

**1. Requested Motion:**

**Meeting Date: October 21, 2013**

Accept the Water Utility Rate Study and Management letter prepared by GAI Consultants, Inc. and authorize the staff and attorney to prepare the required documents to implement the recommended rates and the Water Utility policies and procedures.

**Why the action is necessary:**

Allows the Town to update the utility rate structure.

**What the action accomplishes:**

Allows the Town to update the utility rate structure.

**2. Agenda:**

- Consent
- Administrative
- Public Hearing

**3. Requirement/Purpose:**

- Resolution
- Ordinance
- Other:

**4. Submitter of Information:**

- Council
- Town Staff
- Town Attorney

**5. Background:**

In September, 2012 the Town Council retained GAI Consultants, Inc. of Orlando to review and evaluate the historical and existing data regarding the customers of the water system and the financial and accounting information. The Town Council met with GAI Consultants, Inc. in a work session on March 4, 2013 to review the progress of the study. The *Management Letter* includes the evaluation of the cost of service for Lee County bulk water and an analysis of transferring the administrative and operational duties in-house rather than out-sourcing. The Town Council met again on October 7, 2013 to review the final report.

**Attachments:**

- GAI Consultants, Inc. – Management Letter *Final*
- GAI Consultants, Inc. – Rate Study *Final*
- Water Utility Administrative Services Analysis – memo from Cathie Lewis, Public Works Director

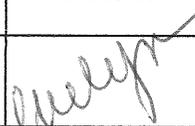
**6. Alternative Action:**

Reject the rate study and make no changes to the existing rate structure for the Water Utility.

**7. Management Recommendations:**

Accept the Rate Study and Management Letter presented by GAI Consultants and authorize staff to prepare the necessary documents.

**8. Recommended Approval:**

Town Manager	Town Attorney	Finance Director	Public Works Director	Community Development Director	Park & Recreation Director	Town Clerk
						

**9. Council Action:**

- Approved
- Denied
- Deferred
- Other

September 26, 2013

GAI # A120244.00

Ms. Evelyn Wicks, Director of Finance  
Town of Fort Myers Beach  
2523 Estero Boulevard  
Fort Myers Beach, FL 33931

### **Water Rate and Charge Study Management Letter**

Dear Ms. Wicks:

The Town of Fort Myers Beach, Florida (the "Town") retained GAI Consultants, Inc. (GAI) to prepare a Comprehensive Water Rate and Charge study (the "Study") to provide a review and update of the existing water monthly user rates and charges and miscellaneous charges. Additionally as part of this Study, GAI reviewed various aspects of the Utility System operations which included an onsite inspection of the Utility System and discussions with both the Town Utility Staff and the contract operator. This Management Letter will present a discussion of two areas which may potentially result in Financial Optimizations for the Utility in the future:

- Utility System Operations/Efficiencies – Contract Operations
- Lee County Wholesale Rate

#### 1. Utility System Operations/Efficiencies – Contract Operations

The Town currently provides water purchased from Lee County to its customers through its distribution system. In general, effective operation of the Town's Utility system would include, but not be limited to, the following:

- a. Perform monthly meter reading, billing and financial accounting activities;
- b. Invoice and remittance collection services;
- c. Resolve Issues with customers concerning: billing, high water consumption, field repairs, low pressure, odors, or other water quality complaints;
- d. Perform service connects and disconnects; and repair or replace water meters, boxes, and box covers as necessary;
- e. Perform or facilitate the proper repair of all breaks and leaks within the system;
- f. Perform and document distribution system chlorine residuals and master meter reads five (5) days per week;
- g. Properly collect and process all regulatory sampling; create, submit, and maintain all regulatory sampling, and monitoring reports as required by EPA, the Florida Department of Environmental Protection, (FDEP), and Lee County Health administrative statutes;
- h. Develop and mail an annual Consumer Confidence Report (CCR) to all water system consumers;
- i. Develop and implement a fire hydrant flushing program in accordance with FDEP and Lee County Health Department requirements;
- j. Perform routine maintenance of fire hydrants, storage system high service pumps, on-line Chlorine Residual analyzers, and pump emergency generator systems;
- k. Schedule large meter annual calibrations, testing, and documentation records;
- l. Document all maintenance activities through a formal work order system;
- m. Develop, implement, and document a valve maintenance program;
- n. Prepare and maintain all "as-built" information within the system for any and all additions, deletions and changes which will also include GIS updates for meters, hydrants, and any other physical equipment within the system;
- o. Develop and Implement a cross-connection control program for all system backflow devices;

- p. Review construction plans for new connections consistent with operational standards;
- q. Coordinate water system work activities;
- r. Perform water system locates;
- s. Review and Issue Invoices for utility damage or work performed on systems;
- t. Witness hot taps and pressure tests on distribution lines;
- u. Work with Lee County and State of Florida Agencies on water quality issues, fire hydrant management, and routine sampling requirements; and
- v. Maintain at all times and keep up to date an Emergency Operations Plan for the water utility system and required training consistent with the National Incident Management System.

The Town currently has an Operations Contract with Woodard and Curran to provide these services. The term of this contract, with extensions, is through January 1, 2017. The total cost of all labors and materials for the first year of this contract (2011) was not-to-exceed \$454,612 and can be adjusted annually based on changes in the Consumer Price Index – All Urban Consumers (CPI-U) Southern Region. The projected expense related to the Operations Contract for FY 2014 included in the Rate Study is \$480,000, which is 12% of the total projected fiscal requirements of approximately \$4 million.

As the expense related to the Operations Contract accounts for more than 10% of the overall annual fiscal requirements, this is an area that should be reviewed for potential savings. However, when evaluating bringing operations in-house, the Town should strive to, at a minimum, maintain the level of service currently provided to its customers as well as minimize the impact of changes on its customers.

Items to be considered in our analysis of bringing the operations in-house include:

- Cost to provide the services in-house vs. contract operations
- Timing of bringing the services in-house including transitioning of services to minimize customer impacts
- Condition and age of the system

There are advantages of outsourcing utility system operations including:

- Economies of scale – contract operator typically has bulk contracts in place for equipment, chemical, etc.
- Personnel resources – ability to utilize personnel throughout the company to provide service as needed (i.e. certain skill-set needed to fulfill short or long-term need, additional employees needed during emergency situation)
- Equipment can be transferred/borrowed from one area served to another as needed potentially at a lower cost than having to go out and procure the equipment.

However, bringing the operations in-house provides for greater control over the operations and expenses incurred to provide those services.

GAI has worked with numerous smaller utility systems, and in many cases recommended the Utility System operations be outsourced as a potential efficiency/cost savings method for the system. The majority of the systems where this has been recommended provided both production and distribution. However, there are also instances where providing the operations in-house can better meet the financial and operational needs of the community being served. As the Town System does not produce water, some of the cost benefits that would typically be experienced by outsourcing are minimized.

As part of this Study, GAI reviewed the Water Utility Administrative Cost Analyses prepared by the Town. While we would anticipate some items may cost more (i.e. personnel related costs) overall, this cost estimate appears reasonable once the operations are brought in-house and the system operations fully optimized. However, in our experience, start-up and transition costs are typically more, than less costly. Therefore, we would include a minimum contingency of 20% to the costs in the first couple of years to address start-up/efficiency issues related to providing the services in-house. Based on our knowledge of the Town's System, field observations from our inspection, discussions with Woodard and Curran, and our experience with numerous other utility systems, we have prepared a preliminary cost estimate of the annual expenses anticipated to bring the operations in-house. **Schedule 1** presents a comparison of the initial cost estimates prepared by the Town to GAI's preliminary cost estimates. It should be noted, that these cost estimates do not include start-up capital costs including two vehicles, office equipment, tools, etc. In the long-run, potential cost savings of providing the services in-house should be achievable once the transition takes place.

The next items to address when considering bringing the operations in-house are the timing and related transition plan. The Town is currently implementing a \$20 million Capital Improvement Plan (CIP), which is anticipated to be completed no later than 2019. This CIP is a major undertaking for the Town, which includes replacing and upgrading the Town's distribution system and installing automatic read meters. In order to minimize the impact on Town customers this CIP will be a major focus of the Public Works staff.

Personnel from Woodard and Curran have been working with the Town System for a number of years and have detailed knowledge of the existing System. While the current capital improvement plan includes upgrading and replacing a good portion of the Town's

System, Woodard and Curran's historical knowledge is invaluable, especially while the capital improvement plan is in process.

GAI would recommend that the Town look to transition from contract operations to in-house operations at the end of the current contract with Woodard and Curran in January of 2017. This recommendation is based on the following:

- Repairs and replacements should be negligible within the upgraded system.
- Detailed system records including a complete set of accurate record drawings will be available for the upgraded system.
- The CIP includes the installation of automatic read meters, which allows for less time/personnel required to read meters.
- As the CIP is complete, more administrative time will be available to focus on operating the system.
- The Town can slowly gear up for it such that customer impact can be minimal.

GAI recommends that the Town work to put a transition plan in place. One of the main components of the transition plan would be to hire the Operations Supervisor/Utility Manager approximately 6 to 12 months before bringing the operations in-house. This will allow the Operations Supervisor/Utility Manager time to work with Woodard and Curran staff to be educated on the Town's existing system as well as to become familiar with the upgrades and additions to the System as part of the current CIP. Additionally, this would provide time to procure the equipment and other resources required to provide the services in-house, and provide training to existing and additional needed staff, both while continuing to serve the current customers. This transition plan should allow for minimal impact to the Town's customers and in the end, once fully transitioned, potentially result in cost savings for the Town's system which could minimize future rate increases.

## 2. Lee County Wholesale Rate

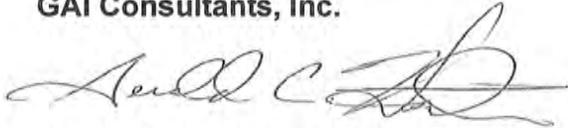
The Town currently purchases water from Lee County through a Wholesale Water Agreement. In reviewing this wholesale rate, it falls between the Block 1 and Block 2 Retail rates for the County. Typically, wholesale rates are at or below the Retail System Block 1 Rate. The wholesale rate can be impacted by items including peak demand, type of service, type of contract (i.e. firm commitment, surplus water, emergency/reciprocal, peak requirement), percentage use of system assets, etc. GAI was not involved in developing the current County rates and rate structure. We would recommend that a Comprehensive Cost of Service Rate Study be performed (if it has not already been done); to ensure that one customer class is not subsidizing another customer class within the County. The projected expense related to the Wholesale Water Purchases for FY 2014 included in the Rate Study is \$1,374,300, which is over 34% of the total projected fiscal requirements of approximately \$4 million. This may be another area of potential system financial efficiency.

### Summary

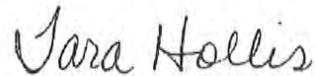
Collectively, the Contract Operations Expense and the Wholesale Water Purchased Expense accounts for over 46% of the FY 2014 fiscal requirements to be recovered through rates in the Rate Study. With proper planning and implementation with regard to transitioning the System Operations in-house as well a review of the system demands and cost allocations utilized to develop the wholesale rate, efficiencies may be achieved that would result in minimizing future water rate increases for the Town.

We appreciate the opportunity to provide the technical services the Town desires. If you have any questions, comments, or need additional information, please contact us.

Sincerely,  
**GAI Consultants, Inc.**



Gerald C. Hartman, PE, BCEE, ASA  
Vice President



Tara L. Hollis, CPA, MBA  
Director of Management Consulting

**Schedule 1**  
**Town of Fort Myers Beach, FL**  
**Water Enterprise Fund**  
**Preliminary Annual Expense Projections**  
**Utility Operations Services Provided In-house (1)**

Description	Estimate Prepared By		
	Fort Myers Beach	GAI	Difference
<b><u>Personal Services Costs</u></b>			
Operations Supervisor	\$ 34,320	\$ 49,920	\$ 15,600
Billing/Office Manager	34,320	41,600	7,280
Distribution Tech	31,200	38,480	7,280
Distribution Tech	31,200	37,925	6,725
Adm. Assistant	30,451	28,080	(2,371)
<b>Salaries</b>	<u>161,491</u>	<u>196,005</u>	<u>34,514</u>
FICA	12,354	14,994	2,640
Retirement	16,149	19,601	3,451
Life Health & Disability	48,680	48,680	-
<b>Benefits</b>	<u>77,183</u>	<u>83,275</u>	<u>6,092</u>
Call In Pay	3,000	2,400	(600)
Overtime	5,000	5,220	220
<b>Other Pay</b>	<u>8,000</u>	<u>7,620</u>	<u>(380)</u>
Additional Annual Allocation of PW Staff	33,600	22,160	(11,440)
<b>Staff Overhead Allocation</b>	<u>33,600</u>	<u>22,160</u>	<u>(11,440)</u>
<b>Total Personal Services</b>	<u>280,274</u>	<u>309,060</u>	<u>28,786</u>
<b><u>Operations and Maintenance</u></b>			
Professional Services	-	9,000	9,000
Answering Service	10,000	3,000	(7,000)
Collection Agency	3,000	3,000	-
Contractual Labor (meter reading)	5,000	11,230	6,230
<b>Other Contractual Services</b>	<u>18,000</u>	<u>26,230</u>	<u>8,230</u>
Utility Services - Office			
Water (2)	1,200	900	(300)
Electric (2)	3,000	1,800	(1,200)
Telephone/Internet (2)	8,500	6,000	(2,500)
Solid Waste (2)	300	300	-
<b>Utility Services</b>	<u>13,000</u>	<u>9,000</u>	<u>(4,000)</u>
Vehicle	3,000	3,000	-
<b>Insurance</b>	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Office Rental (2)	16,000	15,000	(1,000)
Copier/Scanner/Printer (2)	1,200	1,200	-
<b>Rentals &amp; Leases</b>	<u>17,200</u>	<u>16,200</u>	<u>(1,000)</u>

**Schedule 1**  
**Town of Fort Myers Beach, FL**  
**Water Enterprise Fund**  
**Preliminary Annual Expense Projections**  
**Utility Operations Services Provided In-house (1)**

Description	Estimate Prepared By		
	Fort Myers Beach	GAI	Difference
Janitorial (2)	7,000	4,800	(2,200)
Contracting	2,000	3,000	1,000
Utility Locates (One-Call System)	1,000	1,200	200
<b>Other Current Charges</b>	<b>10,000</b>	<b>9,000</b>	<b>(1,000)</b>
Invoice Prep & Mailing	30,000	28,080	(1,920)
Postage	2,400	1,560	(840)
General Office Supplies	6,000	3,600	(2,400)
Computer Supplies	1,000	900	(100)
Misc.	5,000	4,200	(800)
<b>Office Supplies</b>	<b>44,400</b>	<b>38,340</b>	<b>(6,060)</b>
Computers/IT/Software	5,000	3,600	(1,400)
Other Office Equipment	5,000	3,000	(2,000)
Miscellaneous	1,500	1,200	(300)
<b>Office Maintenance</b>	<b>11,500</b>	<b>7,800</b>	<b>(3,700)</b>
<b>Vehicle Fuel</b>	<b>4,000</b>	<b>4,200</b>	<b>200</b>
Vehicles	3,000	1500	-1500
Equipment/Tools	300	600	300
<b>Vehicle &amp; Equip Maintenance</b>	<b>3,300</b>	<b>6,300</b>	<b>(1,000)</b>
Uniforms	4,000	1,800	(2,200)
First Aid/Safety	1,000	600	(400)
<b>Uniforms &amp; Personal Safety</b>	<b>5,000</b>	<b>2,400</b>	<b>(2,600)</b>
<b>Training &amp; Travel Per Diem</b>	<b>5,000</b>	<b>5,000</b>	<b>-</b>
<b>Dues and Memberships</b>	<b>2,500</b>	<b>2,000</b>	<b>(500)</b>
<b>Professional Services-Legal</b>	<b>3,000</b>	<b>2,400</b>	<b>(600)</b>
<b>Subtotal Personal Services and O&amp;M Costs</b>	<b>420,174</b>	<b>440,930</b>	<b>16,756</b>
<b>Start-up Contingency (20%)</b>	<b>-</b>	<b>88,186</b>	<b>88,186</b>
<b>Total Personal Services and O&amp;M Costs</b>	<b>\$ 420,174</b>	<b>\$ 529,116</b>	<b>\$ 104,942</b>

Notes:

(1) Excludes Start-up Capital Costs.

(2) Assumes rental of office space to house staff. Potential cost savings, if existing Town space and existing janitorial contract can be utilized.



gai consultants

**WATER RATE AND CHARGE STUDY**  
**TOWN OF FORT MYERS BEACH, FLORIDA**

**GAI# A120244.00**

**FINAL – SEPTEMBER 2013**

**JULY 2013**

PREPARED FOR

TOWN OF FORT MYERS BEACH  
2523 ESTERO BOULEVARD  
FORT MYERS BEACH, FL 33931

PREPARED BY

GAI CONSULTANTS, INC.  
618 E. SOUTH STREET, SUITE 700  
ORLANDO, FL 32801

**... transforming ideas into reality**

Revised September 26, 2013  
July 22, 2013  
GAI # A120244.00

Ms. Evelyn Wicks, Director of Finance  
Town of Fort Myers Beach  
2523 Estero Boulevard  
Fort Myers Beach, FL 33931

## **Water Rate and Charge Study**

Dear Ms. Wicks:

GAI Consultants, Inc. (GAI) is pleased to present via this report (the "Report") the results of the Water Rate and Charge Study (the "Study"), pursuant to our agreement with the Town of Fort Myers Beach (the "Town"). This Report contains the salient details and supporting analysis associated with the design and determination of the recommended rate structure modifications, rate adjustments, and miscellaneous charges. Professional care was used in identifying and utilizing data, assumptions and estimates such that the financials reasonably represent both the current situation and the projected future results that are expected be realized for the Town's water utility system (the "Utility").

