



City of Venice, FL

Utility Rate Study DRAFT Report

August 10, 2018





August 10, 2018

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

Re: Utility Rate Study – Draft
Report

Dear Mr. Vargas,

Stantec is pleased to provide you with this Draft Report of the findings from the Utility Rate Study (Study) that we completed for the City of Venice Utilities system (City or Utility). We appreciate the fine assistance provided by you, other members of City staff, and certain stakeholders who participated in and contributed to the Study. I ask that you please distribute this report to the appropriate individuals at the City for their review and comment in addition to your own.

Key findings and recommendations are provided in the attached report. While we evaluated financial planning forecasts through 2028, the proposed adjustments to rates are presented for the next five years, FY 2019 – FY 2023.

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

Sincerely,

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

Andrew Burnham
Vice President, Financial Services

Enclosure

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1. EXECUTIVE SUMMARY

1.1 INTRODUCTION

This Executive Summary presents an overview of the results of the Utility Rate Study (Study) that was completed for the water, sewer, and reclaimed systems of the City of Venice (hereafter referred to as the City or Utility) by Stantec Consulting Services Inc. The findings of the Study are based on a set of assumptions and data that are subject to change, which could have a measurable effect on the findings.

Objectives

The principal objectives or components of the Study are as follows:

Revenue Sufficiency Analysis – Measure the adequacy of revenue from current rates to satisfy projected annual expenditure requirements and identify levels of any necessary future rate adjustments.

Reclaimed Cost of Service Analysis – Evaluate the current reclaimed water rates relative to the cost of service and develop an updated multi-year rate schedule reflective of desired cost recovery levels.

1.2 REVENUE SUFFICIENCY ANALYSIS

This analysis evaluated the sufficiency of the Utility's revenues to meet all of its current and projected financial requirements over a ten-year projection period and determined the level of any rate revenue increases necessary in each year of the projection period to provide sufficient revenues to fund all of the Utility's requirements. During interactive meetings with City staff and the Stakeholder Working Group, we discussed the source data and assumptions of the analysis and reviewed several alternative scenarios for the Utility. Through this process, we identified the financial management plan and associated plan of annual water, sewer, and reclaimed water rate revenue increases presented in Table 1-1.

In summary, the primary rate changes proposed for FY 2019 are to i) increase the water billing charge by \$2 to account for the expected annual costs of a City-wide cross connection control program, and ii) adjust high pressure (i.e. retail) and low pressure (i.e. bulk users) reclaimed water rates based upon a target recovery of 54% of the current observed cost of service (see Section 4 of this report) for each respective class.

Table 1-1 Proposed Plan of Water, Sewer, and Reclaimed Water Rate Adjustments

Service Type	Projected Years				
	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Water*	0.00%	2.15%	2.15%	2.15%	2.15%
Sewer	0.00%	2.15%	2.15%	2.15%	2.15%
Reclaimed (High Pressure)**	5.66%	7.56%	7.29%	7.04%	6.82%
Reclaimed (Low Pressure)**	-10.83%	2.15%	2.15%	2.15%	2.15%

* The water billing charge is proposed to increase by \$2 to recover the cost of the cross connection control program. No other water rates are proposed to change in FY 2019.

** Rate adjustments were determined as a result of a detailed cost of service analysis.

1.3 RECLAIMED COST OF SERVICE ANALYSIS

The reclaimed water cost of service analysis was completed by following generally accepted practices as described by the American Water Works Association (AWWA) and Water Environment Federation (WEF) as well as methodologies developed in recent similar studies with the Stakeholder Working Group.

The City presently has different usage-based charges for low pressure (i.e. bulk) and high pressure (i.e. retail) reclaimed water customers. These rates were established as part of a study in 2015 with the objective of recovering 41% of the cost to serve each respective customer class. Based upon changes in cost and reclaimed water use since that study was conducted, the current rates for low pressure customers are recovering 61% of the current cost to serve that class, while high pressure rates are recovering approximately 42% of the current cost of service. This results in an overall cost recovery of about 44% of reclaimed water system costs by reclaimed water rates.

The City and its stakeholders has generally supported increasing the cost recovery of reclaimed water rates over time. As such, the Stakeholder Working Group reviewed several alternative scenarios that would increase the overall level of cost recovery within reclaimed water rates. Ultimately, the Stakeholder Working Group recommended an increase in overall cost recovery to 54%, that would be accomplished by adjusting low pressure rates in FY 2019 down to that level of cost recovery, while gradually increasing high-pressure rates over 5 years to achieve 54% cost recovery on an inflation-adjusted basis.

Table 1-2 Proposed Reclaimed Water Rate Schedule from FY 2019-2023

	Existing Rates	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
High Pressure (Retail)						
<i>Tier 1 per Kgal</i>	\$1.02	\$1.08	\$1.16	\$1.24	\$1.33	\$1.42
<i>Tier 2 per Kgal</i>	\$1.44	\$1.52	\$1.64	\$1.75	\$1.88	\$2.01
Low Pressure (Bulk)						
<i>All Use</i>	\$0.193	\$0.172	\$0.176	\$0.180	\$0.183	\$0.187

Kgal = 1,000 gallons

2. INTRODUCTION

This Draft Report presents the results of the Utility Rate Study (Study) that was completed for the water, sewer, and reclaimed systems of the City of Venice (hereafter referred to as the City or Utility) by Stantec Consulting Services Inc. The findings of the Study are based on a set of assumptions and data that are subject to change, which could have a measurable effect on the findings. Sections 3 and 4 of this report outline the specific details of the Revenue Sufficiency Analysis and Reclaimed Cost of Service Analysis, respectively.

2.1 BACKGROUND

The City of Venice is located on the southwest coast of Florida and covers approximately sixteen square miles of land. The City's utilities department provides potable water, reclaimed water, and sanitary sewer services to approximately 11,000 connections and over 22,000 customers. The management, financing, and operations of the Utility is authorized by an elected City Council, a City Manager, Director of Finance, and Utilities Director.

In 2012, Burton and Associates¹ performed the FY 2012 Rate Study, during which revisions were made to the water and sewer rate structures and a five-year plan of rate increases was adopted. Following the initial rate study was the FY 2012 Rate Study Update, where residential sub-classes were created, wholesale rates were updated, and reclaimed rates were reviewed. In 2015, the City hired Burton and Associates once again to perform the FY 2015 Reclaimed Water Study to evaluate reclaimed rates and levels of cost recovery, during which a plan was developed to phase in bulk cost recovery to 41% from 21% over three years. The City retained Stantec this year to update the prior studies and adopt a plan of future rate increases.

During the Study, as well as each prior study, the City established a Stakeholder Working Group made up of eight members that represent different customer groups within the City. The Stakeholder Working Group met throughout the study to discuss key assumptions, review the progress of the study, and offer input to ensure financial sustainability of the Utility and fair and equitable distribution of costs.

¹ Burton & Associates was acquired by Hawksley Consulting, Inc. in late 2015. MWH Americas and all of its subsidiaries, including Hawksley Consulting, were acquired by Stantec Consulting Services, Inc. in 2016.

2.2 OBJECTIVES

The principal objectives or components of the Study are as follows:

Revenue Sufficiency Analysis – Measure the adequacy of revenue from current rates to satisfy projected annual expenditure requirements and identify levels of any necessary future rate adjustments.

Reclaimed Cost of Service Analysis – Evaluate the current reclaimed water rates relative to the cost of service and develop an updated multi-year rate schedule reflective of desired cost recovery levels.

DRAFT

3. REVENUE SUFFICIENCY ANALYSIS

3.1 DESCRIPTION

This section presents the financial management plan and associated plan of rate adjustments developed in the revenue sufficiency analysis that was conducted as part of the Study. The following sub-sections of the report describe the source data and assumptions used, as well as the findings and recommendations.

During the analysis, we reviewed alternative multi-year financial plans and corresponding rate revenue adjustments through several interactive work sessions with City staff and the Stakeholder Working Group. During these work sessions, we examined the impact of various inputs or assumptions upon key financial indicators. Through these exercises, we developed the proposed financial plan and annual rate revenue adjustments that will allow the City to fund its cost requirements throughout the projection period and meet its financial performance goals and objectives.

To perform the revenue sufficiency analysis, we obtained the City's historical and budgeted financial information regarding the operation of its Utility, as well as historical customer counts and volume data by class of customer. We also obtained the Utility's multi-year capital improvement program (CIP), and documented the City's current debt service obligations and covenants, or promises made to lenders, relative to net income coverage requirements, reserves, etc. We also counseled with City staff regarding other assumptions and policies that would affect the financial performance of the Utility, such as trends in demands, planned developments/customer growth, debt coverage levels, levels of reserves, capital funding sources, earnings on invested funds, and escalation rates for operating costs.

All of this information was entered into a comprehensive financial planning model. This model produced a 10-year projection of the adequacy of revenues provided by the current rates of the Utility to meet its current and projected financial requirements, and then determined the level of rate revenue increases necessary in each year of the projection period to satisfy the system's annual financial requirements.

The financial planning model utilizes all projected available unrestricted funds in each year of the projection period to pay for capital expenditures. The model is set up to reflect the rules of cash-funded expenditures (Pay-As-You-Go or PAYGO) as defined and applied by City staff, and produces a detailed summary of the funding sources to be used for each project in the CIP. To the extent that current revenues and unrestricted reserves are not adequate to fund all capital projects in any year of the projection period, the model identifies a borrowing requirement to fund those projects, or portions thereof that are determined to be eligible for borrowing. The financial plan is used to develop a borrowing program that includes the required borrowing amount by year and the estimated annual debt service requirements for each year in the projection period. All of the supporting schedules for the revenue sufficiency analysis can be found in Appendix A of this report.

3.2 SOURCE DATA

The following presents the key source data relied upon in updating the revenue sufficiency analysis.

Beginning Fund Balances

The fiscal year FY 2017 Comprehensive Annual Financial Report (CAFR) and supporting trial balance schedules provided by City staff were used to establish the beginning FY 2018 balances for the Utility.

Revenues

The revenues utilized in the analysis reflect an evaluation of multiple years of historical customer demand characteristics per billing records provided by and discussed with City staff. Revenues consist of rate revenue, connection fees, interest income, and other revenue from miscellaneous service charges.

Rate revenues in each year are calculated based on assumed rate increases, customer counts, and billed volumes for each respective service. The following table shows projected rate revenues based upon the identified plan of rate adjustments recommended herein. These rate adjustments are necessary to cover nominal increases in operation and maintenance (O&M) costs, debt service, and capital expenditures.

Table 3-1 Total Rate Revenue Projection Summary

	Current Year	Projected Years				
Rate Revenue	2018	2019	2020	2021	2022	2023
Water	\$9,705,654	\$10,117,594	\$10,466,628	\$10,827,771	\$11,201,444	\$11,588,084
Sewer	\$9,660,138	\$9,684,997	\$9,918,746	\$10,158,199	\$10,403,499	\$10,654,789
Reclaimed	\$721,978	\$749,412	\$802,122	\$856,705	\$912,789	\$971,290
Total	\$20,087,770	\$20,552,003	\$21,187,496	\$21,842,675	\$22,517,732	\$23,214,163

Operating Expenditures

The Utility's operating expenditures include the costs to operate the utilities' treatment, distribution, collection, and administrative functions. The expenditures include personnel items such as salaries and wages, life and health insurance, overtime, and retirement contributions, as well as operating costs such as supplies, utilities, communication services, freight and postage, and repair and maintenance of vehicle fleets. The analysis is based on the FY 2018 Adopted Budget adjusted annually thereafter based upon assumed cost escalation factors that were reviewed with City staff.

It is important to note that during interactive work sessions, the City informed Stantec that they will be taking measures to regulate and monitor backflow prevention activities on behalf of the community starting in FY 2019. As a result, the Utility is expecting to incur additional expenses of approximately \$300,000 a year. Based upon a detailed distribution of estimated expenses by customer class provided

by City staff, it was determined that the cost of this program would be best recovered by increasing the water billing charge by \$2.00 in FY 2019. Table 3-2 presents the total projected annual O&M expenses.

Table 3-2 Total O&M Expense Projection Summary

	Current Year	Projected Years				
	2018	2019	2020	2021	2022	2023
Total O&M Expenses	\$12,118,527	\$10,874,843	\$11,358,379	\$11,503,955	\$12,138,628	\$12,561,205

Debt Service

Outstanding Debt

The City's current debt obligations include a series of revenue bonds and a state revolving fund (SRF) loan. In FY 2018, the total debt service payment is \$2.8M, which is approximately 12% of the total operating revenue collected.

Proposed Debt

Stantec is currently projecting needs for future debt issues and state revolving fund loans. The proceeds needed are determined after considering available fund balances and rate revenues, as well as debt service coverage ratio minimums. Projected debt service payments are presented in Table 3-3 on the following page.

Debt Service Coverage

The Utility must maintain adjusted net revenues that are at least 1.15 times greater than the annual debt service expense (principal and interest payments on senior lien and subordinate debt). To the extent the Utility is unable to meet these requirements, it could face the possibility of having its credit rating downgraded, which would affect interest rates and terms of future financing activities. As a policy decision, utilities often measure revenue sufficiency and set rates based upon a higher coverage level to ensure compliance with this covenant in the event future projections of revenue and expenses do not occur as predicted. As such, the Revenue Sufficiency Analysis was established with a target debt service coverage ratio of at least 1.50 on adjusted net revenues for senior lien and subordinate debt. In each year of the financial forecast, the Utility's debt service is higher than this target, which will result in more favorable terms with credit agencies.

Table 3-3 Projected Total Annual Debt Service and Coverage Calculations

	Current Year	Projected Years				
Description	2018	2019	2020	2021	2022	2023
Existing DS Payment	\$2,809,430	\$2,927,059	\$2,929,134	\$2,923,902	\$2,921,079	\$2,927,324
Proposed New DS Payment	-	\$487,831	\$1,068,933	\$1,723,033	\$2,130,060	\$2,384,275
Total DS Payment	\$2,809,430	\$3,414,890	\$3,998,067	\$4,646,935	\$5,051,139	\$5,311,599
Senior-Lien DSC	4.89	5.28	4.87	4.65	4.50	4.61
Subordinate DSC	15.95	10.23	7.65	6.12	5.29	4.91

Capital Improvement Program

City staff provided the multi-year CIP in project level detail from FY 2018 through FY 2028, which included encumbered capital funds from FY 2017. Throughout this Study task, Stantec worked with staff to refine the capital project cost estimates, discuss timing of the projects, and review optimal funding methods of the projects.

One of the goals in the financial planning process is to optimize funding sources for the next five years to achieve not only the necessary annual renewal and replacement projects, but also meet the need for regulatory-based improvements, system expansion related projects, and cost center capital projects.

Beginning in FY 2019, the financial plan includes an annual cost inflation factor of 3.0% applied to project estimates to account for inflation in the future cost of construction.

In total, the CIP used in this analysis (including inflation) from FY 2018 – FY 2028 is approximately \$160 million. Table 3-4 presents total capital spending in the next five years. A full schedule of the CIP can be found in Schedule 8 of Appendix A.

Table 3-4 Projected Total Capital Improvement Plan Expenditures (With Inflation)

	Current Year	Projected Years				
Description	2018	2019	2020	2021	2022	2023
Total Capital Expenses	\$23,876,844	\$21,719,255	\$15,787,545	\$14,771,019	\$7,400,389	\$2,081,071

3.3 OPERATING RESERVE FUND BALANCE

Reserve balances for utility systems are funds set aside for a specific cash flow requirement, financial need, project, task, or legal covenant. These balances are maintained to meet short-term cash flow requirements and, at the same time, minimize the risk associated with meeting the financial obligations and continued operational and capital needs under adverse conditions. The level of reserves maintained

by a utility is an important component and consideration of developing a utility system multi-year financial management plan.

Many utilities, rating agencies, and the investment community as a whole place a significant emphasis on having sufficient reserves available for potentially adverse conditions. The rationale related to the maintenance of adequate reserves is twofold. First, it helps to assure a utility that it will have adequate funds available to meet its financial obligations during unusual periods (i.e. when revenues are unusually low and/or expenditures are unusually high). Second, it provides funds that can be used for emergency repairs or replacements to the system that can occur because of natural disasters or unanticipated system failures.

As such, it is important for the Utility to establish financial policies that clearly state the basis for establishing targeted reserve balances. Financial policies should articulate how these balances are established, their use, and how to determine the adequacy of the reserve fund balances. It is important to note that once reserve targets are established, they should be reviewed annually during the budgeting process to monitor current levels and assure conformance with stated policies and practices. Decisions can be made to maintain, increase, or spend down reserve balances, as appropriate, depending upon the impact of such decisions to upcoming budgets.

Moreover, a utility should review the approach used to establish reserve balances every three to five years. This time frame is appropriate given that debt levels and capital infrastructure activity can vary during this time, which would have an effect on the appropriate level of reserve balances. This type of review allows for reserve targets to be modified to better reflect existing conditions and issues.

The City's operating reserve target is calculated based on total annual expenditures, including operating expenses, debt service, cash funded capital, and transfers out of the operating fund. The Utility's target level of reserves is four months of expenses in FY 2018, five months of expenses in FY 2019, and six months of expenses each year thereafter. Table 3-5 presents the annual minimum reserve targets as set forth by the City and fund balances in each year.

Table 3-5 Minimum Annual Reserve Targets

	Current Year	Projected Years				
	2018	2019	2020	2021	2022	2023
Reserve Target (\$M)	\$10.5	\$11.7	\$12.1	\$12.5	\$10.8	\$10.9
Fund Balance (\$M)	\$16.0	\$11.7	\$12.1	\$12.5	\$17.0	\$22.1

3.4 ASSUMPTIONS

Estimating future revenues and expenses requires various assumptions to be applied in the financial plan. The following summarizes a few assumptions used in the analysis. All of the assumptions used in this analysis are presented in Schedule 1 of Appendix A, and cost escalation factors utilized can be found in Schedule 6 of Appendix A.

- O&M expense escalation varies by categories identified by staff
- Project costs are inflated at 3.0% per year beginning in FY 2019
- Interest earnings rate on fund balances is set at 1.25% in FY 2018 and indexed at 0.25% each year until it reaches 2.00%
- Debt issued in the plan assumes 2.00% issuance costs, 20-year repayment term, and interest rates starting at 3.75% in FY 2018 and indexing at 0.25% each year until it reaches 5.00% for revenue bonds. For SRF loans, 0% issuance costs with 20-year terms, and interest rates starting at 1.25% indexing at 0.25% each year until it reaches 2.00% are used. The debt service coverage for both revenue bonds and SRF loans is set to a minimum target of 1.50 as desired by City staff. These amounts are estimates provided by Stantec for planning purposes and do not represent any decisions made by the Stakeholder Working Group or City Council.
- Water customers are projected to grow 1.50% each year
- Sewer customers are projected to grow 0.50% each year
- Reclaimed water customers are projected to grow 1.00% each year

3.5 RESULTS

Based upon the data, assumptions, and policies provided, the City's current water and sewer rates will not provide sufficient revenue to meet its ongoing debt service, capital, operating, and reserve requirements over a multi-year projection period. The financial plan findings consist of a mix of water and sewer rate revenue increases and proposed debt issuance that will meet the Utility's current and projected cost requirements.

As part of the financial planning analysis, the table below summarizes proposed rate increases, proposed debt issuance, and debt service coverage from FY 2018- FY 2023. The Pro Forma on Schedule 7 and Panel on Schedule 12 of Appendix A provide detail supporting these results. It is important to note that the reclaimed water rate plan that is depicted on the Panel is a result of the COS, and the rate increases shown represent the total reclaimed water revenue increases that are projected with the updated rates, per that analysis. Whereas, the reclaimed water rate increases presented in Table 3-6 represent the indexing adjustments made to the actual rates by customer class in each year. The reclaimed water COS will be discussed further in Section 4.

