



City of Venice, FL

Utility Rate Study Final Report

August 30, 2018





August 30, 2018

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

Re: Utility Rate Study – Final
Report

Dear Mr. Vargas,

Stantec is pleased to provide you with this Final 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 "Andrew 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 Final 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 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.

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	\$22,517,731	\$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	\$13,917,498	\$11,940,728	\$12,482,455	\$12,617,293	\$13,337,659	\$13,802,077

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	-	\$413,237	\$963,170	\$1,638,859	\$2,001,293	\$2,014,796
Total DS Payment	\$2,809,430	\$3,340,296	\$3,892,304	\$4,562,761	\$4,922,372	\$4,942,120
Senior-Lien DSC	4.09	4.98	4.60	4.33	4.14	4.23
Subordinate DSC	12.70	9.26	6.96	5.64	4.93	5.10

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.

In total, the CIP used in this analysis from FY 2018 – FY 2028 is approximately \$140 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

	Current Year	Projected Years				
Description	2018	2019	2020	2021	2022	2023
Total Capital Expenses	\$23,876,844	\$21,108,500	\$14,881,275	\$13,517,575	\$6,575,150	\$1,795,150

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 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 influence 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
Fund Balance (\$M)	\$14.1	\$11.1	\$11.9	\$12.4	\$14.0	\$18.4
Reserve Target (\$M)	\$10.9	\$11.1	\$11.9	\$12.4	\$12.2	\$11.2

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
- 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, 2.00% loan service fees, 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 cost of service, 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 cost of service will be discussed further in Section 4.

Table 3-6 Key Performance Statistics Summary

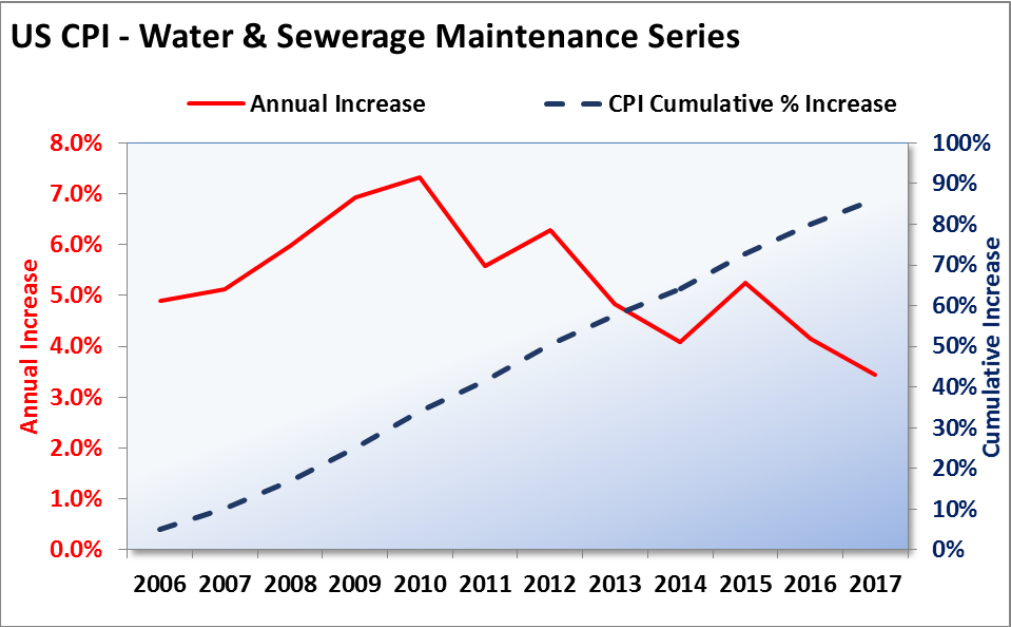
Description	Projected Years				
	2019	2020	2021	2022	2023
Water*	0.00%	2.15%	2.15%	2.15%	2.15%
Sewer	0.00%	2.15%	2.15%	2.15%	2.15%
Reclaimed (High Pressure)**	5.66%	7.56%	7.29%	7.04%	6.82%
Reclaimed (Low Pressure)**	-10.83%	2.15%	2.15%	2.15%	2.15%
Proposed Debt Proceeds (\$M)***	\$7.1	\$9.3	\$7.2	\$0.15	\$0.15
Senior-Lien Debt Service Coverage Ratio	4.98	4.60	4.33	4.14	4.23
Ending Cash Balance(\$M)	\$11.1	\$11.9	\$12.4	\$14.0	\$18.4

* 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.

*** Proceeds are net of issuance costs, loan service fees, and required reserves.

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, like 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 4-7 presents the calculated unit costs and Schedule 5 of Appendix B provides a summary of the reclaimed water cost allocations.

Table 4-7 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 4-8 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 4-8 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 4-9 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 4-10 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 4-11 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.

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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%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<u>Impact Fees:*</u>											
Water	\$1,210	\$1,210	\$1,246	\$1,284	\$1,322	\$1,362	\$1,403	\$1,445	\$1,488	\$1,533	\$1,579
Sewer	\$1,450	\$1,450	\$1,494	\$1,538	\$1,584	\$1,632	\$1,681	\$1,731	\$1,783	\$1,837	\$1,892
<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	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
<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

*An escalation factor of 3.00% is being applied to the Impact Fees starting in FY 2020. This is solely an assumption, and any fees set forth would have to be approved and adopted by the City Council.

Beginning Balances as of October 1, 2017**Schedule 2**

	Water and Sewer Utility Operating	Restricted Debt Service Reserves	Water Plant Capacity Charge	Sewer Plant Capacity Charge	Rolled Over Encumbranc es Capital	R&R Fund	2015 Bond Construction Acct
CURRENT UNRESTRICTED ASSETS							
Pooled Cash	\$ 23,949,787	2,261,225	3,446,436	2,161,579	1,258,663	1,000,000	2,853,952
Receivables:							
Billed	2,789,152						
Due from Other Governments	6,467						
Inventories	644,177						
TOTAL ASSETS	\$ 27,389,583	2,261,225	3,446,436	2,161,579	1,258,663	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)	\$ 23,950,330	2,261,225	3,446,436	2,161,579	1,258,663	1,000,000	2,853,952
Plus/(Less): Inventories	(644,177)						
AVAILABLE FUND BALANCE	\$ 23,306,153	2,261,225	3,446,436	2,161,579	1,258,663	1,000,000	2,853,952
TOTAL AVAILABLE FUNDS	\$ 36,288,008						

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 Potable Water Valve Repl Ph 12 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	-	-	-	-	-	-	-
17 US 41 Bypass Relocations-Gulf Coast	305,000	305,000	-	-	-	-	-	-	-	-	-
18 Encumbered	65,611	-	-	-	-	-	-	-	-	-	-
19 Eastgate Utilities Relocation - Phase 1	2,500,000	-	-	-	-	-	-	-	-	-	-
20 Encumbered	191,845	-	-	-	-	-	-	-	-	-	-
21 Grant Funded	500,000	-	-	-	-	-	-	-	-	-	-
22 Eastgate Utilities Relocation - Phase 2	350,000	2,750,000	-	-	-	-	-	-	-	-	-
23 Grant Funded	-	750,000	-	-	-	-	-	-	-	-	-
24 Eastgate Utilities Relocation - Phase 3	-	350,000	3,000,000	-	-	-	-	-	-	-	-
25 Water Main Replacement Program	2,250,000	2,250,000	2,500,000	-	-	-	-	-	-	-	-
26 Encumbered	1,709,035	-	-	-	-	-	-	-	-	-	-
27 Venetian Parkway Utilities Relocation	3,500,000	-	-	-	-	-	-	-	-	-	-
28 Encumbered	205,124	-	-	-	-	-	-	-	-	-	-
29 Installation of Gateways (5)	75,000	-	-	-	-	-	-	-	-	-	-
30 Trimble GPS Upgrade	12,000	-	-	-	-	-	-	-	-	-	-
31 DEPT 1203 - WATER PRODUCTION PROJECTS											
32 WTP Building A Upgrades	\$ 800,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33 Encumbered	145,305	-	-	-	-	-	-	-	-	-	-
34 WTP Building B Upgrades	2,300,000	-	-	-	-	-	-	-	-	-	-
35 WTP Building C Upgrades	400,000	-	-	-	-	-	-	-	-	-	-
36 WTP Building D (Meter Shop) Upgrades	75,000	236,250	236,250	-	-	-	-	-	-	-	-
37 WTP High Service Building Upgrade	200,000	-	-	-	-	-	-	-	-	-	-
38 WTP Clearwell Interior Rehab Encumbered	14,146	-	-	-	-	-	-	-	-	-	-
39 Booster Station (Ajax Property)	700,000	6,700,000	-	-	-	-	-	-	-	-	-
40 Sodium Hypochlorite Tank Replacement	120,000	300,000	-	-	-	-	-	-	-	-	-
41 WTP Solar Panel Installation	175,000	-	-	-	-	-	-	-	-	-	-
42 WTP Wellfield and Site Improvements	150,000	-	-	-	-	-	-	-	-	-	-
43 WTP Clearwell Interior Rehab Encumbered	135,175	-	-	-	-	-	-	-	-	-	-
44 WTP RO Clearwell Encumbered	653,245	-	-	-	-	-	-	-	-	-	-
45 New Production Well RO 8E/79	600,000	-	-	-	-	-	-	-	-	-	-
46 Wells and Booster Station Flow Meters	11,000	-	-	-	-	-	-	-	-	-	-
47 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
48 RO CO2 Feed System Encumbered	42,819	-	-	-	-	-	-	-	-	-	-
49 Replace Well 7AW Encumbered	17,825	-	-	-	-	-	-	-	-	-	-