During the course of this Study, it was determined that the Town's user rates should meet a number of goals and objectives. These include: 1) just and equitable recovery of costs, 2) generating operating revenues sufficient to meet the fiscal requirements of the water system, 3) standardizing rate structure and rates, 4) promoting water conservation initiatives, 5) supporting administrative compatibility, and 6) allowing for public understandability. These goals and objectives were considered with the utmost priority during the course of developing the proposed rate structure modifications and rate adjustments. In addition, as part of this Study, various scenarios were prepared and presented to the Town Council in two separate work sessions.

It should be emphasized that two important changes are recommended herein for the Town's Utility revenue generating system. The first is referred to as rate structure modifications. These modifications affect the individual rate components comprising the revenue generation system (i.e. base charge and inclining-rate usage blocks, etc.). The

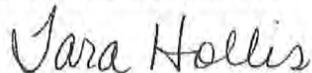
second recommended change is rate adjustments. Rate adjustments refer to the monetary amount of each rate component.

These recommended changes, while revenue neutral, can result in material differences in total charges when existing billings are compared to new or proposed billings. This occurs because there is a redistribution of cost of services resulting in decreases for some customers and increases for others. As a result, we realize that there will be some financial impacts to certain users under the proposed modifications and adjustments. However, consideration must be given to the continued appropriateness of the rate structure. These impacts have a "one time" effect, as any necessary future adjustments are proposed to be implemented equally "across-the-board".

As always, we extend our thanks and appreciation for the opportunity to be of service in this matter, and for the Town's and its staff's valuable cooperation and assistance. If you have any questions, please do not hesitate to contact us.

Very Truly Yours,

**GAI Consultants, Inc.**



Tara L. Hollis, CPA, MBA  
Director of Management Consulting

cc: Dan Friedman (GAI) – Management Consultant

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TOWN OF FORT MYERS BEACH**

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**WATER RATE AND CHARGE STUDY  
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**WATER RATE AND CHARGE STUDY  
TOWN OF FORT MYERS BEACH**

**LIST OF SCHEDULES**

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# SECTION 1

## SECTION 1 INTRODUCTION

### 1.1 General

The Town of Fort Myers Beach, Florida (the "Town") retained GAI Consultants, Inc. (GAI) to prepare a water rate and charge study (the "Study") to provide a review and update of the existing water monthly user rates and charges and miscellaneous charges.

### 1.2 Goals and Objectives

Prior to commencement, GAI met with the Town's staff to discuss and identify the goals and objectives of the Study and to review a preliminary data request. The primary goals and objectives of the Study are to review the existing basis for cost recovery and provide the necessary rate structure modifications and user rate adjustments that result in: (i) water conservation; (ii) just and equitable rates; (iii) operating revenues sufficient to meet the fiscal requirements of the water system; (iv) minimal rate shock; and (v) are administratively compatible and publicly understandable.

The Study, to the extent practical, utilizes a cost of service approach to establish user rates and charges based on the needs of the community and the Utility. The Study, pursuant to available data: (i) identifies the number of customers and associated service characteristics; (ii) delineates fiscal requirements by rate and functional activity; and (iii) identifies the appropriate levels of rates and charges based on the assumed Test Year ending September 30, 2014.

In order to accomplish the above, the primary tasks included:

1. Meeting with Town staff to initiate the Study process;
2. Reviewing and evaluating historical and current customer data provided by the Town;
3. Reviewing and evaluating financial and accounting information derived from budgets, historical and current financial records, operation and maintenance reports, capital improvement programs, and schedules of existing and proposed debt service;

4. Preparing a schedule identifying the total fiscal requirements, operating income, and net revenue requirements;
5. Evaluating the existing rate structure and identifying, if necessary, any modifications and/or additions necessary to accomplish those elements of the primary study objectives associated with user fees, rates and charges;
6. Allocating net revenue requirements to the rate components pursuant to the existing or proposed rate structure;
7. Developing a 5-year proforma operating statement for the water utility services, including projections of revenues, O&M expenses, cash flow needs of the capital improvement program, net revenues, debt service, fund transfers, and other fiscal activities/requirements;
8. Meeting with Town staff to discuss data needs and the study process; and
9. Preparing a final report for the Study and presenting the final report and results to the Town Council at a public meeting.

### 1.3 Computer Rate Model

In addressing the study needs, a Microsoft Excel-based comprehensive rate model spreadsheet was developed and utilized. The computer rate model has the capability to analyze and project the salient attributes and criteria associated with the review and development of comprehensive rates, including but not limited to customer statistics, operating and capital budgets, fiscal requirements, existing user rates and charges, proforma statements, and utility fund balances. The computer model is a dynamic tool that was also used to identify the effects of various alternatives with respect to changes in fiscal requirements, customer growth, rate structure modifications, and rate adjustments on user rates and operating results.

## 1.4 Report Outline

The Report has been organized and subdivided into eight (8) sections containing the approaches, supporting data and results for the various activities associated with a comprehensive rate study. The following are brief discussions of the remaining sections of this Report.

**SECTION 2 – Existing Rate Structure and Rates.** This section provides a summary of the existing revenue generating system including discussions relative to existing rate structures and accompanying monthly user rates in effect for the Town's Utility.

**SECTION 3 – Customer Characteristics.** This section provides discussions, results of data analyses and presentations on the Town's existing customer base and associated levels of service for each of the systems. Discussions in this section not only provide for the projection of customer growth, but also provide the basis for the determination of user rates and charges and the projection of revenues.

**SECTION 4 – Revenue Sufficiency of Existing Utility System.** This section summarizes current and anticipated operating results for the water system based upon the existing Utility configuration and characteristics.

**SECTION 5 – Proposed Rate Structure Modifications and Identification of Rate Determinants.** This section presents a discussion of the proposed rate structure and component relationships and basis for the design of the proposed modifications to the rate structure and adjustments to user rates and charges. Also included is a discussion of rate structure objectives and how the proposed modifications and adjustments were determined.

**SECTION 6 – Current and Proposed Miscellaneous Charges.** This section details proposed adjustments and additions to the Town's current miscellaneous charges based on common industry standards and comparable utilities. This section also includes a discussion of proposed adjustments to the Town's capital charges in accordance with the "Florida Impact Fee Act."

**SECTION 7 – Test Year Fiscal Requirements, Proposed Rates, and Projected Results.** Based on budgeted expenditure activities, fiscal requirements subject to recovery from user rates and charges were identified. Application of the previously determined rate determinants to the fiscal requirements identified herein resulted in the level of user rates and charges required to generate revenues sufficient to meet such fiscal requirements.

**SECTION 8 – Findings, Conclusions, and Recommendations.** This section summarizes the conclusions drawn from the Study and recommended modifications and adjustments proposed herein for user rates and charges and miscellaneous charges.

#### 1.5 Acknowledgements

This Study was completed with the commendable cooperation and assistance provided by the Town's staff, including, but not limited to, Ms. Evelyn Wicks, Director of Finance; Ms. Cathie Lewis, Public Works Director; and Ms. Lisa Kolar, Accountant.

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# SECTION 2

## SECTION 2 EXISTING RATE STRUCTURE AND RATES

### 2.1 General

The Town of Fort Myers Beach currently provides water service to approximately 3,172 metered accounts throughout the Town. The Utility is structured as an enterprise fund activity and, therefore, is expected to generate revenues sufficient to meet 100 percent of all fiscal requirements approved by the Town. The revenue generation system is comprised of user fees, miscellaneous charges for specific services, and related interest earnings. Additionally, the Utility recovers costs through capital charges (impact fees), contributions, and transfers from other sources. Major capital costs are funded from several sources including debt funding, operating surpluses, operating reserves, impact fees, and any grants or contributions. The primary source of revenue, however, is from user fees that consist of an administrative charge per bill, monthly base charges, and usage rates per 1,000 gallons of metered service.

The Town's existing rate structure, which was last updated per Resolution No. 09-32 and Ordinance 12-08, consists of an administrative fee, a capital reserve charge, a base charge, and usage (volume) rates. Typically, the base charge, a fixed fee, provides for revenue stability while the usage rates allow for equitable cost recovery at various service levels and should encourage the conservation of natural resources. The existing series of base charges and capital reserve charges are dependent upon the level of service as represented by the size of each account's water meter and/or the number of dwelling units.

The customers are currently categorized into five (5) primary billing classes, consisting of Single-Family Residential, Multi-Family Residential, Commercial, Irrigation, and Non-Residential, as further detailed in **Section 3** of this Report. The Single-Family Residential Class consists of single family detached dwellings. The Multi-Family Residential Class consists of individually metered multi-family dwellings and mobile homes. Customers in the Commercial Class include churches, businesses, civic organizations, governmental organizations, master-metered multi-family dwellings, schools, and all other non-residential accounts. The Irrigation Class includes all

separately metered irrigation connections. The Non-Residential Class contains all lift station connections.

## 2.2 Existing Rate Structure and Components

During the course of this study, a review was conducted to determine if the existing user rates are structured appropriately to materially provide for just and equitable recovery of the fiscal requirements. The term "just" refers to a reasonable relationship existing between the charges for services and costs associated with such services; whereas, the term "equitable" means that customers within similar classifications are subjected to the same rates, charges and fees. A billing frequency analysis was developed to test and illustrate these important requirements, and is further discussed in **Section 3**.

The existing water rate structure utilizes four (4) primary components in the generation of monthly revenues, consisting of an administrative fee per monthly bill, a base charge per account, based on meter size, a capital reserve charge per account, based on meter size, and a series of inclining block usage rates per 1,000 gallons based on metered water usage. The administrative fee, monthly base charge, and capital reserve charge are fixed amounts providing for revenue stability; whereas, the usage rates allow for equitable cost recovery at various service levels while also promoting conservation of natural resources.

Base and capital reserve charges are typically (but not always) established based on meter size equivalencies, where a standard 5/8"x3/4" Single-Family Residential meter connection is considered as one Equivalent Residential Connection's (ERC) level of service (LOS). ERCs for water connections are then typically progressive based on water meter size equivalency standard factors as provided by the American Water Works Association (AWWA). The factors associated with the ERCs are provided in **Table 2-1**, as developed from the AWWA standards.

**Table 2-1**  
**AWWA Meter Equivalency Factors**

Meter Size	ERC Factor
5/8" x 3/4"	1.00
1.0"	2.50
1.5"	5.00
2.0"	8.00
3.0"	16.00
4.0"	25.00
6.0"	50.00
8.0"	80.00
10.0"	145.00

The Town's existing user rates and charges, together with relevant application criteria, are summarized below in **Tables 2-2a and 2-2b**.

As shown, while the Town's current base and capital reserve charges do increase as the meter sizes increase, and are relatively close to following the standard AWWA meter equivalency factors, as shown in **Table 2-2a**, the base charge increases and relative ERCs are recommended to be adjusted to match the standards, as discussed further in **Section 5**.

The Town's water usage rates utilize an inclining block or conservation rate structure with four (4) usage blocks; wherein, the cost per 1,000 gallons within each inclining block increases as usage progresses into the next usage block level. **Table 2-2a** presents the Town's existing water rates, while **Table 2-2b** presents the associated gallonage allowances per block for each customer class and meter size.

**Table 2-2a  
Existing Rate Structure and Rates**

<b>Component</b>	<b>Equiv. Factor</b>	<b>FY 2013 Charge</b>
<b>Administrative Fee (per account)</b>		\$ 2.77
<b>Base Charge</b>		
Single Family (per unit)	1.00	\$ 6.82
Multi-Family (per unit)	1.00	\$ 6.82
Commercial, Irrigation, Non-Residential (per meter)		
5/8" Meter	1.36	\$ 9.30
3/4" Meter	1.86	\$ 12.71
1.0" Meter	2.86	\$ 19.53
1.5" Meter	5.40	\$ 36.85
2.0" Meter	8.36	\$ 57.04
3.0" Meter	16.35	\$ 111.50
4.0" Meter	25.36	\$ 172.98
6.0" Meter	50.37	\$ 343.51
8.0" Meter	80.36	\$ 548.08
10.0" Meter	145.36	\$ 991.38
<b>Capital Reserve Charge</b>		
Single Family (per unit)	1.00	\$ 2.72
Multi-Family (per unit)	1.00	\$ 2.72
Commercial, Irrigation, Non-Residential (per meter)		
5/8" Meter	1.00	\$ 2.72
3/4" Meter	1.43	\$ 3.88
1.0" Meter	2.50	\$ 6.80
1.5" Meter	5.00	\$ 13.60
2.0" Meter	8.04	\$ 21.86
3.0" Meter	16.22	\$ 44.12
4.0" Meter	25.04	\$ 68.10
6.0" Meter	50.00	\$ 136.00
8.0" Meter	80.00	\$ 217.60
10.0" Meter	145.00	\$ 394.40
<b>Usage Rate Per 1,000 gal.</b>		
All Customer Classes		
Block 1		\$ 5.27
Block 2		\$ 6.27
Block 3		\$ 7.27
Block 4		\$ 8.27

**Table 2-2b  
Existing Rate Structure - Usage Block Ranges**

<b>Gallongage Ranges</b>	<b>Block 1</b>	<b>Block 2</b>	<b>Block 3</b>	<b>Block 4</b>
Single-Family, Multi-Family (per unit)	0 - 6,000	6,001 - 30,000	30,001 - 50,000	Over 50,000
Commercial, Irrigation, Non-Residential				
5/8" Meter	0 - 8,000	8,001 - 30,000	30,001 - 60,000	Over 60,001
3/4" Meter	0 - 8,000	8,001 - 30,000	30,001 - 60,000	Over 60,001
1.0" Meter	0 - 9,000	9,001 - 40,000	40,001 - 60,000	Over 60,001
1.5" Meter	0 - 12,000	12,001 - 45,000	45,001 - 65,000	Over 65,001
2.0" Meter	0 - 15,000	15,001 - 50,000	50,001 - 70,000	Over 70,001
3.0" Meter	0 - 50,000	50,001 - 100,000	100,001 - 400,000	Over 400,001
4.0" Meter	0 - 60,000	60,001 - 300,000	300,001 - 500,000	Over 500,001
6.0" Meter	0 - 70,000	70,001 - 400,000	400,001 - 600,000	Over 600,000
8.0" Meter	0 - 90,000	90,001 - 500,000	500,001 - 700,000	Over 700,000
10.0" Meter	0 - 150,000	150,001 - 600,000	600,001 - 800,000	Over 800,000

### 2.3 Comments Regarding Existing Rate Structure

The Town's existing water rate structure provides the mechanism for the allocation of cost recovery through an administrative fee, base facility charges, capital reserve charges, and usage rates. The administrative fee provides for recovery of office and administrative functions. The base and capital charges increase per meter size, recognizing that larger meters create a larger potential demand on the Utility than smaller meters. The rate structure also utilizes an inclining block structure of usage rates to promote water conservation.

While the existing water rate structure contains the elements of an appropriate rate structure, it should be closely examined so that the resultant rates are fair, just, and equitable, and so water conservation is promoted.

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# SECTION 3

## SECTION 3 CUSTOMER CHARACTERISTICS

### 3.1 General

A fundamental element in ratemaking is the identification and verification of data associated with the source of revenues. The Utility, as most utilities throughout the State of Florida, provides water service to customers of various classifications and usage demands. Information concerning these customers and their characteristics is generally best obtained by review and analysis of a full year of customer billing activities. Following verification, the information obtained from the customer billing data is used as one of the critical elements in ratemaking. This customer information is also further used as the basis for projection of future customer base and usage amounts.

This section provides discussions on the existing customer base, usage characteristics, and metered flows, including assumptions utilized herein for the purpose of analyzing the water customer characteristics and for providing projections of revenues and expenses in the determination of revenue sufficiency.

### 3.2 Existing Customer Base / Primary Customer Classes

The customers are currently categorized into five (5) primary billing classes, consisting of Single-Family Residential, Multi-Family Residential, Commercial, Irrigation, and Non-Residential, as further detailed in **Section 3** of this Report. The Single-Family Residential Class consists of single family detached dwellings. The Multi-Family Residential Class consists of individually metered multi-family dwellings and mobile homes. Customers in the Commercial Class include churches, businesses, civic organizations, governmental organizations, master-metered multi-family dwellings, schools, and all other non-residential accounts. The Irrigation Class includes all separately metered irrigation connections. The Non-Residential Class contains all lift station connections.

A review of the Town's customer base indicated that the water system provides services to five (5) primary billing classes, consisting of Single-Family Residential, Multi-Family

Residential, Commercial, Irrigation, and Non-Residential customers. Brief descriptions for each are provided below:

- The **Single Family Residential** class is comprised of all individually metered single family residential dwelling units.
- The **Multi-Family Residential** class is comprised of all individually metered multi-family residential dwelling units, including duplexes, townhomes, condominiums, and mobile homes.
- The **Commercial** class includes non-residential customers that are individually metered, as well as any master-metered residential or commercial properties that do not fall in the residential classes. This includes churches, businesses, civic organizations, governmental organizations, master-metered multi-family dwellings, schools, and all other non-residential accounts.
- The **Irrigation** class is comprised of all customer connections specifically related to separately metered irrigation service.
- The **Non-Residential** class contains all lift station connections.

Of these, the majority of the Utility customers are residential customers. Additionally, as per discussions with Town staff, and the recent history of the Utility, no growth is predicted for the customer base at this time, thus keeping with GAI's conservative approach to future predictions.

### 3.3 Customer Billing Analysis

As discussed in **Section 2**, the current rate structure utilizes four (4) primary components in assessing costs to each customer, consisting of an administrative fee per monthly bill, a base charge per account (based on meter size), a capital reserve charge per account (based on meter size), and a series of inclining block usage rates per 1,000 gallons based on metered water usage. Furthermore, customers are represented by their ERC equivalent, as discussed in **Section 2**, with ERCs based on meter size. The purpose of this section is to identify the number of ERCs and amount of usage (volume of flow) associated with each customer class for use in determining the revenue sufficiency or insufficiency of the existing Utility.

The Study approach used herein to identify the ERCs and flows for each customer class, and to confirm the customer type, usage characteristics, and the revenue generating application of the billing practices, relied upon a Billing Frequency Analysis (provided in **Appendix A**). The Billing Frequency Analysis utilizes the customer billing data for 12 consecutive months and accumulates by customer class the number of ERCs and flows at incremental usage levels, in this case 1,000 gallon increments.