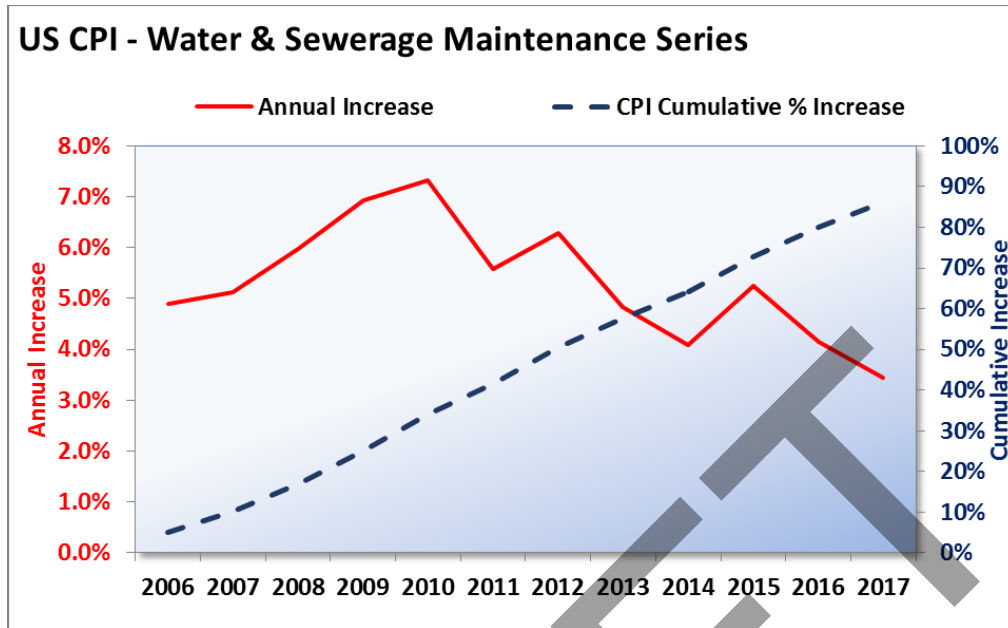
Table 3-6 Key Performance Statistics Summary

Description	Projected Years				
	2019	2020	2021	2022	2023
Water*	0.00%	2.15%	2.15%	2.15%	2.15%
Sewer	0.00%	2.15%	2.15%	2.15%	2.15%
Reclaimed (High Pressure)**	5.66%	7.56%	7.29%	7.04%	6.82%
Reclaimed (Low Pressure)**	-10.83%	2.15%	2.15%	2.15%	2.15%
Proposed Debt Proceeds (\$M)	\$8.9	\$8.8	\$7.7	\$3.8	\$.175
Senior-Lien Debt Service Coverage Ratio	5.28	4.87	4.65	4.50	4.61
Ending Cash Balance(\$M)	\$11.7	\$12.1	\$12.5	\$17.0	\$22.1

* The water billing charge is proposed to increase by \$2 in FY 2019 to recover the cost of the cross-connection control program. No other water rates are proposed to change in FY 2019.

** Rate adjustments were determined as a result of a detailed cost of service analysis.

It is important to note that the recommended annual rate adjustments identified herein are consistent with national trends and our industry experience when averaged over the projection period. As demonstrated in the graph on the following page, the U.S. Consumer Price Index (CPI) Water & Sewerage Maintenance Series, which measures the average national change in the cost of water and wastewater service to households, has risen at an average annual rate of approximately 6% during the past ten years. Moreover, many of our clients across the country are presently experiencing rate increase requirements in the range of 3 to 8% per year.



4. RECLAIMED COST OF SERVICE ANALYSIS

Following the calculation of revenue requirements for FY 2019 in the long-term financial planning models, Stantec's cost of service rate study scope for the City comprises the reclaimed water cost of service (COS) analysis. This section outlines the steps completed in the COS analysis and presents the rates resulting from the analysis to better align with the City's goal of recovering revenue from the appropriate customers. All the supporting schedules for this analysis can be found in Appendix B of this report.

4.1 COST OF SERVICE STEPS

The following steps were used to prepare the COS analysis:

1. Determine the revenue requirements for a specified annual period, referred to as a test year. Revenue requirements are defined as the amount of money the City must recover from the rates charged to customers in order to meet the operating and capital expenditures anticipated for the test year. The revenue requirements were described in more detail in the financial planning results section. For purposes of evaluating alternative rates and rate structures, FY 2019 is set as the test year.
2. Allocate the revenue requirements to service types and functional components. Consistent with the methodology applied in the FY 2012 Rate Study Update and FY 2015 Reclaimed Water Rate Study, revenue requirements are allocated to the reclaimed water system functions as well as to specific customer classes based on how various classes actually use the system functions. Demand characteristics of customer classes and allocations of costs to customer classes are summarized in this section.
3. Determine rates for service. Rates are based on the allocated costs of service for each customer class, meaning that recommended rates for a given class reflect the cost of serving that class. In this Study, Stantec recommends maintaining the current reclaimed water rate structure but proposes changes to the rates for each customer class. Proposed rates are presented for FY 2019 through FY 2023.

4.2 REVENUE REQUIREMENTS

Revenue requirements for the City's reclaimed water system include total operating and capital expenditures (including fund transfers, debt service requirements, funding of reserve accounts and cash funding of capital expenditures) that must be recovered from the revenues provided from its rate structure. Reclaimed water revenue requirements for FY 2019 are summarized in Table 4-1, and a detailed list of test year expenditures are presented in Schedule 1 of Appendix B. Other operating revenues besides rate revenue are used to offset the total revenue requirement, as that portion of the revenue requirement will not be recovered from rate revenues.

Table 4-1 Summary of Reclaimed Water Revenue Requirements - Test Year 2019

Description	Reclaimed
Operating and Maintenance Expenses	\$942,259
Annual Debt Service - Outstanding Debt	\$496,324
Capital Projects	\$424,571
Total Revenue Requirement	\$1,863,154
(Less) Non-Rate Revenue	\$17,123
(Less) Use of Fund Balance	\$150,035
Total Rate Revenue Requirement	\$1,695,995

4.3 CUSTOMER DEMAND CHARACTERISTICS

Reclaimed Water System

Cost of service ratemaking is a process of allocating the system rate revenue requirements to customers based on the demands they place on the system. Individual customer demands vary depending on the nature of the utility use at the location where service is provided. For example, bulk reclaimed customers who provide their own distribution and storage place a different impact on the system than a residential customer. As a practical matter, it is not feasible to allocate system costs at the individual account level. As such, the industry standard, as promulgated by AWWA's M1 Manual, is to group customers with similar system needs into customer classes. Rates are then developed for each customer class, with each individual customer paying the customer class' average allocated cost of service for each unit of specific usage.

The City's reclaimed water customer classes include:

- High Pressure (Retail)
- Low Pressure (Bulk)

Costs are allocated to reclaimed customer classes based on the operating costs that are applicable to them and the volumes that each class is projected to use.

Using historical billing data, we projected units of service for customer demand in FY 2019. Units of service and associated characteristics that were used in the COS are summarized in the following table:

Table 4-2 Summary of Reclaimed Water Customer Characteristics - Test Year FY 2019

Customer Class	# of Accounts	Avg. Monthly Volume (Kgals)	Avg. Day Usage (MGD)	On-Site Storage Capacity (MGD)	LF of Transmission Main	LF of Distribution Main
High Pressure (Retail)	3,698	44,654	1.468	38.00	91,689	159,235
Low Pressure (Bulk)	5	36,731	1.208	43.78	13,284	0
Totals	3,703	81,385	2.676	81.78	104,973	159,235

4.4 ASSIGNMENT OF ALLOCATION FACTORS TO FUNCTIONAL COMPONENTS

The Study utilized many of the same cost allocation methods as the previous study, which reflected in-depth discussions with City Staff and the Stakeholder Working Group, as well as a substantial level of detail based on the data provided. Table 4-3 summarizes the allocation parameters and cost sharing groups for respective system functions based on an assigned allocation type. The allocation factors were determined using data from the revenue sufficiency analysis and discussions with City staff. Schedule 3 in Appendix B presents the specific reclaimed water expenses allocated to functional components.

Table 4-3 Summary of Allocation Factors to Functional Components

Description	Treatment/Production	HSP & Storage	Transmission	Distribution
Indirect	15%	19%	27%	38%
Linear Feet*	0%	0%	40%	60%
Reclaimed – Treatment/Storage	50%	50%	0%	0%
Series 2012 Bond	0%	100%	0%	0%
Series 2015 Bond	100%	0%	0%	0%
2013 PNC SRF	0%	0%	48%	52%
New Senior Debt (2019)	34%	0%	26%	40%
5 Yr. Cash Funded Capital	5%	0%	32%	63%

*The allocation of linear feet of pipe was based on a thorough Geographic Information System (GIS) analysis of the system that was performed in the FY 2015 Reclaimed Water Study.

4.5 FUNCTIONALIZED SYSTEM COSTS

O&M Expenses

The reclaimed water functional categories and associated values are used in determining an appropriate allocation of the O&M costs to respective customer classes based on usage characteristics. The functions included in the COS analysis are listed in Table 4-4, which provides a summary of the test year

(FY 2019) O&M expenses by function for both water and sewer systems. The values are assigned based on reviewing each line item of the O&M budget with staff.

Table 4-4 Summary of O&M Expenses - Test Year 2019

System Function/Name	\$
Treatment/Production	\$192,587
HSP & Storage	202,018
Transmission	220,832
Distribution	326,832
Total O&M	\$942,259

Capital Expenditures

The capital costs of the reclaimed water system require allocations to functions, similar to the O&M expenses. Capital costs include annual debt service and PAYGO capital expenditures. The allocation of capital costs to functional components involved a detailed review and allocation of each capital project. The exercise was done with City staff in order to identify projects that were related to reclaimed water and the specific functional components. Table 4-5 presents the capital costs associated with each functional component.

Table 4-5 Summary of Cash Funded Capital and Debt Service Expenses - Test Year 2019

System Function/Name	\$
Treatment/Production	\$91,639
HSP & Storage	160,743
Transmission	289,298
Distribution	379,214
Total Capital Expenditures	\$920,894

Non-Rate Revenues

Non-rate revenues are revenues collected for other services provided by the City. In the COS analysis, this revenue is used to reduce the portion of the revenue requirement that needs to be recovered from rates. Use of fund balance was also subtracted from the revenue requirement, as this offsets higher-than-normal cash-funded capital in the test year. Offsetting non-rate revenues and use of fund balances are allocated across all operating and capital cost components based on their weighted distribution.

4.6 ALLOCATED COST OF SERVICES BY CLASS AND FUNCTION

After costs are allocated to functions, each customer class' reclaimed water demands and other service requirements are applied to determine costs of service by class and service function, with applicable credit allocations.

Credit Basis

When evaluating costs of services that should be recovered from each customer class, it is important to consider the types of costs that each class is directly responsible for. When a certain customer class does not contribute to a certain portion of the cost of service, a credit may be an equitable application. In this Study, low pressure customers don't utilize the full transmission, distribution, and storage functions of the City and are therefore given a credit for the portions of the system that they do not use. The table below shows the allocation of system costs and credits to each customer class.

Table 4-6 Summary of Cost of Service Results by Customer Class – Test Year 2019

Customer Class	Treatment/ Production	HSP & Storage	Transmission	Distribution	Total
High Pressure (Retail)	\$141,957	\$362,362	\$408,500	\$642,701	\$1,555,519
Low Pressure (Bulk)	\$116,769	\$(32,148)*	\$55,854**	\$0	\$140,475
GRAND TOTALS	\$258,725	\$330,215	\$464,354	\$642,701	\$1,695,994
% of Total	15%	20%	27%	38%	100%

*This represents a HSP & Storage credit for customers who have their own on-site storage facilities.

**The Transmission credit applies to customers who only use a portion of the transmission system during non-peak periods and therefore do not peak the system.

4.7 UNIT COST OF SERVICE BY FUNCTION

After all O&M and Capital costs were allocated to the reclaimed water functional components and the revenue requirements were identified, a unit cost of service allocation by function was calculated to identify the total cost of producing and providing reclaimed water to the retail and bulk customer classes. The unit cost of each functional component was calculated based on associated characteristics. The treatment and storage unit costs were calculated based on the average daily flow volume (MGD) of each customer class, and the transmission/distribution unit costs were calculated based on the linear feet of the class's transmission and distribution lines. Table 4-8 presents the calculated unit costs and Schedule 5 of Appendix B provides a summary of the reclaimed water cost allocations.

Table 4-8 Summary of Unit Costs of Service by Function

Function	O&M	Capital	Subtotal	Total*
Treatment/Production (per Kgal)	\$0.20	\$0.09	\$0.29	\$0.26
Adjusted HSP & Storage (per Kgal)	N/A	N/A	\$0.68	\$0.68
Transmission (per LF of Trans. Main)	\$2.10	\$2.76	\$4.86	\$4.42
Distribution (per LF of Dist. Main)	\$2.05	\$2.38	\$4.43	\$4.04

*The total unit cost is the cost that is being utilized in calculating total cost recovery from each customer class. It differs from the subtotal because it is net of offsetting non-rate revenues and use of fund balance, whereas the subtotal is not.

4.8 CURRENT COST RECOVERY

The unit costs to serve by function are used to calculate the total costs to serve reclaimed water to the retail and bulk customer classes. From this, the percent of cost recovery that each class is currently achieving compared to current revenues was determined. Table 4-9 summarizes the total costs to serve and the current cost recoveries of each customer class. The resulting cost recovery is 45% for the retail customer class and 61% for the bulk customer class. Schedule 6 in Appendix B presents a supporting summary of the cost of service recovery results.

Table 4-9 Summary of Cost of Service Results - Test Year 2019

Function	High Pressure (Retail) Cost	Low Pressure (Bulk) Cost	Total Cost
Total Cost	\$1,555,520	\$140,475	\$1,695,995
Current Revenues	\$656,007	\$85,070	\$741,077
Current Cost Recovery	42%	61%	44%

4.9 TARGET COST RECOVERY AND PROPOSED RATE SCHEDULE

The reclaimed water cost recovery was discussed with City staff and the Stakeholder Working Group during interactive meetings. One goal of the cost of service analysis was to determine an appropriate target cost recovery for each customer class to be achieved within five years. The City and its stakeholders has generally supported increasing the cost recovery of reclaimed water rates over time. As such, the Stakeholder Working Group reviewed several alternative scenarios that would increase the overall level of cost recovery within reclaimed water rates. Ultimately, the Stakeholder Working Group recommended an increase in overall cost recovery to 54%, that would be accomplished by adjusting low pressure rates in FY 2019 down to that level of cost recovery, while gradually increasing high-pressure rates over 5 years to achieve 54% cost recovery on an inflation-adjusted basis. The following tables show the proposed reclaimed water rates and revenues for the retail and bulk customer classes.

Table 4-10 Proposed Multi-Year Reclaimed Water Rate Schedule

	FY 2018 (Current)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
High Pressure (Retail)						
Tier 1 per Kgal	\$1.02	\$1.08	\$1.16	\$1.24	\$1.33	\$1.42
Tier 2 per Kgal	\$1.44	\$1.52	\$1.64	\$1.75	\$1.88	\$2.01
Cost Recovery %	42%	45%	47%	49%	52%	54%
Low Pressure (Bulk)						
All Usage	\$0.193	\$0.172	\$0.176	\$0.180	\$0.183	\$0.187
Cost Recovery %	61%	54%	54%	54%	54%	54%

Table 4-11 Total Reclaimed Revenue Based on Multi-Year Rate Schedule

Annual Charges in Total	FY 2018 (Current)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
High Pressure (Retail)	\$656,007	\$693,139	\$745,541	\$799,876	\$856,203	\$914,582
Low Pressure (Bulk)	\$85,070	\$75,814	\$77,577	\$79,340	\$80,662	\$82,425
Total Projected Revenue	\$741,007	\$768,953	\$823,118	\$879,216	\$936,865	\$997,007
% Change	-	3.8%	7.0%	6.8%	6.6%	6.4%

4.10 OVERALL CUSTOMER IMPACTS

During the Study, the Stakeholder Working Group focused on evaluating the impact of rates on customers, especially residential customers. The following tables summarize the customer impacts for two typical residential customers. The below table is for a residential customer with 3,000 gallons per month of water and sewer usage and 14,000 gallons per month of reclaimed water usage. This represents the average water, sewer, and reclaimed usage of the residential customer class.

Table 4-12 Residential ¾" Meter Bill Impacts – 14,000 Gallons of Reclaimed Water

	Gallons*	FY 2018 (Current)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Potable Water	3,000	\$39.06	\$41.06	\$41.94	\$42.84	\$43.76	\$44.71
Sewer	3,000	\$46.62	\$46.62	\$47.61	\$48.64	\$49.69	\$50.75
Reclaimed Water	14,000	\$15.11	\$15.96	\$17.17	\$18.42	\$19.72	\$21.06
Total Bill		\$100.79	\$103.64	\$106.72	\$109.90	\$113.17	\$116.52
\$ Change			\$2.86	\$3.08	\$3.18	\$3.27	\$3.35
% Change			2.83%	2.97%	2.98%	2.97%	2.96%
Total Bill (Excluding Reclaimed)		\$85.68	\$87.68	\$89.55	\$91.48	\$93.45	\$95.46
\$ Change			\$2.00	\$1.87	\$1.93	\$1.97	\$2.01
% Change			2.33%	2.13%	2.16%	2.15%	2.15%

*Average monthly residential usage for each service type.

Based on input from the Stakeholder Working Group, we also evaluated a typical residential customer who uses less reclaimed water. The below table is for a residential customer with 3,000 gallons per month of water and sewer usage and 8,000 gallons per month of reclaimed water usage.

Table 4-12 Residential ¾" Meter Bill Impacts – 8,000 Gallons of Reclaimed Water

	Gallons*	FY 2018 (Current)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Potable Water	3,000	\$39.06	\$41.06	\$41.94	\$42.84	\$43.76	\$44.71
Sewer	3,000	\$46.62	\$46.62	\$47.61	\$48.64	\$49.69	\$50.75
Reclaimed Water	8,000	\$8.15	\$8.62	\$9.27	\$9.95	\$10.65	\$11.37
Total Bill		\$93.83	\$96.30	\$98.92	\$101.43	\$104.10	\$106.83
\$ Change			\$2.47	\$2.52	\$2.61	\$2.67	\$2.74
% Change			2.60%	2.62%	2.64%	2.63%	2.63%
Total Bill (Excluding Reclaimed)		\$85.68	\$87.68	\$89.55	\$91.48	\$93.45	\$95.46
\$ Change			\$2.00	\$1.87	\$1.93	\$1.97	\$2.01
% Change			2.33%	2.13%	2.16%	2.15%	2.15%

*Average monthly residential usage for each service type.

Disclaimer

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

APPENDIX A: REVENUE SUFFICIENCY ANALYSIS SCHEDULES

- Schedule 1 Assumptions
- Schedule 2 FY 2018 Beginning Fund Balances
- Schedule 3 Capital Improvement Program
- Schedule 4 Projection of Cash Inflows
- Schedule 5 Projection of Cash Outflows
- Schedule 6 Operating Cost Escalation Factors
- Schedule 7 Forecast of Net Revenues and Debt Service Coverage (Pro Forma)
- Schedule 8 Capital Project Funding Summary
- Schedule 9 Long-Term Borrowing Projections
- Schedule 10 Subordinate Debt Service Projections
- Schedule 11 Funding Summary by Fund
- Schedule 12 FAMS-XL Control Panel

Assumptions

Schedule 1

	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
<u>Annual Water System Growth:</u>											
Water Accounts	12,035	12,215	12,399	12,585	12,773	12,965	13,159	13,357	13,557	13,761	13,967
Growth in Accounts	NA	181	183	186	189	192	194	197	200	203	206
% Increase in Accounts	NA	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
% Increase in Total Billed Water Use	NA	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%	0.99%
<u>Annual Sewer System Growth:</u>											
Sewer Accounts	11,678	11,736	11,795	11,854	11,913	11,973	12,033	12,093	12,153	12,214	12,275
Growth in Accounts	NA	58	59	59	59	60	60	60	60	61	61
% Increase in Accounts	NA	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
% Increase in Total Billed Sewer Use	NA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<u>Annual Reclaimed System Growth:</u>											
Reclaimed Accounts	3,661	3,698	3,735	3,772	3,810	3,848	3,886	3,925	3,965	4,004	4,044
Growth in Accounts	NA	37	37	37	38	38	38	39	39	40	40
% Increase in Accounts	NA	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
% Increase in Total Billed Reclaimed Use	NA	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%	-0.01%
<u>Capital Spending:</u>											
Annual Capital Spending Execution %	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Annual CIP Escalation %	0%	3%	3%	3%	3%	3%	3%	3%	3%	3%	3%
<u>Impact Fees:</u>											
Water	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210	\$1,210
Sewer	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450	\$1,450
<u>Interest Earnings Rate on Fund Balances</u>											
	1.25%	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
<u>Operating Expense Spending Percentage:</u>											
% of Annual Personnel Budget Executed	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
% of Annual Variable Expense Budget Executed	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
% of Annual Fixed Expense Budget Executed	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%	75%
<u>Operating Budget Reserve:</u>											
Policy Target (Number of Months of Operating Reserve)	4.0	5.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0	6.0

Stantec

8/8/2018

Beginning Balances as of October 1, 2017

Schedule 2

	Water and Sewer Utility Operating Fund	Restricted Debt Service Reserves	Water Plant Capacity Charge	Sewer Plant Capacity Charge	Rolled Over Encumbrances Capital Fund ⁽¹⁾	Sewer WWTP Fund (10% Sarasota Rev)	R&R Fund	2015 Bond Construction Acct
CURRENT UNRESTRICTED ASSETS								
Pooled Cash	\$ 24,678,297	2,261,225	887,456	1,100,600	1,258,663	2,891,449	1,000,000	2,853,952
Receivables:								
Billed	2,789,152							
Due from Other Governments	6,467							
Inventories	644,177							
TOTAL ASSETS	\$ 28,118,093	2,261,225	887,456	1,100,600	1,258,663	2,891,449	1,000,000	2,853,952
CURRENT LIABILITIES								
Current Liabilities	\$ (3,301,290)							
Current Portion of:								
Accrued Compensated Absences	(137,963)							
CALCULATED FUND BALANCE (ASSETS - LIABILITIES)	\$ 24,678,840	2,261,225	887,456	1,100,600	1,258,663	2,891,449	1,000,000	2,853,952
Plus/(Less): Inventories	(644,177)							
AVAILABLE FUND BALANCE	\$ 24,034,663	2,261,225	887,456	1,100,600	1,258,663	2,891,449	1,000,000	2,853,952
TOTAL AVAILABLE FUNDS	\$ 36,288,008							

(1) Rolled over balance is subtracted from operating fund cash balance to fund encumbered capital projects.