Appendix A: Schedule 3 – Capital Improvement Program

	<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>
50 DEPT 1204 - WATER RECLAMATION PROJECTS											
51 Sludge Stabilization Tank Demolition (Expense?) Encumbered	\$ 80,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52 Reclaim Wtr Dtsn System Encumbered	399,250	-	-	-	-	-	-	-	-	-	-
53 WRF Slide Gate Improvements	300,000	-	-	-	-	-	-	-	-	-	-
54 WRF Seasonal Storage Pond Liner Replace	375,000	-	-	-	375,000	-	-	-	-	-	-
55 WRF Lift Station FM Imps Encumbered	270,547	-	-	-	-	-	-	-	-	-	-
56 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
57 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
58 Reaeration Blower Replacement Encumbered	492,955	-	-	-	-	-	-	-	-	-	-
59 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
60 Encumbered	72,540	-	-	-	-	-	-	-	-	-	-
61 Other Projects Encumbered	43,899	-	-	-	-	-	-	-	-	-	-
62 Bay Indies Utilities Relocation - Phase 1	-	375,000	3,000,000	-	-	-	-	-	-	-	-
63 Bay Indies Utilities Relocation - Phase 2	-	-	375,000	3,000,000	-	-	-	-	-	-	-
64 Aquifer Storage & Recovery Well	-	-	-	600,000	4,400,000	-	-	-	-	-	-
65 Booster Station Generator Replacement	-	82,000	-	-	-	-	-	-	-	-	-
66 CO2 Bulk Tank Replacement	-	175,000	-	-	-	-	-	-	-	-	-
67 Corrosion Inhibitor Bulk Tank Replacement	-	-	-	30,000	-	-	-	-	-	-	-
68 Force Main Replacements	-	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
69 Phase II RO CIP System	-	-	120,000	-	-	-	-	-	-	-	-
70 Reclaimed Water Storage Tank Conversion	-	-	100,000	500,000	-	-	-	-	-	-	-
71 RO Membrane Replacement	-	-	-	1,500,000	-	-	-	-	-	-	-
72 Second Force Main Under I-75	-	200,000	480,000	-	-	-	-	-	-	-	-
73 Outfall Composite, Sampler	-	7,750	-	-	-	-	-	-	-	-	-
74 Sewer Replacement Program	-	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
75 Parkson Aqua Guard Screens	-	-	700,000	-	-	-	-	-	-	-	-
76 Energy Projects (changed from Solar Panel Installation)	-	150,000	-	-	-	-	-	-	-	-	-
77 Reclaimed Valve Replacement Program	-	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
78 WRF Milling and Resurfacing	-	135,000	-	-	-	-	-	-	-	-	-
79 WRF Storage Building	-	250,000	-	-	-	-	-	-	-	-	-
80 WTP Day Tank Building Upgrade	-	60,000	-	-	-	-	-	-	-	-	-
81 WTP Second Stage Membrane Addition	-	-	300,000	3,000,000	-	-	-	-	-	-	-
82 Well Replacement	-	-	100,000	1,500,000	-	-	-	-	-	-	-
83 WRF Building Improvements	-	-	120,000	-	-	-	-	-	-	-	-
84 WTP Fencing Improvements	-	-	220,000	-	-	-	-	-	-	-	-
85 WTP Generator Replacement	-	350,000	-	-	-	-	-	-	-	-	-
86 Unspecified Projects*	-	-	-	-	-	-	9,780,380	9,780,380	9,780,380	9,780,380	9,780,380
87 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.

Projection of Cash Inflows

Schedule 4

	<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>
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	3.81%	7.04%	6.82%	6.56%	6.42%	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	\$ 300,310	239,428	263,644	319,717	344,364	405,116	420,138	386,783	387,362	399,896	416,976
31 Interest Income - Restricted	70,201	61,163	46,896	54,988	34,207	19,296	26,997	35,165	43,822	52,991	62,699
32 Total Non-Operating Revenue	\$ 370,512	\$ 300,591	\$ 310,540	\$ 374,706	\$ 378,571	\$ 424,411	\$ 447,135	\$ 421,949	\$ 431,184	\$ 452,888	\$ 479,675
33 TOTAL OPERATING CASH INFLOWS	\$ 23,238,355	\$ 23,632,660	\$ 24,326,198	\$ 25,094,673	\$ 25,823,781	\$ 26,617,318	\$ 27,370,681	\$ 28,097,883	\$ 28,881,928	\$ 29,701,560	\$ 30,550,110

*Reclaimed water rate increase is a result of the Cost of Service analysis and target cost recoveries from the rates.

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	6,710	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	648,772	671,479	694,981	719,305	744,481	770,538	797,506	825,419	854,309	884,210	915,157
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	50,709	52,484	54,321	56,222	58,190	60,226	62,334	64,516	66,774	69,111	71,530
37 536.22-00 - RETIREMENT CONTRIBUTIONS	52,114	53,938	55,826	57,780	59,802	61,895	64,061	66,304	68,624	71,026	73,512
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 TOTAL FUND 421 UTILITY ADMIN EXP DEPARTMENT 1201	\$ 2,200,326	\$ 2,203,145	\$ 2,194,420	\$ 2,265,168	\$ 2,338,210	\$ 2,500,566	\$ 2,581,033	\$ 2,664,104	\$ 2,749,864	\$ 2,838,401	\$ 2,929,807
41 FUND 421 UTILITIES DISTRIBUTION DEPARTMENT 1202											
42 Exp - Insurance											
43 536.45-00 - INSURANCE	\$ 24,845	\$ 25,590	\$ 26,358	\$ 27,149	\$ 27,963	\$ 28,802	\$ 29,666	\$ 30,556	\$ 31,473	\$ 32,417	\$ 33,390
44 Exp - Maintenance											
45 536.46-00 - 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
46 536.46-37 - 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
47 536.46-38 - 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
48 536.46-39 - 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