The Town provided detailed customer and monthly billing information for the fiscal year 2010/11. The data received was sorted first by customer billing class, then by customer type, then by meter size into subclasses of users pursuant to meter size and services received in order to determine the number of ERCs and flow for each of the customer classes. To verify the results, the existing rates at that time were applied to the calculated ERC and flow data and the results were compared against financial reports provided by the Utility for the same time period as a means of verifying both comprehension and accuracy. Standard utility practice allows that calculated results within two percent (2%) of actual financial results are valid and acceptable as a verification of customer data and billing practices, and **Appendix A, Schedule 1** shows the result to be less than two percent of a difference.

### 3.4 Existing Customer Characteristics

According to the Billing Frequency results, as of September 30, 2011, the Town was approximately billing the following water service customers:

- 2,384 Single Family Residential class connections
- 476 Multi-Family Residential class connections, comprised of 6,521 units
- 218 Commercial class connections
- 77 Irrigation class connections
- 17 Non-Residential class connections (lift stations)

The classes were further analyzed to identify the number of ERCs associated with each account since ERCs, based on meter equivalents, serve as the basis for developing the determinants used in establishing the monthly fixed rates and charges. Additionally, the

total usage flows for the annual period and the average flow per month for each customer class were identified.

This information is summarized below in **Table 3-1**.

**Table 3-1  
Existing Customer Characteristics**

	Meters <sup>(1)</sup>		ERCs <sup>(1)</sup>		Usage <sup>(2)</sup>		Monthly Avg.	
	Amt.	%	Amt.	%	Amt.	%	Use/Mtr.	Use/ERC
<b>Water</b>								
Single Family	2,384	75.2%	2,384	25.9%	145,801	30.7%	5,097	5,097
Multi-Family	476	15.0%	6,521	70.7%	177,621	37.4%	31,096	2,270
Commercial	218	6.9%	218	2.4%	120,214	25.3%	45,953	45,953
Irrigation	77	2.4%	77	0.8%	31,068	6.5%	33,623	33,623
Non-Residential	17	0.5%	17	0.2%	29	0.0%	142	142
<b>Total</b>	<b>3,172</b>	<b>100.0%</b>	<b>9,217</b>	<b>100.0%</b>	<b>474,733</b>	<b>100.0%</b>	<b>12,472</b>	<b>4,292</b>

**Notes:**

(1) Assumed Monthly Average, based on FY 2011 billing data.

(2) Annual usage in 1,000s of gallons.

The total billed water flow during the twelve-month analysis period for FY 2011 was approximately 474.733 million gallons or 1.30 million gallons per day (MGD). As shown in **Table 3-1**, the Single Family Residential class and Multi-Family Residential class together represent approximately 90% of the total billed water meters and approximately 68% of the total billed water flows. The remaining billed amounts can primarily be attributed to the Commercial class, with minor amounts also billed to irrigation and lift stations.

As indicated in **Section 2**, the Town utilizes a four (4) tiered water rate structure for the usage rates. Therefore, in order to project revenues and identify them as either adequate enough or not to cover expenses, the billed water flows must be identified by monthly usage. This was also accomplished through the Billing Frequency Analysis as summarized below in **Table 3-2** and detailed further in **Appendix A**.

**Table 3-2  
Existing Billed Consumption by Blocks (000s gallons)**

Class	Block 1		Block 2		Block 3		Block 4		Total	
	Usage	%	Usage	%	Usage	%	Usage	%	Usage	%
<b>Water</b>										
Single Family	92,141	32.3%	45,603	49.7%	4,481	33.2%	3,576	4.3%	145,801	30.7%
Multi-Family	170,204	59.6%	7,251	7.9%	166	1.2%	-	0.0%	177,621	37.4%
Commercial	17,322	6.1%	29,103	31.7%	7,190	53.2%	66,599	79.2%	120,214	25.3%
Irrigation	5,684	2.0%	9,845	10.7%	1,672	12.4%	13,867	16.5%	31,068	6.5%
Non-Resid.	29	0.0%	-	0.0%	-	0.0%	-	0.0%	29	0.0%
<b>Total</b>	<b>285,380</b>	<b>100.0%</b>	<b>91,802</b>	<b>100.0%</b>	<b>13,509</b>	<b>100.0%</b>	<b>84,042</b>	<b>100.0%</b>	<b>474,733</b>	<b>100.0%</b>

### 3.5 Existing Revenue Generation

Finally, as discussed in **Section 2**, in order to evaluate the existing rate structure as just and equitable, as well as appropriate for recovery of fiscal requirements, revenues generated are evaluated for stability, and across customer classes and usage blocks. **Tables 3-3a, 3-3b, and 3-3c** below summarize the revenue distribution, as calculated using the Billing Frequency Analysis in **Appendix A**.

**Table 3-3a  
Existing Revenue Generation - Fixed**

Class	Admin Fee	Base Charges	Capital Reserve	Total	
				Revenue	%
<b>Water</b>					
Single Family	\$ 79,244	\$ 195,107	\$ 77,814	\$ 352,165	28.3%
Multi-Family	15,822	533,680	212,846	762,348	61.2%
Commercial	7,246	67,069	24,204	98,519	7.9%
Irrigation	2,561	19,895	7,009	29,465	2.4%
Non-Residential	565	1,897	555	3,017	0.2%
<b>Total</b>	<b>\$ 105,438</b>	<b>\$ 817,648</b>	<b>\$ 322,428</b>	<b>\$ 1,245,514</b>	<b>100.0%</b>

**Table 3-3b  
Existing Revenue Generation - Variable**

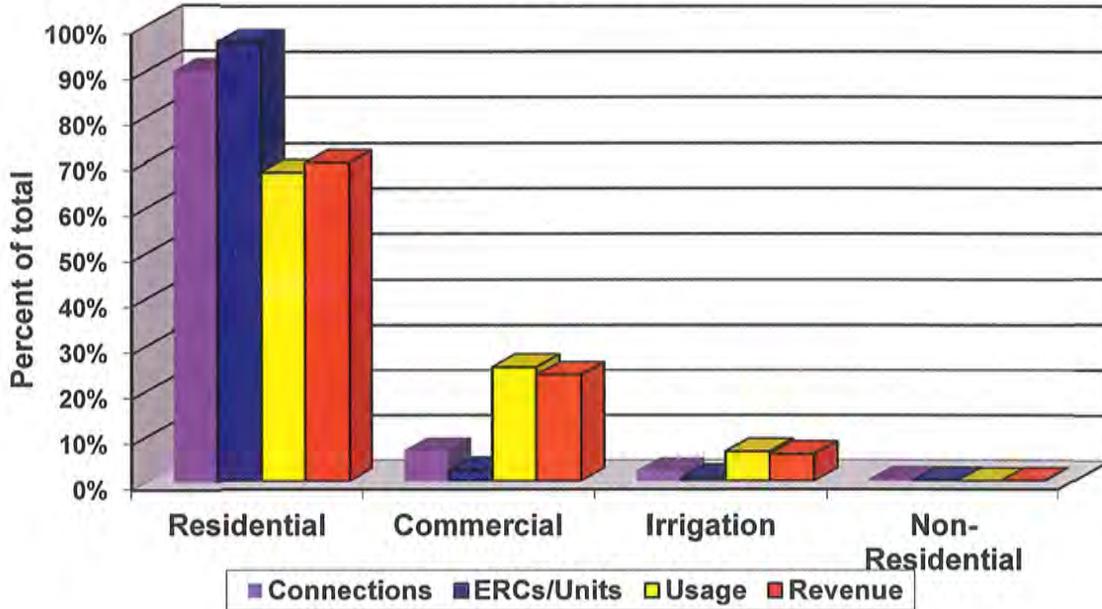
Class	Block 1	Block 2	Block 3	Block 4	Total	
					Revenue	%
<b>Water</b>						
Single Family	\$ 442,277	\$ 264,497	\$ 30,471	\$ 27,893	\$ 765,138	28.9%
Multi-Family	816,979	42,056	1,128	-	860,163	32.5%
Commercial	83,145	168,798	48,892	519,471	820,306	31.0%
Irrigation	27,284	57,101	11,370	108,163	203,918	7.7%
Non-Residential	139	-	-	-	139	0.0%
<b>Total</b>	<b>\$ 1,369,824</b>	<b>\$ 532,452</b>	<b>\$ 91,861</b>	<b>\$ 655,527</b>	<b>\$ 2,649,664</b>	<b>100.0%</b>

**Table 3-3c  
Existing Revenue Generation - Total**

Class	Fixed	Variable	Total	
			Revenue	%
<b>Water</b>				
Single Family	\$ 352,165	\$ 765,138	\$ 1,117,303	28.7%
Multi-Family	762,348	860,163	1,622,511	41.7%
Commercial	98,519	820,306	918,825	23.6%
Irrigation	29,465	203,918	233,383	6.0%
Non-Residential	3,017	139	3,156	0.1%
<b>Total</b>	<b>\$ 1,245,514</b>	<b>\$ 2,649,664</b>	<b>\$ 3,895,178</b>	<b>100.0%</b>

As illustrated in **Figure 3-1**, the existing water rate structure meets the basic criteria of being just and equitable, as there are no major discrepancies amongst each customer class. However, it is evident that certain customers may be paying more or less than their reserved capacity in the system. This is evidenced by the Residential classes using less average flows as a percentage, but paying a slightly higher percentage of revenue, while the Commercial class is shown to be generating a lower percentage of revenue than its average usage percentage. GAI has addressed this issue in more detail in **Section 5**.

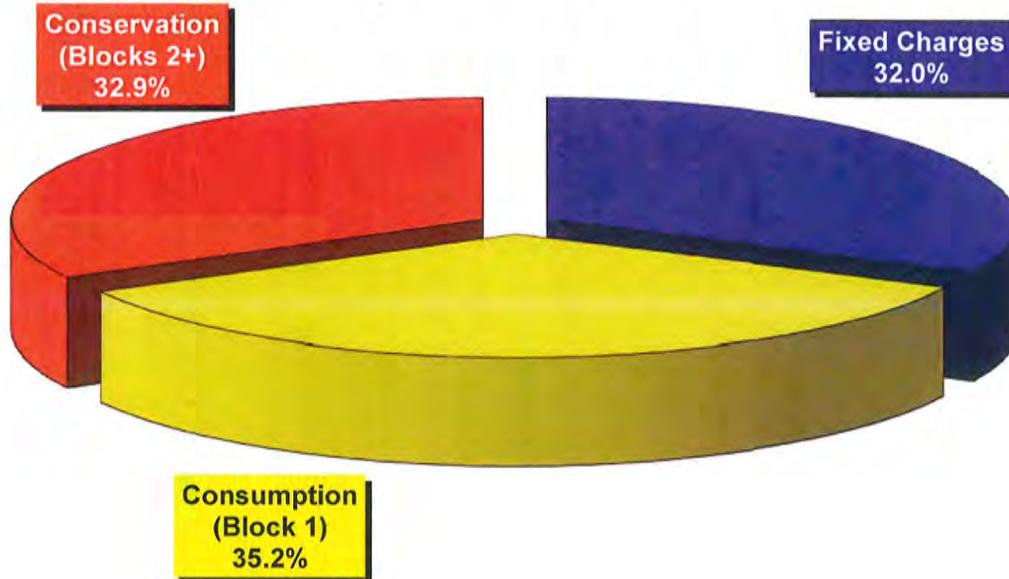
**Figure 3-1  
Rate Structure Analysis**



### 3.6 Stability of Existing Revenue Generation System

Another issue regarding the appropriateness of the rate structure is revenue stability. Revenue from the usage rates is considered variable revenue that can vary materially each year depending on a number of factors including, but not limited to, rainfall, water use restrictions, and the reaction to economic conditions. Review of the customer usage and revenue data indicated that for FY 2011, approximately 32 percent of total water revenues were derived from the fixed monthly charges (administrative fee, base charge, and capital reserve charge), and another approximately 35 percent was derived from the Block 1 usage rate structure component, as illustrated in **Figure 2-2** and as summarized from the Billing Frequency Analysis in **Appendix A**.

**Figure 3-2  
Water Revenue Stability**



However, since the capital reserve revenues are restricted in their use, when considering the stability without these charges, approximately 26 percent of total water revenues were derived from the fixed monthly charges. In order to promote further stability and increase revenue surety, GAI recommends that the Town increase the fixed charge percentages to approximately 35 percent of the total revenue, as discussed further in **Section 5**.

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# SECTION 4

## SECTION 4 REVENUE SUFFICIENCY OF EXISTING UTILITY SYSTEM

### 4.1 General

Revenue Sufficiency is determined by the ability of the Utility to meet all operating fiscal requirements. Operating fiscal requirements are directly related to the level of services provided to customers by the Utility and, therefore, are appropriately recovered through user rates and charges, as well as other operating revenues such as connection charges, interest income, and other miscellaneous revenues. It should be noted that in the Town's selected utility ratemaking methodology, a cash basis of accounting is used; wherein non-cash items such as depreciation and amortization are not considered as fiscal requirements to be recovered through user rates and charges. For the purpose of ratemaking, the current budgeted and projected fiscal requirements are partitioned into categories that correspond to the flow of funds and related provisions, primarily consisting of O&M expenses, debt service, capital from rates, transfers, and other non-operating revenues and expenses. Provisions are also included to address capital improvement needs. These fiscal requirements are reduced by revenues from sources other than user fees such as interest income, capital charges, contributions, grants and miscellaneous charges resulting in net fiscal rate requirements.

### 4.2 Current Fiscal Requirements and Revenues

The net fiscal requirements to be recovered through monthly user rates and charges ("net fiscal rate requirements"), and other operating revenues, were identified by analyzing four (4) years of historical actual operating results as well as the FY 2013 line-item budget for the Town's Water Utility Enterprise fund, as seen on **Schedule 4-1**. While GAI recognizes that the Town is currently operating under an approved balanced budget for FY 2013, necessary adjustments were made to each functional category's FY 2013 budget line items, for reasonableness, ratemaking purposes, and to develop the Test Year (FY 2014), with specific adjustments also made for historical performance. These adjustments are made in order to normalize the Test Year for projection purposes, while also allowing provisions for capital through rates and continued meeting of debt coverage requirements. The adjustments, along with footnoted explanations can be seen on **Schedule 4-2**. The adjusted FY 2014 net fiscal

requirements shown in **Table 4-1** were summarized from **Schedules 4-2** and provide for the rate study Test Year, from which the FY 2015 – 2018 projections were made.

**Table 4-1**  
**FY 2014 Test Year Adjusted Fiscal Rate**  
**Requirements - Existing Operations**

Description	Amount
<b>Fiscal Requirements</b>	
Total O&M Expenses	\$ 2,718,600
Debt Service	298,000
Transfers Out	729,900
Capital Expenditures	305,400
<b>Total Fiscal Requirements</b>	<b>\$ 4,051,900</b>
<b>Less Other Revenues</b>	
Miscellaneous Charges	\$ 53,400
Capital (Restricted) Revenues	316,900
<b>Total Other Revenues</b>	<b>\$ 370,300</b>
<b>Net Fiscal Requirements</b>	<b>\$ 3,681,600</b>

#### 4.3 Projected Fiscal Requirements and Revenues

Projections of the net fiscal rate requirements, for fiscal years 2015 through 2018 (the “Projection Period”), reflect the anticipated impacts of inflation, increases in customers and associated usage (if any), and increases in labor and supply costs. To address these items subject to changes, escalation factors were developed and applied for each adjusted budget line item as shown in **Schedule 4-3**. This process results in fiscal requirements that reasonably reflect probable future needs. For the purpose of the Revenue Sufficiency analysis, rates are held constant throughout the projection period in order to understand what revenue increases are necessary, if any, under the current Utility operations.

The primary assumptions utilized in the projection of the fiscal requirements for the four years subsequent to the Test Year are:

1. Expenditures anticipated to be impacted by a general inflation of 2.50 percent annually, as taken from the 20-year average of the Consumer Price Index (CPI);

2. Personnel salaries, merit increases and associated benefits increase at a rate of half a percent above inflation, or 3.00 percent annually;
3. Customer growth is projected conservatively to be negligible within the Projection Period, so no growth is assumed for the Projection Period;
4. Expenditures influenced by both inflation and customer growth utilize a combined inflation and growth factor (2.50 percent annually); and
5. Expenditures associated with supplies, including routine repairs and maintenance increase at the annual rate of 3.18 percent, taken from the 20-year Engineering News Report (ENR) Construction Cost Index (CCI) average and rounded up for conservative purposes.

As previously mentioned, one of the goals of the Rate Study is to minimize rate shock. In preparing our analysis and developing rates, revenue sufficiency was reviewed. As such, GAI reviewed the Town's current 5-Year scheduled CIP, which is approximately \$20 million through FY 2017 and has worked with staff to develop an alternative implementation schedule over a 7-year period instead, through FY 2019. This can help minimize rate shock on customers to help pay for these projects as well as allow the Town time to pursue other funding mechanisms including the State Revolving Fund Loans and Grants. The current 5-Year and proposed 7-Year Schedules are as follows:

<u>5-Year</u>	<u>7-Year</u>
• FY 2013 – \$2.9 million	• FY 2013 – \$2.9 million (Unchanged)
• FY 2014 – \$4.12 million	• FY 2014 – \$2.82 million
• FY 2015 – \$2.0 million	• FY 2015 – \$2.8 million
• FY 2016 – \$6.5 million	• FY 2016 – \$2.5 million
• FY 2017 – \$4.5 million	• FY 2017 – \$3.0 million
	• FY 2018 – \$3.0 million
	• FY 2019 – \$3.0 million

For purposes of this Report, the 7-Year CIP is assumed. The results of the projected fiscal requirements are shown in **Schedule 4-4**. It should be noted that projections are based on anticipated events and assumptions that are subject to change; therefore, no assurance can be given with respect to the accuracy of such projections.