Capital Improvement Program

Schedule 3

Project	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
1 DEPT 1202 - UTILITIES DISTRIBUTION PROJECTS											
2 Meter Shop Improvements	\$ 28,000	-	-	-	-	-	-	-	-	-	-
3 Encumbered	35,523	-	-	-	-	-	-	-	-	-	-
4 Cast Iron Water Main Replacement	200,000	1,800,000	-	-	-	-	-	-	-	-	-
5 Fire Hydrant Replacement Program	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
6 I & I Improvements	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
7 Manhole Coating Replacement	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
8 Meter (Large) Change Out Program	250,000	252,500	255,025	257,575	260,150	260,150	260,150	260,150	260,150	260,150	260,150
9 Meter (Small) Change Out Program	747,500	775,000	820,000	575,000	105,000	100,000	100,000	100,000	100,000	100,000	100,000
10 Potable Water Valve Replacement	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000	225,000
11 Encumbered	128,500	-	-	-	-	-	-	-	-	-	-
12 Sewer Replacement via CIPP	60,000	-	-	-	-	-	-	-	-	-	-
13 Sewer Replacement via Excavation	100,000	-	-	-	-	-	-	-	-	-	-
14 Sewer Replacement via Sectional	130,000	-	-	-	-	-	-	-	-	-	-
15 Water Service Line Replacement	25,000	375,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
16 Sewer Cleanout Additions	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-	-
18 US 41 Bypass Relocations-Gulf Coast	305,000	305,000	-	-	-	-	-	-	-	-	-
19 Encumbered	65,611	-	-	-	-	-	-	-	-	-	-
20 Eastgate Utilities Relocation - Phase 1	2,500,000	-	-	-	-	-	-	-	-	-	-
21 Encumbered	191,845	-	-	-	-	-	-	-	-	-	-
22 Grant Funded	500,000	-	-	-	-	-	-	-	-	-	-
23 Eastgate Utilities Relocation - Phase 2	350,000	2,750,000	-	-	-	-	-	-	-	-	-
24 Grant Funded	-	750,000	-	-	-	-	-	-	-	-	-
25 Eastgate Utilities Relocation - Phase 3	-	350,000	3,000,000	-	-	-	-	-	-	-	-
26 Water Main Replacement Program	2,250,000	2,250,000	2,500,000	-	-	-	-	-	-	-	-
27 Encumbered	1,709,035	-	-	-	-	-	-	-	-	-	-
28 Venetian Parkway Utilities Relocation	3,500,000	-	-	-	-	-	-	-	-	-	-
29 Encumbered	205,124	-	-	-	-	-	-	-	-	-	-
30 Installation of Gateways (5)	75,000	-	-	-	-	-	-	-	-	-	-
31 Trimble GPS Upgrade	12,000	-	-	-	-	-	-	-	-	-	-
32 DEPT 1203 - WATER PRODUCTION PROJECTS											
33 WTP Building A Upgrades	\$ 800,000	-	-	-	-	-	-	-	-	-	-
34 Encumbered	145,305	-	-	-	-	-	-	-	-	-	-
35 WTP Building B Upgrades	2,300,000	-	-	-	-	-	-	-	-	-	-
36 WTP Building C Upgrades	400,000	-	-	-	-	-	-	-	-	-	-
37 WTP Building D (Meter Shop) Upgrades	75,000	236,250	236,250	-	-	-	-	-	-	-	-
38 WTP High Service Building Upgrade	200,000	-	-	-	-	-	-	-	-	-	-
40 Encumbered	14,146	-	-	-	-	-	-	-	-	-	-
41 Booster Station (Ajax Property)	700,000	6,700,000	-	-	-	-	-	-	-	-	-
42 Sodium Hypochlorite Tank Replacement	120,000	300,000	-	-	-	-	-	-	-	-	-
43 WTP Solar Panel Installation	175,000	-	-	-	-	-	-	-	-	-	-
44 WTP Wellfield and Site Improvements	150,000	-	-	-	-	-	-	-	-	-	-
46 Encumbered	135,175	-	-	-	-	-	-	-	-	-	-
50 Encumbered	653,245	-	-	-	-	-	-	-	-	-	-
51 New Production Well RO 8E/79	600,000	-	-	-	-	-	-	-	-	-	-
52 Wells and Booster Station Flow Meters	11,000	-	-	-	-	-	-	-	-	-	-
53 WTP Equipment Improvements	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
55 Encumbered	42,819	-	-	-	-	-	-	-	-	-	-
57 Encumbered	17,825	-	-	-	-	-	-	-	-	-	-

Appendix A: Schedule 3 – Capital Improvement Program

58	DEPT 1204 - WATER RECLAMATION PROJECTS											
60	Encumbered	80,000	-	-	-	-	-	-	-	-	-	-
62	Encumbered	399,250	-	-	-	-	-	-	-	-	-	-
63	WRF Slide Gate Improvements	300,000	-	-	-	-	-	-	-	-	-	-
64	WRF Seasonal Storage Pond Liner Replace	375,000	-	-	-	375,000	-	-	-	-	-	-
66	Encumbered	270,547	-	-	-	-	-	-	-	-	-	-
67	Lift Station Replacement Pumps	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
68	Emergency Generators at Lift Stations	60,000	180,000	180,000	180,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
70	Encumbered	492,955	-	-	-	-	-	-	-	-	-	-
71	WRF Equipment Improvements	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
72	Encumbered	72,540	-	-	-	-	-	-	-	-	-	-
74	Encumbered	43,899	-	-	-	-	-	-	-	-	-	-
75	Bay Indies Utilities Relocation - Phase 1	-	375,000	3,000,000	-	-	-	-	-	-	-	-
76	Bay Indies Utilities Relocation - Phase 2	-	-	375,000	3,000,000	-	-	-	-	-	-	-
77	Aquifer Storage & Recovery Well	-	-	-	450,000	3,300,000	-	-	-	-	-	-
78	Grant Funded	-	-	-	150,000	1,100,000	-	-	-	-	-	-
79	Booster Station Generator Replacement	-	82,000	-	-	-	-	-	-	-	-	-
80	CO2 Bulk Tank Replacement	-	175,000	-	-	-	-	-	-	-	-	-
82	Corrosion Inhibitor Bulk Tank Replacement	-	-	-	30,000	-	-	-	-	-	-	-
83	Force Main Replacements	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	Phase II RO CIP System	-	-	120,000	-	-	-	-	-	-	-	-
87	Reclaimed Water Storage Tank Conversion	-	-	100,000	500,000	-	-	-	-	-	-	-
88	RO Membrane Replacement	-	-	-	1,500,000	-	-	-	-	-	-	-
90	Second Force Main Under I-75	-	200,000	480,000	-	-	-	-	-	-	-	-
91	Outfall Composite, Sampler	-	7,750	-	-	-	-	-	-	-	-	-
92	Sewer Replacement Program	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
93	Parkson Aqua Guard Screens	-	-	700,000	-	-	-	-	-	-	-	-
94	Energy Projects (changed from Solar Panel Installation)	-	150,000	-	-	-	-	-	-	-	-	-
95	Reclaimed Valve Replacement Program	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
96	WRF Milling and Resurfacing	-	135,000	-	-	-	-	-	-	-	-	-
98	WRF Storage Building	-	250,000	-	-	-	-	-	-	-	-	-
99	WTP Day Tank Building Upgrade	-	60,000	-	-	-	-	-	-	-	-	-
100	WTP Second Stage Membrane Addition	-	-	300,000	3,000,000	-	-	-	-	-	-	-
103	Well Replacement	-	-	100,000	1,500,000	-	-	-	-	-	-	-
104	WRF Building Improvements	-	-	120,000	-	-	-	-	-	-	-	-
105	WTP Fencing Improvements	-	-	220,000	-	-	-	-	-	-	-	-
106	WTP Generator Replacement	-	350,000	-	-	-	-	-	-	-	-	-
107	Unspecified Projects	-	-	-	-	-	-	9,780,380	9,780,380	9,780,380	9,780,380	9,780,380
108	Total Projects Paid	\$ 23,876,844	\$ 21,108,500	\$ 14,881,275	\$ 13,517,575	\$ 6,575,150	\$ 1,795,150	\$ 11,575,530	\$ 11,575,530	\$ 11,575,530	\$ 11,575,530	\$ 11,575,530

* Unspecified Projects were calculated using the average cost of projects from FY 2019 - FY 2023, less repair and maintenance costs.

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Projection of Cash Inflows

Schedule 4

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
1 <u>Water Rate Revenue</u>											
2 Assumed Water Rate Increase	NA	0.00%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
3 Water Rate Revenue	\$ 9,705,654	10,117,594	10,466,628	10,827,771	11,201,444	11,588,084	11,988,145	12,402,094	12,830,416	13,273,612	13,732,203
4 <u>Sewer Rate Revenue</u>											
5 Assumed Sewer Rate Increase	NA	0.00%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
6 Sewer Rate Revenue	\$ 9,660,138	9,684,997	9,918,746	10,158,199	10,403,499	10,654,789	10,912,218	11,175,936	11,446,099	11,722,866	12,006,400
7 <u>Reclaimed Rate Revenue</u>											
8 Assumed Reclaimed Rate Increase	NA	0.00%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
9 Reclaimed Rate Revenue	\$ 721,978	\$ 749,412	\$ 802,122	\$ 856,705	\$ 912,789	\$ 971,290	\$ 992,073	\$ 1,013,302	\$ 1,034,984	\$ 1,057,131	\$ 1,079,751
10 <u>Other Operating Revenue:</u>											
11 Penalty- Water	\$ 64,200	64,200	64,200	64,200	64,200	64,200	64,200	64,200	64,200	64,200	64,200
12 Fire Svc Standby Charge	59,300	59,300	59,300	59,300	59,300	59,300	59,300	59,300	59,300	59,300	59,300
13 Tap Fees - Water	192,200	192,200	192,200	192,200	192,200	192,200	192,200	192,200	192,200	192,200	192,200
14 Customer Inquiry Charge	100	100	100	100	100	100	100	100	100	100	100
15 Penalties-Reuse	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700
16 Reuse Tap Fee	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400
17 Sar Co Swr Treat Cons Chg	2,237,373	2,237,366	2,285,462	2,334,592	2,384,778	2,436,043	2,488,410	2,541,903	2,596,546	2,652,363	2,709,380
18 Sar Co Swr Billing	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200	34,200
19 Penalty- Sewer	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200	43,200
20 Tap Fees - Sewer	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600
21 Miscellaneous Income	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
22 Ad Valorem Tax Reimburse	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400	3,400
23 Cell Tower Lease Rents	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000	73,000
24 Auction Misc	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500	5,500
25 Surplus/Scrap	0	0	0	0	0	0	0	0	0	0	0
26 Other Miscellaneous Revenue	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000	23,000
27 Insurance Settlement	29,900	29,900	29,900	29,900	29,900	29,900	29,900	29,900	29,900	29,900	29,900
28 Total Other Operating Revenue	\$ 2,780,073	\$ 2,780,066	\$ 2,828,162	\$ 2,877,292	\$ 2,927,478	\$ 2,978,743	\$ 3,031,110	\$ 3,084,603	\$ 3,139,246	\$ 3,195,063	\$ 3,252,080
29 <u>Non-Operating Revenue:</u>											
30 Interest Income	\$ 289,528	257,435	271,059	322,816	375,370	472,741	469,979	404,081	396,453	409,749	431,447
31 Interest Income - Restricted	89,555	81,314	100,238	121,352	128,670	136,237	144,059	152,145	160,501	169,135	178,057
32 Water Plant Capacity Charge	215,205	218,433	221,709	225,035	228,410	231,836	235,314	238,844	242,426	246,063	249,754
33 Sewer Plant Capacity Charge	84,245	84,666	85,090	85,515	85,943	86,372	86,804	87,238	87,674	88,113	88,553
34 Total Non-Operating Revenue	\$ 678,533	\$ 641,849	\$ 678,096	\$ 754,718	\$ 818,393	\$ 927,186	\$ 936,156	\$ 882,308	\$ 887,054	\$ 913,060	\$ 947,811
35 <u>Transfers In:</u>											
36 Water Capacity Charge 90% Available for Debt Service	193,684	196,589	199,538	202,531	205,569	208,653	211,783	214,959	218,184	221,456	224,778
37 Sewer Capacity Charge 90% Available for Debt Service	75,821	76,200	76,581	76,964	77,348	77,735	78,124	78,514	78,907	79,301	79,698
38 Total Transfers In	\$ 269,505	\$ 272,789	\$ 276,119	\$ 279,495	\$ 282,918	\$ 286,388	\$ 289,906	\$ 293,474	\$ 297,091	\$ 300,758	\$ 304,476
39 Total Revenue	\$ 23,815,881	\$ 24,246,706	\$ 24,969,873	\$ 25,754,180	\$ 26,546,521	\$ 27,406,480	\$ 28,149,609	\$ 28,851,715	\$ 29,634,889	\$ 30,462,489	\$ 31,322,722

Projection of Cash Outflows

Schedule 5

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
1	FUND 421 UTILITY ADMIN EXP DEPARTMENT 1201											
2	Exp - Insurance											
3	536.45-00 - INSURANCE	\$ 6,571	6,768	6,971	7,180	7,396	7,618	7,846	8,082	8,324	8,574	8,831
4	Exp - Maintenance											
5	536.46-00 - REPAIR & MAINTENANCE SVCS	\$ 3,000	3,090	3,183	3,278	3,377	3,478	3,582	3,690	3,800	3,914	4,032
6	536.46-02 - REPAIR & MAINT / COMPUTER DEVICES	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720
7	536.46-37 - REPAIR & MAINT / FLEET MAINT- LABOR	700	721	743	765	788	811	836	861	887	913	941
8	536.46-38 - REPAIR & MAINT / FLEET MAINT- PARTS	500	515	530	546	563	580	597	615	633	652	672
9	536.46-39 - REPAIR & MAINT / FLEET MAINT- OTHER	300	309	318	328	338	348	358	369	380	391	403
10	536.46-40 - REPAIR & MAINT / INFO SYS	107,877	111,113	114,447	117,880	121,417	125,059	128,811	132,675	136,655	140,755	144,978
11	Exp - Miscellaneous, services and supplies											
12	536.40-00 - TRAVEL AND TRAINING	\$ 3,700	3,811	3,925	4,043	4,164	4,289	4,418	4,551	4,687	4,828	4,972
13	536.41-00 - COMMUNICATION SERVICES	12,768	13,151	13,546	13,952	14,370	14,802	15,246	15,703	16,174	16,659	17,159
14	536.41-40 - COMMUNICATION SVCS- IS	33,636	34,645	35,684	36,755	37,858	38,993	40,163	41,368	42,609	43,887	45,204
15	536.42-00 - FREIGHT & POSTAGE	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196
16	536.44-00 - RENTALS & LEASES	14,500	14,935	15,383	15,845	16,320	16,809	17,314	17,833	18,368	18,919	19,487
17	536.44-08 - RENTALS & LEASES / DOCUMATCH SYSTEM	13,598	14,006	14,426	14,859	15,305	15,764	16,237	16,724	17,226	17,742	18,275
18	536.44-50 - RENTALS & LEASES-FLEET REPL	6,146	6,330	6,520	6,716	6,917	7,125	7,339	7,559	7,786	8,019	8,260
19	536.47-00 - PRINTING AND BINDING	15,000	15,450	15,914	16,391	16,883	17,389	17,911	18,448	19,002	19,572	20,159
20	536.49-00 - OTHER CHARGES/OBLIGATIONS	493,890	508,707	523,968	539,687	555,878	572,554	589,730	607,422	625,645	644,414	663,747
21	536.51-00 - OFFICE SUPPLIES	5,456	5,620	5,788	5,962	6,141	6,325	6,515	6,711	6,911	7,119	7,332
22	536.52-00 - OPERATING SUPPLIES	16,600	17,098	17,611	18,139	18,683	19,244	19,821	20,416	21,028	21,659	22,309
23	536.52-35 - OPERATING SUPPLIES / GASOLINE	500	515	530	546	563	580	597	615	633	652	672
24	536.54-00 - BOOKS, PUBS, SUBS, MEMBER	1,679	1,729	1,781	1,835	1,890	1,946	2,005	2,065	2,127	2,191	2,256
25	Exp - Professional Services											
26	536.31-00 - PROFESSIONAL SERVICES	\$ 417,123	361,858	293,146	301,940	310,998	407,274	419,492	432,077	445,039	458,390	472,142
27	536.31-03 - PROFESSIONAL SERVICES / LEGAL	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598
28	536.31-05 - PROFESSIONAL SERVICES / ADVERTISING	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016
29	536.31-40 - PROFESSIONAL SERVICES / INFO SYS	29,274	30,152	31,057	31,988	32,948	33,937	34,955	36,003	37,083	38,196	39,342
30	536.32-00 - ACCOUNTING AND AUDITING	16,891	17,398	17,920	18,457	19,011	19,581	20,169	20,774	21,397	22,039	22,700
31	536.34-00 - OTHER CONTRACTUAL SERVICE	1,500	1,545	1,591	1,639	1,688	1,739	1,791	1,845	1,900	1,957	2,016
32	Exp - Salaries and Wages											
33	536.12-00 - REGULAR SALARIES & WAGES	\$ 600,287	621,297	643,042	665,549	688,843	712,953	737,906	763,733	790,463	818,130	846,764
34	536.14-00 - OVERTIME	100	104	107	111	115	119	123	127	132	136	141
35	536.15-00 - SPECIAL PAY	1,743	1,804	1,867	1,932	2,000	2,070	2,143	2,218	2,295	2,376	2,459
36	536.21-00 - FICA	47,000	48,645	50,348	52,110	53,934	55,821	57,775	59,797	61,890	64,056	66,298
37	536.22-00 - RETIREMENT CONTRIBUTIONS	48,230	49,918	51,665	53,473	55,345	57,282	59,287	61,362	63,510	65,733	68,033
38	536.23-00 - LIFE AND HEALTH INSURANCE	162,847	168,547	174,446	180,551	186,871	193,411	200,181	207,187	214,438	221,944	229,712
39	536.24-00 - WORKERS' COMPENSATION	1,332	1,379	1,427	1,477	1,529	1,582	1,637	1,695	1,754	1,815	1,879
40	FUND 421 UTILITIES DISTRIBUTION DEPARTMENT 1202											
41	Exp - Insurance											
42	536.45-00 - INSURANCE	\$ 24,845	25,590	26,358	27,149	27,963	28,802	29,666	30,556	31,473	32,417	33,390
43	Exp - Maintenance											
44	536.46-00 - REPAIR & MAINTENANCE SVCS	\$ 805,469	829,633	854,522	880,158	906,562	933,759	961,772	990,625	1,020,344	1,050,954	1,082,483
45	536.46-37 - REPAIR & MAINT / FLEET MAINT- LABOR	30,000	30,900	31,827	32,782	33,765	34,778	35,822	36,896	38,003	39,143	40,317
46	536.46-38 - REPAIR & MAINT / FLEET MAINT- PARTS	20,000	20,600	21,218	21,855	22,510	23,185	23,881	24,597	25,335	26,095	26,878
47	536.46-39 - REPAIR & MAINT / FLEET MAINT- OTHER	12,000	12,360	12,731	13,113	13,506	13,911	14,329	14,758	15,201	15,657	16,127
48	Exp - Miscellaneous, services and supplies											
49	536.40-00 - TRAVEL AND TRAINING	\$ 13,900	14,317	14,747	15,189	15,645	16,114	16,597	17,095	17,608	18,136	18,680
50	536.42-00 - FREIGHT & POSTAGE	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688
51	536.44-00 - RENTALS AND LEASES	10,304	10,613	10,932	11,259	11,597	11,945	12,304	12,673	13,053	13,444	13,848
52	536.44-50 - RENTALS AND LEASES-FLEET REPL	155,215	159,871	164,668	169,608	174,696	179,937	185,335	190,895	196,622	202,520	208,596
53	536.47-00 - PRINTING AND BINDING	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720
54	536.51-00 - OFFICE SUPPLIES	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720
55	536.52-00 - OPERATING SUPPLIES	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196
56	536.52-04 - OPERATING SUPP/TREES, SHRUBS, & SOD	4,000	4,120	4,244	4,371	4,502	4,637	4,776	4,919	5,067	5,219	5,376
57	536.52-25 - OPER SUPP / SAFETY SHOES REIMBURSE	3,750	3,863	3,978	4,098	4,221	4,347	4,478	4,612	4,750	4,893	5,040
58	536.52-35 - OPERATING SUPPLIES / GASOLINE	40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,757
59	536.53-00 - ROAD MATERIALS & SUPPLIES	7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	9,407
60	536.54-00 - BOOKS, PUBS, SUBS, MEMBER	1,950	2,009	2,069	2,131	2,195	2,261	2,328	2,398	2,470	2,544	2,621