Appendix A: Schedule 5 – Projection of Cash Outflows

	<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>
49 <i>Exp - Miscellaneous, services and supplies</i>											
50 536.40-00 - 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
51 536.42-00 - FREIGHT & POSTAGE	2,000	2,060	2,122	2,185	2,251	2,319	2,388	2,460	2,534	2,610	2,688
52 536.44-00 - 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
53 536.44-50 - 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
54 536.47-00 - 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
55 536.51-00 - OFFICE SUPPLIES	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720
56 536.52-00 - OPERATING SUPPLIES	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	65,239	67,196
57 536.52-04 - 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
58 536.52-25 - 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
59 536.52-35 - 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
60 536.53-00 - 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
61 536.54-00 - 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
62 <i>Exp - Professional/Contractual Services</i>											
63 536.31-00 - PROFESSIONAL SERVICES	368,042	309,000	265,225	273,182	281,377	289,819	298,513	307,468	316,693	326,193	335,979
64 536.34-00 - 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
65 <i>Exp - Salaries and Wages</i>											
66 536.12-00 - 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
67 536.14-00 - OVERTIME	25,000	25,875	26,781	27,718	28,688	29,692	30,731	31,807	32,920	34,072	35,265
68 536.15-00 - SPECIAL PAY	29,427	30,457	31,523	32,626	33,768	34,950	36,173	37,439	38,750	40,106	41,510
69 536.21-00 - FICA	86,420	89,445	92,575	95,815	99,169	102,640	106,232	109,950	113,799	117,782	121,904
70 536.22-00 - RETIREMENT CONTRIBUTIONS	90,327	93,488	96,761	100,147	103,652	107,280	111,035	114,921	118,943	123,106	127,415
71 536.23-00 - 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
72 536.24-00 - WORKERS' COMPENSATION	25,663	26,561	27,491	28,453	29,449	30,480	31,546	32,651	33,793	34,976	36,200
73 TOTAL FUND 421 UTILITIES DISTRIBUTION DEPARTMENT 1202	\$ 3,320,370	\$ 3,358,594	\$ 3,415,307	\$ 3,527,082	\$ 3,642,535	\$ 3,761,790	\$ 3,884,972	\$ 4,012,211	\$ 4,143,641	\$ 4,279,401	\$ 4,419,635
74 FUND 421 WATER PRODUCTION EXP DEPARTMENT 1203											
75 <i>Exp - Insurance</i>											
76 533.45-00 - INSURANCE	\$ 122,361	\$ 126,032	\$ 129,813	\$ 133,707	\$ 137,718	\$ 141,850	\$ 146,105	\$ 150,489	\$ 155,003	\$ 159,653	\$ 164,443
77 <i>Exp - Maintenance</i>											
78 533.46-00 - 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
79 533.46-37 - 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
80 533.46-38 - 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
81 533.46-39 - 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
82 <i>Exp - Miscellaneous, services and supplies</i>											
83 533.40-00 - 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
84 533.42-00 - FREIGHT & POSTAGE	450	464	477	492	506	522	537	553	570	587	605
85 533.44-00 - 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
86 533.44-50 - 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
87 533.47-00 - PRINTING AND BINDING	500	515	530	546	563	580	597	615	633	652	672
88 533.48-00 - PROMOTIONAL ACTIVITIES	57,400	59,122	60,896	62,723	64,604	66,542	68,539	70,595	72,713	74,894	77,141
89 533.51-00 - OFFICE SUPPLIES	2,500	2,575	2,652	2,732	2,814	2,898	2,985	3,075	3,167	3,262	3,360
90 533.52-00 - OPERATING SUPPLIES	339,000	349,170	359,645	370,434	381,547	392,994	404,784	416,927	429,435	442,318	455,588
91 533.52-02 - 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
92 533.52-04 - OPER SUPP / TREES, SHRUBS, SOD	500	515	530	546	563	580	597	615	633	652	672
93 533.52-25 - 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
94 533.52-35 - 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
95 533.54-00 - 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
96 <i>Exp - Professional Services</i>											
97 533.31-00 - PROFESSIONAL SERVICES	903,866	255,440	250,372	243,678	490,722	351,260	361,798	372,652	383,831	395,346	407,207
98 533.34-00 - 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

Appendix A: Schedule 5 – Projection of Cash Outflows

	<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>
99 <i>Exp - Salaries and Wages</i>											
100 533.12-00 - 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
101 533.14-00 - OVERTIME	35,000	36,225	37,493	38,805	40,163	41,569	43,024	44,530	46,088	47,701	49,371
102 533.15-00 - SPECIAL PAY	25,181	26,062	26,975	27,919	28,896	29,907	30,954	32,037	33,159	34,319	35,520
103 533.21-00 - FICA	60,259	62,368	64,551	66,810	69,149	71,569	74,074	76,666	79,350	82,127	85,001
104 533.22-00 - RETIREMENT CONTRIBUTIONS	68,144	70,529	72,998	75,552	78,197	80,934	83,766	86,698	89,733	92,873	96,124
105 533.23-00 - 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
106 533.24-00 - WORKERS' COMPENSATION	22,845	23,645	24,472	25,329	26,215	27,133	28,082	29,065	30,083	31,135	32,225
107 <i>Exp - Utilities</i>											
108 533.43-00 - UTILITY SERVICES	380,370	391,781	403,535	415,641	428,110	440,953	454,182	467,807	481,841	496,297	511,185
109 <i>Exp - Non-Operating</i>											
110 533.90-00 LIME SLUDGE CLEANUP*	2,180,302	-	-	-	-	-	-	-	-	-	-
111 TOTAL FUND 421 WATER PRODUCTION EXP DEPARTMENT 1203	\$ 5,760,549	\$ 3,018,029	\$ 3,101,962	\$ 3,187,153	\$ 3,529,060	\$ 3,487,538	\$ 3,599,190	\$ 3,714,438	\$ 3,833,399	\$ 3,956,191	\$ 4,082,940
112 FUND 421 WATER RECLAMATION EXP DEPARTMENT 1204											
113 <i>Exp - Insurance</i>											
114 535.45-00 - INSURANCE	\$ 212,355	\$ 218,726	\$ 225,287	\$ 232,046	\$ 239,007	\$ 246,178	\$ 253,563	\$ 261,170	\$ 269,005	\$ 277,075	\$ 285,387
115 <i>Exp - Maintenance</i>											
116 535.46-00 - 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
117 535.46-37 - 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
118 535.46-38 - 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
119 535.46-39 - 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
120 <i>Exp - Miscellaneous, services and supplies</i>											
121 535.40-00 - TRAVEL AND TRAINING	3,840	3,955	4,074	4,196	4,322	4,452	4,585	4,723	4,864	5,010	5,161
122 535.42-00 - FREIGHT & POSTAGE	750	773	796	820	844	869	896	922	950	979	1,008
123 535.44-00 - RENTALS AND LEASES	8,440	8,693	8,954	9,223	9,499	9,784	10,078	10,380	10,692	11,012	11,343
124 535.44-50 - RENTALS AND LEASES-FLEET REPL	79,902	82,299	84,768	87,311	89,930	92,628	95,407	98,269	101,217	104,254	107,382
125 535.47-00 - PRINTING & BINDING	400	412	424	437	450	464	478	492	507	522	538
126 535.51-00 - OFFICE SUPPLIES	3,500	3,605	3,713	3,825	3,939	4,057	4,179	4,305	4,434	4,567	4,704
127 535.52-00 - OPERATING SUPPLIES	187,500	193,125	198,919	204,886	211,033	217,364	223,885	230,601	237,519	244,645	251,984
128 535.52-02 - OPER SUPP / ODOR CONTROL	150,000	154,500	159,135	163,909	168,826	173,891	179,108	184,481	190,016	195,716	201,587
129 535.52-04 - OPER SUPP / TREES, SHRUBS, & SOD	1,000	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344
130 535.52-25 - OPER SUPP / SAFETY SHOES REIMBURSE	1,050	1,082	1,114	1,147	1,182	1,217	1,254	1,291	1,330	1,370	1,411
131 535.52-35 - OPERATING SUPPLIES / GASOLINE	38,000	39,140	40,314	41,524	42,769	44,052	45,374	46,735	48,137	49,581	51,069
132 535.54-00 - BOOKS, SUBSCRIPTIONS	8,814	9,078	9,351	9,631	9,920	10,218	10,524	10,840	11,165	11,500	11,845
133 <i>Exp - Professional Services</i>											
134 535.31-00 - PROFESSIONAL SERVICES	213,237	103,000	424,360	152,982	264,495	376,764	388,067	399,709	411,700	424,051	436,773
135 535.34-00 - OTHER CONTRACTUAL SERVICE	363,532	374,438	385,671	397,241	409,158	421,433	434,076	447,099	460,511	474,327	488,557
136 <i>Exp - Salaries and Wages</i>											
137 535.12-00 - REGULAR SALARIES & WAGES	917,439	949,549	982,784	1,017,181	1,052,782	1,089,630	1,127,767	1,167,239	1,208,092	1,250,375	1,294,138
138 535.14-00 - OVERTIME	50,000	51,750	53,561	55,436	57,376	59,384	61,463	63,614	65,840	68,145	70,530
139 535.15-00 - SPECIAL PAY	28,491	29,488	30,520	31,588	32,694	33,838	35,023	36,249	37,517	38,830	40,189
140 535.21-00 - FICA	76,190	78,857	81,617	84,473	87,430	90,490	93,657	96,935	100,328	103,839	107,474
141 535.22-00 - RETIREMENT CONTRIBUTIONS	81,173	84,014	86,955	89,998	93,148	96,408	99,782	103,275	106,889	110,630	114,503
142 535.23-00 - LIFE & HEALTH INSURANCE	276,839	286,528	296,557	306,936	317,679	328,798	340,306	352,217	364,544	377,303	390,509
143 535.24-00 - WORKERS' COMPENSATION	31,604	32,710	33,855	35,040	36,266	37,536	38,849	40,209	41,616	43,073	44,581
144 <i>Exp - Utilities</i>											
145 535.43-00 - UTILITY SERVICES	361,827	372,682	383,862	395,378	407,239	419,457	432,040	445,002	458,352	472,102	486,265
146 535.43-02 - UTILITY SERVICES / LIFT STATIONS	118,609	122,167	125,832	129,607	133,495	137,500	141,625	145,874	150,250	154,758	159,401
147 TOTAL FUND 421 WATER RECLAMATION EXP DEPARTMENT 1204	\$ 3,645,842	\$ 3,645,892	\$ 4,081,103	\$ 3,927,256	\$ 4,160,101	\$ 4,397,625	\$ 4,538,234	\$ 4,683,366	\$ 4,833,165	\$ 4,987,784	\$ 5,147,379