#### 4.4 Projected User Fee Revenues

As stated previously, for the purpose of the Revenue Sufficiency analysis, rates are held constant and growth is also set to zero throughout the projection period in order to understand what revenue increases are necessary, if any, under the current Utility operations. As such, the projected revenues under the existing rate structure and operations are shown on **Schedule 4-5**.

#### 4.5 Proforma Operating Results for Revenue Sufficiency

Based on current and projected fiscal requirements and revenue expectations, the Proforma operating results were calculated. **Table 4-2** summarizes the current revenue sufficiency for the Projection Period based on the existing rates and charges, as detailed in **Schedule 4-6**. The results confirm the need for additional revenue generation, either through rate structure modifications, transfers from reserves, rate increases, and/or expense decreases in both current and future years in order to continue to fund both current and future operations through rates and reserves, and continue to meet existing and projected debt service coverage obligations. As shown on **Table 4-2**, based on the expense projections previously discussed and under the existing rate structure, revenues are projected to be insufficient in fiscal years 2017 and 2018. It should again be noted that projections are based on anticipated events and assumptions that are subject to change; therefore, no assurance can be given with respect to the accuracy of such projections.

**Table 4-2**  
**Water and Wastewater Combined Operating Statement for Revenue Sufficiency**  
**Existing Operations**

Description	Test Year	Projected Fiscal Year			
	FY 2014	2015	2016	2017	2018
User Fee Revenue	\$ 3,722,900	\$ 3,764,800	\$ 3,764,800	\$ 3,764,800	\$ 3,764,800
Other Oper. Revenues	53,400	81,700	81,700	81,700	81,700
<b>Total Operating Revs</b>	<b>\$ 3,776,300</b>	<b>\$ 3,846,500</b>	<b>\$ 3,846,500</b>	<b>\$ 3,846,500</b>	<b>\$ 3,846,500</b>
Total O & M Expenses	2,718,600	2,798,100	2,869,700	2,943,000	3,018,300
<b>Net Revenues</b>	<b>\$ 1,057,700</b>	<b>\$ 1,048,400</b>	<b>\$ 976,800</b>	<b>\$ 903,500</b>	<b>\$ 828,200</b>
Total Debt Service	298,000	499,000	676,500	860,900	1,062,400
<b>Bal. after Debt Service</b>	<b>\$ 759,700</b>	<b>\$ 552,300</b>	<b>\$ 303,200</b>	<b>\$ 45,500</b>	<b>\$ (231,300)</b>
Other Revenue	317,300	317,500	317,600	317,600	317,500
Other Requirements	(1,035,300)	(826,000)	(585,100)	(443,100)	(451,400)
<b>Avail. For Other Uses</b>	<b>\$ 41,700</b>	<b>\$ 43,800</b>	<b>\$ 35,800</b>	<b>\$ (80,000)</b>	<b>\$ (365,200)</b>
<b>Debt Service Coverage</b>					
Net Revenues	\$ 1,375,000	\$ 1,368,800	\$ 1,297,400	\$ 1,224,000	\$ 1,148,600
Parity Debt Service	\$ 298,000	\$ 499,000	\$ 676,500	\$ 860,900	\$ 1,062,400
Projected Coverage	<b>4.6141</b>	<b>2.7431</b>	<b>1.9178</b>	<b>1.4218</b>	<b>1.0811</b>
Minimum Required	1.30	1.30	1.30	1.30	1.30
<b>Sufficiency</b>					
Required Revenues	\$ 387,400	\$ 648,700	\$ 879,450	\$ 1,119,170	\$ 1,381,120
% Suffic. (Rounded)	N/A	N/A	N/A	-3%	-10%

#### 4.6 Projected Reserve Funds

Although several other reserve funds may exist within the Utility enterprise, the primary reserve funds for the objectives in this Report are the Water and Wastewater Utility Funds. These funds provide for the accumulation and expenditure of unrestricted earnings of the Utility and are generally considered as the backbone for financial stability. The Utility also has a separate Capital / Renewal & Replacement (R&R) fund for setting aside funds for future capital projects and R&R needs.

A key financial measure of the financial stability, health and creditworthiness of a utility is the ability to maintain adequate levels of unrestricted funds. Typically, the operating reserve funds should maintain the larger of at least three months of operating cash requirements or at least five (5) percent of total debt obligations.

**Table 4-3** displays a summary of estimated fund balances using the Town's current operations, as detailed on **Schedule 4-7**. With the rates adopted in the previous rate study, the Town has been able to begin to establish appropriate reserve fund balances for the Utility System.

**Table 4-3  
Flow of Funds  
Existing Operations**

Description	Test Year	Projected Fiscal Year			
	FY 2014	2015	2016	2017	2018
<b>Water Unrestricted Fund</b>					
Beginning Balance	\$ 410,759	\$ 1,070,023	\$ 1,464,223	\$ 1,550,423	\$ 1,370,823
Annual Oper. Surplus	139,700	152,300	153,200	45,500	(231,300)
Transfers In	620,000	400,000	150,000	-	-
Transfers Out	(100,836)	(158,700)	(217,800)	(225,800)	(134,000)
Interest Income	400	600	800	700	600
Ending Balance	<b>\$ 1,070,023</b>	<b>\$ 1,464,223</b>	<b>\$ 1,550,423</b>	<b>\$ 1,370,823</b>	<b>\$ 1,006,123</b>
<b>Capital / R&amp;R Account</b>					
Beginning Balance	\$ 747,564	\$ 750,400	\$ 800,400	\$ 900,400	\$ 1,000,500
Annual Oper. Surplus	316,900	316,900	316,900	316,900	316,900
Transfers In	100,836	158,700	217,800	225,800	134,000
Transfers Out	(415,300)	(426,000)	(435,100)	(443,100)	(451,400)
Interest Income	400	400	400	500	500
Ending Balance	<b>\$ 750,400</b>	<b>\$ 800,400</b>	<b>\$ 900,400</b>	<b>\$ 1,000,500</b>	<b>\$ 1,000,500</b>

#### 4.7 Summary

During analysis of the Town's current Utility budget and operations, it was determined that adjustments were required in fiscal years 2017 and 2018. After discussions and input from Town staff, and calling upon GAI's experience in the industry, the adjusted fiscal requirements were developed to create a Test Year and projected based on escalation criteria for the remaining fiscal years. Fiscal requirements, as distributed among each rate structure component (base and usage charges), contribute not only to just and equitable recovery of costs, but also provide a significant level of revenue stability (base charge) in the event of decreases or cutbacks in customer usage. Both the projected budget and CIP requirements are critical to the future success and cost effectiveness of the Utility. It is essential that these activities and improvements are properly funded and scheduled.

As a result of the revenue insufficiency and declining fund balances identified above, the Town must undertake activities to both increase revenues and reduce costs. Discussions in this section of the Report identified the minimum requirements the Town must meet to be revenue sufficient and meet debt service coverage obligations. However, this minimum requirement approach does not address standardizing the Utility revenue generation process and collecting on a more just and equitable basis.

In **Section 5**, GAI introduces and discusses more just and equitable methods of revenue recovery, and details the proposed strategies and their projected impacts to the Utility. Additionally, **Section 6** discusses updates to certain miscellaneous charges and additions of other common charges for similar utilities. **Section 7** then details the use of these proposed modifications in developing the updated fiscal requirements, rates, and projections of operating results.

Schedule 4-1  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Historical Operating Results and FY 2013 Budget

Account Name	Historical				Budget
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Expenses</b>					
<b>Personal Services</b>					
Salaries	\$ 33,783	\$ 156,526	\$ -	\$ 34,113	\$ 40,947
FICA	2,584	-	-	2,610	3,132
Retirement	3,577	-	-	3,411	4,095
Life Health & Disability	5,730	-	-	8,344	9,313
State Unemployment Tax	-	-	-	64	-
Administrative Expense	-	-	89,806	92,949	190,944
<b>Total Personal Services</b>	<b>\$ 45,674</b>	<b>\$ 156,526</b>	<b>\$ 89,806</b>	<b>\$ 141,491</b>	<b>\$ 248,431</b>
<b>Operating Expense</b>					
Professional Services	\$ 7,097	\$ 0	\$ 1,462	\$ 1,120	\$ 148,000
Accounting & Auditing	27,375	22,500	22,500	22,500	-
Other Contractual Service	18,957	25,443	16,455	18,490	93,500
Communications	-	-	-	-	-
Utility Services (Electricity)	36,040	32,543	41,503	39,400	46,000
Rentals & Leases	-	-	-	-	-
Insurance	75,878	79,923	74,263	80,000	80,000
Repair & Maintenance	204,189	374,610	378,648	295,745	452,000
Other Current Charges	1,386	7,337	6,342	3,123	4,700
Security Deposit Refunds	(0)	0	1,650	-	-
Office Supplies	-	169	-	-	5,437
Operating Supplies	732	23,081	29,774	26,603	19,000
Fireline Refunds	-	-	-	-	-
Interest Expense-Custome	-	-	-	-	-
Travel & Per Diem, Training	-	-	-	-	3,000
Professional Services Management	412,311	379,285	435,780	467,083	468,250
Security Deposit Refunds	-	-	-	-	-
Bank Charges	15,806	18,479	23,134	26,499	16,000
Dues and Memberships	500	1,340	545	545	600
Bulk Water Agreement	1,328,551	1,331,354	1,357,157	1,464,406	1,340,787
Lee County Utilities Sew	-	-	-	-	-
Taxes - Other	-	-	-	-	-
Administration	-	-	-	-	-
Professional Services-Legal	3,984	21,243	44,836	-	50,000
<b>Total Operating Expenses</b>	<b>\$ 2,132,805</b>	<b>\$ 2,317,307</b>	<b>\$ 2,434,049</b>	<b>\$ 2,445,515</b>	<b>\$ 2,727,274</b>
<b>Subtotal O&amp;M</b>	<b>\$ 2,178,479</b>	<b>\$ 2,473,833</b>	<b>\$ 2,523,855</b>	<b>\$ 2,587,006</b>	<b>\$ 2,975,705</b>
<b>Debt</b>					
Series 2010 Note Payable - Interest	\$ 120,771	\$ 109,763	\$ 65,108	\$ 60,034	\$ 65,108
Series 2010 Note Payable - Principal	-	-	-	-	180,000
Loan Cost Amortization	4,167	-	-	-	-
New Debt	-	-	-	-	-
<b>Subtotal Debt</b>	<b>\$ 124,938</b>	<b>\$ 109,763</b>	<b>\$ 65,108</b>	<b>\$ 60,034</b>	<b>\$ 245,108</b>
<b>Other Non-Operating Expenditures</b>					
Non-Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expense	-	-	-	-	-
<b>Subtotal Other Expenditures</b>	<b>\$ -</b>				
<b>Transfers Out</b>					
Capital Improvement Reserved (R&R)	\$ -	\$ -	\$ -	\$ -	\$ 107,050
Other Transfers Out	-	-	-	-	-
<b>Subtotal Transfers Out</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 107,050</b>

Schedule 4-1  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Historical Operating Results and FY 2013 Budget

Account Name	Historical				Budget
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Capital Expenditures</b>					
Depreciation Expenses	\$ 224,659	\$ 231,324	\$ 250,148	\$ 283,631	\$ 222,737
Capital Improvements/Oper. Equip.	2,661	182,027	63,683	23,001	198,000
Capital Improvement CIP - Pay As You Go	-	0	(19,471)	-	100,000
<b>Subtotal Capital Expenditures</b>	<b>\$ 227,320</b>	<b>\$ 413,351</b>	<b>\$ 294,360</b>	<b>\$ 306,632</b>	<b>\$ 520,737</b>
<b>Total Expenses</b>	<b>\$ 2,530,737</b>	<b>\$ 2,996,947</b>	<b>\$ 2,883,322</b>	<b>\$ 2,953,672</b>	<b>\$ 3,848,600</b>

Schedule 4-1  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Historical Operating Results and FY 2013 Budget

Account Name	Historical				Budget
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
<b>Revenues</b>					
<b>Water Operating Revenues</b>					
Metered Water Sales	\$ 2,009,191	\$ -	\$ -	\$ -	\$ -
Water	-	2,950,960	3,407,890	3,426,096	3,393,300
Water Admin. Charge	-	68,412	102,043	102,869	90,000
<b>Total Water Operating Revenues</b>	<b>\$ 2,009,191</b>	<b>\$ 3,019,372</b>	<b>\$ 3,509,933</b>	<b>\$ 3,528,965</b>	<b>\$ 3,483,300</b>
<b>Miscellaneous Charge Revenues</b>					
Utility Credit Bal. R/Misc. and Deposits	\$ -	\$ 2,243		\$ 9,357	\$ -
Customer Responsibility				11,436	
Miscellaneous Revenue	224,000		263,776		8,000
Connection Fees Resident	50,000				
Tap In Charges	-	500		-	16,000
Establish Service Charge	-	4,264	12,269	13,746	4,000
Trip Charge	-	640	694	1,334	800
Reconnection Fees	-	3,198	4,743	3,710	3,200
Overpayments				-	-
Fire Service Charges	-	7,000	11,550	12,384	10,000
Returned Check Fee			744	125	
Water Late Charges	-	10,300	15,788	12,825	11,000
Deposits					
Proposed Miscellaneous Charges					
<b>Total Miscellaneous Charge Revenues</b>	<b>\$ 274,000</b>	<b>\$ 28,145</b>	<b>\$ 309,564</b>	<b>\$ 64,918</b>	<b>\$ 53,000</b>
<b>Other Operating Revenue</b>					
Interest Income	\$ 120,000	\$ 7,174	\$ 4,843	\$ 3,756	\$ 2,300
Other Operating Income	-	-	-	-	-
<b>Subtotal Other Revenue</b>	<b>\$ 120,000</b>	<b>\$ 7,174</b>	<b>\$ 4,843</b>	<b>\$ 3,756</b>	<b>\$ 2,300</b>
<b>Transfers In</b>					
Prior Year Carryover	\$ 2,100,000				
Transfer In	-	-	-	-	-
<b>Subtotal Transfers In</b>	<b>\$ 2,100,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital (Restricted) Revenues</b>					
Capital Reserves	\$ -	\$ 239,250	\$ 318,635	\$ 317,922	\$ 310,000
Water Impact Fees				13,844	-
<b>Total Restricted Revenues</b>	<b>\$ -</b>	<b>\$ 239,250</b>	<b>\$ 318,635</b>	<b>\$ 331,766</b>	<b>\$ 310,000</b>
<b>Total Revenues</b>	<b>\$ 4,503,191</b>	<b>\$ 3,293,941</b>	<b>\$ 4,142,975</b>	<b>\$ 3,929,404</b>	<b>\$ 3,848,600</b>
<b>Net Income</b>	<b>\$ 1,972,454</b>	<b>\$ 296,994</b>	<b>\$ 1,259,653</b>	<b>\$ 975,732</b>	<b>\$ -</b>

Schedule 4-2  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Test Year Fiscal Requirements

Account Name	Budget FY 2013 (Rounded)	Historical Adjustments	Other Adjustments	Adjusted FY 2013	FY 2014 Adjustments	Test Year FY 2014
<b>Expenses</b>						
<i>Personal Services</i>						
Salaries	(a) \$ 40,900	\$ -	\$ -	\$ 40,900	\$ 1,200	\$ 42,100
FICA	(b) 3,100	-	-	3,100	100	3,200
Retirement	(c) 4,100	-	-	4,100	100	4,200
Life Health & Disability	9,300	-	-	9,300	300	9,600
State Unemployment Tax	-	-	-	-	-	-
Administrative Expense	190,900	-	-	190,900	30,700	221,600
<b>Total Personal Services</b>	<b>\$ 248,300</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 248,300</b>	<b>\$ 32,400</b>	<b>\$ 280,700</b>
<i>Operating Expense</i>						
Professional Services	(a) \$ 148,000	\$ -	\$ -	\$ 148,000	\$ (145,500)	\$ 2,500
Accounting & Auditing	(b) -	-	-	-	-	-
Other Contractual Service	(c) 93,500	-	-	93,500	(76,900)	16,600
Communications	(d) -	-	-	-	-	-
Utility Services (Electricity)	(e) 46,000	-	-	46,000	1,100	47,100
Rentals & Leases	(f) -	-	-	-	-	-
Insurance	(g) 80,000	-	-	80,000	2,000	82,000
Repair & Maintenance	(h) 452,000	(138,700)	-	313,300	7,800	321,100
Other Current Charges	(i) 4,700	-	-	4,700	100	4,800
Security Deposit Refunds	(j) -	-	-	-	-	-
Office Supplies	(k) 5,400	-	-	5,400	100	5,500
Operating Supplies	(l) 19,000	7,500	-	26,500	700	27,200
Fireline Refunds	-	-	-	-	-	-
Interest Expense-Custome	-	-	-	-	-	-
Travel & Per Diem, Training	3,000	-	-	3,000	100	3,100
Professional Services Management	468,300	-	-	468,300	11,700	480,000
Security Deposit Refunds	-	-	-	-	-	-
Bank Charges	16,000	5,000	-	21,000	500	21,500
Dues and Memberships	600	-	-	600	-	600
Bulk Water Agreement	1,340,800	-	-	1,340,800	33,500	1,374,300
Lee County Utilities Sew	-	-	-	-	-	-
Taxes - Other	-	-	-	-	-	-
Administration	(m) -	-	-	-	-	-
Professional Services-Legal	(n) 50,000	-	-	50,000	1,600	51,600
<b>Total Operating Expenses</b>	<b>\$ 2,727,300</b>	<b>\$ (126,200)</b>	<b>\$ -</b>	<b>\$ 2,601,100</b>	<b>\$ (163,200)</b>	<b>\$ 2,437,900</b>
<b>Subtotal O&amp;M</b>	<b>\$ 2,975,600</b>	<b>\$ (126,200)</b>	<b>\$ -</b>	<b>\$ 2,849,400</b>	<b>\$ (130,800)</b>	<b>\$ 2,718,600</b>
<b>Debt</b>						
Series 2010 Note Payable - Interest	(a) \$ 65,100	\$ -	\$ -	\$ 65,100	\$ (43,300)	\$ 21,800
Series 2010 Note Payable - Principal	(b) 180,000	-	-	180,000	-	180,000
Loan Cost Amortization	(c) -	-	-	-	-	-
New Debt	(d) -	-	-	-	96,200	96,200
<b>Subtotal Debt</b>	<b>\$ 245,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 245,100</b>	<b>\$ 52,900</b>	<b>\$ 298,000</b>
<b>Other Non-Operating Expenditures</b>						
Non-Operating Expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expense	-	-	-	-	-	-
<b>Subtotal Other Expenditures</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers Out</b>						
Capital Improvement Reserve (R&R)	(a) \$ 107,100	\$ -	\$ -	\$ 107,100	\$ 2,800	\$ 109,900
Other Transfers Out - CIP Fund	-	-	-	-	620,000	620,000
<b>Subtotal Transfers Out</b>	<b>\$ 107,100</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 107,100</b>	<b>\$ 622,800</b>	<b>\$ 729,900</b>
<b>Capital Expenditures</b>						
Depreciation Expenses	(a) \$ 222,700	\$ -	\$ (222,700)	\$ -	\$ -	\$ -
Capital Improvements/Oper. Equip.	(b) 198,000	-	-	198,000	4,900	202,900
Capital Improvement	(c) 100,000	-	-	100,000	2,500	102,500
CIP - Pay As You Go	-	-	-	-	-	-
<b>Subtotal Capital Expenditures</b>	<b>\$ 520,700</b>	<b>\$ -</b>	<b>\$ (222,700)</b>	<b>\$ 298,000</b>	<b>\$ 7,400</b>	<b>\$ 305,400</b>
<b>Total Expenses</b>	<b>\$ 3,848,500</b>	<b>\$ (126,200)</b>	<b>\$ (222,700)</b>	<b>\$ 3,499,600</b>	<b>\$ 552,300</b>	<b>\$ 4,051,900</b>