Appendix A: Schedule 5 – Projection of Cash Outflows

61	Exp - Professional/Contractual Services												
62	536.31-00 - PROFESSIONAL SERVICES	\$	368,042	309,000	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193	335,979
63	536.34-00 - OTHER CONTRACTUAL SERVICE		22,700	23,381	24,082	24,805	25,549	26,316	27,105	27,918	28,756	29,618	30,507
64	Exp - Salaries and Wages												
65	536.12-00 - REGULAR SALARIES & WAGES	\$	1,075,242	1,112,875	1,151,826	1,192,140	1,233,865	1,277,050	1,321,747	1,368,008	1,415,888	1,465,444	1,516,735
66	536.14-00 - OVERTIME		25,000	25,875	26,781	27,718	28,688	29,692	30,731	31,807	32,920	34,072	35,265
67	536.15-00 - SPECIAL PAY		29,427	30,457	31,523	32,626	33,768	34,950	36,173	37,439	38,750	40,106	41,510
68	536.21-00 - FICA		86,420	89,445	92,575	95,815	99,169	102,640	106,232	109,950	113,799	117,782	121,904
69	536.22-00 - RETIREMENT CONTRIBUTIONS		90,327	93,488	96,761	100,147	103,652	107,280	111,035	114,921	118,943	123,106	127,415
70	536.23-00 - LIFE AND HEALTH INSURANCE		407,116	421,365	436,113	451,377	467,175	483,526	500,450	517,965	536,094	554,857	574,277
71	536.24-00 - WORKERS' COMPENSATION		25,663	26,561	27,491	28,453	29,449	30,480	31,546	32,651	33,793	34,976	36,200
72	FUND 421 WATER PRODUCTION EXP DEPARTMENT 1203												
73	Exp - Insurance												
74	533.45-00 - INSURANCE	\$	122,361	126,032	129,813	133,707	137,718	141,850	146,105	150,489	155,003	159,653	164,443
75	Exp - Maintenance												
76	533.46-00 - REPAIR & MAINTENANCE SVCS	\$	340,115	350,318	360,828	371,653	382,802	394,287	406,115	418,299	430,848	443,773	457,086
77	533.46-37 - REPAIR & MAINT / FLEET MAINT- LABOR		4,100	4,223	4,350	4,480	4,615	4,753	4,896	5,042	5,194	5,350	5,510
78	533.46-38 - REPAIR & MAINT / FLEET MAINT- PARTS		5,800	5,974	6,153	6,338	6,528	6,724	6,926	7,133	7,347	7,568	7,795
79	533.46-39 - REPAIR & MAINT / FLEET MAINT- OTHER		2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360
80	Exp - Miscellaneous, services and supplies												
81	533.40-00 - TRAVEL AND TRAINING	\$	5,800	5,974	6,153	6,338	6,528	6,724	6,926	7,133	7,347	7,568	7,795
82	533.42-00 - FREIGHT & POSTAGE		450	464	477	492	506	522	537	553	570	587	605
83	533.44-00 - RENTALS AND LEASES		3,120	3,214	3,310	3,409	3,512	3,617	3,725	3,837	3,952	4,071	4,193
84	533.44-50 - RENTALS AND LEASES-FLEET REPL		14,691	15,132	15,586	16,053	16,535	17,031	17,542	18,068	18,610	19,168	19,743
85	533.47-00 - PRINTING AND BINDING		500	515	530	546	563	580	597	615	633	652	672
86	533.48-00 - PROMOTIONAL ACTIVITIES		57,400	59,122	60,896	62,723	64,604	66,542	68,539	70,595	72,713	74,894	77,141
87	533.51-00 - OFFICE SUPPLIES		2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360
88	533.52-00 - OPERATING SUPPLIES		339,000	349,170	359,645	370,434	381,547	392,994	404,784	416,927	429,435	442,318	455,588
89	533.52-02 - OPER SUPPLIES / ODOR CONTROL		40,000	41,200	42,436	43,709	45,020	46,371	47,762	49,195	50,671	52,191	53,757
90	533.52-04 - OPER SUPP / TREES, SHRUBS, SOD		500	515	530	546	563	580	597	615	633	652	672
91	533.52-25 - OPER SUPP / SAFETY SHOES REIMBURS		2,250	2,318	2,387	2,459	2,532	2,608	2,687	2,767	2,850	2,936	3,024
92	533.52-35 - OPERATING SUPPLIES / GASOLINE		12,750	13,133	13,526	13,932	14,350	14,781	15,224	15,681	16,151	16,636	17,135
93	533.54-00 - BOOKS, PUBS, SUBS, MEMBER		13,675	14,085	14,508	14,943	15,391	15,853	16,329	16,819	17,323	17,843	18,378
94	Exp - Professional Services												
95	533.31-00 - PROFESSIONAL SERVICES	\$	903,866	955,440	1,007,372	1,065,634	1,125,805	1,188,867	1,254,830	1,323,798	1,395,831	1,470,934	1,549,207
96	533.34-00 - OTHER CONTRACTUAL SERVICE		145,262	149,620	154,108	158,732	163,494	168,398	173,450	178,654	184,014	189,534	195,220
97	Exp - Salaries and Wages												
98	533.12-00 - REGULAR SALARIES & WAGES	\$	727,538	753,002	779,357	806,634	834,867	864,087	894,330	925,632	958,029	991,560	1,026,264
99	533.14-00 - OVERTIME		35,000	36,225	37,493	38,805	40,163	41,569	43,024	44,530	46,088	47,701	49,371
100	533.15-00 - SPECIAL PAY		25,181	26,062	26,975	27,919	28,896	29,907	30,954	32,037	33,159	34,319	35,520
101	533.21-00 - FICA		60,259	62,368	64,551	66,810	69,149	71,569	74,074	76,666	79,350	82,127	85,001
102	533.22-00 - RETIREMENT CONTRIBUTIONS		68,144	70,529	72,998	75,552	78,197	80,934	83,766	86,698	89,733	92,873	96,124
103	533.23-00 - LIFE AND HEALTH INSURANCE		244,270	252,819	261,668	270,827	280,305	290,116	300,270	310,780	321,657	332,915	344,567
104	533.24-00 - WORKERS' COMPENSATION		22,845	23,645	24,472	25,329	26,215	27,133	28,082	29,065	30,083	31,135	32,225
105	Exp - Utilities												
106	533.43-00 - UTILITY SERVICES	\$	380,370	391,781	403,535	415,641	428,110	440,953	454,182	467,807	481,841	496,297	511,185
107	Exp - Non-Operating												
108	533.90-00 LIME SLUDGE CLEANUP ⁽¹⁾	\$	2,068,474	-	-	-	-	-	-	-	-	-	-
109	FUND 421 WATER RECLAMATION EXP DEPARTMENT 1204												
110	Exp - Insurance												
111	535.45-00 - INSURANCE	\$	212,355	218,726	225,287	232,046	239,007	246,178	253,563	261,170	269,005	277,075	285,387
112	Exp - Maintenance												
113	535.46-00 - REPAIR & MAINTENANCE SVCS	\$	407,850	420,086	432,688	445,669	459,039	472,810	486,994	501,604	516,652	532,152	548,116
114	535.46-37 - REPAIR & MAINT / FLEET MAINT- LABOR		10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439
115	535.46-38 - REPAIR & MAINT / FLEET MAINT- PARTS		7,000	7,210	7,426	7,649	7,879	8,115	8,358	8,609	8,867	9,133	9,407
116	535.46-39 - REPAIR & MAINT / FLEET MAINT- OTHER		6,500	6,695	6,896	7,103	7,316	7,535	7,761	7,994	8,234	8,481	8,735

[illegible]

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Operating Cost Escalation Factors

Schedule 6

<u>Operating Expense Category</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Personal Services	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Fixed Operations & Maintenance Costs	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Salaries	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Benefits	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Utilities, Fuel, Chemicals	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Repair & Maintenance	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Admin Services	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

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Forecast of Net Revenues and Debt Service Coverage

Schedule 7

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
1 Water Rate Revenue											
2 Water Base Rate Revenue	\$ 5,012,535	\$ 5,012,535	\$ 5,087,724	\$ 5,275,066	\$ 5,469,307	\$ 5,670,701	\$ 5,879,510	\$ 6,096,009	\$ 6,320,479	\$ 6,553,215	\$ 6,794,520
3 Additional Rate Revenue From Growth	-	75,188	76,316	79,126	82,040	85,061	88,193	91,440	94,807	98,298	101,918
4 Proposed Water Rate Adjustments	0.00%	0.00%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
5 Additional Rate Revenue From Rate Adjustment	-	-	111,027	115,115	119,354	123,749	128,306	133,030	137,929	143,008	148,273
6 Total Revenue Generated from Admin/Customer Charges	\$ 5,012,535	\$ 5,087,724	\$ 5,275,066	\$ 5,469,307	\$ 5,670,701	\$ 5,879,510	\$ 6,096,009	\$ 6,320,479	\$ 6,553,215	\$ 6,794,520	\$ 7,044,712
7 Billing Charge Revenue	200,620	200,620	492,784	510,930	529,743	549,250	569,474	590,444	612,186	634,728	658,100
8 Additional Billing Charge Revenue from Growth	-	3,009	7,392	7,664	7,946	8,239	8,542	8,857	9,183	9,521	9,872
9 Proposed Water Billing Rate Adjustments	0.00%	142.00%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
10 Additional Revenue from Rate Increase	-	289,154	10,754	11,150	11,560	11,986	12,427	12,885	13,359	13,851	14,361
11 Total Billing Charge Revenue	\$ 200,620	\$ 492,784	\$ 510,930	\$ 529,743	\$ 549,250	\$ 569,474	\$ 590,444	\$ 612,186	\$ 634,728	\$ 658,100	\$ 682,333
12 Revenue Generated from Usage Rates	4,492,498	4,492,498	4,537,086	4,680,633	4,828,720	4,981,493	5,139,100	5,301,692	5,469,429	5,642,473	5,820,992
13 Additional Revenue from Growth	-	44,588	45,031	46,465	47,925	49,441	51,006	52,619	54,284	56,002	57,773
14 Proposed Water Usage Rate Adjustments	0.00%	0.00%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
15 Additional Rate Revenue From Rate Adjustment	-	-	98,516	101,632	104,848	108,165	111,587	115,118	118,760	122,517	126,393
16 Total Water Rate Revenue	\$ 9,705,654	\$ 10,117,594	\$ 10,466,628	\$ 10,827,771	\$ 11,201,444	\$ 11,588,084	\$ 11,988,145	\$ 12,402,094	\$ 12,830,416	\$ 13,273,612	\$ 13,732,203
17 Sewer Rate Revenue											
18 Sewer Base Rate Revenue	\$ 4,995,138	\$ 4,995,138	\$ 5,020,114	\$ 5,153,687	\$ 5,290,814	\$ 5,431,589	\$ 5,576,110	\$ 5,724,476	\$ 5,876,790	\$ 6,033,157	\$ 6,193,684
19 Additional Base Rate Revenue From Growth	-	24,976	25,101	25,768	26,454	27,158	27,881	28,622	29,384	30,166	30,968
20 Proposed Base Rate Adjustments	0.00%	0.00%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
21 Additional Base Rate Revenue From Rate Adjustment	-	-	108,472	111,358	114,321	117,363	120,486	123,692	126,983	130,361	133,830
22 Total Revenue Generated from Admin/Customer Charges	\$ 4,995,138	\$ 5,020,114	\$ 5,153,687	\$ 5,290,814	\$ 5,431,589	\$ 5,576,110	\$ 5,724,476	\$ 5,876,790	\$ 6,033,157	\$ 6,193,684	\$ 6,358,483
23 Revenue Generated from Usage Rates	4,665,000	4,665,000	4,664,883	4,765,059	4,867,386	4,971,910	5,078,679	5,187,741	5,299,145	5,412,942	5,529,182
24 Additional Revenue from Growth	-	(117)	(117)	(119)	(122)	(124)	(127)	(130)	(132)	(135)	(138)
25 Proposed Sewer Usage Rate Adjustments	0.00%	0.00%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%	2.15%
26 Additional Rate Revenue From Rate Adjustment	-	-	100,292	102,446	104,646	106,893	109,189	111,534	113,929	116,375	118,874
27 Total Sewer Rate Revenue	\$ 9,660,138	\$ 9,684,997	\$ 9,918,746	\$ 10,158,199	\$ 10,403,499	\$ 10,654,789	\$ 10,912,218	\$ 11,175,936	\$ 11,446,099	\$ 11,722,866	\$ 12,006,400
28 Reclaimed Rate Revenue											
29 Reclaimed Usage Rate Revenue	\$ 721,978	\$ 721,978	\$ 749,412	\$ 802,122	\$ 856,705	\$ 912,789	\$ 971,290	\$ 992,073	\$ 1,013,302	\$ 1,034,984	\$ 1,057,131
30 Additional Rate Revenue From Growth	-	(72)	(75)	(80)	(86)	(91)	(97)	(99)	(101)	(103)	(106)
31 Proposed Reclaimed Rate Adjustments	0.00%	3.81%	7.04%	6.82%	6.56%	6.42%	2.15%	2.15%	2.15%	2.15%	2.15%
32 Additional Rate Revenue From Rate Adjustment	-	27,506	52,785	54,663	56,169	58,592	20,881	21,327	21,784	22,250	22,726
33 Total Reclaimed Rate Revenue	\$ 721,978	\$ 749,412	\$ 802,122	\$ 856,705	\$ 912,789	\$ 971,290	\$ 992,073	\$ 1,013,302	\$ 1,034,984	\$ 1,057,131	\$ 1,079,751
34 Total Water, Sewer, and Reclaimed Rate Revenue	\$ 20,087,771	\$ 20,552,003	\$ 21,187,496	\$ 21,842,675	\$ 22,517,732	\$ 23,214,164	\$ 23,892,436	\$ 24,591,331	\$ 25,311,498	\$ 26,053,609	\$ 26,818,355
34 Plus: Other Operating Revenues											
35 Other Operating Revenues	\$ 2,780,073	\$ 2,780,066	\$ 2,828,162	\$ 2,877,292	\$ 2,927,478	\$ 2,978,743	\$ 3,031,110	\$ 3,084,603	\$ 3,139,246	\$ 3,195,063	\$ 3,252,080
36 Equals: Total Operating Revenue	\$ 22,867,844	\$ 23,332,069	\$ 24,015,658	\$ 24,719,967	\$ 25,445,210	\$ 26,192,907	\$ 26,923,546	\$ 27,675,934	\$ 28,450,744	\$ 29,248,672	\$ 30,070,435
37 Less: Operating Expenses											
38 Personal Services	\$ (4,983,422)	\$ (5,519,092)	\$ (5,712,260)	\$ (5,912,190)	\$ (6,119,116)	\$ (6,333,285)	\$ (6,554,950)	\$ (6,784,373)	\$ (7,021,827)	\$ (7,267,590)	\$ (7,521,956)
39 Variable O&M	-	(302,017)	(311,078)	(320,410)	(330,022)	(339,923)	(350,120)	(360,624)	(371,443)	(382,586)	(394,064)
40 Fixed O&M	(7,135,106)	(5,053,734)	(5,335,041)	(5,271,356)	(5,689,489)	(5,887,996)	(6,064,636)	(6,246,575)	(6,433,973)	(6,626,992)	(6,825,802)
41 Equals: Net Operating Income	\$ 10,749,316	\$ 12,457,226	\$ 12,657,279	\$ 13,216,012	\$ 13,306,582	\$ 13,631,702	\$ 13,953,839	\$ 14,284,361	\$ 14,623,502	\$ 14,971,503	\$ 15,328,614
42 Plus: Non-Operating Income/(Expense)											
43 Interest Income - Unrestricted	\$ 289,528	\$ 257,435	\$ 271,059	\$ 322,816	\$ 375,370	\$ 472,741	\$ 469,979	\$ 404,081	\$ 396,453	\$ 409,749	\$ 431,447
44 Water Plant Capacity Charge	215,205	218,433	221,709	225,035	228,410	231,836	235,314	238,844	242,426	246,063	249,754
45 Sewer Plant Capacity Charge	84,245	84,666	85,090	85,515	85,943	86,372	86,804	87,238	87,674	88,113	88,553
46 Restricted Interest Income	89,555	81,314	100,238	121,352	128,670	136,237	144,059	152,145	160,501	169,135	178,057
47 Transfers In	269,505	272,789	276,119	279,495	282,918	286,388	289,906	293,474	297,091	300,758	304,476
48 Equals: Net Income	\$ 11,697,354	\$ 13,371,863	\$ 13,611,494	\$ 14,250,224	\$ 14,407,893	\$ 14,845,276	\$ 15,179,902	\$ 15,460,142	\$ 15,807,647	\$ 16,185,321	\$ 16,580,900
49 Less: Revenues Excluded From Coverage Test											
50 Plant Capacity Charge	\$ (299,450)	\$ (303,099)	\$ (306,799)	\$ (310,550)	\$ (314,353)	\$ (318,209)	\$ (322,118)	\$ (326,082)	\$ (330,101)	\$ (334,175)	\$ (338,307)
51 Other Capital Funding Sources	(89,555)	(81,314)	(100,238)	(121,352)	(128,670)	(136,237)	(144,059)	(152,145)	(160,501)	(169,135)	(178,057)
52 Transfers In	(269,505)	(272,789)	(276,119)	(279,495)	(282,918)	(286,388)	(289,906)	(293,474)	(297,091)	(300,758)	(304,476)
53 Equals: Net Income Available For Debt Service	\$ 11,038,844	\$ 12,714,661	\$ 12,928,338	\$ 13,538,828	\$ 13,681,952	\$ 14,104,443	\$ 14,423,818	\$ 14,688,442	\$ 15,019,955	\$ 15,381,252	\$ 15,760,061

Senior-Lien Debt Service Coverage Test																							
55	Existing Senior Debt Service	\$	2,259,100	\$	2,257,725	\$	2,259,400	\$	2,253,875	\$	2,251,875	\$	2,257,050	\$	2,251,600	\$	2,253,725	\$	2,258,750	\$	2,256,728	\$	2,255,122
56	Cumulate New Debt Service		-		150,015		395,491		657,902		787,492		802,971		842,135		1,141,982		1,705,612		2,411,604		3,224,116
57	Total Senior-Lien Debt Service	\$	2,259,100	\$	2,407,740	\$	2,654,891	\$	2,911,777	\$	3,039,367	\$	3,060,021	\$	3,093,735	\$	3,395,707	\$	3,964,362	\$	4,668,332	\$	5,479,238
58	Calculated Debt Service Coverage (Revenues Only)		1.50 Req.		4.89		5.28		4.87		4.65		4.50		4.61		4.66		4.33		3.79		3.29
59	Calculated Debt Service Coverage (Rev plus Connection Fees)	1.50 Req.	5.02		5.41		4.99		4.76		4.61		4.71		4.77		4.42		3.87		3.37		2.94
60	Cash Flow Test																						
61	Net Income Available For Debt Service	\$	11,038,844	\$	12,714,661	\$	12,928,338	\$	13,538,828	\$	13,681,952	\$	14,104,443	\$	14,423,818	\$	14,688,442	\$	15,019,955	\$	15,381,252	\$	15,760,061
62	Total Senior-Lien Debt Service and Coverage		(2,259,100)		(2,407,740)		(2,654,891)		(2,911,777)		(3,039,367)		(3,060,021)		(3,093,735)		(3,395,707)		(3,964,362)		(4,668,332)		(5,479,238)
63	Net Income Available for Subordinate Debt Service	\$	8,779,744	\$	10,306,921	\$	10,273,447	\$	10,627,051	\$	10,642,585	\$	11,044,422	\$	11,330,083	\$	11,292,735	\$	11,055,593	\$	10,712,920	\$	10,280,822
64	Subordinate Debt Service Coverage Test																						
65	Total Subordinate Debt Service	\$	550,330	\$	1,007,149	\$	1,343,176	\$	1,735,158	\$	2,011,772	\$	2,251,578	\$	1,820,298	\$	1,820,298	\$	1,820,298	\$	1,820,298	\$	1,820,298
66	Calculated Debt Service Coverage		1.50 Req.		15.95		10.23		7.65		6.12		5.29		4.91		6.22		6.20		6.07		5.89
67																							
67	Unrestricted Working Capital Reserve Fund Test																						
68	Balance At Beginning Of Fiscal Year	\$	24,034,663	\$	15,970,882	\$	11,715,640	\$	12,092,825	\$	12,471,701	\$	16,997,127	\$	22,132,497	\$	16,605,309	\$	14,992,933	\$	14,712,407	\$	14,890,528
69	Cash Flow Surplus/(Deficit)		5,500,448		7,786,260		7,360,590		7,264,071		6,942,810		7,042,549		7,695,015		7,590,930		7,284,713		6,870,545		6,364,448
70	Projects Designated to be Paid with Cash		-		(880,650)		(291,748)		(300,500)		-		-		-		-		-		-		-
71	Projects Paid with Reserve Funds (Non Specified Funds)		(13,564,229)		(11,160,852)		(6,691,657)		(6,584,695)		(2,417,384)		(1,907,180)		(13,222,202)		(9,203,307)		(7,565,239)		(6,692,423)		(6,022,681)
72	Balance At End Of Fiscal Year	\$	15,970,882	\$	11,715,640	\$	12,092,825	\$	12,471,701	\$	16,997,127	\$	22,132,497	\$	16,605,309	\$	14,992,933	\$	14,712,407	\$	14,890,528	\$	15,232,296
73	Minimum Working Capital Reserve Target		10,496,886		11,715,640		12,092,825		12,471,701		10,789,036		10,908,333		16,605,309		14,992,933		14,712,407		14,890,528		15,232,296
74	Excess Working Capital Above Target	\$	5,473,996	\$	-	\$	-	\$	-	\$	6,208,092	\$	11,224,164	\$	-	\$	(0)	\$	(0)	\$	0	\$	0