Appendix A: Schedule 5 – Projection of Cash Outflows

		FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
148	Additional Expenses											
149	FTE Additions 1202	\$ -	\$ 160,258	\$ 165,867	\$ 171,672	\$ 177,681	\$ 183,900	\$ 190,336	\$ 196,998	\$ 203,893	\$ 211,029	\$ 218,415
150	FTE Additions 1203	-	80,967	83,801	86,734	89,770	92,911	96,163	99,529	103,013	106,618	110,350
151	FTE Additions 1204	-	139,039	143,905	148,942	154,155	159,550	165,135	170,914	176,896	183,088	189,496
152	Backflow Device Program	-	302,017	311,078	320,410	330,022	339,923	350,120	360,624	371,443	382,586	394,064
153	TOTAL OPERATING EXPENSES	\$ 14,927,087	\$ 12,907,940	\$ 13,497,443	\$ 13,634,417	\$ 14,421,534	\$ 14,923,804	\$ 15,405,184	\$ 15,902,184	\$ 16,415,314	\$ 16,945,099	\$ 17,492,085
154	<u>Operating Expense Summary by Category</u>											
155	Personal Services	\$ 5,301,785	\$ 5,867,611	\$ 6,072,978	\$ 6,285,532	\$ 6,505,526	\$ 6,733,219	\$ 6,968,882	\$ 7,212,793	\$ 7,465,240	\$ 7,726,524	\$ 7,996,952
156	Fixed Operating Expense	7,445,000	6,738,312	7,113,388	7,028,475	7,585,986	7,850,662	8,086,182	8,328,767	8,578,630	8,835,989	9,101,069
157	Variable Operating Expenses	2,180,302	302,017	311,078	320,410	330,022	339,923	350,120	360,624	371,443	382,586	394,064
158	Total Operating Expenses by Category	\$ 14,927,087	\$ 12,907,940	\$ 13,497,443	\$ 13,634,417	\$ 14,421,534	\$ 14,923,804	\$ 15,405,184	\$ 15,902,184	\$ 16,415,314	\$ 16,945,099	\$ 17,492,085
159	<u>Operating Expense Execution</u>											
160	Personal Services	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%
161	Fixed Operating Expense	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%	90%
162	Variable Operating Expenses	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
163	<u>Executed Operating Expenses</u>											
164	Personal Services	\$ 5,036,696	\$ 5,574,231	\$ 5,769,329	\$ 5,971,255	\$ 6,180,249	\$ 6,396,558	\$ 6,620,438	\$ 6,852,153	\$ 7,091,978	\$ 7,340,198	\$ 7,597,105
165	Fixed Operating Expense	6,700,500	6,064,480	6,402,049	6,325,627	6,827,387	7,065,596	7,277,564	7,495,891	7,720,767	7,952,390	8,190,962
166	Variable Operating Expenses	2,180,302	302,017	311,078	320,410	330,022	339,923	350,120	360,624	371,443	382,586	394,064
167	Total Executed Operating Expenses	\$ 13,917,498	\$ 11,940,728	\$ 12,482,455	\$ 12,617,293	\$ 13,337,659	\$ 13,802,077	\$ 14,248,122	\$ 14,708,668	\$ 15,184,188	\$ 15,675,174	\$ 16,182,130
168	<u>Transfers Out:</u>											
169	536.49-02 - Administrative Charges	\$ 1,509,724	1,562,564	1,617,254	1,673,858	1,732,443	1,793,079	1,855,836	1,920,791	1,988,018	2,057,599	2,129,615
170	9902-581.91-28 - Transfers To Fleet Fund	1,265,010	-	-	-	-	-	-	-	-	-	-
171	Sarasota County 10% Revenue Restriction	223,737	223,737	228,546	233,459	238,478	243,604	248,841	254,190	259,655	265,236	270,938
172	Total Transfers Out	\$ 2,998,471	\$ 1,786,301	\$ 1,845,800	\$ 1,907,317	\$ 1,970,921	\$ 2,036,683	\$ 2,104,677	\$ 2,174,981	\$ 2,247,673	\$ 2,322,835	\$ 2,400,553
173	<u>Debt Service Payments:</u>											
174	Existing Outstanding Debt	\$ 2,809,430	2,927,059	2,929,134	2,923,902	2,921,079	2,927,324	2,490,594	2,492,719	2,497,744	2,495,722	2,494,116
175	Cumulative Annual New Debt Service (model calculated)**	-	413,237	963,170	1,638,859	2,001,293	2,014,796	2,123,035	2,422,646	2,858,587	3,356,878	3,893,551
176	Total Debt Service Payments	\$ 2,809,430	\$ 3,340,296	\$ 3,892,304	\$ 4,562,761	\$ 4,922,372	\$ 4,942,120	\$ 4,613,629	\$ 4,915,365	\$ 5,356,331	\$ 5,852,600	\$ 6,387,667
177	TOTAL OPERATING CASH OUTFLOWS	\$ 19,725,399	\$ 17,067,326	\$ 18,220,560	\$ 19,087,371	\$ 20,230,952	\$ 20,780,879	\$ 20,966,428	\$ 21,799,013	\$ 22,788,192	\$ 23,850,610	\$ 24,970,350

*Represents accrual basis accounting for this project.

**The City is assuming new subordinate debt service payments will begin in the year following the debt issuance.

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%

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	46,455	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
35 Plus: Other Operating Revenues											
36 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
37 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
38 Less: Operating Expenses											
39 Personal Services	\$ (5,036,696)	\$ (5,574,231)	\$ (5,769,329)	\$ (5,971,255)	\$ (6,180,249)	\$ (6,396,558)	\$ (6,620,438)	\$ (6,852,153)	\$ (7,091,978)	\$ (7,340,198)	\$ (7,597,105)
40 Variable O&M	(2,180,302)	(302,017)	(311,078)	(320,410)	(330,022)	(339,923)	(350,120)	(360,624)	(371,443)	(382,586)	(394,064)
41 Fixed O&M	(6,700,500)	(6,064,480)	(6,402,049)	(6,325,627)	(6,827,387)	(7,065,596)	(7,277,564)	(7,495,891)	(7,720,767)	(7,952,390)	(8,190,962)
42 Equals: Net Operating Income	\$ 8,950,346	\$ 11,391,340	\$ 11,533,203	\$ 12,102,675	\$ 12,107,551	\$ 12,390,830	\$ 12,675,424	\$ 12,967,266	\$ 13,266,556	\$ 13,573,498	\$ 13,888,305
43 Plus: Non-Operating Income/(Expense)											
44 Interest Income - Unrestricted	\$ 300,310	\$ 239,428	\$ 263,644	\$ 319,717	\$ 344,364	\$ 405,116	\$ 420,138	\$ 386,783	\$ 387,362	\$ 399,896	\$ 416,976
45 Restricted Interest Income	70,201	61,163	46,896	54,988	34,207	19,296	26,997	35,165	43,822	52,991	62,699
46 Transfers In	-	-	-	-	-	-	-	-	-	-	-
47 Equals: Operating Fund Net Income	\$ 9,320,857	\$ 11,691,931	\$ 11,843,743	\$ 12,477,380	\$ 12,486,122	\$ 12,815,241	\$ 13,122,559	\$ 13,389,215	\$ 13,697,740	\$ 14,026,385	\$ 14,367,980
48 Less: Revenues Excluded From Coverage Test											
49 Other Capital Funding Sources	(70,201)	(61,163)	(46,896)	(54,988)	(34,207)	(19,296)	(26,997)	(35,165)	(43,822)	(52,991)	(62,699)
50 Transfers In	-	-	-	-	-	-	-	-	-	-	-
51 Equals: Net Income Available For Debt Service	\$ 9,250,656	\$ 11,630,769	\$ 11,796,846	\$ 12,422,392	\$ 12,451,916	\$ 12,795,946	\$ 13,095,562	\$ 13,354,050	\$ 13,653,918	\$ 13,973,394	\$ 14,305,281