Schedule 4-2  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Test Year Fiscal Requirements

Account Name	Budget FY 2013	Historical Adjustments	Other Adjustments	Adjusted FY 2013	FY 2014 Adjustments	Test Year FY 2014
<b>Revenues</b>						
<b>Water Operating Revenues</b>						
Metered Water Sales	(2)(5) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water	(2)(6) 3,393,300	-	(3,393,300)	-	-	-
Water Admin. Charge	(2)(5) 90,000	-	(90,000)	-	-	-
<b>Total Water Operating Revenues</b>	<b>\$ 3,483,300</b>	<b>\$ -</b>	<b>\$ (3,483,300)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Miscellaneous Charge Revenues</b>						
Utility Credit Bal. R/Misc. and Deposits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Responsibility	-	-	-	-	-	-
Miscellaneous Revenue	8,000	-	15,500	23,500	-	23,500
Connection Fees Resident	-	-	-	-	-	-
Tap In Charges	16,000	(15,500)	-	500	-	500
Establish Service Charge	4,000	-	-	4,000	-	4,000
Trip Charge	800	-	-	800	-	800
Reconnection Fees	3,200	-	-	3,200	-	3,200
Overpayments	-	-	-	-	-	-
Fire Service Charges	10,000	-	-	10,000	-	10,000
Returned Check Fee	-	400	-	400	-	400
Water Late Charges	11,000	-	-	11,000	-	11,000
Deposits	(2) -	-	-	-	-	-
Proposed Miscellaneous Charges	-	-	-	-	-	-
<b>Total Miscellaneous Charge Revenues</b>	<b>\$ 53,000</b>	<b>\$ (15,100)</b>	<b>\$ 15,500</b>	<b>\$ 53,400</b>	<b>\$ -</b>	<b>\$ 53,400</b>
<b>Other Operating Revenue</b>						
Interest Income	(3) \$ 2,300	\$ -	\$ (2,300)	\$ -	\$ -	\$ -
Other Operating Income	-	-	-	-	-	-
<b>Subtotal Other Revenue</b>	<b>\$ 2,300</b>	<b>\$ -</b>	<b>\$ (2,300)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers In</b>						
Prior Year Carryover	(2) \$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer In for Rate Stabilization	-	-	-	-	-	-
<b>Subtotal Transfers In</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital (Restricted) Revenues</b>						
Capital Reserves	\$ 310,000	\$ -	\$ 6,900	\$ 316,900	\$ -	\$ 316,900
Water Impact Fees	-	-	-	-	-	-
<b>Total Restricted Revenues</b>	<b>\$ 310,000</b>	<b>\$ -</b>	<b>\$ 6,900</b>	<b>\$ 316,900</b>	<b>\$ -</b>	<b>\$ 316,900</b>
<b>Total Revenues</b>	<b>\$ 3,848,600</b>	<b>\$ (15,100)</b>	<b>\$ (3,463,200)</b>	<b>\$ 370,300</b>	<b>\$ -</b>	<b>\$ 370,300</b>
<b>Net Fiscal Requirements</b>				<b>\$ 3,129,300</b>	<b>\$ 552,300</b>	<b>\$ 3,681,600</b>

Notes:

- (1) Adjusted for reasonableness.
- (2) Adjusted out since primary user rate revenues, not to offset requirements.
- (3) Adjusted out since not related to normal water operations.
- (4) Adjusted to historical averages since more appropriate over long-term.
- (5) Escalated to FY 2014 levels per escalation factors as shown on Schedules 3 and 5.

Schedule 4-3  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Escalation Factors

Category	Factor	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Zero	0	-	-	-	-	-
Constant Factor	1	1.0000	1.0000	1.0000	1.0000	1.0000
General Inflation	2	1.0250	1.0250	1.0250	1.0250	1.0250
Labor Escalator	3	1.0300	1.0300	1.0300	1.0300	1.0300
Customer Growth Factor	4	1.0000	1.0000	1.0000	1.0000	1.0000
Customer Growth / Inflation Factor	5	1.0250	1.0250	1.0250	1.0250	1.0250
Rate Revenue Factor	6	1.0000	1.0000	1.0000	1.0260	1.0680
Customer Growth / Rate Rev Factor	7	1.0000	1.0000	1.0000	1.0260	1.0680
Supplies / Repairs & Maintenance	8	1.0318	1.0318	1.0318	1.0318	1.0318
R&R	9	3.03%	3.03%	3.03%	3.03%	3.03%

Schedule 4-4  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Net Fiscal Requirements - Existing Rates

Account Name	Escal. Ref.	Test Year FY 2014	Projected Fiscal Year			
			FY 2015	FY 2016	FY 2017	FY 2018
<b>Expenses</b>						
<i>Personal Services</i>						
Salaries	3	\$ 42,100	\$ 43,400	\$ 44,700	\$ 46,000	\$ 47,400
FICA	3	3,200	3,300	3,400	3,500	3,600
Retirement	3	4,200	4,300	4,400	4,500	4,600
Life Health & Disability	3	9,600	9,900	10,200	10,500	10,800
State Unemployment Tax	3	-	-	-	-	-
Administrative Expense	3	221,600	238,200	245,300	252,700	260,300
<b>Total Personal Services</b>		<b>\$ 280,700</b>	<b>\$ 299,100</b>	<b>\$ 308,000</b>	<b>\$ 317,200</b>	<b>\$ 326,700</b>
<i>Operating Expense</i>						
Professional Services	5	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800	\$ 2,900
Accounting & Auditing	5	-	-	-	-	-
Other Contractual Service	5	16,600	17,000	17,400	17,800	18,200
Communications	5	-	-	-	-	-
Utility Services (Electricity)	5	47,100	48,300	49,500	50,700	52,000
Rentals & Leases	2	-	-	-	-	-
Insurance	2	82,000	84,000	86,100	88,200	90,400
Repair & Maintenance	5	321,100	329,100	337,300	345,700	354,300
Other Current Charges	5	4,800	4,900	5,000	5,100	5,200
Security Deposit Refunds	5	-	-	-	-	-
Office Supplies	5	5,500	5,600	5,700	5,800	5,900
Operating Supplies	5	27,200	27,900	28,600	29,300	30,000
Fireline Refunds	5	-	-	-	-	-
Interest Expense-Custome	5	-	-	-	-	-
Travel & Per Diem, Training	5	3,100	3,200	3,300	3,400	3,500
Professional Services Management	5	480,000	492,000	504,300	516,900	529,800
Security Deposit Refunds	5	-	-	-	-	-
Bank Charges	5	21,500	22,000	22,500	23,100	23,700
Dues and Memberships	5	600	600	600	600	600
Bulk Water Agreement	5	1,374,300	1,408,600	1,443,800	1,479,800	1,516,700
Lee County Utilities Sew	5	-	-	-	-	-
Taxes - Other	5	-	-	-	-	-
Administration	5	-	-	-	-	-
Professional Services-Legal	8	51,600	53,200	54,900	56,600	58,400
<b>Total Operating Expenses</b>		<b>\$ 2,437,900</b>	<b>\$ 2,499,000</b>	<b>\$ 2,561,700</b>	<b>\$ 2,625,800</b>	<b>\$ 2,691,600</b>
<b>Subtotal O&amp;M</b>		<b>\$ 2,718,600</b>	<b>\$ 2,798,100</b>	<b>\$ 2,869,700</b>	<b>\$ 2,943,000</b>	<b>\$ 3,018,300</b>
<b>Debt</b>						
Series 2010 Note Payable - Interest	Y	\$ 52,500	\$ 47,500	\$ 42,500	\$ 37,500	\$ 32,500
Series 2010 Note Payable - Principal	Y	180,000	180,000	180,000	180,000	180,000
Loan Cost Amortization	1	-	-	-	-	-
New Debt	INPUT	96,200	288,000	468,800	656,500	861,200
<b>Subtotal Debt</b>		<b>\$ 328,700</b>	<b>\$ 515,500</b>	<b>\$ 691,300</b>	<b>\$ 874,000</b>	<b>\$ 1,073,700</b>
<b>Other Non-Operating Expenditures</b>						
Non-Operating Expense	2	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expense	2	-	-	-	-	-
<b>Subtotal Other Expenditures</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers Out</b>						
Capital Improvement Reserved (R&R)	INPUT	\$ 109,900	\$ 112,900	\$ 114,200	\$ 114,200	\$ 114,200
Other Transfers Out	INPUT	620,000	400,000	150,000	-	-
<b>Subtotal Transfers Out</b>		<b>\$ 729,900</b>	<b>\$ 512,900</b>	<b>\$ 264,200</b>	<b>\$ 114,200</b>	<b>\$ 114,200</b>

Schedule 4-4  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Net Fiscal Requirements - Existing Rates

Account Name	Escal. Ref.	Test Year	Projected Fiscal Year			
		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Capital Expenditures</b>						
Depreciation Expenses	2	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvements/Oper. Equip.	2	202,900	208,000	213,200	218,500	224,000
Capital Improvement	2	102,500	105,100	107,700	110,400	113,200
CIP - Pay As You Go	INPUT	-	-	-	-	-
<b>Subtotal Capital Expenditures</b>		<b>\$ 305,400</b>	<b>\$ 313,100</b>	<b>\$ 320,900</b>	<b>\$ 328,900</b>	<b>\$ 337,200</b>
<b>Total Expenses</b>		<b>\$ 4,082,600</b>	<b>\$ 4,139,600</b>	<b>\$ 4,146,100</b>	<b>\$ 4,260,100</b>	<b>\$ 4,543,400</b>
<b>Revenues</b>						
<b>Miscellaneous Charge Revenues</b>						
Utility Credit Bal. R/Misc. and Deposits	7	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Responsibility	7	-	-	-	-	-
Miscellaneous Revenue	7	23,500	23,500	23,500	23,500	23,500
Connection Fees Resident	7	-	-	-	-	-
Tap In Charges	7	500	500	500	500	500
Establish Service Charge	7	4,000	4,000	4,000	4,000	4,000
Trip Charge	7	800	800	800	800	800
Reconnection Fees	7	3,200	3,200	3,200	3,200	3,200
Overpayments	7	-	-	-	-	-
Fire Service Charges	7	10,000	38,300	38,300	38,300	38,300
Returned Check Fee	7	400	400	400	400	400
Water Late Charges	7	11,000	11,000	11,000	11,000	11,000
Deposits	7	-	-	-	-	-
Proposed Miscellaneous Charges	7	-	-	-	-	-
<b>Total Miscellaneous Charge Revenues</b>		<b>\$ 53,400</b>	<b>\$ 81,700</b>	<b>\$ 81,700</b>	<b>\$ 81,700</b>	<b>\$ 81,700</b>
<b>Capital (Restricted) Revenues</b>						
Capital Reserves	1	\$ 316,900	\$ 316,900	\$ 316,900	\$ 316,900	\$ 316,900
Water Impact Fees	7	-	-	-	-	-
<b>Total Restricted Revenues</b>		<b>\$ 316,900</b>	<b>\$ 316,900</b>	<b>\$ 316,900</b>	<b>\$ 316,900</b>	<b>\$ 316,900</b>
<b>Total Revenues</b>		<b>\$ 370,300</b>	<b>\$ 398,600</b>	<b>\$ 398,600</b>	<b>\$ 398,600</b>	<b>\$ 398,600</b>
<b>Net Fiscal Requirements</b>		<b>\$ 3,712,300</b>	<b>\$ 3,741,000</b>	<b>\$ 3,747,500</b>	<b>\$ 3,861,500</b>	<b>\$ 4,144,800</b>

Schedule 4-5  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Revenues - Existing Rates

Account Name	Test Year	Projected Fiscal Year			
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b><u>Administrative Charge:</u></b>					
(Per Billed Account per Month)					
Residential	\$ 77,900	\$ 77,900	\$ 77,900	\$ 77,900	\$ 77,900
Commercial	7,100	7,100	7,100	7,100	7,100
Irrigation	2,500	2,500	2,500	2,500	2,500
Multi-Family	15,600	15,600	15,600	15,600	15,600
Lift Station	600	600	600	600	600
<b>Total Administrative Revenue</b>	<b>\$ 103,700</b>	<b>\$ 103,700</b>	<b>\$ 103,700</b>	<b>\$ 103,700</b>	<b>\$ 103,700</b>
<b><u>Base Facility Charge:</u></b>					
<u>Residential</u>					
5/8" Meter	\$ 191,800	\$ 191,800	\$ 191,800	\$ 191,800	\$ 191,800
<u>Commercial</u>					
5/8" Meter	\$ 12,900	\$ 12,900	\$ 12,900	\$ 12,900	\$ 12,900
1"	8,800	8,800	8,800	8,800	8,800
1.5"	14,800	14,800	14,800	14,800	14,800
2"	10,800	10,800	10,800	10,800	10,800
3"	10,500	10,500	10,500	10,500	10,500
4"	8,200	8,200	8,200	8,200	8,200
<u>Irrigation</u>					
5/8" Meter	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900	\$ 3,900
1"	4,400	4,400	4,400	4,400	4,400
1.5"	6,500	6,500	6,500	6,500	6,500
2"	4,700	4,700	4,700	4,700	4,700
<u>Multi-Family (per Unit)</u>					
5/8" Meter	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000	\$ 69,000
1"	12,100	12,100	12,100	12,100	12,100
1.5"	38,300	38,300	38,300	38,300	38,300
2"	104,800	104,800	104,800	104,800	104,800
3"	165,600	165,600	165,600	165,600	165,600
4"	134,800	134,800	134,800	134,800	134,800
<u>Lift Stations</u>					
Per Station	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900	\$ 1,900
<b>Combined Base Revenue</b>					
Residential	\$ 191,800	\$ 191,800	\$ 191,800	\$ 191,800	\$ 191,800
Commercial	66,000	66,000	66,000	66,000	66,000
Irrigation	19,500	19,500	19,500	19,500	19,500
Multi-Family	524,600	524,600	524,600	524,600	524,600
Lift Station	1,900	1,900	1,900	1,900	1,900
<b>Total Base Revenue</b>	<b>\$ 803,800</b>	<b>\$ 803,800</b>	<b>\$ 803,800</b>	<b>\$ 803,800</b>	<b>\$ 803,800</b>

Schedule 4-5  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Revenues - Existing Rates