Capital Project Funding Summary

Schedule 8

<u>Capital Project Funding Sources:</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
Rolled Over Encumbrances	\$ 1,258,663	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2015 Bond Construction Account	2,853,952	17,837	134	1	-	-	-	-	-	-	-
Grant Fund	500,000	750,000	-	150,000	1,100,000	-	-	-	-	-	-
Operating Fund	13,564,229	11,160,852	6,691,657	6,584,695	2,417,384	1,907,180	13,222,202	9,203,307	7,565,239	6,692,423	6,022,681
Subordinate Debt	5,700,000	5,510,500	6,259,310	4,316,272	3,714,179	-	-	-	-	-	-
Senior Debt	-	3,399,416	2,544,696	3,419,551	168,826	173,891	599,586	5,033,135	7,098,296	8,411,018	9,533,864
Projects Designated to be Paid with Cash	-	880,650	291,748	300,500	-	-	-	-	-	-	-
Total Projects Paid	\$ 23,876,844	21,719,255	15,787,545	14,771,019	7,400,389	2,081,071	13,821,788	14,236,442	14,663,535	15,103,441	15,556,544
Total CIP Input	\$ 23,876,844	21,719,255	15,787,545	14,771,019	7,400,389	2,081,071	13,821,788	14,236,442	14,663,535	15,103,441	15,556,544
Variance	\$ -	-	-	-	-	-	-	-	-	-	-

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Long-Term Borrowing Projections

Schedule 9

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Term (Years)		20	20	20	20	20	20	20	20	20	20	20
Interest Rate		3.75%	4.00%	4.25%	4.50%	4.75%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
Sources of Funds												
Par Amount		\$ -	3,750,384	2,812,502	3,786,359	187,283	193,264	666,387	5,593,880	7,889,122	9,348,095	10,596,038
Uses of Funds												
Proceeds		\$ -	3,399,416	2,544,696	3,419,551	168,826	173,891	599,586	5,033,135	7,098,296	8,411,018	9,533,864
Cost of Issuance	2.00% of Par	-	75,008	56,250	75,727	3,746	3,865	13,328	111,878	157,782	186,962	211,921
Underwriter's Discount	\$0.00 per \$1,000	-	-	-	-	-	-	-	-	-	-	-
Bond Insurance	- times total Debt Service	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest	- Years Interest	-	-	-	-	-	-	-	-	-	-	-
Debt Service Surety	0.00% of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve	1 Years of Debt Service	-	275,960	211,556	291,081	14,711	15,508	53,473	448,867	633,044	750,115	850,254
Other Costs	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses		\$ -	3,750,384	2,812,502	3,786,359	187,283	193,264	666,387	5,593,880	7,889,122	9,348,095	10,596,038
1 Year Interest		\$ -	150,015	119,531	170,386	8,896	9,663	33,319	279,694	394,456	467,405	529,802
Annual Debt Service		\$ -	275,960	211,556	291,081	14,711	15,508	53,473	448,867	633,044	750,115	850,254
Total Debt Service		\$ -	5,519,196	4,231,119	5,821,614	294,223	310,160	1,069,452	8,977,348	12,660,871	15,002,307	17,005,070
Cumulative Annual New Debt Service ⁽¹⁾		\$ -	\$ 150,015	\$ 395,491	\$ 657,902	\$ 787,492	\$ 802,971	\$ 842,135	\$ 1,141,982	\$ 1,705,612	\$ 2,411,604	\$ 3,224,116

(1) Interest-only payment required in first year of issuance.

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Subordinate Debt Service Calculation

Schedule 10

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Term (Years)	20	20	20	20	20	20	20	20	20	20	20
Interest Rate	1.25%	1.50%	1.75%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Sources of Funds											
Par Amount	\$ 5,945,316	5,762,249	6,561,923	4,536,490	3,903,678	-	-	-	-	-	-
Uses of Funds											
Proceeds	\$ 5,700,000	5,510,500	6,259,310	4,316,272	3,714,179	-	-	-	-	-	-
Cost of Issuance	0.00% of Par	-	-	-	-	-	-	-	-	-	-
Loan Repayment Res.	0.00% of Capital Cost	-	-	-	-	-	-	-	-	-	-
Loan Service Fee	3.00% of Capital Cost	171,000	165,315	187,779	129,488	111,425	-	-	-	-	-
Capitalized Interest	1 Years Interest	74,316	86,434	114,834	90,730	78,074	-	-	-	-	-
Debt Service Reserve	- Years of Debt Service	-	-	-	-	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-	-	-
Total Uses	\$ 5,945,316	5,762,249	6,561,923	4,536,490	3,903,678	-	-	-	-	-	-
1 Year Interest	\$ 74,316	86,434	114,834	90,730	78,074	-	-	-	-	-	-
Annual Debt Service	\$ 337,815	335,626	391,689	277,437	238,736	-	-	-	-	-	-
Total Debt Service	\$ 6,756,304	6,712,528	7,833,784	5,548,736	4,774,723	-	-	-	-	-	-
Cumulative Annual New Debt Service	\$ 337,815	\$ 673,442	\$ 1,065,131	\$ 1,342,568	\$ 1,581,304	\$ 1,581,304	\$ 1,581,304	\$ 1,581,304	\$ 1,581,304	\$ 1,581,304	\$ 1,581,304

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8/8/2018

Funding Summary by Fund

Schedule 11

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
<u>WATER PLANT CAPACITY CHARGE</u>											
Balance at the Beginning of the Fiscal Year	\$ 887,456	908,976	930,820	952,991	975,494	998,335	1,021,519	1,045,050	1,068,935	1,093,177	1,117,783
Additional Annual Revenues	215,205	218,433	221,709	225,035	228,410	231,836	235,314	238,844	242,426	246,063	249,754
Less: Payment of Debt Service	(193,684)	(196,589)	(199,538)	(202,531)	(205,569)	(208,653)	(211,783)	(214,959)	(218,184)	(221,456)	(224,778)
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 908,976	930,820	952,991	975,494	998,335	1,021,519	1,045,050	1,068,935	1,093,177	1,117,783	1,142,759
Less: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$ 908,976	930,820	952,991	975,494	998,335	1,021,519	1,045,050	1,068,935	1,093,177	1,117,783	1,142,759
Amount Paid for Projects	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 908,976	930,820	952,991	975,494	998,335	1,021,519	1,045,050	1,068,935	1,093,177	1,117,783	1,142,759
Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	11,228	13,798	16,483	19,285	19,738	20,199	20,666	21,140	21,621	22,110	22,605
Less: Interest Allocated to Cash Flow	(11,228)	(13,798)	(16,483)	(19,285)	(19,738)	(20,199)	(20,666)	(21,140)	(21,621)	(22,110)	(22,605)
Balance at End of Fiscal Year	\$ 908,976	\$ 930,820	\$ 952,991	\$ 975,494	\$ 998,335	\$ 1,021,519	\$ 1,045,050	\$ 1,068,935	\$ 1,093,177	\$ 1,117,783	\$ 1,142,759
<u>SEWER PLANT CAPACITY CHARGE</u>											
Balance at the Beginning of the Fiscal Year	\$ 1,100,600	1,122,835	1,148,207	1,176,884	1,209,059	1,241,920	1,275,482	1,309,759	1,344,766	1,380,516	1,417,026
Additional Annual Revenues	84,245	84,666	85,090	85,515	85,943	86,372	86,804	87,238	87,674	88,113	88,553
Less: Payment of Debt Service	(75,821)	(76,200)	(76,581)	(76,964)	(77,348)	(77,735)	(78,124)	(78,514)	(78,907)	(79,301)	(79,698)
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 1,109,025	1,131,301	1,156,716	1,185,436	1,217,653	1,250,558	1,284,163	1,318,483	1,353,533	1,389,327	1,425,881
Less: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$ 1,109,025	1,131,301	1,156,716	1,185,436	1,217,653	1,250,558	1,284,163	1,318,483	1,353,533	1,389,327	1,425,881
Amount Paid for Projects	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 1,109,025	1,131,301	1,156,716	1,185,436	1,217,653	1,250,558	1,284,163	1,318,483	1,353,533	1,389,327	1,425,881
Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	13,810	16,906	20,168	23,623	24,267	24,925	25,596	26,282	26,983	27,698	28,429
Less: Interest Allocated to Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$ 1,122,835	\$ 1,148,207	\$ 1,176,884	\$ 1,209,059	\$ 1,241,920	\$ 1,275,482	\$ 1,309,759	\$ 1,344,766	\$ 1,380,516	\$ 1,417,026	\$ 1,454,310
<u>ROLLED OVER ENCUMBRANCES CAPITAL FUND</u>											
Balance at the Beginning of the Fiscal Year	\$ 1,258,663	7,867	7,985	8,124	8,287	8,453	8,622	8,794	8,970	9,149	9,332
Additional Annual Revenues	-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 1,258,663	7,867	7,985	8,124	8,287	8,453	8,622	8,794	8,970	9,149	9,332
Less: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$ 1,258,663	7,867	7,985	8,124	8,287	8,453	8,622	8,794	8,970	9,149	9,332
Amount Paid for Projects	(1,258,663)	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	7,867	7,985	8,124	8,287	8,453	8,622	8,794	8,970	9,149	9,332
Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	7,867	118	140	162	166	169	172	176	179	183	187
Less: Interest Allocated to Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$ 7,867	\$ 7,985	\$ 8,124	\$ 8,287	\$ 8,453	\$ 8,622	\$ 8,794	\$ 8,970	\$ 9,149	\$ 9,332	\$ 9,519

Appendix A: Schedule 11 – Funding Summary by Fund

SEWER WWTP FUND (10% SARASOTA REV)

Balance at the Beginning of the Fiscal Year	\$	2,891,449	3,152,728	3,425,433	3,715,924	4,026,037	4,347,420	4,680,409	5,025,346	5,382,585	5,752,488	6,135,427
Additional Annual Revenues		223,737	223,737	228,546	233,459	238,478	243,604	248,841	254,190	259,655	265,236	270,938
Less: Payment of Debt Service		-	-	-	-	-	-	-	-	-	-	-
Less: Annual Expenses		-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$	3,115,186	3,376,464	3,653,979	3,949,384	4,264,514	4,591,024	4,929,250	5,279,537	5,642,240	6,017,725	6,406,365
Less: Minimum Fund Balance		-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$	3,115,186	3,376,464	3,653,979	3,949,384	4,264,514	4,591,024	4,929,250	5,279,537	5,642,240	6,017,725	6,406,365
Amount Paid for Projects		-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$	3,115,186	3,376,464	3,653,979	3,949,384	4,264,514	4,591,024	4,929,250	5,279,537	5,642,240	6,017,725	6,406,365
Minimum Fund Balance		-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings		37,541	48,969	61,945	76,653	82,906	89,384	96,097	103,049	110,248	117,702	125,418
Less: Interest Allocated to Cash Flow		-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$	3,152,728	3,425,433	3,715,924	4,026,037	4,347,420	4,680,409	5,025,346	5,382,585	5,752,488	6,135,427	6,531,783

R&R FUND

Balance at the Beginning of the Fiscal Year	\$	1,000,000	1,012,500	1,027,688	1,045,672	1,066,585	1,087,917	1,109,676	1,131,869	1,154,506	1,177,597	1,201,148
Additional Annual Revenues		-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service		-	-	-	-	-	-	-	-	-	-	-
Less: Annual Expenses		-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$	1,000,000	1,012,500	1,027,688	1,045,672	1,066,585	1,087,917	1,109,676	1,131,869	1,154,506	1,177,597	1,201,148
Less: Minimum Fund Balance		(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)	(1,000,000)
Total Amount Available for Projects	\$	-	12,500	27,688	45,672	66,585	87,917	109,676	131,869	154,506	177,597	201,148
Amount Paid for Projects		-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$	-	12,500	27,688	45,672	66,585	87,917	109,676	131,869	154,506	177,597	201,148
Minimum Fund Balance		1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
Plus: Interest Earnings		12,500	15,188	17,985	20,913	21,332	21,758	22,194	22,637	23,090	23,552	24,023
Less: Interest Allocated to Cash Flow		-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$	1,012,500	1,027,688	1,045,672	1,066,585	1,087,917	1,109,676	1,131,869	1,154,506	1,177,597	1,201,148	1,225,171

2015 BOND CONSTRUCTION ACCT

Balance at the Beginning of the Fiscal Year	\$	2,853,952	17,837	134	1	0	0	0	0	0	0	0
Additional Annual Revenues		-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service		-	-	-	-	-	-	-	-	-	-	-
Less: Annual Expenses		-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$	2,853,952	17,837	134	1	0	0	0	0	0	0	0
Less: Minimum Fund Balance		-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$	2,853,952	17,837	134	1	0	0	0	0	0	0	0
Amount Paid for Projects		(2,853,952)	(17,837)	(134)	(1)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
Subtotal	\$	-	-	-	-	-	-	-	-	-	-	-
Minimum Fund Balance		-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings		17,837	134	1	0	0	0	0	0	0	0	0
Less: Interest Allocated to Cash Flow		-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$	17,837	134	1	0	0	0	0	0	0	0	0

GRANT FUND

Balance at the Beginning of the Fiscal Year	\$	-	-	-	-	-	-	-	-	-	-	-	-
Additional Annual Revenues		500,000	750,000	-	150,000	1,100,000	-	-	-	-	-	-	-
Less: Payment of Debt Service		-	-	-	-	-	-	-	-	-	-	-	-
Less: Annual Expenses		-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$	500,000	750,000	-	150,000	1,100,000	-	-	-	-	-	-	-
Less: Minimum Fund Balance		-	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$	500,000	750,000	-	150,000	1,100,000	-	-	-	-	-	-	-
Amount Paid for Projects		(500,000)	(750,000)	-	(150,000)	(1,100,000)	-	-	-	-	-	-	-
Subtotal	\$	-	-	-	-	-	-	-	-	-	-	-	-
Minimum Fund Balance		-	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings		-	-	-	-	-	-	-	-	-	-	-	-
Less: Interest Allocated to Cash Flow		-	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$	-	-	-	-	-	-	-	-	-	-	-	-

WATER AND SEWER UTILITY OPERATING FUND

Balance at the Beginning of the Fiscal Year	\$	24,034,663	15,970,882	11,715,640	12,092,825	12,471,701	16,997,127	22,132,497	16,605,309	14,992,933	14,712,407	14,890,528	
Net Cash Flow		5,500,448	7,786,260	7,360,590	7,264,071	6,942,810	7,042,549	7,695,015	7,590,930	7,284,713	6,870,545	6,364,448	
Less: Cash-Funded Capital Projects		-	(880,650)	(291,748)	(300,500)	-	-	-	-	-	-	-	
Less: Payment of Debt Service		-	-	-	-	-	-	-	-	-	-	-	
Subtotal	\$	29,535,111	22,876,491	18,784,482	19,056,396	19,414,511	24,039,676	29,827,511	24,196,239	22,277,646	21,582,952	21,254,976	
Less: Restricted Funds		(10,496,886)	(11,715,640)	(12,092,825)	(12,471,701)	(10,789,036)	(10,908,333)	(16,605,309)	(14,992,933)	(14,712,407)	(14,890,528)	(15,232,296)	
Total Amount Available for Projects	\$	19,038,225	11,160,852	6,691,657	6,584,695	8,625,476	13,131,344	13,222,202	9,203,307	7,565,239	6,692,423	6,022,681	
Amount Paid for Projects		(13,564,229)	(11,160,852)	(6,691,657)	(6,584,695)	(2,417,384)	(1,907,180)	(13,222,202)	(9,203,307)	(7,565,239)	(6,692,423)	(6,022,681)	
Subtotal	\$	5,473,996	-	-	-	6,208,092	11,224,164	-	-	-	-	-	
Add Back: Restricted Funds		10,496,886	11,715,640	12,092,825	12,471,701	10,789,036	10,908,333	16,605,309	14,992,933	14,712,407	14,890,528	15,232,296	
Balance at End of Fiscal Year	\$	15,970,882	11,715,640	12,092,825	12,471,701	16,997,127	22,132,497	16,605,309	14,992,933	14,712,407	14,890,528	15,232,296	

RESTRICTED RESERVES

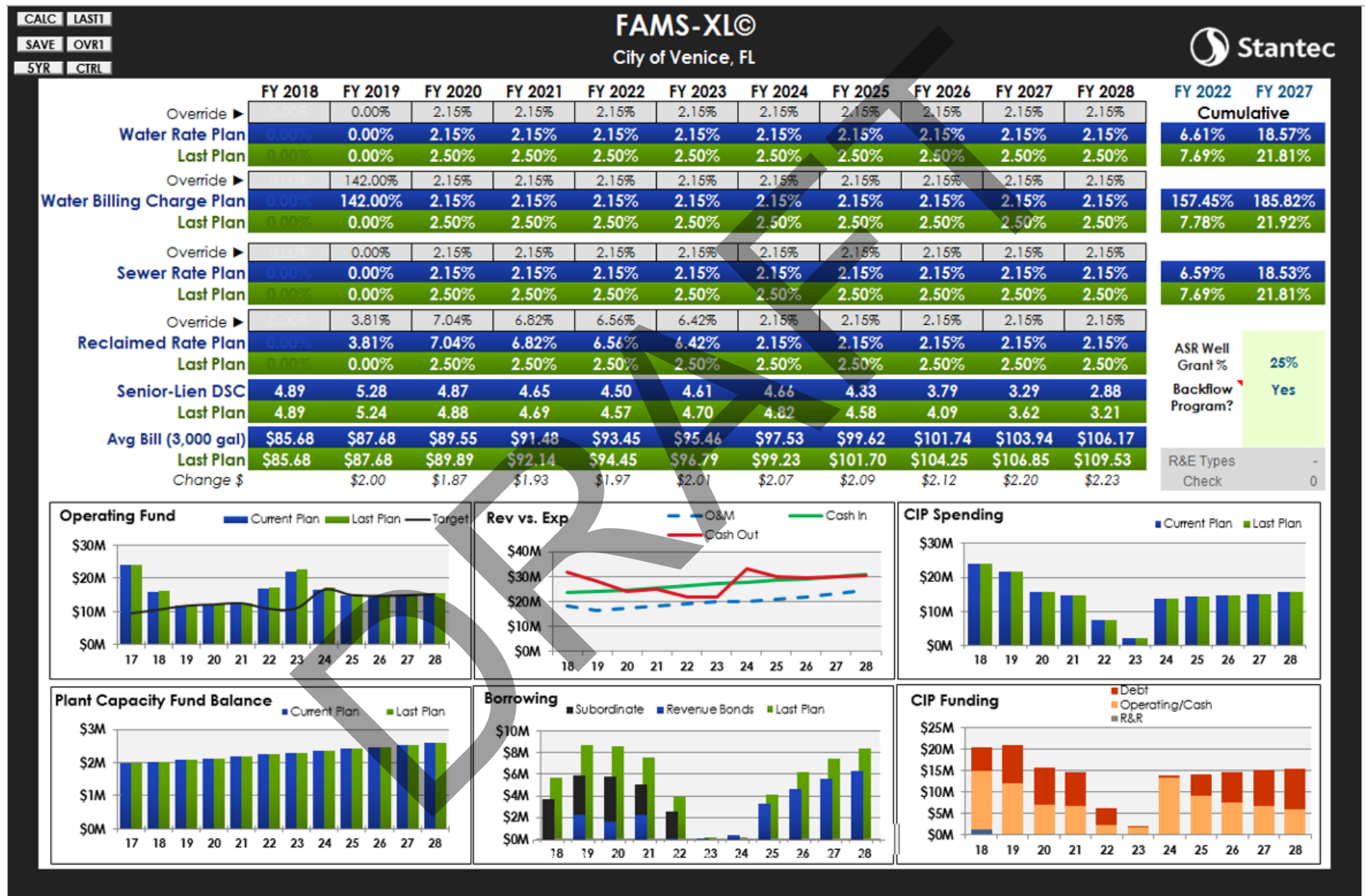
Balance at the Beginning of the Fiscal Year	\$	2,261,225	2,261,225	2,537,185	2,748,741	3,039,821	3,054,533	3,070,041	3,123,513	3,572,381	4,205,424	4,955,540	
Additional Funds		-	-	-	-	-	-	-	-	-	-	-	
Debt Service Reserve on New Debt		-	275,960	211,556	291,081	14,711	15,508	53,473	448,867	633,044	750,115	850,254	
Subtotal	\$	2,261,225	2,537,185	2,748,741	3,039,821	3,054,533	3,070,041	3,123,513	3,572,381	4,205,424	4,955,540	5,805,793	
Plus: Interest Earnings		28,265	35,988	46,252	57,886	60,944	61,246	61,936	66,959	77,778	91,610	107,613	
Less: Interest Allocated to Cash Flow		(28,265)	(35,988)	(46,252)	(57,886)	(60,944)	(61,246)	(61,936)	(66,959)	(77,778)	(91,610)	(107,613)	
Balance at End of Fiscal Year	\$	2,261,225	2,537,185	2,748,741	3,039,821	3,054,533	3,070,041	3,123,513	3,572,381	4,205,424	4,955,540	5,805,793	