	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
52 Senior-Lien Debt Service Coverage Test											
53 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
54 Cumulative New Senior-Lien Debt Service	-	78,702	305,948	616,017	755,665	769,168	877,407	1,177,018	1,612,959	2,111,250	2,647,923
55 Total Senior-Lien Debt Service	\$ 2,259,100	2,336,427	2,565,348	2,869,892	3,007,540	3,026,218	3,129,007	3,430,743	3,871,709	4,367,978	4,903,045
56 Calculated Debt Service Coverage (Revenues Only)	1.50 Req. 4.09	4.98	4.60	4.33	4.14	4.23	4.19	3.89	3.53	3.20	2.92
57 Cash Flow Test											
58 Net Income Available For Senior-Lien Debt Service	\$ 9,250,656	\$ 11,630,769	\$ 11,796,846	\$ 12,422,392	\$ 12,451,916	\$ 12,795,946	\$ 13,095,562	\$ 13,354,050	\$ 13,653,918	\$ 13,973,394	\$ 14,305,281
59 Total Senior-Lien Debt Service and Coverage	(2,259,100)	(2,336,427)	(2,565,348)	(2,869,892)	(3,007,540)	(3,026,218)	(3,129,007)	(3,430,743)	(3,871,709)	(4,367,978)	(4,903,045)
60 Net Income Available for Subordinate Debt Service	\$ 6,991,556	\$ 9,294,342	\$ 9,231,499	\$ 9,552,500	\$ 9,444,375	\$ 9,769,728	\$ 9,966,555	\$ 9,923,307	\$ 9,782,209	\$ 9,605,416	\$ 9,402,236
61 Subordinate Debt Service Coverage Test											
62 Existing Subordinate Debt Service	\$ 550,330	\$ 669,334	\$ 669,734	\$ 670,027	\$ 669,204	\$ 670,274	\$ 238,994	\$ 238,994	\$ 238,994	\$ 238,994	\$ 238,994
63 Cumulative New Subordinate Debt Service	-	334,535	657,223	1,022,843	1,245,628	1,245,628	1,245,628	1,245,628	1,245,628	1,245,628	1,245,628
64 Total Subordinate Debt Service	\$ 550,330	\$ 1,003,869	\$ 1,326,957	\$ 1,692,870	\$ 1,914,832	\$ 1,915,902	\$ 1,484,622	\$ 1,484,622	\$ 1,484,622	\$ 1,484,622	\$ 1,484,622
65 Calculated Debt Service Coverage	1.50 Req. 12.70	9.26	6.96	5.64	4.93	5.10	6.71	6.68	6.59	6.47	6.33
66 Net Income Available For Debt Service	\$ 9,250,656	\$ 11,630,769	\$ 11,796,846	\$ 12,422,392	\$ 12,451,916	\$ 12,795,946	\$ 13,095,562	\$ 13,354,050	\$ 13,653,918	\$ 13,973,394	\$ 14,305,281
67 Less: Non-Operating Expenditures											
68 Net Interfund Transfers (In - Out)	(2,998,471)	(1,786,301)	(1,845,800)	(1,907,317)	(1,970,921)	(2,036,683)	(2,104,677)	(2,174,981)	(2,247,673)	(2,322,835)	(2,400,553)
69 Net Debt Service Payment (Debt Service - Plant Capacity Charges Payme	(2,585,692)	(3,116,560)	(3,663,758)	(4,329,302)	(4,683,895)	(4,698,515)	(4,364,788)	(4,661,175)	(5,096,677)	(5,587,364)	(6,116,729)
77 Net Cash Flow	\$ 3,666,492	\$ 6,727,908	\$ 6,287,288	\$ 6,185,773	\$ 5,797,100	\$ 6,060,747	\$ 6,626,097	\$ 6,517,894	\$ 6,309,568	\$ 6,063,195	\$ 5,787,999
78 Available Working Capital Reserve Fund											
79 Balance At Beginning Of Fiscal Year	\$ 23,306,153	\$ 14,108,416	\$ 11,148,132	\$ 11,885,327	\$ 12,386,157	\$ 14,019,237	\$ 18,434,834	\$ 15,342,453	\$ 14,553,120	\$ 14,550,294	\$ 14,821,366
80 Minimum Working Capital Reserve Target	10,863,209	11,148,132	11,885,327	12,386,157	12,197,486	11,213,015	15,342,453	14,553,120	14,550,294	14,821,366	15,193,239
81 Excess Working Capital Above Target	12,442,944	2,960,284	-	-	188,671	2,806,222	3,092,381	789,333	2,826	-	-
82 Reserve Fund Balance Used For Cash Flow Deficit	-	-	-	-	-	-	-	-	-	-	-
83 Excess Fund Balance, Net Of Cash Flow Deficit	\$ 12,442,944	\$ 2,960,284	\$ -	\$ -	\$ 188,671	\$ 2,806,222	\$ 3,092,381	\$ 789,333	\$ 2,826	\$ -	\$ -
84 Unrestricted Working Capital Reserve Fund Test											
85 Balance At Beginning Of Fiscal Year	\$ 23,306,153	\$ 14,108,416	\$ 11,148,132	\$ 11,885,327	\$ 12,386,157	\$ 14,019,237	\$ 18,434,834	\$ 15,342,453	\$ 14,553,120	\$ 14,550,294	\$ 14,821,366
86 Cash Flow Surplus/(Deficit)	3,666,492	6,727,908	6,287,288	6,185,773	5,797,100	6,060,747	6,626,097	6,517,894	6,309,568	6,063,195	5,787,999
87 Projects Designated to be Paid with Cash	-	(275,000)	(275,000)	(275,000)	-	-	-	-	-	-	-
88 Projects Paid with Reserve Funds (Non Specified Funds or Cash)	(12,864,229)	(9,413,192)	(5,275,093)	(5,409,943)	(4,164,020)	(1,645,150)	(9,718,478)	(7,307,227)	(6,312,395)	(5,792,122)	(5,416,127)
89 Balance At End Of Fiscal Year	\$ 14,108,416	11,148,132	11,885,327	12,386,157	14,019,237	18,434,834	15,342,453	14,553,120	14,550,294	14,821,366	15,193,239
90 Minimum Working Capital Reserve Target	10,863,209	11,148,132	11,885,327	12,386,157	12,197,486	11,213,015	15,342,453	14,553,120	14,550,294	14,821,366	15,193,239
91 Excess Working Capital Above Target	\$ 3,245,207	\$ -	\$ -	\$ -	\$ 1,821,751	\$ 7,221,820	\$ -	\$ (0)	\$ (0)	\$ (0)	\$ (0)

Capital Project Funding Summary

Schedule 8

Capital Project Funding Sources:	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Water Plant Capacity Charge	\$ 700,000	\$ 3,536,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer Plant Capacity Charge	-	-	-	600,000	2,261,130	-	-	-	-	-	-
Rolled Over Encumbrances	1,258,663	-	-	-	-	-	-	-	-	-	-
2015 Bond Construction Account	2,853,952	-	-	-	-	-	-	-	-	-	-
Grant Fund	500,000	750,000	-	-	-	-	-	-	-	-	-
Operating Fund	12,864,229	9,413,192	5,275,093	5,409,943	4,164,020	1,645,150	9,718,478	7,307,227	6,312,395	5,792,122	5,416,127
Subordinate Debt	5,700,000	5,350,000	5,900,000	3,500,000	-	-	-	-	-	-	-
Senior Debt	-	1,783,422	3,431,182	3,732,632	150,000	150,000	1,857,052	4,268,303	5,263,135	5,783,408	6,159,403
Projects Designated to be Paid with Cash (Operating Fund)	-	275,000	275,000	275,000	-	-	-	-	-	-	-
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
Total CIP Input	\$ 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
Variance	\$ -	-	-	-	-	-	-	-	-	-	-