Account Name	Test Year	Projected Fiscal Year			
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Gallongage Charges:</b>					
<u>Volume Charges (per 1,000 gallons)</u>					
<b>Block 1</b>					
Residential	\$ 475,900	\$ 484,000	\$ 484,000	\$ 484,000	\$ 484,000
Commercial	89,500	91,000	91,000	91,000	91,000
Irrigation	29,400	29,900	29,900	29,900	29,900
Multi-Family	879,000	894,000	894,000	894,000	894,000
Lift Station	100	200	200	200	200
<b>Total Block 1</b>	<b>\$ 1,473,900</b>	<b>\$ 1,499,100</b>	<b>\$ 1,499,100</b>	<b>\$ 1,499,100</b>	<b>\$ 1,499,100</b>
<b>Block 2</b>					
Residential	\$ 280,200	\$ 284,200	\$ 284,200	\$ 284,200	\$ 284,200
Commercial	178,800	181,400	181,400	181,400	181,400
Irrigation	60,500	61,400	61,400	61,400	61,400
Multi-Family	44,600	45,200	45,200	45,200	45,200
Lift Station	-	-	-	-	-
<b>Total Block 2</b>	<b>\$ 564,100</b>	<b>\$ 572,200</b>	<b>\$ 572,200</b>	<b>\$ 572,200</b>	<b>\$ 572,200</b>
<b>Block 3</b>					
Residential	\$ 31,900	\$ 32,300	\$ 32,300	\$ 32,300	\$ 32,300
Commercial	51,200	51,900	51,900	51,900	51,900
Irrigation	11,900	12,100	12,100	12,100	12,100
Multi-Family	1,200	1,200	1,200	1,200	1,200
Lift Station	-	-	-	-	-
<b>Total Block 3</b>	<b>\$ 96,200</b>	<b>\$ 97,500</b>	<b>\$ 97,500</b>	<b>\$ 97,500</b>	<b>\$ 97,500</b>
<b>Block 4</b>					
Residential	\$ 29,000	\$ 29,300	\$ 29,300	\$ 29,300	\$ 29,300
Commercial	539,800	545,600	545,600	545,600	545,600
Irrigation	112,400	113,600	113,600	113,600	113,600
Multi-Family	-	-	-	-	-
Lift Station	-	-	-	-	-
<b>Total Block 4</b>	<b>\$ 681,200</b>	<b>\$ 688,500</b>	<b>\$ 688,500</b>	<b>\$ 688,500</b>	<b>\$ 688,500</b>
<b>Combined Usage Revenue</b>					
Residential	\$ 817,000	\$ 829,800	\$ 829,800	\$ 829,800	\$ 829,800
Commercial	859,300	869,900	869,900	869,900	869,900
Irrigation	214,200	217,000	217,000	217,000	217,000
Multi-Family	924,800	940,400	940,400	940,400	940,400
Lift Station	100	200	200	200	200
<b>Total Usage Revenue</b>	<b>\$ 2,815,400</b>	<b>\$ 2,857,300</b>	<b>\$ 2,857,300</b>	<b>\$ 2,857,300</b>	<b>\$ 2,857,300</b>
<b>Total Revenue Summary</b>					
Residential	\$ 1,086,700	\$ 1,099,500	\$ 1,099,500	\$ 1,099,500	\$ 1,099,500
Commercial	932,400	943,000	943,000	943,000	943,000
Irrigation	236,200	239,000	239,000	239,000	239,000
Multi-Family	1,465,000	1,480,600	1,480,600	1,480,600	1,480,600
Lift Station	2,600	2,700	2,700	2,700	2,700
<b>Total Revenue</b>	<b>\$ 3,722,900</b>	<b>\$ 3,764,800</b>	<b>\$ 3,764,800</b>	<b>\$ 3,764,800</b>	<b>\$ 3,764,800</b>

Schedule 4-6  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Proforma Operating Results - Existing Rates

Account Name	Test Year	Projected Fiscal Year			
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Operating Revenues</b>					
<b>User Fee Revenue</b>					
Administrative Charge	\$ 103,700	\$ 103,700	\$ 103,700	\$ 103,700	\$ 103,700
Base Charges	803,800	803,800	803,800	803,800	803,800
Usage (Gallonge) Charges	2,815,400	2,857,300	2,857,300	2,857,300	2,857,300
<b>Subtotal User Fee Revenue</b>	<b>\$ 3,722,900</b>	<b>\$ 3,764,800</b>	<b>\$ 3,764,800</b>	<b>\$ 3,764,800</b>	<b>\$ 3,764,800</b>
<b>Other Revenues</b>					
Miscellaneous Charge Revenues	\$ 53,400	\$ 84,600	\$ 84,600	\$ 84,600	\$ 84,600
Other Operating Income	-	-	-	-	-
Transfer In from Operating Fund	-	-	-	-	-
Transfer In from General Fund	-	-	-	-	-
<b>Subtotal Other Revenues</b>	<b>\$ 53,400</b>	<b>\$ 84,600</b>	<b>\$ 84,600</b>	<b>\$ 84,600</b>	<b>\$ 84,600</b>
<b>Total Operating Revenues</b>	<b>\$ 3,776,300</b>	<b>\$ 3,849,400</b>	<b>\$ 3,849,400</b>	<b>\$ 3,849,400</b>	<b>\$ 3,849,400</b>
O & M Expenses	2,718,600	2,798,100	2,869,700	2,943,000	3,018,300
<b>Net Revenues Avail. For Debt Service</b>	<b>\$ 1,057,700</b>	<b>\$ 1,051,300</b>	<b>\$ 979,700</b>	<b>\$ 906,400</b>	<b>\$ 831,100</b>
Debt Service	298,000	499,000	676,500	860,900	1,062,400
<b>Operating Balance after Debt Service</b>	<b>\$ 759,700</b>	<b>\$ 552,300</b>	<b>\$ 303,200</b>	<b>\$ 45,500</b>	<b>\$ (231,300)</b>
<b>Other Revenue</b>					
Capital (Restricted) Revenue	\$ 316,900	\$ 316,900	\$ 316,900	\$ 316,900	\$ 316,900
Interest Income	400	600	800	700	600
<b>Total Other Revenues</b>	<b>\$ 317,300</b>	<b>\$ 317,500</b>	<b>\$ 317,700</b>	<b>\$ 317,600</b>	<b>\$ 317,500</b>
<b>Other Requirements</b>					
Other Non-Operating Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
R&R and Other Transfers Out	729,900	512,900	264,200	114,200	114,200
Capital Expenditures Paid by Rates	305,400	313,100	320,900	328,900	337,200
<b>Total Other Requirements</b>	<b>\$ 1,035,300</b>	<b>\$ 826,000</b>	<b>\$ 585,100</b>	<b>\$ 443,100</b>	<b>\$ 451,400</b>
<b>Total Available for Other Uses</b>	<b>\$ 41,700</b>	<b>\$ 43,800</b>	<b>\$ 35,800</b>	<b>\$ (80,000)</b>	<b>\$ (365,200)</b>
<b>Rate Increase for Rev. Suff. &amp; DS Cov.</b>	0.00%	0.00%	0.00%	0.00%	0.00%
Remaining for Unrestricted Fund Balance	\$ 41,700	\$ 43,800	\$ 35,800	\$ (80,000)	\$ (365,200)
Remaining for Restricted Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Water System Coverage Tests</b>					
<b>Coverage Test With Existing Note and New Debt on Par as Primary</b>					
<b>Primary (on Parity)</b>					
Net Revenues	\$ 1,375,000	\$ 1,368,800	\$ 1,297,400	\$ 1,224,000	\$ 1,148,600
Parity Debt Service	\$ 298,000	\$ 499,000	\$ 676,500	\$ 860,900	\$ 1,062,400
Projected Coverage	4.6141	2.7431	1.9178	1.4218	1.0811
Minimum Required	1.30	1.30	1.30	1.30	1.30
<b>Projected Fund Balances</b>					
Unrestricted	\$ 1,070,023	\$ 1,464,223	\$ 1,550,423	\$ 1,370,823	\$ 1,006,123
Restricted	750,400	800,400	900,400	1,000,500	1,000,500
<b>Total</b>	<b>\$ 1,820,423</b>	<b>\$ 2,264,623</b>	<b>\$ 2,450,823</b>	<b>\$ 2,371,323</b>	<b>\$ 2,006,623</b>

**Schedule 4-7**  
**Town of Fort Myers Beach, FL**  
**Water Enterprise Fund**  
**Summary of Available Reserve Funds - Existing Rates**

	FY 2013	Test Year	Projected Fiscal Year			
		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Water Fund - Unrestricted</b>						
Beginning Bal. <sup>(1)</sup>	\$ 2,780,750	\$ 410,759	\$ 1,070,023	\$ 1,464,223	\$ 1,550,423	\$ 1,370,823
Ann. Oper. Surplus Excl. Int. Inc., I.F., Trfrs.	529,209	139,700	152,300	153,200	45,500	(231,300)
Transfer In from Operations	-	620,000	400,000	150,000	-	-
Transfer In from General Fund	-	-	-	-	-	-
Transfer out to CIP/Debt	(2,900,000)	-	-	-	-	-
Transfer out to Operations	-	-	-	-	-	-
Transfer out to Capital / R&R Account	-	(100,836)	(158,700)	(217,800)	(225,800)	(134,000)
Ending Balance before Interest	\$ 409,959	\$ 1,069,623	\$ 1,463,623	\$ 1,549,623	\$ 1,370,123	\$ 1,005,523
Interest Income <sup>(2)</sup>	0.05% 800	400	600	800	700	600
Ending Balance	\$ 410,759	\$ 1,070,023	\$ 1,464,223	\$ 1,550,423	\$ 1,370,823	\$ 1,006,123
Min Fund Bal (Months of O&M)	3 \$ 702,200	\$ 679,700	\$ 699,500	\$ 717,400	\$ 735,800	\$ 754,600
<b>Capital / R&amp;R Account</b>						
Beginning Bal.	\$ 833,707	\$ 747,564	\$ 750,400	\$ 800,400	\$ 900,400	\$ 1,000,500
Revenue From Capital Charges	318,557	316,900	316,900	316,900	316,900	316,900
Capital Improvement Reserve	-	-	-	-	-	-
Transfer In From Unrestricted Fund	-	100,836	158,700	217,800	225,800	134,000
Transfer In from Operations	-	-	-	-	-	-
Transfer In from General Fund	-	-	-	-	-	-
R&R / CIP Expenditures	(298,000)	(305,400)	(313,100)	(320,900)	(328,900)	(337,200)
R&R Operating Expenditures	(107,100)	(109,900)	(112,900)	(114,200)	(114,200)	(114,200)
Ending Balance before Interest	\$ 747,164	\$ 750,000	\$ 800,000	\$ 900,000	\$ 1,000,000	\$ 1,000,000
Interest Income <sup>(2)</sup>	0.05% 400	400	400	400	500	500
Ending Balance	\$ 747,564	\$ 750,400	\$ 800,400	\$ 900,400	\$ 1,000,500	\$ 1,000,500
Minimum Fund Balance	\$ -	\$ 750,000	\$ 800,000	\$ 900,000	\$ 1,000,000	\$ 1,000,000
<b>Total All Reserve Funds</b>	<b>\$ 1,158,323</b>	<b>\$ 1,820,423</b>	<b>\$ 2,264,623</b>	<b>\$ 2,450,823</b>	<b>\$ 2,371,323</b>	<b>\$ 2,006,623</b>

**Notes:**

(1) Beginning Balances per Town Trial Balances as provided.

(2) Interest calculated based on average annual fund balances, before interest earnings, at 0.05% interest.

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# SECTION 5

**SECTION 5**  
**PROPOSED RATE STRUCTURE MODIFICATIONS AND**  
**IDENTIFICATION OF RATE DETERMINANTS**

5.1 General

The discussions herein on the existing rate structure and Revenue Sufficiency analysis, as discussed in **Sections 2, 3, and 4** identified potential rate structure issues and shortfalls associated with the current level of user rates and charges to fully support the operating and capital requirements of the Utility through the projection period of this Study. This suggests that some modifications should be made to the existing rate structure, as well as to the level of rates. The proposed modifications are intended to result in the ability to better allocate the cost of services on a uniform and equitable basis pursuant to updated customer characteristics, system operating requirements, capital structure, and community standards together with the continued promotion of water conservation.

5.2 Rate Structure Design

Rate structure design represents that portion of the Study whereby the rate and charge components for each customer class are re-established to provide for equitable recovery of the net fiscal requirements consistent with the previously discussed criteria together with the regulatory guidelines/policies of the Town, Lee County, and the State of Florida.

Cost of service principles suggest that the fixed costs associated with the net fiscal requirements be recovered through the fixed rate components (Base Facility Charge and Administrative Fee), while variable costs be recovered through the Usage rates. However, with fixed costs typically far exceeding 50 percent of the total costs and community standards suggesting that the costs for basic services be maintained at minimum levels, it is not practical to set the Base Facility Charge and Administrative Fee on the relation of fixed and variable costs. Prudent practice suggests that certain levels of the fixed costs can be equitably recovered through the variable component (Usage Rates).

Additionally, typical local government policies suggest that the rate structure components, to the extent possible and practical, should be:

- Administratively simple, understandable, and easily implemented;
- Equitable among customer classes, taking into consideration the cost of service for each individual customer class;
- Designed to encourage the most efficient use of the Utility's assets and other resources and discourage unnecessary or wasteful use of service and commodity;
- In compliance with applicable requirements of local, state and federal regulatory authorities that have jurisdiction; and
- In compliance with all applicable statutory requirements.

Several other considerations that have an effect on the design of the rate structure components are: (i) revenue stability; (ii) revenue sufficiency; (iii) satisfaction of applicable debt covenants; (iv) historical rate structures; and (v) the policies of those responsible for the management and operation of the Town and its capital facilities.

### 5.3 Rate Structure Components and Modifications

As discussed in **Section 2** of this Report, existing water rate structure utilizes four (4) primary components in the generation of monthly revenues, consisting of an administrative fee per monthly bill; a base charge per account, based on dwelling units for single family and multi-family customers and meter size for non-residential customers; a capital reserve charge per account, based on dwelling units for single family and multi-family customers and meter size for non-residential customers; and a series of inclining block usage rates per 1,000 gallons based on metered water usage. The administrative fee, monthly base charge, and capital reserve charge are fixed amounts providing for revenue stability; whereas, the usage rates allow for equitable cost recovery at various service levels while also promoting conservation of natural resources. As a part of the analysis performed for this Study, GAI determined that this structure is appropriate. However, within the rate structure, several modifications are recommended in order to bring the rates into a position of being more just and equitable, while also promoting conservation and revenue recovery. The components

recommended for modification include: revenue stability, base charge meter equivalencies, usage block limits, and rate increments. Each of these components is discussed in further detail below. It should be noted, that during discussions with Town staff, it was determined that the calculation of the capital reserve charge would remain constant and would only be adjusted by any across-the-board rate adjustments throughout the projection period.

### 5.3.1 Revenue Stability

Revenue stability is one of the main considerations when looking at rate design, in that revenue stability provides for the long term viability of the Utility. Revenue from the base charges is considered fixed revenue, since it remains consistent each month, affected only by customer turn on/off's. In contrast, usage rates are considered variable revenue that can vary materially each year depending on a number of factors including, but not limited to, rainfall, water use restrictions, and the reaction to economic conditions. A review of the customer usage and revenue data indicated that for FY 2011, approximately 26 percent of total water revenues were derived from the monthly fixed charges, as summarized from the Billing Frequency Analysis in **Appendix A**.

General utility industry practice is to set the base rate to recover between 30 and 50 percent of the total revenue requirements. As such, in order to promote stability and increase revenue surety within the Utility's revenue generation system, GAI recommends that the Town set the combined base charge and administrative fee revenue percentage to approximately 35 percent. This amount will allow the Town to have enough stability to support many of the Utility base functions, while still allowing variability such that users pay for their fair share of usage, and providing that one service does not subsidize another.

### 5.3.2 Base Charge Meter Equivalencies

The Base Facility Charge recovers applicable costs on an equivalency basis rather than a flat fixed amount or usage basis. Design of this component is typically based on recognized industry standards with respect to the relative service requirements of each customer class pursuant to the size of connection as represented by the water meter

size. The AWWA has established a criterion that assists in the development of water meter equivalencies. In consideration of these equivalent factors and observations made during the course of the billing frequency analysis, GAI recommends that the AWWA ERC factors previously shown in **Table 2-1** are appropriate and should be utilized for the Town's water rate structure. The purpose of these equivalencies is to provide a means by which to express a given level of service in terms of a least common denominator, which in this case is a single-family 5/8" (residential) customer. The rate structure and components developed herein assume that the number of meter equivalencies associated with each customer is indicative of a given customer's meter size.

### 5.3.3 Multi-Family Dwelling Units

In comparison to the typical single family residential connection, multi-family customers are often subject to a different set of community standards, and may require a reduced level of service as well. As such, specific analysis was performed as part of the billing frequency analysis found in **Appendix A**, in order to determine an appropriate recommended level of service for this class of customers. The analysis included considerations for inside and outside average usage amounts, seasonal fluctuations, and average consumption/usage per unit. Based on these and other factors, GAI recommends that multi-family residential connections be adjusted to have an ERC value of 0.80 per dwelling unit.

### 5.3.4 Usage Block Limits and Rate Increments

The established water rate structure currently utilizes an inclining block (conservation) rate structure designed to discourage excessive use of potable water through cost constraints whereby the marginal cost of water to the customer increases proportionately with usage. Essentially, the more water a customer uses, the more that customer must pay for such services on an average unit (per 1,000 gallons) basis. Such a structure is based on the economic principal of elasticity of demand.

One of the primary components of an inclining block structure is the block limits. Block limits define the boundaries for each block of usage that is applied against the incremental usage rates. The Town currently utilizes four (4) blocks for water. For

residential customers, the first block registers all usage up to 6,000 gallons, the second block registers usage between 6,000 and 30,000 gallons, the third block registers usage between 30,000 and 50,000 gallons per month and the fourth block captures all remaining usage. The blocks vary by customer class and/or meter size for all other customers. GAI's analysis showed that the existing water block limits do not adequately reflect customer usage pattern. Based on the analysis of the customer billing data, GAI recommends that the blocks should be adjusted to continue to promote resource conservation, with block 1 set at usage up to 6,000 gallons, block 2 for usage between 6,000 and 15,000 gallons, block 3 capturing all usage between 15,000 and 30,000 gallons, and block 4 capturing all usage over 30,000 gallons per month for residential customers. In addition, for larger meter sizes, typical standard utility practice is to account for meter equivalencies by multiplying the block allowances by the meter equivalencies, such that equivalent flows are recorded in each usage block. GAI recommends that the Town implement this practice.

Another primary component of an inclining block rate structure is the incremental rate differentials between blocks. Typical industry practice is to assign rate increments large enough to promote conservation, while not so large as to cause a significant drop in revenue due to rate shock by customers (elasticity of demand). The Town's current rates provide an increment over the first usage block for the second usage block in the amount of 19%, while the third block rate is 38% higher than the first block's rate, and the fourth block is 57% higher than the first block's rate. While this does promote some conservation, GAI determined that minor modifications should be implemented to continue to promote conservation efforts. As such, and following typical industry practices, GAI recommends that the second usage block rate be set to 20% higher than the rate for the first block, that the third usage block rate be set to 50% higher than the rate for the first block, and that the fourth block be set 100% higher than the rate for the first block.

The proposed inclining block rate structure together with the rate differentials and elasticity of demand factors (reliability) are shown in **Table 5-1** below. The reliability factors reflect anticipated reductions in use associated with higher costs resulting from the modifications to the existing rate structure, as well as a 2 percent allowance for variability in weather, economic factors, and the like. The block limits for all customer classes and meter sizes are shown on **Schedule 5-1**.