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FAMS-XL - Control Panel

Schedule 12



APPENDIX B: RECLAIMED WATER COST OF SERVICE ANALYSIS SCHEDULES

Schedule 1 Test Year Expenses

Schedule 2 Expense Allocation Between Service Types

Schedule 3 Reclaimed Water Functional Allocations

Schedule 4 Test Year Revenues

Schedule 5 Reclaimed Water Cost Allocation Summary

Schedule 6 Proposed Multi-Year Reclaimed Water Rate Schedule

DRAFT

FY 2019 Water, Sewer and Reclaimed Water Expenses

Schedule 1

	<u>Expense Code</u>	<u>FY 2015 COSA</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Budget</u>	<u>FY 2019 Projected</u>	<u>FY 2019 Expenses (Executed) ¹</u>	<u>ADJ.</u>	<u>FY 2019 COSA</u>
UTILITIES - ADMINISTRATION [1201]								
REGULAR SALARIES & WAGES	PS	\$ 591,101	\$ 584,804	\$ 600,287	\$ 621,297	\$ 590,232		\$ 590,232
OVERTIME	PS	-	14,103	100	104	98		98
SPECIAL PAY	PS	490	11,389	1,743	1,804	1,714		1,714
FICA	PS	43,464	43,392	47,000	48,645	46,213		46,213
RETIREMENT CONTRIBUTIONS	PS	42,890	46,781	48,230	49,918	47,422		47,422
LIFE AND HEALTH INSURANCE	PS	132,066	162,972	162,847	168,547	160,119		160,119
WORKERS' COMPENSATION	PS	1,031	1,222	1,332	1,379	1,310		1,310
OTHER POST EMPL BENEFIT	PS	41,792	-	-	-	-		-
PROFESSIONAL SERVICES	OMF	273,318	142,572	417,123	361,858	271,393		271,393
LEGAL	OMF	30,000	7,782	25,000	25,750	19,313		19,313
ADVERTISING	OMF	1,500	328	1,500	1,545	1,159		1,159
PROF SVCS- INFO SYS	OMF	-	20,900	29,274	30,152	22,614		22,614
ACCOUNTING AND AUDITING	OMF	20,214	18,360	16,891	17,398	13,048		13,048
OTHER CONTRACTUAL SERVICE	OMF	2,500	-	1,500	1,545	1,159		1,159
TRAVEL AND TRAINING	OMF	3,500	372	3,700	3,811	2,858		2,858
COMMUNICATION SERVICES	OMF	9,700	10,358	12,768	13,151	9,863		9,863
COMMUNICATION SVCS- IS	OMF	29,460	35,472	33,636	34,645	25,984		25,984
FREIGHT & POSTAGE	OMF	46,000	50,091	50,000	51,500	38,625		38,625
RENTALS AND LEASES	OMF	13,760	16,047	14,500	14,935	11,201		11,201
DOCUMATCH SYSTEM LEASE	OMF	15,896	17,911	13,598	14,006	10,504		10,504
ADMINISTRATIVE CHARGES		1,421,166	-	-	-	-		-
FLEET REPL	OMF	-	-	6,146	6,330	4,748		4,748
INSURANCE	OMF	21,793	21,732	6,571	6,768	5,076		5,076
REPAIR & MAINTENANCE SVCS	OMF	3,570	2,079	3,000	3,090	2,318		2,318
COMPUTER DEVICES	OMF	8,800	15,401	5,000	5,150	3,863		3,863
FLEET MAINT- LABOR	OMF	700	662	700	721	541		541
FLEET MAINT- PARTS	OMF	500	747	500	515	386		386
FLEET MAINT- OTHER	OMF	300	6	300	309	232		232
REPAIRS/MAINT- INFO SYS	OMF	73,700	68,037	107,877	111,113	83,335		83,335
PRINTING AND BINDING	OMF	15,000	8,075	15,000	15,450	11,588		11,588
OTHER CHARGES-OBLIGATIONS	OMF	404,111	465,990	493,890	508,707	381,530		381,530
OFFICE SUPPLIES	OMF	3,300	4,879	5,456	5,620	4,215		4,215
OPERATING SUPPLIES	OMF	23,500	21,606	16,600	17,098	12,824		12,824
GASOLINE	OMF	500	689	500	515	386		386
BOOKS, PUBS, SUBS, MEMBER	OMF	2,809	651	1,679	1,729	1,297		1,297
INVENTORY ADJUSTMENT	OMF	-	192,438	-	-	-		-
MTR STS/EXCHGS/HYDRANTS	OMF	-	4,347	-	-	-		-
UTILITIES - ADMINISTRATION [1201] EXPENSES		\$ 3,278,431	\$ 1,389,953	\$ 2,144,248	\$ 2,145,104	\$ 1,787,167	\$ -	\$ 1,787,167

	<u>Expense Code</u>	<u>FY 2015 COSA</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Budget</u>	<u>FY 2019 Projected</u>	<u>FY 2019 Expenses (Executed) ¹</u>	<u>ADJ.</u>	<u>FY 2019 COSA</u>
UTILITIES - DISTRIBUTION [1202]								
REGULAR SALARIES & WAGES	PS	\$ 1,007,097	\$ 948,472	\$ 1,075,242	\$ 1,112,875	\$ 1,057,232		\$ 1,057,232
OVERTIME	PS	25,000	48,451	25,000	25,875	24,581		24,581
SPECIAL PAY	PS	25,326	42,352	29,427	30,457	28,934		28,934
FICA	PS	82,566	74,891	86,420	89,445	84,972		84,972
RETIREMENT CONTRIBUTIONS	PS	78,683	80,098	90,327	93,488	88,814		88,814
LIFE AND HEALTH INSURANCE	PS	362,575	407,436	407,116	421,365	400,297		400,297
WORKERS' COMPENSATION	PS	23,761	27,996	25,663	26,561	25,233		25,233
PROFESSIONAL SERVICES	OMF	605,000	15,110	368,042	309,000	231,750		231,750
OTHER CONTRACTUAL SERVICE	OMF	20,600	10,995	22,700	23,381	17,536		17,536
TRAVEL AND TRAINING	OMF	7,600	16,055	13,900	14,317	10,738		10,738
COMMUNICATION SVCS	OMF	-	-	-	-	-		-
COMMUNICATION SVCS- IS	OMF	-	237	-	-	-		-
FREIGHT & POSTAGE	OMF	2,000	911	2,000	2,060	1,545		1,545
RENTALS AND LEASES	OMF	11,000	4,095	10,304	10,613	7,960		7,960
FLEET REPL	OMF	-	-	155,215	159,871	119,904		119,904
INSURANCE	OMF	53,567	53,436	24,845	25,590	19,193		19,193
REPAIR & MAINTENANCE SVCS	OMF	656,125	376,414	805,469	829,633	622,225		622,225
FLEET MAINT- LABOR	OMF	30,000	31,713	30,000	30,900	23,175		23,175
FLEET MAINT- PARTS	OMF	20,000	33,996	20,000	20,600	15,450		15,450
FLEET MAINT- OTHER	OMF	12,000	14,567	12,000	12,360	9,270		9,270
PRINTING AND BINDING	OMF	5,000	4,265	5,000	5,150	3,863		3,863
OTHER CHARGES-OBLIGATIONS	OMF	-	3,408	-	-	-		-
OFFICE SUPPLIES	OMF	12,500	4,389	5,000	5,150	3,863		3,863
OPERATING SUPPLIES	OMF	50,000	80,314	50,000	51,500	38,625		38,625
TREES, SHRUBS, & SOD	OMF	2,500	2,072	4,000	4,120	3,090		3,090
SAFETY SHOES REIMBURSEMENT	OMF	3,600	3,240	3,750	3,863	2,897		2,897
GASOLINE	OMF	40,000	32,294	40,000	41,200	30,900		30,900
ROAD MATERIALS & SUPPLIES	OMF	5,000	9,240	7,000	7,210	5,408		5,408
BOOKS, PUBS, SUBS, MEMBER	OMF	3,390	1,696	1,950	2,009	1,506		1,506
MACHINERY & EQUIPMENT	- (1)	-	-	87,000	-	-	-	-
FTE ADDITIONS	PS				160,258	152,245		152,245
UTILITIES - DISTRIBUTION [1202] EXPENSES		\$ 3,144,890	\$ 3,431,165	\$ 11,295,109	\$ 3,358,594	\$ 3,031,204	\$ -	\$ 3,031,204

	<u>Expense Code</u>	<u>FY 2015 COSA</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Budget</u>	<u>FY 2019 Projected</u>	<u>FY 2019 Expenses (Executed) ¹</u>	<u>ADJ.</u>	<u>FY 2019 COSA</u>
UTILITIES - WATER PRODUCTION [1203]								
REGULAR SALARIES & WAGES	PS	\$ 721,244	\$ 645,568	\$ 727,538	\$ 753,002	\$ 715,352		\$ 715,352
OVERTIME	PS	34,999	46,805	35,000	36,225	34,414		34,414
SPECIAL PAY	PS	35,913	29,352	25,181	26,062	24,759		24,759
FICA	PS	57,636	51,813	60,259	62,368	59,250		59,250
RETIREMENT CONTRIBUTIONS	PS	67,104	63,155	68,144	70,529	67,003		67,003
LIFE AND HEALTH INSURANCE	PS	217,545	244,464	244,270	252,819	240,178		240,178
WORKERS' COMPENSATION	PS	26,726	31,459	22,845	23,645	22,462		22,462
PROFESSIONAL SERVICES	OMF	1,115,600	224,616	903,866	255,440	191,580		191,580
OTHER CONTRACTUAL SERVICE	OMF	12,800	90,913	145,262	149,620	112,215		112,215
TRAVEL AND TRAINING	OMF	5,500	3,502	5,800	5,974	4,481		4,481
FREIGHT & POSTAGE	OMF	1,000	1,190	450	464	348		348
RENTALS AND LEASES	OMF	2,750	14,679	3,120	3,214	2,410		2,410
FLEET REPL	OMF	-	-	14,691	15,132	11,349		11,349
INSURANCE	OMF	167,720	167,328	122,361	126,032	94,524		94,524
REPAIR & MAINTENANCE SVCS	OMF	336,000	185,625	340,115	350,318	262,739		262,739
FLEET MAINT- LABOR	OMF	4,100	5,038	4,100	4,223	3,167		3,167
FLEET MAINT- PARTS	OMF	5,800	3,420	5,800	5,974	4,481		4,481
FLEET MAINT- OTHER	OMF	2,500	2,091	2,500	2,575	1,931		1,931
PRINTING AND BINDING	OMF	1,500	-	500	515	386		386
PROMOTIONAL ACTIVITIES	OMF	2,700	40,739	57,400	59,122	44,342		44,342
GAIN/LOSS-DISPOSAL ASSET	OMF	-	-	-	-	-		-
OFFICE SUPPLIES	OMF	2,500	789	2,500	2,575	1,931		1,931
OPERATING SUPPLIES	OMF	287,000	280,412	339,000	349,170	261,878		261,878
ODOR CONTROL	OMF	110,000	9,926	40,000	41,200	30,900		30,900
TREES, SHRUBS, SOD, ETC	OMF	500	471	500	515	386		386
SAFETY SHOES REIMBURSEMNT	OMF	2,250	1,864	2,250	2,318	1,738		1,738
GASOLINE	OMF	6,500	10,100	12,750	13,133	9,849		9,849
BOOKS, PUBS, SUBS, MEMBER	OMF	3,945	13,631	13,675	14,085	10,564		10,564
UTILITIES	OMF	649,200	385,070	380,370	391,781	293,836		293,836
LIME SLUDGE CLEANUP	-	-	1,986,463	-	-	-		-
FTE ADDITIONS	PS	-	-	-	80,967	76,919		76,919
UTILITIES - WATER PRODUCTION [1203] EXPENSES		\$ 3,881,032	\$ 4,885,882	\$ 9,043,983	\$ 3,098,996	\$ 2,585,370	\$ -	\$ 2,585,370

	<u>Expense Code</u>	<u>FY 2015 COSA</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Budget</u>	<u>FY 2019 Projected</u>	<u>FY 2019 Expenses (Executed) ¹</u>	<u>ADJ.</u>	<u>FY 2019 COSA</u>
UTILITIES - WATER RECLAMATION [1204]								
REGULAR SALARIES & WAGES	PS	\$ 917,181	\$ 864,904	\$ 917,439	\$ 949,549	\$ 902,072		\$ 902,072
OVERTIME	PS	51,997	68,762	50,000	51,750	49,163		49,163
SPECIAL PAY	PS	32,538	10,635	28,491	29,488	28,014		28,014
FICA	PS	72,988	67,566	76,190	78,857	74,914		74,914
RETIREMENT CONTRIBUTIONS	PS	76,020	77,862	81,173	84,014	79,813		79,813
LIFE & HEALTH INSURANCE	PS	261,054	277,056	276,839	286,528	272,202		272,202
WORKERS' COMPENSATION	PS	29,047	34,206	31,604	32,710	31,075		31,075
PROFESSIONAL SERVICES	OMF	338,000	165,054	213,237	103,000	77,250		77,250
OTHER CONTRACTUAL SERVICE	OMF	277,450	275,748	363,532	374,438	280,828		280,828
TRAVEL AND TRAINING	OMF	4,000	5,765	3,840	3,955	2,966		2,966
FREIGHT & POSTAGE	OMF	600	159	750	773	579		579
UTILITY SERVICES	OMF	460,000	303,422	361,827	372,682	279,511		279,511
LIFT STATIONS	OMF	118,000	109,854	118,609	122,167	91,625		91,625
RENTALS AND LEASES	OMF	57,150	130,059	8,440	8,693	6,520		6,520
FLEET REPL	OMF	-	-	79,902	82,299	61,724		61,724
INSURANCE	OMF	194,604	194,148	212,355	218,726	164,044		164,044
REPAIR & MAINTENANCE SVCS	OMF	499,850	289,959	407,850	420,086	315,064		315,064
COMPUTER DEVICES	OMF	-	-	-	-	-		-
FLEET MAINT- LABOR	OMF	10,000	7,105	10,000	10,300	7,725		7,725
FLEET MAINT- PARTS	OMF	7,000	5,785	7,000	7,210	5,408		5,408
FLEET MAINT- OTHER	OMF	6,500	4,328	6,500	6,695	5,021		5,021
PRINTING & BINDING	OMF	400	695	400	412	309		309
OFFICE SUPPLIES	OMF	3,000	1,420	3,500	3,605	2,704		2,704
OPERATING SUPPLIES	OMF	187,750	147,336	187,500	193,125	144,844		144,844
ODOR/CORROSION CONTROL	OMF	220,000	139,175	150,000	154,500	115,875		115,875
TREES, SHRUBS, & SOD	OMF	1,000	1,775	1,000	1,030	773		773
SAFETY SHOES REIMBURSEMENT	OMF	2,700	987	1,050	1,082	811		811
GASOLINE	OMF	41,000	17,888	38,000	39,140	29,355		29,355
BOOKS, SUBSCRIPTIONS	OMF	2,565	9,095	8,814	9,078	6,809		6,809
ROAD MATERIALS		500	-	-	-	-		-
FTE ADDITIONS	PS				139,039	132,087		132,087
UTILITIES - WATER RECLAMATION [1204] EXPENSES		\$ 3,872,894	\$ 3,525,568	\$ 5,584,672	\$ 3,784,931	\$ 3,169,085	\$ -	\$ 3,169,085

	<u>Expense Code</u>	<u>FY 2015 COSA</u>	<u>FY 2017 Actual</u>	<u>FY 2018 Budget</u>	<u>FY 2019 Projected</u>	<u>FY 2019 Expenses (Executed) ¹</u>	<u>ADJ.</u>	<u>FY 2019 COSA</u>
OTHER								
BACKFLOW DEVICE PROGRAM	OMV	\$ -	\$ -	\$ -	\$ 302,017	\$ 302,017		\$ 302,017
FLEET SERVICES		155,000	-	-	-	-		-
OTHER		\$ 155,000	\$ -	\$ -	\$ 302,017	\$ 302,017	\$ -	\$ 302,017
DEBT SERVICE, CIP, & TRANSFERS								
R&R Transfer		\$ 1,942,110	\$ -	\$ -	\$ -	-		-
Sarasota County 10% Revenue Restriction		-	-	-	223,737	-		-
Transfer Out - Administrative Charges		-	1,466,342	1,509,724	1,562,564	1,562,564		1,562,564
Transfer Out - Fleet Fund		-	179,520	1,265,010	-	-		-
2013 PNC (SRF) Refunding Loan - Principal & Interest		430,684	431,227	430,833	430,340	430,340		430,340
Series 2012 Revenue Bond - Principal & Interest		3,709,459	1,157,050	1,160,050	1,157,350	1,157,350		1,157,350
Series 2015 Revenue Bond - Principal & Interest		-	1,099,175	1,099,050	1,100,375	1,100,375		1,100,375
New Senior Lien Debt Service		-	-	-	150,015	150,015		150,015
New Subordinate Debt Service		-	-	-	337,815	337,815		337,815
SRF Loan # DW580430 (Drinking Water - Construction Loan Agreement)		-	-	-	-	190,026		190,026
SRF Loan # WW580430 (Clean Water - Construction Loan Agreement)		-	-	-	-	48,968		48,968
Cash Funded Capital		-	-	-	12,041,502	12,041,502		12,041,502
Repayment of General Fund Advance		502,599	-	-	-	-		-
DEBT SERVICE, CIP, & TRANSFERS EXPENSES		\$ 6,584,851	\$ 4,333,314	\$ 5,464,667	\$ 17,003,698	\$ 17,018,956	\$ -	\$ 17,018,956
TOTAL EXPENDITURE REQUIREMENTS		\$ 20,917,098	\$ 17,565,882	\$ 33,532,679	\$ 29,693,339	\$ 27,893,798	\$ -	\$ 27,893,798

¹ Execution factors per the Revenue Sufficiency Analysis are 95% for Personal Services and 75% for Fixed Operations & Maintenance.