Long-Term Borrowing Projections

Schedule 9

		<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>
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%
<u>Sources of Funds</u>												
Par Amount		\$ -	1,967,548	3,792,282	4,133,024	166,399	166,712	2,063,947	4,743,838	5,849,504	6,427,741	6,845,626
<u>Uses of Funds</u>												
Proceeds		\$ -	1,783,422	3,431,182	3,732,632	150,000	150,000	1,857,052	4,268,303	5,263,135	5,783,408	6,159,403
Cost of Issuance	2.00%	-	39,351	75,846	82,660	3,328	3,334	41,279	94,877	116,990	128,555	136,913
Underwriter's Discount	\$0.00	-	-	-	-	-	-	-	-	-	-	-
Bond Insurance	-	-	-	-	-	-	-	-	-	-	-	-
Capitalized Interest	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Surety	0.00%	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve	1	-	144,776	285,255	317,731	13,071	13,377	165,616	380,658	469,379	515,779	549,311
Other Costs	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses		\$ -	1,967,548	3,792,282	4,133,024	166,399	166,712	2,063,947	4,743,837	5,849,504	6,427,741	6,845,627
1 Year Interest		\$ -	78,702	161,172	185,986	7,904	8,336	103,197	237,192	292,475	321,387	342,281
Annual Debt Service		\$ -	144,776	285,255	317,731	13,071	13,377	165,616	380,658	469,379	515,779	549,311
Total Debt Service		\$ -	2,895,513	5,705,097	6,354,619	261,414	267,548	3,312,329	7,613,157	9,387,587	10,315,571	10,986,215
Cumulative Annual New Debt Service*		\$ -	\$ 78,702	\$ 305,948	\$ 616,017	\$ 755,665	\$ 769,168	\$ 877,407	\$ 1,177,018	\$ 1,612,959	\$ 2,111,250	\$ 2,647,923

*Interest-only payment is required in the first year of issuance.

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		\$ 5,887,595	5,540,102	6,125,191	3,642,857	-	-	-	-	-	-	-
Uses of Funds												
Proceeds		\$ 5,700,000	5,350,000	5,900,000	3,500,000	-	-	-	-	-	-	-
Cost of Issuance	0.00% of Par	-	-	-	-	-	-	-	-	-	-	-
Loan Repayment Res.	0.00% of Capital Cost	-	-	-	-	-	-	-	-	-	-	-
Loan Service Fee	2.00% of Capital Cost	114,000	107,000	118,000	70,000	-	-	-	-	-	-	-
Capitalized Interest	1 Years Interest	73,595	83,102	107,191	72,857	-	-	-	-	-	-	-
Debt Service Reserve	- Years of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-	-	-	-	-
Total Uses		\$ 5,887,595	5,540,102	6,125,191	3,642,857	-	-	-	-	-	-	-
1 Year Interest		\$ 73,595	83,102	107,191	72,857	-	-	-	-	-	-	-
Annual Debt Service		\$ 334,535	322,687	365,620	222,785	-	-	-	-	-	-	-
Total Debt Service		\$ 6,690,709	6,453,746	7,312,403	4,455,704	-	-	-	-	-	-	-
Cumulative Annual New Debt Service		\$ 334,535	\$ 657,223	\$ 1,022,843	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628
Delayed Debt Service Payment*			\$ 334,535	\$ 657,223	\$ 1,022,843	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628	\$ 1,245,628

*The City is assuming new subordinate debt service payments will begin in the year following the debt issuance.