**Table 5-1  
Proposed Block Limits, Rate Increments, and Reliability**

<b>Description</b>	<b>Block Limits <sup>(1)</sup></b>	<b>Rate Increment</b>	<b>Reliability</b>
Block 1	0 – 6,000	1.00	98.0%
Block 2	6,001 – 15,000	1.20	98.0%
Block 3	15,001 – 30,000	1.50	95.0%
Block 4	Above 30,000	2.00	85.0%

Note: (1) Gallons per month per meter equivalency.

#### 5.4 Test Year Rate Determinants

The level of rates and charges for each component of the water rate structure requires identification of determinants associated with each rate structure component and customer class. This was accomplished by utilizing customer characteristics and the rate structure modifications discussed previously. The determinants developed for this study and discussed below are based on consideration of: (i) the number of ERCs and accounts; (ii) the inclining block criteria; (iii) elasticity of demand/reliability considerations; and (iv) billable flows identified for the Test Year.

##### 5.4.1 Administrative Fee Determinants

Determinants for the Administrative Fee consist of the average number of accounts for the Test Year. The accumulation of the accounts by class is shown on **Table 5-2** below as detailed on **Schedule 5-2** and adjusted for inflation.

**Table 5-2  
Administrative Fee Determinants**

<b>Customer Class</b>	<b>Determinants</b>
Single Family	2,343
Multi-Family	467
Commercial	214
Irrigation	76
Non-Residential	17
<b>Total</b>	<b>3,117</b>

#### 5.4.2 Base Facility Charge Determinants

Determinants for the Base Facility Charge consist of the average number of ERCs for the Test Year. The accumulation of ERCs for the water system is based on meter size or dwelling units, as shown on **Schedule 5-2**. The calculated Base Facility Charge determinants for the Test Year are summarized in **Table 5-3** below.

**Table 5-3  
Base Charge Determinants**

<u>Customer Class</u>	<u>Determinants</u>
Single Family	2,343
Multi-Family	5,128
Commercial	726
Irrigation	211
Non-Residential	17
<b>Total</b>	<b>8,425</b>

#### 5.4.3 Usage Rate Determinants

The rate determinants utilized in the development of the Usage rates, pursuant to the methodology previously discussed, consists of the amount of billable water and wastewater flow as adjusted to account for: (i) the inclining block rates (the rate determinant factor) and (ii) anticipated elasticity resulting from the rate structure modifications and rate adjustments (the reliability factor) as provided for in **Table 5-1**. More specifically, the incremental factors represent the degree of increase applied to the initial block (Block 1) resulting in the monetary amount associated with each successive block. The reliability factor provides for certain uncertainties with regard to actual events given the anticipated reaction of customers to rate structure modifications and adjustments, along with unknown future weather conditions.

The inclining block determinant and wastewater block criteria discussed above, along with the flows shown in **Table 3-2**, were used in the development of the billable flow determinants shown in **Table 5-4**, as detailed on **Schedule 5-3**.

**Table 5-4  
Usage Rate Determinants  
per Block**

<b>Block #</b>	<b>Determinants</b>
1	286,970
2	83,305
3	58,009
4	119,612
<b>Total</b>	<b>547,897</b>

**Schedule 5-1**  
**Town of Fort Myers Beach, FL**  
**Water Enterprise Fund**  
**Proposed Usage Blocks**

AWWA		Block 1	Block 2	Block 3	Block 4
Equivalency					
<b><u>Residential</u></b>					
All Meter Sizes	1.00	up to 6,000	6,001 to 15,000	15,001 to 30,000	> 30,000
<b><u>Multi-Family</u></b>					
Per Unit	0.80	up to 5,000	5,001 to 12,000	12,001 to 24,000	> 24,000
<b><u>Commercial</u></b>					
3/4"	1.00	up to 6,000	6,001 to 15,000	15,001 to 30,000	> 30,000
1.0"	2.50	up to 15,000	15,001 to 38,000	38,001 to 75,000	> 75,000
1.5"	5.00	up to 30,000	30,001 to 75,000	75,001 to 150,000	> 150,000
2.0"	8.00	up to 48,000	48,001 to 120,000	120,001 to 240,000	> 240,000
3.0"	16.00	up to 96,000	96,001 to 240,000	240,001 to 480,000	> 480,000
4.0"	25.00	up to 150,000	150,001 to 375,000	375,001 to 750,000	> 750,000
6.0"	50.00	up to 300,000	300,001 to 750,000	750,001 to 1,500,000	> 1,500,000
8.0"	80.00	up to 480,000	480,001 to 1,200,000	1,200,001 to 2,400,000	> 2,400,000
10.0"	145.00	up to 870,000	870,001 to 2,175,000	2,175,001 to 4,350,000	> 4,350,000
<b><u>Irrigation</u></b>					
3/4"	1.00	up to 6,000	6,001 to 15,000	15,001 to 30,000	> 30,000
1.0"	2.50	up to 15,000	15,001 to 38,000	38,001 to 75,000	> 75,000
1.5"	5.00	up to 30,000	30,001 to 75,000	75,001 to 150,000	> 150,000
2.0"	8.00	up to 48,000	48,001 to 120,000	120,001 to 240,000	> 240,000
3.0"	16.00	up to 96,000	96,001 to 240,000	240,001 to 480,000	> 480,000
4.0"	25.00	up to 150,000	150,001 to 375,000	375,001 to 750,000	> 750,000
6.0"	50.00	up to 300,000	300,001 to 750,000	750,001 to 1,500,000	> 1,500,000
8.0"	80.00	up to 480,000	480,001 to 1,200,000	1,200,001 to 2,400,000	> 2,400,000
10.0"	145.00	up to 870,000	870,001 to 2,175,000	2,175,001 to 4,350,000	> 4,350,000

Schedule 5-2  
Town of Fort Myers Beach, FL  
Water Enterprise Fund

Determination of Administrative and Base Charge Determinants

Meter Class & Size	Meters	Admin Reliability	Adjusted Meters	Base Equivs.	Base Reliability	Adjusted Base	Avg. Mo. Units	Adj. Base Equivs.
<b>Residential</b>								
5/8" Meter	2,384	98.30%	2,343	1.00	98.30%	2,343	2,384	2,343
<b>Subtotal Resid.</b>	<u>2,384</u>		<u>2,343</u>			<u>2,343</u>	<u>2,384</u>	<u>2,343</u>
<b>Multi-Family</b>								
5/8" Meter	325	98.30%	319	0.80	98.30%	256	858	675
1"	26	98.30%	26	0.80	98.30%	20	150	118
1.5"	32	98.30%	31	0.80	98.30%	25	476	374
2"	41	98.30%	40	0.80	98.30%	32	1,303	1,025
3"	39	98.30%	38	0.80	98.30%	31	2,058	1,618
4"	13	98.30%	13	0.80	98.30%	10	1,676	1,318
<b>Subtotal MF</b>	<u>476</u>		<u>467</u>			<u>374</u>	<u>6,521</u>	<u>5,128</u>
<b>Commercial</b>								
5/8" Meter	118	98.30%	116	1.00	98.30%	116	118	116
1"	38	98.30%	37	2.50	98.30%	93	38	93
1.5"	34	98.30%	33	5.00	98.30%	167	34	167
2"	16	98.30%	16	8.00	98.30%	126	16	126
3"	8	98.30%	8	16.00	98.30%	126	8	126
4"	4	98.30%	4	25.00	98.30%	98	4	98
<b>Subtotal Comm.</b>	<u>218</u>		<u>214</u>			<u>726</u>	<u>218</u>	<u>726</u>
<b>Irrigation</b>								
5/8" Meter	36	98.30%	35	1.00	98.30%	35	36	35
1"	19	98.30%	19	2.50	98.30%	47	19	47
1.5"	15	98.30%	15	5.00	98.30%	74	15	74
2"	7	98.30%	7	8.00	98.30%	55	7	55
3"	-	98.30%	-	16.00	98.30%	-	-	-
4"	-	98.30%	-	25.00	98.30%	-	-	-
<b>Subtotal Irrig.</b>	<u>77</u>		<u>76</u>			<u>211</u>	<u>77</u>	<u>211</u>
<b>Non-Residential</b>								
Lift Stations	17	98.30%	17	1.00	98.30%	17	17	17
<b>Subtotal Non-Res.</b>	<u>17</u>		<u>17</u>			<u>17</u>	<u>17</u>	<u>17</u>
<b>Total</b>	<u>3,172</u>		<u>3,117</u>			<u>3,671</u>	<u>9,217</u>	<u>8,425</u>

Schedule 5-3  
 Town of Fort Myers Beach, FL  
 Water Enterprise Fund

Determination of Usage Charge Determinants

Block #	Combined Usage (000s Gals.)	Block Rate Increment	Reliability	Adjusted Gals (000)
1	292,827	1.00	98.00%	286,970
2	70,838	1.20	98.00%	83,305
3	40,708	1.50	95.00%	58,009
4	70,360	2.00	85.00%	119,612
Total	474,733	Usage Determinant		547,897
ADF (mgd)	1.30			1.50

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# SECTION 6

**SECTION 6**  
**EXISTING AND PROPOSED MISCELLANEOUS CHARGES**  
**AND WATER SYSTEM CONNECTION FEES**

6.1 General

The Utility provides a wide range of operating services that are generally categorized as either benefiting users *system wide*, or *individually*. *System wide* services include the operations, customer services, maintenance, repairs and refurbishment of facilities that are directly related to water delivery and effluent collection, including associated administration and billing; whereas, *individual* services consist of those activities directly benefiting a customer, such as application for services, meter installation, turn-offs, turn-ons, private fire protection, etc. As mentioned earlier, this study will focus on those services and costs associated with individual services, which are referred to as either Miscellaneous Service Charges or Ancillary Charges. It should be noted that material capital improvements or contributions, such as line extension, impact fees and similar items should not be confused with being contained within the subject of this Study.

It is important to understand that these individual services can be further categorized as being associated with Connection Services, Customer Services, or certain Extraordinary Utility Services (cost recovery mechanisms). Connection services, as the name implies, are associated with activities directly related to the interconnection of the customer's facilities to the Utility's facilities. Customer services relate to services requiring Utility personnel to review activities and/or make site visits for the purposes of identifying or resolving requests by customers. Extraordinary Utility Services consist of selected temporary or special needs services that involve commodity and/or capacity services of the Utility.

The primary purpose for these subcategories is for proper cost identification and allocation. Generally, separate cost records are not maintained for each individual event as such activity would not be prudently cost effective, therefore, for the purpose of costing, standard activities for each event are identified, and costs are accumulated based on allocation of average labor, equipment, and materials.

## 6.2 Miscellaneous Service Charges

### 6.2.1 Existing Charges

The Town currently utilizes several miscellaneous charges in relation to connection services, customer services and other extraordinary utility services. The list of current charges is shown below, as summarized in **Schedule 6-1**.

- Meter Installation Fees
- Tap-In Charges
- Premises Visit (Trip) Charge
- Premises Visit During Weekend (Trip) Charge
- Normal Turn-On/Reconnection of Service Charge
- Normal Turn-Off/Disconnection of Service Charge
- After Hours Turn-On/Reconnection of Service Charge
- After Hours Turn-Off/Disconnection of Service Charge
- Violation Turn-On/Reconnection of Service Charge
- After Hours Violation Turn-On/Reconnection of Service Charge
- Plan Review Fees
- Fire Service Charges
- Customer Deposit
- Delinquent (Late) Payment Penalty

Additionally, the Town collects a System Connection Fee (impact fee) in order to reserve capacity in the system for the new connection.

A limited historical review on the genesis of the original miscellaneous services did not result in any conclusive findings, however, based on available documentation and conversations with Town staff it is believed that the majority of the existing miscellaneous service charges have been long used by the Utility. Another critical element associated with this study is that in many circumstances the nomenclatures for the miscellaneous service charges can differ between the ordinance, utility practice, and general industry terminology.

## 6.2.2 Additional Typical Industry Charges

A review of industry resources along with GAI's expertise and experience allowed the generation of the following list of additional typical industry miscellaneous service charges for consideration. This listing contains a variety of miscellaneous service charges that may be applicable to the Utility's needs. It should be noted that several of the potential charges are already incorporated in other charges, fees, or requirements and that the nomenclature may vary; however, the name in most cases is sufficient for understanding the intention of each listed miscellaneous service charge.

- Field Collection Charge
- Special Meter Reading
- Remote Metering Device (Installation)
- Hydrant Permit (Temporary)
- Engineering Design Fee
- Unit Cost Study
- Service Reestablishment Fee
- Unauthorized Water Use Charge
- Bank Draft Charge
- Cross Connection Inspection
- Line Location Fee
- Meter Tampering or Theft of Service
- Meter Testing
- Construction/Temporary Use Water
- Violation Turn-Off/Disconnection
- Meter Replacement/Change-Out
- Illegal Turn-on Penalty
- New Account Charge
- Transfer Account Charge
- Permit Fee
- Meter Leak Check Fee
- Usage Report Fee
- Broken Cap/Lock Fee
- Line Extension Charge
- Document Recording Fee
- Road Jack & Bore
- Backflow Inspection
- Inspection Fee
- Application Fee
- Returned Check
- Meter Calibration
- Meter Relocation

## 6.2.3 Applicable Charges

A review of the Utility's operations and customer base, as well as conversations with the Town's staff, suggested that the following Miscellaneous Service Charges would appropriately and adequately provide for the current and anticipated needs.

### Service Connection Activities

Service connection generally requires one or more of the following activities:

1. **Service Application Fee** – each customer requesting water utility service shall pay an application fee to cover the costs of setting up an account.
2. **Plan Review** – Administrative, engineering and technical labor associated with reviewing plans/drawings; and
3. **Customer Deposit** – down payment given in advance to support the customer's intention to complete a transaction for service.
4. **Tap-In** – labor and materials for either:
  - a. **Water Main Tap** – labor and materials to tap a water main located contiguous to the point of connection; or
  - b. **Water Service Line Extension and Tap** – labor and materials to install a service line and tap the water main located on the opposite side of the right of way;
5. **Water Meter Installation** – labor and material associated with setting a water meter;
6. **Field Inspections** – Administrative and technical labor and equipment associated with inspection of connections and extension to facilities.

### Customer Service Activities

Customer services, primarily activities that are labor intensive and do not require any significant amounts of materials or equipment, consist of the following:

1. **Account Information and Contract Preparation** activities also involve primarily administrative labor to be charged on a per occurrence basis and consist of (i) Transfer Charge; (ii) Direct Payment Fees; (iii) Account Status;

(iv) Bank draft charges; (v) Document copies; and (vi) Contract/Agreement Preparation.

2. **Payment/Collection Services and Penalties** involve administrative labor and are charged on a per occurrence basis. Included are (i) Insufficient Funds; (ii) Nonpayment; (iii) Unauthorized Connections / Tampering; (iv) Facility Damages; and (vi) Returned Checks.
3. **Premises Visits** – activities that involve service calls or visits to the service location. These include the following:
  - **Turn-On and Turn-Off of Service** – These activities involve both administrative and field labor, are charged on a per occurrence basis and result from a variety of situations including:
    - Initiating service for a new customer of the system;
    - Re-establishing service at a location where a previous customer has terminated service;
    - Temporary disruption of service at a customer's request;
    - Temporary disruption of service resulting from non-payment for services rendered; and
    - Permanent termination of service resulting from demolishing an existing structure.
  - **Meter Re-Reading** – primarily field labor charged on a per occurrence basis, and performed per customer request.
4. **Engineering/Technical** (i) Line Location; (ii) Meter Testing/Calibration; (iii) Meter Change-Outs; and (iv) Resetting Connections/Meters due to Tampering.

#### Extraordinary Utility Service Activities

Extraordinary Utility services are those activities where special benefits are obtained from the Utility system involving administrative and field labor, equipment, commodity and/or capacity. These services consist of (i) Temporary/Construction/Hydrant Water Meters; and (ii) Fire Protection Service.

### 6.3 Level of Effort and Cost Allocation Assumptions

Level of effort relates to the assignment of man-hours, skill levels, supplies, and equipment required, on the average, for the completion of a particular activity/service. The costs for these levels of efforts are determined based on the salaries, benefits, expenses, and amortizations as obtained from the Utility's operating budget. Two approaches are used in the determination of the Miscellaneous Service Charges. The first relates to the setting of standardized Miscellaneous Service Charges, whereas, the second involves an estimate of actual cost. Standardized Miscellaneous Service Charges are developed for services performed on a frequent basis where there is not a significant difference in the level of effort between activities performed for different customers (i.e. smaller meter connections, service turn-on, service turn-off, etc.) Other Miscellaneous Services, such as the setting of large meter sizes and specialized requests can vary materially among different customers. As such, applicable costs (both labor and materials) should be determined by the Town on a case-by-case basis. It should be noted that for the purposes delineated herein, "larger meter sizes" shall consist of all those in excess of 1.5 inches.

The Utility's detailed operating budget together with supplemental information provided sufficient data for the development of the Miscellaneous Service Charges. The operating budget and supplemental data were reviewed and analyzed for the purpose of determining average salary (including benefits), equipment by category, materials, and supply costs. Data provided by the Utility was utilized to analyze and develop an average hourly labor rate, including an adjustment for benefits, overhead, and overtime where appropriate. A similar analysis was conducted on field service equipment to develop an average hourly cost per unit for: (i) utility vehicles (fully equipped with tools and supplies); (ii) general service vehicles (pickup truck with limited tools); and (iii) construction/excavation equipment (backhoes, trailers, etc.). Fuel costs were identified separately. Major materials associated with selected activities, such as water meters etc., are individually accounted for in the determination of each Miscellaneous Service Charge as needed. The results of this analysis, as detailed on **Schedules 6-2** and **6-3** and summarized on **Schedule 6-4**, provide the basis for the assignment of these costs to the individual Miscellaneous Service Charges developed herein.