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

Schedule 2

	Test Year COS	Allocation Basis/Factor	Water % Allocation	Sewer % Allocation	Reuse % Allocation	Water \$ Allocation	Sewer \$ Allocation	Reuse \$ Allocation
UTILITIES - ADMINISTRATION [1201]								
REGULAR SALARIES & WAGES	\$ 590,232	Weighted	55.46%	37.86%	6.68%	\$ 327,369	\$ 223,439	\$ 39,424
OVERTIME	98	Weighted	55.46%	37.86%	6.68%	55	37	7
SPECIAL PAY	1,714	Weighted	55.46%	37.86%	6.68%	951	649	114
FICA	46,213	Weighted	55.46%	37.86%	6.68%	25,632	17,494	3,087
RETIREMENT CONTRIBUTIONS	47,422	Weighted	55.46%	37.86%	6.68%	26,302	17,952	3,168
LIFE AND HEALTH INSURANCE	160,119	Weighted	55.46%	37.86%	6.68%	88,809	60,615	10,695
WORKERS' COMPENSATION	1,310	Weighted	55.46%	37.86%	6.68%	726	496	87
OTHER POST EMPL BENEFIT	-	FTEs	47.76%	43.60%	8.51%	-	-	-
PROFESSIONAL SERVICES	271,393	Weighted	55.46%	37.86%	6.68%	150,527	102,739	18,128
LEGAL	19,313	Weighted	55.46%	37.86%	6.68%	10,712	7,311	1,290
ADVERTISING	1,159	Weighted	55.46%	37.86%	6.68%	643	439	77
PROF SVCS- INFO SYS	22,614	Weighted	55.46%	37.86%	6.68%	12,543	8,561	1,511
ACCOUNTING AND AUDITING	13,048	Weighted	55.46%	37.86%	6.68%	7,237	4,940	872
OTHER CONTRACTUAL SERVICE	1,159	Weighted	55.46%	37.86%	6.68%	643	439	77
TRAVEL AND TRAINING	2,858	Weighted	55.46%	37.86%	6.68%	1,585	1,082	191
COMMUNICATION SERVICES	9,863	Weighted	55.46%	37.86%	6.68%	5,471	3,734	659
COMMUNICATION SVCS- IS	25,984	Weighted	55.46%	37.86%	6.68%	14,412	9,836	1,736
FREIGHT & POSTAGE	38,625	Weighted	55.46%	37.86%	6.68%	21,423	14,622	2,580
RENTALS AND LEASES	11,201	Weighted	55.46%	37.86%	6.68%	6,213	4,240	748
DOCUMATCH SYSTEM LEASE	10,504	Weighted	55.46%	37.86%	6.68%	5,826	3,977	702
FLEET REPL	4,748	Weighted	55.46%	37.86%	6.68%	2,633	1,797	317
INSURANCE	5,076	Weighted	55.46%	37.86%	6.68%	2,815	1,922	339
REPAIR & MAINTENANCE SVCS	2,318	Weighted	55.46%	37.86%	6.68%	1,285	877	155
COMPUTER DEVICES	3,863	Weighted	55.46%	37.86%	6.68%	2,142	1,462	258
FLEET MAINT- LABOR	541	Weighted	55.46%	37.86%	6.68%	300	205	36
FLEET MAINT- PARTS	386	Weighted	55.46%	37.86%	6.68%	214	146	26
FLEET MAINT- OTHER	232	Weighted	55.46%	37.86%	6.68%	129	88	15
REPAIRS/MAINT- INFO SYS	83,335	Weighted	55.46%	37.86%	6.68%	46,221	31,547	5,566
PRINTING AND BINDING	11,588	Weighted	55.46%	37.86%	6.68%	6,427	4,387	774
OTHER CHARGES-OBLIGATIONS	381,530	Weighted	55.46%	37.86%	6.68%	211,613	144,433	25,484
OFFICE SUPPLIES	4,215	Weighted	55.46%	37.86%	6.68%	2,338	1,596	282
OPERATING SUPPLIES	12,824	Weighted	55.46%	37.86%	6.68%	7,112	4,854	857
GASOLINE	386	Weighted	55.46%	37.86%	6.68%	214	146	26
BOOKS, PUBS, SUBS, MEMBER	1,297	Weighted	55.46%	37.86%	6.68%	719	491	87
MACHINERY & EQUIPMENT	-	Weighted	55.46%	37.86%	6.68%	-	-	-
PRINCIPAL	-	Weighted	55.46%	37.86%	6.68%	-	-	-
INTEREST	-	Weighted	55.46%	37.86%	6.68%	-	-	-
BONDS	-	Weighted	55.46%	37.86%	6.68%	-	-	-
SRF 2013 PNC REFUNDING LOAN	-	Weighted	55.46%	37.86%	6.68%	-	-	-
BOND ISSUE EXPENSE	-	Weighted	55.46%	37.86%	6.68%	-	-	-
UTILITIES - ADMINISTRATION [1201] EXPENSES		\$ 1,787,167				\$ 991,241	\$ 676,552	\$ 119,373

Appendix B: Schedule 2 –Expense Allocations Between Service Types

	<u>Test Year COS</u>	<u>Allocation Basis/Factor</u>	<u>Water % Allocation</u>	<u>Sewer % Allocation</u>	<u>Reuse % Allocation</u>	<u>Water \$ Allocation</u>	<u>Sewer \$ Allocation</u>	<u>Reuse \$ Allocation</u>
UTILITIES - DISTRIBUTION [1202]								
REGULAR SALARIES & WAGES	\$ 1,057,232	LF of Pipe	50.78%	35.97%	13.25%	\$ 536,836	\$ 380,322	\$ 140,073
OVERTIME	24,581	LF of Pipe	50.78%	35.97%	13.25%	12,482	8,843	3,257
SPECIAL PAY	28,934	LF of Pipe	50.78%	35.97%	13.25%	14,692	10,409	3,833
FICA	84,972	LF of Pipe	50.78%	35.97%	13.25%	43,147	30,567	11,258
RETIREMENT CONTRIBUTIONS	88,814	LF of Pipe	50.78%	35.97%	13.25%	45,098	31,949	11,767
LIFE AND HEALTH INSURANCE	400,297	LF of Pipe	50.78%	35.97%	13.25%	203,261	144,000	53,036
WORKERS' COMPENSATION	25,233	LF of Pipe	50.78%	35.97%	13.25%	12,813	9,077	3,343
PROFESSIONAL SERVICES	231,750	LF of Pipe	50.78%	35.97%	13.25%	117,677	83,368	30,705
OTHER CONTRACTUAL SERVICE	17,536	LF of Pipe	50.78%	35.97%	13.25%	8,904	6,308	2,323
TRAVEL AND TRAINING	10,738	LF of Pipe	50.78%	35.97%	13.25%	5,452	3,863	1,423
COMMUNICATION SVCS	-	LF of Pipe	50.78%	35.97%	13.25%	-	-	-
COMMUNICATION SVCS- IS	-	LF of Pipe	50.78%	35.97%	13.25%	-	-	-
FREIGHT & POSTAGE	1,545	LF of Pipe	50.78%	35.97%	13.25%	785	556	205
RENTALS AND LEASES	7,960	LF of Pipe	50.78%	35.97%	13.25%	4,042	2,863	1,055
FLEET REPL	119,904	LF of Pipe	50.78%	35.97%	13.25%	60,884	43,133	15,886
INSURANCE	19,193	LF of Pipe	50.78%	35.97%	13.25%	9,746	6,904	2,543
REPAIR & MAINTENANCE SVCS	622,225	LF of Pipe	50.78%	35.97%	13.25%	315,950	223,835	82,439
FLEET MAINT- LABOR	23,175	LF of Pipe	50.78%	35.97%	13.25%	11,768	8,337	3,070
FLEET MAINT- PARTS	15,450	LF of Pipe	50.78%	35.97%	13.25%	7,845	5,558	2,047
FLEET MAINT- OTHER	9,270	LF of Pipe	50.78%	35.97%	13.25%	4,707	3,335	1,228
PRINTING AND BINDING	3,863	LF of Pipe	50.78%	35.97%	13.25%	1,961	1,389	512
OTHER CHARGES-OBLIGATIONS	-	LF of Pipe	50.78%	35.97%	13.25%	-	-	-
OFFICE SUPPLIES	3,863	LF of Pipe	50.78%	35.97%	13.25%	1,961	1,389	512
OPERATING SUPPLIES	38,625	LF of Pipe	50.78%	35.97%	13.25%	19,613	13,895	5,117
TREES, SHRUBS, & SOD	3,090	LF of Pipe	50.78%	35.97%	13.25%	1,569	1,112	409
SAFETY SHOES REIMBURSEMNT	2,897	LF of Pipe	50.78%	35.97%	13.25%	1,471	1,042	384
GASOLINE	30,900	LF of Pipe	50.78%	35.97%	13.25%	15,690	11,116	4,094
ROAD MATERIALS & SUPPLIES	5,408	LF of Pipe	50.78%	35.97%	13.25%	2,746	1,945	716
BOOKS, PUBS, SUBS, MEMBER BUILDINGS	1,506	LF of Pipe	50.78%	35.97%	13.25%	765	542	200
IMPROV OTHER THAN BLDGS	-	LF of Pipe	50.78%	35.97%	13.25%	-	-	-
MACHINERY & EQUIPMENT	-	5-Year R&R CIP	46.72%	51.26%	2.03%	-	-	-
FTE ADDITIONS	152,245	LF of Pipe	50.78%	35.97%	13.25%	77,306	54,768	20,171
UTILITIES - DISTRIBUTION [1202] EXPENSES	\$ 3,031,204					\$ 1,539,171	\$ 1,090,427	\$ 401,606

Test Year COS		Allocation Basis/Factor	Water % Allocation	Sewer % Allocation	Reuse % Allocation	Water \$ Allocation	Sewer \$ Allocation	Reuse \$ Allocation
UTILITIES - WATER PRODUCTION [1203]								
REGULAR SALARIES & WAGES	\$ 715,352	Water - Direct	100.00%	0.00%	0.00%	\$ 715,352	\$ -	\$ -
OVERTIME	34,414	Water - Direct	100.00%	0.00%	0.00%	34,414	-	-
SPECIAL PAY	24,759	Water - Direct	100.00%	0.00%	0.00%	24,759	-	-
FICA	59,250	Water - Direct	100.00%	0.00%	0.00%	59,250	-	-
RETIREMENT CONTRIBUTIONS	67,003	Water - Direct	100.00%	0.00%	0.00%	67,003	-	-
LIFE AND HEALTH INSURANCE	240,178	Water - Direct	100.00%	0.00%	0.00%	240,178	-	-
WORKERS' COMPENSATION	22,462	Water - Direct	100.00%	0.00%	0.00%	22,462	-	-
PROFESSIONAL SERVICES	191,580	Water - Direct	100.00%	0.00%	0.00%	191,580	-	-
OTHER CONTRACTUAL SERVICE	112,215	Water - Direct	100.00%	0.00%	0.00%	112,215	-	-
TRAVEL AND TRAINING	4,481	Water - Direct	100.00%	0.00%	0.00%	4,481	-	-
FREIGHT & POSTAGE	348	Water - Direct	100.00%	0.00%	0.00%	348	-	-
RENTALS AND LEASES	2,410	Water - Direct	100.00%	0.00%	0.00%	2,410	-	-
FLEET REPL	11,349	Water - Direct	100.00%	0.00%	0.00%	11,349	-	-
INSURANCE	94,524	Water - Direct	100.00%	0.00%	0.00%	94,524	-	-
REPAIR & MAINTENANCE SVCS	262,739	Water - Direct	100.00%	0.00%	0.00%	262,739	-	-
FLEET MAINT- LABOR	3,167	Water - Direct	100.00%	0.00%	0.00%	3,167	-	-
FLEET MAINT- PARTS	4,481	Water - Direct	100.00%	0.00%	0.00%	4,481	-	-
FLEET MAINT- OTHER	1,931	Water - Direct	100.00%	0.00%	0.00%	1,931	-	-
PRINTING AND BINDING	386	Water - Direct	100.00%	0.00%	0.00%	386	-	-
PROMOTIONAL ACTIVITIES	44,342	Water - Direct	100.00%	0.00%	0.00%	44,342	-	-
GAIN/LOSS-DISPOSAL ASSET	-	Water - Direct	100.00%	0.00%	0.00%	-	-	-
OFFICE SUPPLIES	1,931	Water - Direct	100.00%	0.00%	0.00%	1,931	-	-
OPERATING SUPPLIES	261,878	Water - Direct	100.00%	0.00%	0.00%	261,878	-	-
ODOR CONTROL	30,900	Water - Direct	100.00%	0.00%	0.00%	30,900	-	-
TREES, SHRUBS, SOD, ETC	386	Water - Direct	100.00%	0.00%	0.00%	386	-	-
SAFETY SHOES REIMBURSEMENT	1,738	Water - Direct	100.00%	0.00%	0.00%	1,738	-	-
GASOLINE	9,849	Water - Direct	100.00%	0.00%	0.00%	9,849	-	-
BOOKS, PUBS, SUBS, MEMBER	10,564	Water - Direct	100.00%	0.00%	0.00%	10,564	-	-
UTILITIES	293,836	Water - Direct	100.00%	0.00%	0.00%	293,836	-	-
LIME SLUDGE CLEANUP	-	Water - Direct	100.00%	0.00%	0.00%	-	-	-
BUILDINGS	-	Water - Direct	100.00%	0.00%	0.00%	-	-	-
IMPROV OTHER THAN BLDGS	-	Water - Direct	100.00%	0.00%	0.00%	-	-	-
MACHINERY & EQUIPMENT	-	Water - Direct	100.00%	0.00%	0.00%	-	-	-
FTE ADDITIONS	76,919	Water - Direct	100.00%	0.00%	0.00%	76,919	-	-
UTILITIES - WATER PRODUCTION [1203] EXPENSES	\$ 2,585,370					\$ 2,585,370	\$ -	\$ -

		Allocation	Water	Sewer	Reuse	Water	Sewer	Reuse
Test Year COS		Basis/Factor	% Allocation	% Allocation	% Allocation	\$ Allocation	\$ Allocation	\$ Allocation
UTILITIES - WATER RECLAMATION [1204] ¹								
REGULAR SALARIES & WAGES	\$ 902,072	Water Reclamation	0.00%	90.00%	10.00%	\$ -	\$ 811,865	\$ 90,207
OVERTIME	49,163	Water Reclamation	0.00%	90.00%	10.00%	-	44,246	4,916
SPECIAL PAY	28,014	Water Reclamation	0.00%	90.00%	10.00%	-	25,212	2,801
FICA	74,914	Water Reclamation	0.00%	90.00%	10.00%	-	67,422	7,491
RETIREMENT CONTRIBUTIONS	79,813	Water Reclamation	0.00%	90.00%	10.00%	-	71,832	7,981
LIFE & HEALTH INSURANCE	272,202	Water Reclamation	0.00%	90.00%	10.00%	-	244,982	27,220
WORKERS' COMPENSATION	31,075	Water Reclamation	0.00%	90.00%	10.00%	-	27,967	3,107
PROFESSIONAL SERVICES	77,250	Water Reclamation	0.00%	90.00%	10.00%	-	69,525	7,725
OTHER CONTRACTUAL SERVICE	280,828	Water Reclamation	0.00%	90.00%	10.00%	-	252,746	28,083
TRAVEL AND TRAINING	2,966	Water Reclamation	0.00%	90.00%	10.00%	-	2,670	297
FREIGHT & POSTAGE	579	Water Reclamation	0.00%	90.00%	10.00%	-	521	58
UTILITY SERVICES	279,511	Water Reclamation	0.00%	90.00%	10.00%	-	251,560	27,951
LIFT STATIONS	91,625	Water Reclamation	0.00%	90.00%	10.00%	-	82,463	9,163
RENTALS AND LEASES	6,520	Water Reclamation	0.00%	90.00%	10.00%	-	5,868	652
FLEET REPL	61,724	Water Reclamation	0.00%	90.00%	10.00%	-	55,552	6,172
INSURANCE	164,044	Water Reclamation	0.00%	90.00%	10.00%	-	147,640	16,404
REPAIR & MAINTENANCE SVCS	315,064	Water Reclamation	0.00%	90.00%	10.00%	-	283,558	31,506
COMPUTER DEVICES	-	Water Reclamation	0.00%	90.00%	10.00%	-	-	-
FLEET MAINT- LABOR	7,725	Water Reclamation	0.00%	90.00%	10.00%	-	6,953	773
FLEET MAINT- PARTS	5,408	Water Reclamation	0.00%	90.00%	10.00%	-	4,867	541
FLEET MAINT- OTHER	5,021	Water Reclamation	0.00%	90.00%	10.00%	-	4,519	502
PRINTING & BINDING	309	Water Reclamation	0.00%	90.00%	10.00%	-	278	31
OFFICE SUPPLIES	2,704	Water Reclamation	0.00%	90.00%	10.00%	-	2,433	270
OPERATING SUPPLIES	144,844	Water Reclamation	0.00%	90.00%	10.00%	-	130,359	14,484
ODOR/CORROSION CONTROL	115,875	Water Reclamation	0.00%	90.00%	10.00%	-	104,288	11,588
TREES, SHRUBS, & SOD	773	Water Reclamation	0.00%	90.00%	10.00%	-	695	77
SAFETY SHOES REIMBURSEMNT	811	Water Reclamation	0.00%	90.00%	10.00%	-	730	81
GASOLINE	29,355	Water Reclamation	0.00%	90.00%	10.00%	-	26,420	2,936
BOOKS, SUBSCRIPTIONS	6,809	Water Reclamation	0.00%	90.00%	10.00%	-	6,128	681
LAND	-	Water Reclamation	0.00%	90.00%	10.00%	-	-	-
BUILDINGS	-	Water Reclamation	0.00%	90.00%	10.00%	-	-	-
IMPROV OTHER THAN BLDGS	-	Water Reclamation	0.00%	90.00%	10.00%	-	-	-
MACHINERY & EQUIPMENT	-	Water Reclamation	0.00%	90.00%	10.00%	-	-	-
FTE ADDITIONS	132,087	Water Reclamation	0.00%	90.00%	10.00%	-	118,878	13,209
UTILITIES - WATER RECLAMATION [1204] EXPENSES		\$ 3,169,085				\$ -	\$ 2,852,177	\$ 316,909

	<u>Test Year COS</u>	<u>Allocation Basis/Factor</u>	<u>Water % Allocation</u>	<u>Sewer % Allocation</u>	<u>Reuse % Allocation</u>	<u>Water \$ Allocation</u>	<u>Sewer \$ Allocation</u>	<u>Reuse \$ Allocation</u>
OTHER								
Backflow Device Program	\$ 302,017	Water - Direct	100.00%	0.00%	0.00%	\$ 302,017	\$ -	\$ -
OTHER	\$ 302,017					\$ 302,017	\$ -	\$ -
DEBT SERVICE, CIP, & TRANSFERS								
Sarasota County 10% Revenue Restriction	-	Sewer - Direct	0.00%	100.00%	0.00%	-	-	-
Transfer Out - Administrative Charges	\$ 1,562,564	Weighted	55.46%	37.86%	6.68%	\$ 866,667	\$ 591,527	\$ 104,371
Transfer Out - Fleet Fund	-	Weighted	55.46%	37.86%	6.68%	-	-	-
2013 PNC (SRF) Refunding Loan - Principal & Interest	430,340	2013 PNC SRF	0.00%	50.53%	49.47%	-	217,472	212,868
Series 2012 Revenue Bond - Principal & Interest	1,157,350	Series 2012 Bond	50.00%	36.11%	13.89%	578,675	417,932	160,743
Series 2015 Revenue Bond - Principal & Interest	1,100,375	Series 2015 Bond	34.71%	58.76%	6.53%	381,988	646,549	71,839
New Senior Lien Debt Service	150,015	Weighted - Senior Debt (2019)	90.72%	8.01%	1.27%	136,101	12,009	1,906
New Subordinate Debt Service	337,815	Weighted - Sub Debt (2018)	93.27%	6.73%	0.00%	315,078	22,738	-
SRF Loan # DW580430 (Drinking Water - Constructic	190,026	Water - Direct	100.00%	0.00%	0.00%	190,026	-	-
SRF Loan # WW580430 (Clean Water - Construction	48,968	Reclaimed - Direct	0.00%	0.00%	100.00%	-	-	48,968
Cash Funded Capital	12,041,502	Weighted - 5 yr Cash Funded CIP	62.99%	33.49%	3.53%	7,584,797	4,032,134	424,571
DEBT SERVICE, CIP, & TRANSFERS EXPENSES	\$ 17,018,956					\$ 10,053,331	\$ 5,940,360	\$ 1,025,265
TOTAL EXPENDITURES	\$ 27,893,798					\$ 15,471,130	\$ 10,559,515	\$ 1,863,153
Direct Costs						55.5%	37.9%	6.7%

¹ High-level staff estimate of treatment allocation (5%) and incremental maintenance for RW facilities (5%)

Reclaimed Water System Test Year Expense Function Allocation

Schedule 3

Test Year COS			Allocation Basis/Factor	Treatment/ Production % Allocation	Transmission % Allocation	Distribution % Allocation	HSP & Storage % Allocation	Total % Allocation	Treatment/ Production \$ Allocation	Transmission \$ Allocation	Distribution \$ Allocation	HSP & Storage \$ Allocation
UTILITIES - ADMINISTRATION [1201]												
REGULAR SALARIES & WAGES	\$	39,424	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	\$ 6,014	\$ 10,794	\$ 14,940	\$ 7,676
OVERTIME		7	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	1	2	2	1
SPECIAL PAY		114	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	17	31	43	22
FICA		3,087	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	471	845	1,170	601
RETIREMENT CONTRIBUTIONS		3,168	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	483	867	1,200	617
LIFE AND HEALTH INSURANCE		10,695	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	1,632	2,928	4,053	2,082
WORKERS' COMPENSATION		87	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	13	24	33	17
OTHER POST EMPL BENEFIT		-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
PROFESSIONAL SERVICES		18,128	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	2,765	4,963	6,869	3,529
LEGAL		1,290	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	197	353	489	251
ADVERTISING		77	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	12	21	29	15
PROF SVCS- INFO SYS		1,511	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	230	414	572	294
ACCOUNTING AND AUDITING		872	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	133	239	330	170
OTHER CONTRACTUAL SERVICE		77	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	12	21	29	15
TRAVEL AND TRAINING		191	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	29	52	72	37
COMMUNICATION SERVICES		659	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	101	180	250	128
COMMUNICATION SVCS- IS		1,736	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	265	475	658	338
FREIGHT & POSTAGE		2,580	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	394	706	978	502
RENTALS AND LEASES		748	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	114	205	284	146
DOCUMATCH SYSTEM LEASE		702	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	107	192	266	137
FLEET REPL		317	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	48	87	120	62
INSURANCE		339	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	52	93	128	66
REPAIR & MAINTENANCE SVCS		155	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	24	42	59	30
COMPUTER DEVICES		258	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	39	71	98	50
FLEET MAINT- LABOR		36	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	6	10	14	7
FLEET MAINT- PARTS		26	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	4	7	10	5
FLEET MAINT- OTHER		15	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	2	4	6	3
REPAIRS/MAINT- INFO SYS		5,566	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	849	1,524	2,109	1,084
PRINTING AND BINDING		774	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	118	212	293	151
OTHER CHARGES-OBLIGATIONS		25,484	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	3,888	6,977	9,657	4,962
OFFICE SUPPLIES		282	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	43	77	107	55
OPERATING SUPPLIES		857	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	131	235	325	167
GASOLINE		26	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	4	7	10	5
BOOKS, PUBS, SUBS, MEMBER		87	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	13	24	33	17
INVENTORY ADJUSTMENT		-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
MTR STS/EXCHGS/HYDRANTS		-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
MACHINERY & EQUIPMENT		-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
PRINCIPAL		-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
INTEREST		-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
BONDS		-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
SRF 2013 PNC REFUNDING LOAN		-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
BOND ISSUE EXPENSE		-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
UTILITIES - ADMINISTRATION [1201] EXPENSES	\$	119,373							\$ 18,210	\$ 32,684	\$ 45,237	\$ 23,242

