% Chg</u>	<u>Proposed</u>	<u>\$ Chg</u>
6"	\$ 212.50	\$ 309.26	\$ 96.76	46%	\$ 260.51	\$ 48.01
8"	\$ 425.00	\$ 581.06	\$ 156.06	37%	\$ 429.26	\$ 4.26
6"	\$ 212.50	\$ 309.26	\$ 96.76	46%	\$ 260.51	\$ 48.01
6"	\$ 148.75	\$ 244.01	\$ 95.26	64%	\$ 209.89	\$ 61.14
10"	\$ 850.00	\$ 1,079.41	\$ 229.41	27%	\$ 884.41	\$ 34.41
10"	\$ 722.50	\$ 948.91	\$ 226.41	31%	\$ 719.81	\$ (2.69)

### SECTION 3. RECOMMENDATIONS

Based upon the analysis and results presented herein are recommendations are as follows.

1. Implement the following wholesale wastewater rate structure for Sarasota County for FY 2014, subject to future annual increases as applied to retail sewer rates.

Monthly Fixed O&M Fee / MGD of Reserved Capacity	\$43,885
Variable O&M Rate / 1,000 Gallons	\$0.55

Adopt the following wholesale water rates for FY 2014, subject to future annual increases as applied to retail water rates.

<b>FY 2014 Rates (Effective 10/1/13)</b>	<b>Bulk</b>
Monthly Water Billing Charge	1.26
Monthly Readiness-to-Serve Charge	
5/8 x 3/4	13.24
1	33.10
1 1/2	66.21
2	105.94
3	211.88
4	331.05
6	662.12
8	1,059.38
Monthly Consumption Charge (\$ / 1,000 gallons)	3.82

2. Adjust the bulk and retail reclaimed water rate structure to include a billing charge and readiness-to-serve charge similar to water and wastewater rates, as well as include modest usage rate increases for FY 2014. We also recommend the addition of a representative of the bulk reclaimed water customer class to the Stakeholder Committee, and upon such addition, performing further review of the reclaimed water rate structure and cost recovery options.
3. Adopt the recommended schedule of retail water and wastewater rates presented on the following table, which would include the creation of a manufactured/mobile home and condominium customer class (please note that while the same rates on the table are shown separately due to the grouping of the data, a single consolidated customer class and rate structure is recommended).



PROPOSED INSIDE CITY WATER RATES									CURRENT INSIDE CITY WATER RATES										
Billing Charge:	\$	1.26	\$	1.26	\$	1.26	\$	1.26	\$	1.45	\$	1.45	\$	1.45					
Readiness Charge:	\$	18.94	\$	18.94	\$	15.74	\$	14.66	\$	14.66	\$	17.24	\$	17.24					
Usage Charge - per 1,000 GAL:																			
Customer Class									Customer Class										
Blk	RES	SFR	COM	MFR	MH	CON	IRR	N/A	SFR	COM	MFR	IRR	N/A						
1	2,000	\$	4.10	\$	5.46	\$	4.10	\$	4.10	\$	6.31	\$	4.05	\$	5.39	\$	4.05	\$	6.04
2	5,000	\$	6.31	\$	6.31	\$	6.31	\$	6.31	\$	7.89	\$	6.22	\$	6.22	\$	7.55		
3	10,000	\$	7.89	\$	7.89	\$	7.89	\$	7.89	\$	9.86	\$	7.78	\$	7.78	\$	9.04		
4	999,000	\$	9.86	\$	9.86	\$	9.86	\$	9.86	\$		\$	9.72	\$	9.72	\$			

PROPOSED INSIDE CITY SEWER RATES									CURRENT INSIDE CITY SEWER RATES												
Billing Charge:	\$	1.26	\$	1.26	\$	1.26	\$	1.26	\$	1.26	\$	1.26	\$	1.45	\$	1.45	\$	1.45			
Readiness Charge:	\$	21.17	\$	21.17	\$	17.59	\$	16.38	\$	16.38	\$	1.81	\$	1.81	\$	19.73	\$	19.73	\$	16.92	
Usage Charge - per 1,000 GAL:																					
Customer Class									Customer Class												
Blk	RES	SFR	COM	MFR	MH	CON	HP-RW	LP-RW	SFR	COM	MFR	HP-RW	LP-RW								
1	999,000	\$	6.33	\$	6.33	\$	6.33	\$	0.92	\$	0.09	\$	6.38	\$	6.38	\$	6.38	\$	0.91	\$	0.09
2									\$	1.31			\$	1.19							
3																					

SFR = Single-Family Residential (Individually-Metered)  
 COM = Commercial  
 MFR = Multi-Family Residential (Master-Metered)  
 MH = Manufactured/Mobile Homes (Individually & Master-Metered)  
 CON = Condominiums (Individually & Master-Metered)  
 IRR = Separate Irrigation Only Meter  
 N/A = Not Applicable