Funding Summary by Fund

Schedule 11

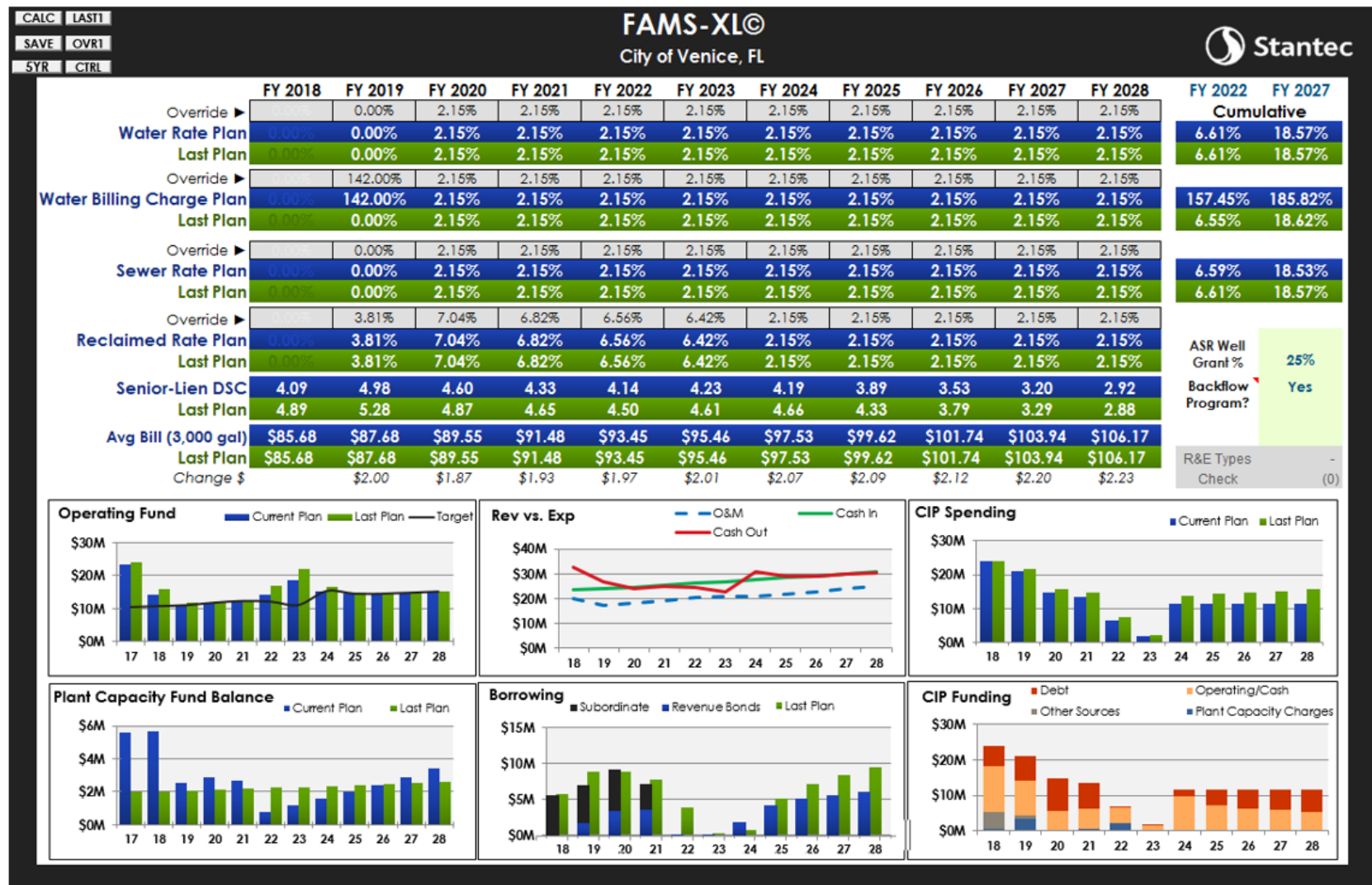
	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>FY 2022</u>	<u>FY 2023</u>	<u>FY 2024</u>	<u>FY 2025</u>	<u>FY 2026</u>	<u>FY 2027</u>	<u>FY 2028</u>
<u>WATER PLANT CAPACITY CHARGE</u>											
Balance at the Beginning of the Fiscal Year	\$ 3,446,436	3,318,454	24,888	255,682	501,923	764,047	1,042,872	1,339,250	1,654,079	1,988,296	2,342,884
Additional Annual Revenues	530,000	218,433	228,360	238,739	249,590	260,934	272,793	285,192	298,154	311,705	325,872
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 3,976,436	3,536,887	253,249	494,422	751,513	1,024,981	1,315,665	1,624,442	1,952,233	2,300,001	2,668,756
Less: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$ 3,976,436	3,536,887	253,249	494,422	751,513	1,024,981	1,315,665	1,624,442	1,952,233	2,300,001	2,668,756
Amount Paid for Projects	(700,000)	(3,536,887)	-	-	-	-	-	-	-	-	-
Subtotal	\$ 3,276,436	-	253,249	494,422	751,513	1,024,981	1,315,665	1,624,442	1,952,233	2,300,001	2,668,756
Add Back: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	42,018	24,888	2,434	7,501	12,534	17,890	23,585	29,637	36,063	42,883	50,116
Less: Interest Allocated to Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$ 3,318,454	\$ 24,888	\$ 255,682	\$ 501,923	\$ 764,047	\$ 1,042,872	\$ 1,339,250	\$ 1,654,079	\$ 1,988,296	\$ 2,342,884	\$ 2,718,872
<u>SEWER PLANT CAPACITY CHARGE</u>											
Balance at the Beginning of the Fiscal Year	\$ 2,161,579	2,375,962	2,496,903	2,629,008	2,167,218	21,672	120,291	224,332	334,028	449,615	571,342
Additional Annual Revenues	186,200	84,666	87,642	90,723	93,912	97,213	100,630	104,167	107,828	111,619	115,542
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 2,347,779	2,460,629	2,584,545	2,719,731	2,261,130	118,885	220,920	328,499	441,856	561,234	686,884
Less: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$ 2,347,779	2,460,629	2,584,545	2,719,731	2,261,130	118,885	220,920	328,499	441,856	561,234	686,884
Amount Paid for Projects	-	-	-	(600,000)	(2,261,130)	-	-	-	-	-	-
Subtotal	\$ 2,347,779	2,460,629	2,584,545	2,119,731	-	118,885	220,920	328,499	441,856	561,234	686,884
Add Back: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	28,183	36,274	44,463	47,487	21,672	1,406	3,412	5,528	7,759	10,108	12,582
Less: Interest Allocated to Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$ 2,375,962	\$ 2,496,903	\$ 2,629,008	\$ 2,167,218	\$ 21,672	\$ 120,291	\$ 224,332	\$ 334,028	\$ 449,615	\$ 571,342	\$ 699,466
<u>ROLLED OVER ENCUMBRANCES CAPITAL FUND</u>											
Balance at the Beginning of the Fiscal Year	\$ 1,258,663	-	-	-	-	-	-	-	-	-	-
Additional Annual Revenues	-	-	-	-	-	-	-	-	-	-	-
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 1,258,663	-	-	-	-	-	-	-	-	-	-
Less: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$ 1,258,663	-	-	-	-	-	-	-	-	-	-
Amount Paid for Projects	(1,258,663)	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	-	-	-	-	-	-	-	-	-	-
Add Back: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	7,867	-	-	-	-	-	-	-	-	-	-
Less: Interest Allocated to Cash Flow	(7,867)	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	<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>SEWER WWTP FUND (10% SARASOTA REV)</u>											
Balance at the Beginning of the Fiscal Year	\$ -	-	-	-	-	-	-	-	-	-	-
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: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service	(223,737)	(223,737)	(228,546)	(233,459)	(238,478)	(243,604)	(248,841)	(254,190)	(259,655)	(265,236)	(270,938)
Subtotal	\$ -	-	-	-	-	-	-	-	-	-	-
Less: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$ -	-	-	-	-	-	-	-	-	-	-
Amount Paid for Projects	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	-	-	-	-	-	-	-	-	-	-
Add Back: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Less: Interest Allocated to Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>R&R FUND</u>											
Balance at the Beginning of the Fiscal Year	\$ 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
Additional Annual Revenues	-	-	-	-	-	-	-	-	-	-	-
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 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
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	\$ -	-	-	-	-	-	-	-	-	-	-
Amount Paid for Projects	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	-	-	-	-	-	-	-	-	-	-
Add Back: 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	15,000	17,500	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Less: Interest Allocated to Cash Flow	(12,500)	(15,000)	(17,500)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Balance at End of Fiscal Year	\$ 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
<u>2015 BOND CONSTRUCTION ACCT</u>											
Balance at the Beginning of the Fiscal Year	\$ 2,853,952	-	-	-	-	-	-	-	-	-	-
Additional Annual Revenues	-	-	-	-	-	-	-	-	-	-	-
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 2,853,952	-	-	-	-	-	-	-	-	-	-
Less: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$ 2,853,952	-	-	-	-	-	-	-	-	-	-
Amount Paid for Projects	(2,853,952)	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	-	-	-	-	-	-	-	-	-	-
Add Back: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	17,837	-	-	-	-	-	-	-	-	-	-
Less: Interest Allocated to Cash Flow	(17,837)	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	<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>GRANT FUND</u>											
Balance at the Beginning of the Fiscal Year	\$ -	-	-	-	-	-	-	-	-	-	-
Additional Annual Revenues	500,000	750,000	-	-	-	-	-	-	-	-	-
Less: Annual Expenses	-	-	-	-	-	-	-	-	-	-	-
Less: Payment of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 500,000	750,000	-	-	-	-	-	-	-	-	-
Less: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Total Amount Available for Projects	\$ 500,000	750,000	-	-	-	-	-	-	-	-	-
Amount Paid for Projects	(500,000)	(750,000)	-	-	-	-	-	-	-	-	-
Subtotal	\$ -	-	-	-	-	-	-	-	-	-	-
Add Back: Minimum Fund Balance	-	-	-	-	-	-	-	-	-	-	-
Plus: Interest Earnings	-	-	-	-	-	-	-	-	-	-	-
Less: Interest Allocated to Cash Flow	-	-	-	-	-	-	-	-	-	-	-
Balance at End of Fiscal Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<u>WATER AND SEWER UTILITY OPERATING FUND</u>											
Balance At Beginning Of Fiscal Year	\$ 23,306,153	14,108,416	11,148,132	11,885,327	12,386,157	14,019,237	18,434,834	15,342,453	14,553,120	14,550,294	14,821,366
Net Cash Flow	3,666,492	6,727,908	6,287,288	6,185,773	5,797,100	6,060,747	6,626,097	6,517,894	6,309,568	6,063,195	5,787,999
Less: Cash-Funded Capital Projects	-	(275,000)	(275,000)	(275,000)	-	-	-	-	-	-	-
Less: Payment Of Debt Service	-	-	-	-	-	-	-	-	-	-	-
Subtotal	\$ 26,972,645	20,561,324	17,160,420	17,796,100	18,183,257	20,079,984	25,060,931	21,860,347	20,862,689	20,613,488	20,609,366
Less: Restricted Funds	(10,863,209)	(11,148,132)	(11,885,327)	(12,386,157)	(12,197,486)	(11,213,015)	(15,342,453)	(14,553,120)	(14,550,294)	(14,821,366)	(15,193,239)
Total Amount Available For Projects	\$ 16,109,436	9,413,192	5,275,093	5,409,943	5,985,771	8,866,970	9,718,478	7,307,227	6,312,395	5,792,122	5,416,127
Amount Paid For Projects	(12,864,229)	(9,413,192)	(5,275,093)	(5,409,943)	(4,164,020)	(1,645,150)	(9,718,478)	(7,307,227)	(6,312,395)	(5,792,122)	(5,416,127)
Subtotal	\$ 3,245,207	-	-	-	1,821,751	7,221,820	-	-	-	-	-
Add Back: Restricted Funds	10,863,209	11,148,132	11,885,327	12,386,157	12,197,486	11,213,015	15,342,453	14,553,120	14,550,294	14,821,366	15,193,239
Plus: Interest Earnings	233,841	189,424	201,543	242,715	264,054	324,541	337,773	298,956	291,034	293,717	300,146
Less: Interest Allocated To Cash Flow	(233,841)	(189,424)	(201,543)	(242,715)	(264,054)	(324,541)	(337,773)	(298,956)	(291,034)	(293,717)	(300,146)
Balance At End Of Fiscal Year	\$ 14,108,416	\$ 11,148,132	\$ 11,885,327	\$ 12,386,157	\$ 14,019,237	\$ 18,434,834	\$ 15,342,453	\$ 14,553,120	\$ 14,550,294	\$ 14,821,366	\$ 15,193,239
<u>RESTRICTED RESERVES</u>											
Balance at the Beginning of the Fiscal Year	\$ 2,261,225	2,261,225	2,406,001	2,691,255	3,008,986	3,022,057	3,035,435	3,201,051	3,581,709	4,051,088	4,566,867
Additional Funds	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve on New Debt	-	144,776	285,255	317,731	13,071	13,377	165,616	380,658	469,379	515,779	549,311
Subtotal	\$ 2,261,225	2,406,001	2,691,255	3,008,986	3,022,057	3,035,435	3,201,051	3,581,709	4,051,088	4,566,867	5,116,178
Plus: Interest Earnings	28,265	35,004	44,601	57,002	60,310	60,575	62,365	67,828	76,328	86,180	96,830
Less: Interest Allocated to Cash Flow	(28,265)	(35,004)	(44,601)	(57,002)	(60,310)	(60,575)	(62,365)	(67,828)	(76,328)	(86,180)	(96,830)
Balance at End of Fiscal Year	\$ 2,261,225	\$ 2,406,001	\$ 2,691,255	\$ 3,008,986	\$ 3,022,057	\$ 3,035,435	\$ 3,201,051	\$ 3,581,709	\$ 4,051,088	\$ 4,566,867	\$ 5,116,178

FAMS-XL - Control Panel

Schedule 12



*The Last Plan presented herein represents previously discussed results before Staff review of the initial Draft Report.