Appendix B: Schedule 3 –Reclaimed Water Functional Allocations

	<u>Test Year COS</u>	<u>Allocation Basis/Factor</u>	<u>Treatment/ Production % Allocation</u>	<u>Transmission % Allocation</u>	<u>Distribution % Allocation</u>	<u>HSP & Storage % Allocation</u>	<u>Total % Allocation</u>	<u>Treatment/ Production \$ Allocation</u>	<u>Transmission \$ Allocation</u>	<u>Distribution \$ Allocation</u>	<u>HSP & Storage \$ Allocation</u>
UTILITIES - DISTRIBUTION [1202]											
REGULAR SALARIES & WAGES	\$ 140,073	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	\$ -	\$ 55,653	\$ 84,421	\$ -
OVERTIME	3,257	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	1,294	1,963	-
SPECIAL PAY	3,833	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	1,523	2,310	-
FICA	11,258	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	4,473	6,785	-
RETIREMENT CONTRIBUTIONS	11,767	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	4,675	7,092	-
LIFE AND HEALTH INSURANCE	53,036	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	21,072	31,964	-
WORKERS' COMPENSATION	3,343	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	1,328	2,015	-
PROFESSIONAL SERVICES	30,705	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	12,199	18,505	-
OTHER CONTRACTUAL SERVICE	2,323	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	923	1,400	-
TRAVEL AND TRAINING	1,423	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	565	857	-
COMMUNICATION SVCS	-	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	-	-	-
COMMUNICATION SVCS- IS	-	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	-	-	-
FREIGHT & POSTAGE	205	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	81	123	-
RENTALS AND LEASES	1,055	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	419	636	-
FLEET REPL	15,886	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	6,312	9,574	-
INSURANCE	2,543	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	1,010	1,533	-
REPAIR & MAINTENANCE SVCS	82,439	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	32,754	49,685	-
FLEET MAINT- LABOR	3,070	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	1,220	1,851	-
FLEET MAINT- PARTS	2,047	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	813	1,234	-
FLEET MAINT- OTHER	1,228	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	488	740	-
PRINTING AND BINDING	512	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	203	308	-
OTHER CHARGES-OBLIGATIONS	-	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	-	-	-
OFFICE SUPPLIES	512	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	203	308	-
OPERATING SUPPLIES	5,117	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	2,033	3,084	-
TREES, SHRUBS, & SOD	409	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	163	247	-
SAFETY SHOES REIMBURSEMENT	384	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	152	231	-
GASOLINE	4,094	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	1,627	2,467	-
ROAD MATERIALS & SUPPLIES	716	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	285	432	-
BOOKS, PUBS, SUBS, MEMBER	200	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	79	120	-
BUILDINGS	-	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	-	-	-
IMPROV OTHER THAN BLDGS	-	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	-	-	-
MACHINERY & EQUIPMENT	-	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	-	-	-
FTE ADDITIONS	20,171	LF of Pipe	0.00%	39.73%	60.27%	0.00%	100.00%	-	8,014	12,157	-
UTILITIES - DISTRIBUTION [1202] EXPENSES	\$ 401,606							\$ -	\$ 159,563	\$ 242,043	\$ -

Test Year COS	Allocation Basis/Factor	Treatment/ Production % Allocation	Transmission % Allocation	Distribution % Allocation	HSP & Storage % Allocation	Total % Allocation	Treatment/ Production \$ Allocation	Transmission \$ Allocation	Distribution \$ Allocation	HSP & Storage \$ Allocation
UTILITIES - WATER PRODUCTION [1203]										
REGULAR SALARIES & WAGES	\$ -	Water - Direct	0.00%	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -
OVERTIME	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
SPECIAL PAY	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
FICA	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
RETIREMENT CONTRIBUTIONS	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
LIFE AND HEALTH INSURANCE	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
WORKERS' COMPENSATION	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
PROFESSIONAL SERVICES	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
OTHER CONTRACTUAL SERVICE	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
TRAVEL AND TRAINING	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
FREIGHT & POSTAGE	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
RENTALS AND LEASES	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
FLEET REPL	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
INSURANCE	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
REPAIR & MAINTENANCE SVCS	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
FLEET MAINT- LABOR	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
FLEET MAINT- PARTS	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
FLEET MAINT- OTHER	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
PRINTING AND BINDING	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
PROMOTIONAL ACTIVITIES	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
GAIN/LOSS-DISPOSAL ASSET	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
OFFICE SUPPLIES	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
OPERATING SUPPLIES	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
ODOR CONTROL	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
TREES, SHRUBS, SOD, ETC	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
SAFETY SHOES REIMBURSEMENT	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
GASOLINE	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
BOOKS, PUBS, SUBS, MEMBER	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
UTILITIES	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
LIME SLUDGE CLEANUP	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
BUILDINGS	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
IMPROV OTHER THAN BLDGS	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
MACHINERY & EQUIPMENT	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
FTE ADDITIONS	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
UTILITIES - WATER PRODUCTION [1203] EXPENSES	\$ -						\$ -	\$ -	\$ -	\$ -

Appendix B: Schedule 3 –Reclaimed Water Functional Allocations

Test Year COS			Allocation Basis/Factor	Treatment/ Production % Allocation	Transmission % Allocation	Distribution % Allocation	HSP & Storage % Allocation	Total % Allocation	Treatment/ Production \$ Allocation	Transmission \$ Allocation	Distribution \$ Allocation	HSP & Storage \$ Allocation		
UTILITIES - WATER RECLAMATION [1204]														
REGULAR SALARIES & WAGES	\$	90,207	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	\$	45,104	\$	-	\$	45,104
OVERTIME		4,916	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		2,458		-		2,458
SPECIAL PAY		2,801	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		1,401		-		1,401
FICA		7,491	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		3,746		-		3,746
RETIREMENT CONTRIBUTIONS		7,981	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		3,991		-		3,991
LIFE & HEALTH INSURANCE		27,220	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		13,610		-		13,610
WORKERS' COMPENSATION		3,107	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		1,554		-		1,554
PROFESSIONAL SERVICES		7,725	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		3,863		-		3,863
OTHER CONTRACTUAL SERVICE		28,083	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		14,041		-		14,041
TRAVEL AND TRAINING		297	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		148		-		148
FREIGHT & POSTAGE		58	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		29		-		29
UTILITY SERVICES		27,951	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		13,976		-		13,976
LIFT STATIONS		9,163	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		4,581		-		4,581
RENTALS AND LEASES		652	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		326		-		326
FLEET REPL		6,172	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		3,086		-		3,086
INSURANCE		16,404	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		8,202		-		8,202
REPAIR & MAINTENANCE SVCS		31,506	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		15,753		-		15,753
COMPUTER DEVICES		-	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		-		-		-
FLEET MAINT- LABOR		773	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		386		-		386
FLEET MAINT- PARTS		541	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		270		-		270
FLEET MAINT- OTHER		502	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		251		-		251
PRINTING & BINDING		31	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		15		-		15
OFFICE SUPPLIES		270	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		135		-		135
OPERATING SUPPLIES		14,484	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		7,242		-		7,242
ODOR/CORROSION CONTROL		11,588	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		5,794		-		5,794
TREES, SHRUBS, & SOD		77	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		39		-		39
SAFETY SHOES REIMBURSEMNT		81	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		41		-		41
GASOLINE		2,936	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		1,468		-		1,468
BOOKS, SUBSCRIPTIONS		681	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		340		-		340
LAND		-	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		-		-		-
BUILDINGS		-	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		-		-		-
IMPROV OTHER THAN BLDGS		-	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		-		-		-
MACHINERY & EQUIPMENT		-	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		-		-		-
FTE ADDITIONS		13,209	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%		6,604		-		6,604
UTILITIES - WATER RECLAMATION [1204] EXPENSES		\$ 316,909							\$ 158,454	\$ -	\$ -	\$ -	\$ 158,454	

Appendix B: Schedule 3 –Reclaimed Water Functional Allocations

Test Year COS	Allocation Basis/Factor	Treatment/ Production % Allocation	Transmission % Allocation	Distribution % Allocation	HSP & Storage % Allocation	Total % Allocation	Treatment/ Production \$ Allocation	Transmission \$ Allocation	Distribution \$ Allocation	HSP & Storage \$ Allocation
OTHER										
Backflow Device Program	\$ -	Water - Direct	0.00%	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -
Fleet Services	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
FTE ADDITIONS	-	Weighted	15.26%	27.38%	37.90%	19.47%	-	-	-	-
OTHER	\$ -						\$ -	\$ -	\$ -	\$ -
DEBT SERVICE, CIP, & TRANSFERS										
Sarasota County 10% Revenue Restriction	\$ -	Sewer - Direct	0.00%	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -
Transfer Out - Administrative Charges	104,371	Weighted	15.26%	27.38%	37.90%	19.47%	15,922	28,576	39,552	20,321
Transfer Out - Fleet Fund	-	Weighted	15.26%	27.38%	37.90%	19.47%	-	-	-	-
2013 PNC (SRF) Refunding Loan - Principal & Interest	212,868	2013 PNC SRF	0.00%	48.32%	51.68%	0.00%	-	102,851	110,017	-
Series 2012 Revenue Bond - Principal & Interest	160,743	Series 2012 Bond	0.00%	0.00%	0.00%	100.00%	-	-	-	160,743
Series 2015 Revenue Bond - Principal & Interest	71,839	Series 2015 Bond	100.00%	0.00%	0.00%	0.00%	71,839	-	-	-
New Senior Lien Debt Service	1,906	Weighted - Senior Debt (2019)	33.92%	26.25%	39.83%	0.00%	646	500	759	-
New Subordinate Debt Service	-	Weighted - Sub Debt (2018)	0.00%	0.00%	0.00%	0.00%	-	-	-	-
SRF Loan # DW580430 (Drinking Water - Construction Loan)	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	-	-	-	-
SRF Loan # WW580430 (Clean Water - Construction Loan)	48,968	Reclaimed - Direct	0.00%	100.00%	0.00%	0.00%	-	48,968	-	-
Cash Funded Capital	424,571	Weighted - 5 yr Cash Funded	4.51%	32.26%	63.23%	0.00%	19,154	136,979	268,438	-
DEBT SERVICE, CIP, & TRANSFERS EXPENSES	\$ 1,025,265						\$ 107,561	\$ 317,874	\$ 418,766	\$ 181,064
TOTAL EXPENDITURES	\$ 1,863,153						\$ 284,225	\$ 510,121	\$ 706,046	\$ 362,761
% Allocation by Function							15.3%	27.4%	37.9%	19.5%

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FY 2019 Estimated Revenues

Schedule 4

ACCT DESCRIPTION	FY 2015 COSA	FY 2019 Projected	Water	Sewer	Reclaimed
343.31-01 - WATER CONSUMPTION SALES	\$ 3,753,313	\$ 4,537,086	\$ 4,537,086	\$ -	\$ -
343.31-02 - WATER DEMAND CHARGES	4,328,909	5,087,724	5,087,724	-	-
343.31-03 - WATER BILLING CHARGES	323,039	492,784	246,392	246,392	-
343.31-20 - PENALTY- WATER	89,272	64,200	64,200	-	-
343.31-21 - FIRE SVC STANDBY CHARGE	52,124	59,300	59,300	-	-
343.31-22 - FIRE SVC HYDRANT RENTAL	3,000	-	-	-	-
343.31-23 - TAP FEES-WATER	89,460	192,200	192,200	-	-
343.31-29 - CUSTOMER INQUIRY CHARGE	-	100	48	49	3
343.51-01 - SEWER CONSUMPTION SALES	3,920,195	4,664,883	-	4,664,883	-
343.51-02 - SEWER DEMAND CHARGES	4,094,532	5,020,114	-	5,020,114	-
343.51-03 - REUSE-CONSUMPTION SALES	512,794	749,412	-	-	749,412
343.51-05 - PENALTIES-REUSE	1,532	2,700	-	-	2,700
343.51-06 - REUSE TAP FEE	17,199	1,400	-	-	1,400
343.51-07 - SAR CO SWR TREAT CONS CHG	2,160,109	2,237,366	-	2,237,366	-
LESS: RESTRICTED PROCEEDS (10%) Rate Revenue	-	(223,737)	-	(223,737)	-
343.51-09 - SAR CO SWR BILLING-DEMAND	-	-	-	-	-
343.51-10 - SAR CO SWR BILLING-CONSMP	-	-	-	-	-
343.51-11 - SAR CO SWR BILLING CHARGE	21,946	34,200	-	34,200	-
343.51-21 - PENALTY- SEWER	41,455	43,200	-	43,200	-
343.51-23 - TAP FEES-SEWER	1,004	6,600	-	6,600	-
343.61-20 - MISCELLANEOUS INCOME	1,000	4,000	1,900	1,968	131
343.61-21 - AD VALOREM TAX REIMBURSE	3,287	3,400	1,615	1,673	112
Rev - Intergovernmental revenue	-	-	-	-	-
334.01-00 - STATE GRANTS / STATE APPROPRIATIONS	-	-	-	-	-
337.30-13 - PHYSICAL ENVIRONMENT / SWFWMD	-	-	-	-	-
Rev - Miscellaneous, Other	-	-	-	-	-
343.65-70 - WATER PC FEES-INT	17,521	-	-	-	-
343.65-71 - WATER PC FEE-PRIN	134,605	-	-	-	-
LESS: RESTRICTED PROCEEDS (10%) Water Bond Proceeds	-	-	-	-	-
343.65-73 - SEWER PC FEE-PRIN	70,614	-	-	-	-
SEWER PC FEE-INT	16,771	-	-	-	-
LESS: RESTRICTED PROCEEDS (10%) Sewer Bond Proceeds	-	-	-	-	-
362.10-01 - CELL TOWER LEASE RENTS	51,357	73,000	34,682	35,920	2,399
365.10-00 - AUCTION MISC	-	5,500	2,613	2,706	181
365.11-00 - SURPLUS/SCRAP	-	-	-	-	-
369.00-00 - OTHER MISCELLANEOUS REVENUE	5,000	23,000	10,927	11,317	756
369.30-00 - INSURANCE SETTLEMENT	-	29,900	14,205	14,712	982
Other	-	-	-	-	-
WTR TNK LEASE - CNG/BELL SO	44,164	-	-	-	-
One Cent Tax Transfer	1,100,000	-	-	-	-
Interest Income	62,896	257,435	122,305	126,671	8,459
Transfer of Water Plant Capacity Charge Revenue into Operating Fund	-	\$196,589	196,589	-	-
Transfer of Sewer Plant Capacity Charge Revenue into Operating Fund	-	\$76,200	-	76,200	-
Use of Fund Balance for Capital	-	4,255,242	2,680,326	1,424,881	150,035
Fund Total	\$ 20,917,098	\$ 27,893,798	\$ 13,252,113	\$ 13,725,115	\$ 916,570
<i>Revenue Allocations by System</i>			47.51%	49.20%	3.29%

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FY 2019 Cost Allocation Summary - Reclaimed Water System

Schedule 5

FY 2019 Revenue vs Expenses	Revenues	Revenue %	Expenses	Expense %
Water	\$ 13,252,113	48%	\$ 15,471,130	55%
Sewer	13,725,115	49%	10,559,515	38%
Reclaimed	916,570	3%	1,863,153	7%
Total	\$ 27,893,798	100%	\$ 27,893,798	100%

FY 2019 Reclaimed Water Revenue Req.	O&M	Capital	Total*	COS %	Reclaimed Water Cost Allocation by Customer Type		
					Bulk	Retail	Total*
Treatment/Production	\$ 192,587	\$ 91,639	\$ 258,725	15%	\$ 116,769	\$ 141,957	\$ 258,725
HSP & Storage	202,018	160,743	330,215	19%	(32,148)	362,362	330,215
Transmission	220,823	289,298	464,354	27%	55,854	408,500	464,354
Distribution	326,832	379,214	642,701	38%	-	642,701	642,701
Total Cost Allocation	\$ 942,259	\$ 920,894	\$ 1,695,994	100%	\$ 140,475	\$ 1,555,519	\$ 1,695,994
<i>*Total revenue requirement includes operating and capital expenditures, less the reclaimed water portion of other operating revenues (\$18,393) and use of fund balances (\$265,477).</i>					8.3%	91.7%	100.0%
					\$ 85,070	\$ 656,007	\$ 741,077
					60.6%	42.2%	43.7%
					FY 2018 Estimated Revenue Cost Recovery @ Current Rates		

	Stor. & Trans.	Distribution	Total	FY 2018 Rev.
Low Pressure/Bulk Costs	\$ 475,376	\$ -	\$ 475,376	\$ 85,070
Retail/High Pressure Costs	\$ 577,918	\$ 642,701	\$ 1,220,619	\$ 656,007
Subtotal	\$ 1,053,294	\$ 642,701	\$ 1,695,994	\$ 741,077

Low Pressure/Bulk Volume (MGD ADF)	1.21	-
Retail/High Pressure Volume (MGD ADF)	1.47	1.47

Storage Credit Bases

Current HSP & Storage Cost (38 MG Storage)	\$ 330,215	
Additional Storage Needed If No On-Site Storage for LP	38.00	
Additional Storage Cost (Cost of Storage / Gal. of Capacity X Needed Capacity)	\$ 330,215	← (represents credit to be distributed among LP users based upon storage capacity)
Adjusted Storage Costs (Current Storage Cost + Additional)	\$ 660,429	
Adjusted Unit Cost of HSP & Storage (cost per Tgal)	\$ 0.68	

Unit Cost of Service By Function	O&M	Capital	Subtotal	Total
Treatment/Production (per Tgal)	\$ 0.20	\$ 0.09	\$ 0.29	\$ 0.26
Adjusted HSP & Storage (per Tgal)	N/A	N/A	\$ 0.68	\$ 0.68
Transmission (per LF of Trans. Main)	\$ 2.10	\$ 2.76	\$ 4.86	\$ 4.42
Distribution (per LF of Dist. Main)	\$ 2.05	\$ 2.38	\$ 4.43	\$ 4.04

Proposed Multi-Year Reclaimed Water Rate Schedule

Schedule 6

	<u>FY 2018</u> (Current Year)	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>
City-Wide Retail Rate per Tgal		0.00%	2.15%	2.15%	2.15%	2.15%
Tier 1	\$ 1.02	\$ 1.08	\$ 1.16	\$ 1.24	\$ 1.33	\$ 1.42
Tier 2	\$ 1.44	\$ 1.52	\$ 1.64	\$ 1.75	\$ 1.88	\$ 2.01
Target Cost Recovery	42%	45%	47%	49%	52%	54%
Resulting Cost Recovery		45%	47%	49%	52%	54%
Wholesale Reclaimed Rate per Tgal						
All Use	\$ 0.193	\$ 0.172	\$ 0.176	\$ 0.180	\$ 0.183	\$ 0.187
Target Cost Recovery	61%	54%	54%	54%	54%	54%
Resulting Cost Recovery		54%	54%	54%	54%	54%
Annual Charges in Total (Based upon test year demands)						
Low Pressure (Bulk)	\$ 85,070	\$ 75,814	\$ 77,577	\$ 79,340	\$ 80,662	\$ 82,425
High Pressure (Retail)	\$ 656,007	\$ 693,139	\$ 745,541	\$ 799,876	\$ 856,203	\$ 914,582
Total Reclaimed Revenue	\$ 741,077	\$ 768,953	\$ 823,118	\$ 879,216	\$ 936,865	\$ 997,007
\$ Change		\$ 27,877	\$ 54,165	\$ 56,098	\$ 57,649	\$ 60,142
% Change		3.8%	7.0%	6.8%	6.6%	6.4%

¹ The indexing 2.15% rate adjustments are based on the rate plan that was discussed with City staff and Stakeholder Working Group during the April 10, 2018 meeting.

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8/9/2018