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

Disclaimer

The information presented in Appendix B reflects the information available at the time the Reclaimed Water Cost of Service Analysis was conducted. Some of this information was subsequently updated as part of finalizing the Revenue Sufficiency Analysis presented in Appendix A. As such, there may be some minor discrepancies between certain information presented in each respective Appendix.

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	-	-	-		-
MACHINERY & EQUIPMENT	(1)	-	(602,242)	-	-	-		-
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
BUILDINGS	(1)	-	-	28,000	-	-		-
IMPROV OTHER THAN BLDGS	(1)	-	1,103,022	7,859,739	-	-		-
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 REIMBURSEMENT	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	OMV	-	1,986,463	-	-	-		-
BUILDINGS	(1)	-	131,044	2,555,766	-	-		-
IMPROV OTHER THAN BLDGS	(1)	-	204,288	2,711,568	-	-		-
MACHINERY & EQUIPMENT	(1)	-	10,067	196,402	-	-		-
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	OMF	500	-	-	-	-		-
LAND	(1)	-	-	-	-	-		-
BUILDINGS	(1)	-	-	80,000	-	-		-
IMPROV OTHER THAN BLDGS	(1)	-	60,117	982,791	-	-		-
MACHINERY & EQUIPMENT	(1)	-	254,703	876,039	-	-		-
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	OMF	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	(1)	-	179,520	1,265,010	-	-		-
2013 PNC (SRF) Refunding Loan - Principal & Interest	(1)	430,684	431,227	430,833	430,340	430,340		430,340
Series 2012 Revenue Bond - Principal & Interest	(1)	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)	-	1,099,175	1,099,050	1,100,375	1,100,375		1,100,375
New Senior Lien Debt Service	(1)	-	-	-	150,015	150,015		150,015
New Subordinate Debt Service	(1)	-	-	-	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	(1)	-	-	-	12,041,502	12,041,502		12,041,502
Repayment of General Fund Advance	(1)	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) Denotes Item Considered as "Capital" for purposes of analysis.

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

	<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 - 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

	<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
	-	LF of Pipe	50.78%	35.97%	13.25%	-	-	-
IMPROV OTHER THAN BLDGS	-	5-Year R&R CIP	46.72%	51.26%	2.03%	-	-	-
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

	<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 - 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 REIMBURSEMNT	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	\$ -	\$ -

<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 - 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 REIMBURSEMENT	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

		Allocation	Treatment/ Production	Transmission	Distribution	HSP & Storage	Total	Treatment/ Production	Transmission	Distribution	HSP & Storage
Test Year COS		Basis/Factor	% Allocation	% Allocation	% Allocation	% Allocation	% Allocation	\$ Allocation	\$ Allocation	\$ Allocation	\$ 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

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

<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 - WATER RECLAMATION [1204]										
\$ 90,207	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	\$ 45,104	\$ -	\$ -	\$ 45,104
4,916	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	2,458	-	-	2,458
2,801	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	1,401	-	-	1,401
7,491	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	3,746	-	-	3,746
7,981	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	3,991	-	-	3,991
27,220	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	13,610	-	-	13,610
3,107	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	1,554	-	-	1,554
7,725	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	3,863	-	-	3,863
28,083	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	14,041	-	-	14,041
297	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	148	-	-	148
58	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	29	-	-	29
27,951	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	13,976	-	-	13,976
9,163	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	4,581	-	-	4,581
652	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	326	-	-	326
6,172	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	3,086	-	-	3,086
16,404	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	8,202	-	-	8,202
31,506	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	15,753	-	-	15,753
-	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	-	-	-	-
773	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	386	-	-	386
541	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	270	-	-	270
502	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	251	-	-	251
31	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	15	-	-	15
270	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	135	-	-	135
14,484	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	7,242	-	-	7,242
11,588	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	5,794	-	-	5,794
77	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	39	-	-	39
81	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	41	-	-	41
2,936	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	1,468	-	-	1,468
681	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	340	-	-	340
-	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	-	-	-	-
-	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	-	-	-	-
-	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	-	-	-	-
13,209	Recl - Direct	50.00%	0.00%	0.00%	50.00%	100.00%	6,604	-	-	6,604
UTILITIES - WATER RECLAMATION [1204] EXPENSES							\$ 158,454	\$ -	\$ -	\$ 158,454

	<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>
OTHER											
Backflow Device Program	\$ -	Water - Direct	0.00%	0.00%	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -
Fleet Services	-	Water - Direct	0.00%	0.00%	0.00%	0.00%	0.00%	-	-	-	-
FTE ADDITIONS	-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
OTHER	\$ -							\$ -	\$ -	\$ -	\$ -
DEBT SERVICE, CIP, & TRANSFERS											
Sarasota County 10% Revenue Restriction	\$ -	Sewer - Direct	0.00%	0.00%	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -	\$ -
Transfer Out - Administrative Charges	104,371	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	15,922	28,576	39,552	20,321
Transfer Out - Fleet Fund	-	Weighted	15.26%	27.38%	37.90%	19.47%	100.00%	-	-	-	-
2013 PNC (SRF) Refunding Loan - Principal & Interest	212,868	2013 PNC SRF	0.00%	48.32%	51.68%	0.00%	100.00%	-	102,851	110,017	-
Series 2012 Revenue Bond - Principal & Interest	160,743	Series 2012 Bond	0.00%	0.00%	0.00%	100.00%	100.00%	-	-	-	160,743
Series 2015 Revenue Bond - Principal & Interest	71,839	Series 2015 Bond	100.00%	0.00%	0.00%	0.00%	100.00%	71,839	-	-	-
New Senior Lien Debt Service	1,906	Weighted - Senior Debt (2019)	33.92%	26.25%	39.83%	0.00%	100.00%	646	500	759	-
New Subordinate Debt Service	-	Weighted - Sub Debt (2018)	0.00%	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%	0.00%	-	-	-	-
SRF Loan # WW580430 (Clean Water - Construction Loan)	48,968	Reclaimed - Direct	0.00%	100.00%	0.00%	0.00%	100.00%	-	48,968	-	-
Cash Funded Capital	424,571	Weighted - 5 yr Cash Funded	4.51%	32.26%	63.23%	0.00%	100.00%	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
<i>% Allocation by Function</i>								15.3%	27.4%	37.9%	19.5%

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%

Stantec

8/9/2018

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 %
Treatment/Production	\$ 192,587	\$ 91,639	\$ 258,725	15%
HSP & Storage	202,018	160,743	330,215	19%
Transmission	220,823	289,298	464,354	27%
Distribution	326,832	379,214	642,701	38%
Total Cost Allocation	\$ 942,259	\$ 920,894	\$ 1,695,994	100%

*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).

Reclaimed Water Cost Allocation by Customer Type

Bulk	Retail	Total*
\$ 116,769	\$ 141,957	\$ 258,725
(32,148)	362,362	330,215
55,854	408,500	464,354
-	642,701	642,701

\$ 140,475 \$ 1,555,519 \$ 1,695,994

8.3% 91.7% 100.0% % of Total

\$ 85,070 \$ 656,007 \$ 741,077 FY 2018 Estimated Revenue
60.6% 42.2% 43.7% 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% ¹
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.