The standardized unit cost measurements discussed above are utilized to estimate the aggregate cost associated with the provision of certain Miscellaneous Service Charges. It should be noted that such standardized costs are based upon information provided by the Utility as well as industry averages pursuant to the number of hours and type of equipment utilized in the provision of each service and represent the Utility average for each service. In addition, GAI gathered information detailing additional component costs associated with materials used to perform each service. Since the types and costs of materials varied significantly depending upon the service performed, this Study utilizes the materials cost information for each separate service. The development of the field/site related miscellaneous service charges is detailed in the following paragraphs. The standard unit rates used to establish miscellaneous charges for the Town are included in **Table 6-1**. It should be noted that due to the fact that the Town of Fort Myers Beach has a contractual agreement with Woodard and Curran Inc. to oversee all utility service calls, a 10% profitability margin has been added to each category of the personnel's hourly rate.

**Table 6-1  
Standard Unit Rates**

Description	Cost
Labor	
Service Personnel	\$ 22.00 per hour
Service Personnel (Overtime)	\$ 33.00 per hour
Administrative Worker	\$ 22.00 per hour
Professional Personnel	\$ 44.00 per hour
Capital Equipment	
Utility Truck	\$ 0.565 x 8 miles per trip

#### 6.4 Proposed Changes to Existing Charges

Based on GAI Consultants' knowledge and expertise, several changes are recommended to the existing charges currently being utilized by the Town. The relevance of these recommended charges is demonstrated through industry standards and the Florida Administrative Code (F.A.C.). These factors reinforce the appropriateness of the recommendations for existing charges made herein. The list of proposed changes to existing charges is shown on **Table 6-2**. Further detail on the

charges can be found in the subsequent subsections, while detailed calculations are provided on **Schedule 6-2**.

**Table 6-2  
Proposed Updates to Existing Miscellaneous Charges**

Description	Existing Charge	Proposed Charge	Difference
<b>Meter Installation Fees</b>			
Meter Installation/Service Initiation Charge for 5/8" Meter	\$ 153.75	\$ 310.30	\$ 156.55
Meter Installation/Service Initiation Charge for 3/4" Meter	\$ 178.35	\$ 329.55	\$ 151.20
Meter Installation/Service Initiation Charge for 1" Meter	\$ 239.85	\$ 356.55	\$ 116.70
Meter Installation/Service Initiation Charge for 1.5" Meter	\$ 504.30	\$ 476.55	\$ (27.75)
Meter Installation/Service Initiation Charge for 2" Meter	\$ 688.80	\$ 594.55	\$ (94.25)
Meter Installation/Service Initiation Charge for 3" Meter	Actual Cost	Actual Cost	N/A
<b>Tap-In Charges</b>			
Tap-In Charge for 5/8" Meter	\$ 578.10	\$ 186.05	\$ (392.05)
Tap-In Charge for 3/4" Meter	\$ 602.70	Actual Cost	N/A
Tap-In Charge for 1" Meter	\$ 688.80	Actual Cost	N/A
Tap-In Charge for 1.5" Meter	\$ 1,045.50	Actual Cost	N/A
Tap-In Charge for 2" Meter	\$ 1,217.70	Actual Cost	N/A
Tap-In Charge for 3" Meter and above	Actual Cost	Actual Cost	N/A
<b>Premises Visit</b>	\$ 31.37	\$ 32.05	\$ 0.68
<b>Premises Visit during Weekend</b>	\$ 45.90	\$ 91.20	\$ 45.30
<b>Normal Turn-On/Reconnection of Service</b>	\$ 43.05	\$ 43.05	\$ -
<b>Normal Turn-Off/Disconnection of Service</b>	\$ 43.05	\$ 43.05	\$ -
<b>After Hours Turn-On/Reconnection of Service</b>	\$ 55.35	\$ 59.55	\$ 4.20
<b>After Hours Turn-Off/Disconnection of Service</b>	\$ 55.35	\$ 59.55	\$ 4.20
<b>Violation Turn-On/Reconnection of Service</b>	\$ 49.20	\$ 54.05	\$ 4.85
<b>After Hours Violation Turn-On/Reconnection of Service</b>	\$ 67.65	\$ 70.55	\$ 2.90
<b>Plan Review Fee</b>	Greater of 1% of Construction Costs or \$664.20	\$ 70.55 + Cost of Subconsultant Services	N/A

**Table 6-2 (continued)**  
**Proposed Updates to Existing Miscellaneous Charges**

Description	Existing Charge	Proposed Charge	Difference
<b>Fire Service Charges</b>			
Stand-by fire flow/year - 5/8" Line	\$ 2.34	\$ 9.62	\$ 7.28
Stand-by fire flow/year - 3/4" Line	\$ 3.51	\$ 14.43	\$ 10.92
Stand-by fire flow/year - 1" Line	\$ 4.85	\$ 24.05	\$ 19.20
Stand-by fire flow/year - 1.5" Line	\$ 11.75	\$ 48.10	\$ 36.35
Stand-by fire flow/year - 2" Line	\$ 18.76	\$ 76.96	\$ 58.20
Stand-by fire flow/year - 3" Line	\$ 37.52	\$ 153.92	\$ 116.40
Stand-by fire flow/year - 4" Line	\$ 58.61	\$ 240.50	\$ 181.89
Stand-by fire flow/year - 6" Line	\$ 117.22	\$ 481.00	\$ 363.78
Stand-by fire flow/year - 8" Line	\$ 187.58	\$ 769.60	\$ 582.02
Stand-by fire flow/year - 10" Line	\$ 269.62	\$ 1,106.30	\$ 836.68
<b>Customer Deposit</b>			
Residential Service			
Single Family	\$ 55.35	\$ 80.00	\$ 24.65
Multi-Family	\$ 44.28	\$ 64.00	\$ 19.72
Recreational Vehicle	\$ 30.75	\$ 44.00	\$ 13.25
Commercial Service and All Non-Residential Services			
5/8"	\$ 55.35	\$ 80.00	\$ 24.65
3/4"	\$ 82.41	\$ 120.00	\$ 37.59
1"	\$ 141.45	\$ 200.00	\$ 58.55
1.5"	\$ 276.75	\$ 400.00	\$ 123.25
2"	\$ 442.80	\$ 640.00	\$ 197.20
3"	\$ 885.60	\$ 1,280.00	\$ 394.40
4"	\$ 1,383.75	\$ 2,000.00	\$ 616.25
6"	\$ 2,767.50	\$ 4,000.00	\$ 1,232.50
8"	\$ 4,428.00	\$ 6,400.00	\$ 1,972.00
10"	\$ 8,028.75	\$ 9,200.00	\$ 1,171.25
Hydrant Meter Deposit	\$ 575.00	\$ 650.00	\$ 75.00
<b>Late Payment Charge</b>	Greater of \$ 6.25 or 1.0% of unpaid balance	Greater of \$ 6.00 or 1.5% of unpaid balance	N/A

#### 6.4.1 Service Connection Activities

##### Plan Review Fee

Before connection to the utility system, application must be made to reserve capacity in the system. During the approval process, on occasion, substantial engineering design and study is required. When this occurs, the costs of this service are recovered through a plan review fee. The proposed plan review fee is shown on **Table 6-2**, as calculated on **Schedule 6-2**.

##### Customer Deposits

For most utility systems, monthly utility bills are paid in arrears (i.e., payment is not rendered until after service has been provided). As a result of this situation, the utility runs the risk of nonpayment for service provided. To defray the risk of nonpayment for service rendered, municipal utilities generally tend to require all customers to post a deposit prior to the initial receipt of service. It is recommended that the Town's deposits are calculated based on 2 times the average monthly bill. The recommended customer deposits are shown on **Table 6-2**, as calculated on **Schedule 6-2**.

##### Water Meter Installation

The activities associated with Water Meter Installation include labor, materials, equipment, and administrative services. The proposed Meter Installation is limited to only the setting of the meter box, water meter with appurtenances at the property line. This assumes that the proper water main tap, curb/corporation stop are either preexisting or charged for separately. Such activities can coincide with the initiation of new service to a newly improved property or the reestablishment or change in the level of service to an existing improved property. Such fees provide for the recovery of costs associated with physically connecting a customer to the Utility's water system. Analysis of the activities and material associated with these services suggest that both uniform and activity specific charges are applicable. Activities associated with the installation of water meters 2.0 inches or less in size are generally similar and therefore costs can be determined by uniform charges. However, installation costs for water meters greater than 2.0 inches can vary materially and should be determined on an individual basis

using the same costing basis as those used for the development of uniform charges. The proposed meter installation charges are shown on **Table 6-2**, as calculated on **Schedule 6-2**.

#### Single Purpose Tap and Service Line Extension Charges

A Single Purpose Tap, or Tap-In, primarily involves the tapping/connection to a water line to serve one property where lines are directly available. Single Purpose Tap and Service Line Extensions consist primarily of the extension and tapping of water service lines to serve one property where lines are available but not directly adjacent to the property should not be confused with the general extension of water lines to serve a grouping of properties. This event assumes that the necessary water distribution facilities exist. Major extensions of water distribution facilities are not considered Miscellaneous Services and as such are not addressed herein. However, short street crossings and limited single purpose extensions can and should be addressed as Miscellaneous Services.

The charges for these activities is suggested to be on a uniform basis formulated by using the average cost incurred for labor, materials, equipment and administration for a typical event, rather than addressing each event individually. The formation of the charge does not include or provide for any extraordinary activities, such as jacking and boring, which should be added to the charge on a per occurrence basis. It should be noted that these charges are for basic taps where no pavement needs to be repaired/replaced. The proposed tap-in charges are shown on **Table 6-2**, as calculated on **Schedule 6-2**.

#### 6.4.2 Customer Service Activities

##### Premises Visit

On occasion, a customer will request specific service at their location which will require service personnel to visit the premises. As such, a premises visit charge for normal business hours as well as for weekend hours was calculated. The proposed charges are shown on **Table 6-2**, as calculated on **Schedule 6-2**.

## Turn-Ons and Turn-Offs

To further provide for the equitable recovery of costs, Turn-On and Turn-Off services are considered based on 3 different events consisting of: (i) account setup charge (no field work) (ii) scheduled service calls during business hours; and (iii) restoring service after business hours including weekends. The proposed amount for Turn-On and Turn-Off activities are shown on **Table 6-2**, as calculated on **Schedule 6-2**. It should be noted that these charges are exclusive of any delinquent payment penalties, as discussed in later paragraphs, and represent a means for the recovery of only those costs associated with initiation and/or interruption of service.

### 6.4.3 Extraordinary Utility Service Activities

#### Fire Protection

Town codes typically provide for various types of fire protection systems depending upon the characteristics and anticipated demand of the customer. These systems (fire sprinkler, fire standpipe, fire sprinkler standpipe and fire hydrants) are further described below.

A fire sprinkler system shall be classified as one of the following: (i) wet pipe system; (ii) dry-pipe system; (iii) pre-action system; (iv) deluge system; and/or (v) any combination of the aforementioned systems. Such systems are characterized by component parts including riser, water control valve, alarm check valve, fire department hose connection, gauges, cross mains, branch lines, piping and sprinkler heads.

Fire standpipe systems are characterized by the use of piping, piping valves, hose valves, hose outlets and a fire department hose connection installed in a building with hose outlets located in such a manner throughout a building so water can be discharged in fire streams or spray patterns through hoses and nozzles for the purpose of extinguishing a fire.

Fire sprinkler standpipe systems are integrated systems consisting of a fire sprinkler system and a fire standpipe system designed for the purpose of extinguishing a fire.

Fire hydrants are cast metal fitting attached to a water main with 2.5" outlets and a fire pumper connection for the purpose of extinguishing a fire.

Fire service charges are in place to recover the costs of providing standby fire flow service to customers. These charges are shown on **Table 6-2**, as calculated on **Schedule 6-2**.

## 6.5 Proposed Additional Miscellaneous Charges

The following charges are recommended to the Town in an effort to recover all expenses incurred by the City. The list of proposed charges is found on **Table 6-3**. Descriptions are provided in subsequent subsections, while detailed calculations are shown on **Schedule 6-3**.

### 6.5.1 Service Connection Activities

#### Service Application Fee

In those instances where a service connection already exists, Service Application Fee provides for the recovery of administrative expenses associated with processing the application form, determining the applicant's credit rating and/or customer deposit, or completing any other appropriate activities preliminary to initiating new service for an applicant.

#### Inspection Charge

The Inspection Charge is a charge levied to defray the cost of administering and monitoring a new connection to the distribution system before service is required.

### 6.5.2 Customer Service Activities

#### Account Transfer Fee

In the event that a customer that is already established with the Utility relocates and wishes to transfer their account to the new location, an Account Transfer Fee would be

charged to cover the administrative costs associated with collecting the balances of any unpaid bills issued for services rendered or applicable assessments, and updating the customers billing information for the new service location.

### Bank Draft Charge

A Bank Draft Charge is typically implemented to cover pre-authorization and setup for the establishment of direct bank payments from the customer to the utility. This charge is a common way of recovering administrative personnel labor hours spent conducting this transaction.

### Returned Check Fee

The activities associated with returned checks in addition to administrative efforts also include bank and other transaction expenses. These additional expenses should be the direct responsibility of the customer. Therefore, a provision for Returned Check Fees is appropriate and used by most Florida utilities. Based on a review of the statutory guidelines pursuant to F.S. 832.07, the Town's current charges are sufficient. It should be noted that the Returned Check Fee is in addition to any other charges/fees that may be applicable, such as Delinquent Payment Penalty, Turn-On/Turn-Off, etc.

### Violation Turn-off/Disconnection of Service

A Violation Turn-off/Disconnection of Service Charge is a charge levied prior to reconnection of an existing customer after disconnection of service for cause, including a delinquency in bill payment. The increase in fee when compared to Normal Turn-off/Disconnection of Service is attributed to an additional level of administrative services required for customers warranting a disconnection in service, such as repeated warning notification of disconnections prior to actual disconnection.

#### 6.5.3 Extraordinary Utility Service Activities

### Meter Change Out

A meter change-out fee is a charge assessed to existing customers when a customer requests changing the meter to a different size, but the utility has deemed the change

unnecessary. In this instance, the meter cost and the miscellaneous required materials for installation would be assessed to the customer at cost.

#### Meter Tampering Fee

Meter Tampering Fees are generally assessed to customers who are found to have made meter connections that are in violation of Utility policies or alter utility services in any form. It is unlawful for anyone other than Utility department personnel to make meter connections or any other form of alteration to standard utility services. Charges are intended to recover the full restoration of standard service, account for unbilled water usage, and act as a deterrent for future violations.

#### 6.5.4 Summary of Proposed Additional Miscellaneous Service Charges

**Table 6-3** presents a summary of the proposed additional Miscellaneous Service Charges as detailed on **Schedule 6-3**.

**Table 6-3  
Proposed Additional Miscellaneous Charges**

<b>Description</b>	<b>Proposed Charge</b>
<b>Service Application Fee</b>	\$ 22.00
<b>Inspection Charge</b>	\$ 103.55
<b>Account Transfer Fee</b>	\$ 16.50
<b>Bank Draft Charge</b>	\$ 22.00
<b>Late Payment Charge <sup>(1)</sup></b>	Greater of \$ 6.00 or 1.5% of unpaid balance
<b>Returned Check Fee</b>	
Face Amount <= \$50	\$ 25.00
Face Amount > \$50 and <= \$300	\$ 30.00
Face Amount > \$300	\$ 40.00
<b>Violation Turn-Off/Disconnection of Service</b>	\$ 54.05
<b>After Hours Violation Turn-Off/Disconnection of Service</b>	\$ 70.55
<b>Meter Change-Out</b>	\$ 43.05 plus Cost of Materials
<b>Meter Tampering Fee <sup>(3)</sup></b>	
Without Meter Replacement	\$ 515.55
With Meter Replacement (5/8" Meter, <b>at cost if larger</b> )	\$ 766.30

## 6.6 System Connection Fees (Capital Charges / Impact Fees)

### 6.6.1 Criteria

Connection Fees are referred to by a number of different terms including impact fees, facility and line charges, capital charges, capacity reservation charges, system development charges, capital connection charges or other similar terminology. It must be noted that these are not to be confused with and do not cover the expense of the

physical plumber's tap or meter set to connect a customer's home or business to the Utility system, which is sometimes also referred to as connection charges, the cost of which is recovered through a utility's miscellaneous customer charges. In general, these are one-time charges established as a means to recover in whole or in part, but not-to-exceed, the costs associated with system capacity. Such capital costs generally include the construction of components together with general plant, engineering, administration, surveying, land, legal, and financing costs.

The purpose of a system connection fee is to assign, to the extent practical, growth-related capital costs to those customers responsible for such additional costs. Generally, this practice has been labeled as "growth paying its own way" without existing user cost burdens.

Florida case law requires that connection fees must meet a "dual rational nexus test." Under the dual rational nexus test, a local government must establish a connection charge that has:

- A reasonable connection, or rational nexus, between the anticipated need for the additional capital facilities and the growth generated by the new development, and
- A reasonable connection, or rational nexus, between how the collected funds are going to be spent and the benefits received by the new development of those funds.

Accordingly, in order to be legally sufficient, connection fees must have four (4) characteristics:

1. It must be levied only on a new development or new expansion of an existing development;
2. It must be a one-time charge, although collection may be spread out over time;
3. Its revenues must be earmarked for capital outlay only, operating costs are excluded; and

4. The charge must represent a proportional share of the cost of the new facility needed to serve the new development.

#### 6.6.1.1 "Florida Impact Fee Act"

Connection Fees (Capital Charges) in Florida were historically a result of home rule powers with the requirements associated with the development, administration, accounting and expenditure governed by case law. However, in 2006, Section 163.31801, the "Florida Impact Fee Act" was added to the Florida Statutes. The Florida Impact Fee Act reinforced, enhanced, clarified and added to the provisions of case law. This section was amended as of July 1, 2009 and Section 163.31801 F.S. now requires governments, when adopting new connection fees (capital charges) or updating existing connection fees (capital charges), to demonstrate the current nature of the costs and limited administrative allocations. It also changes the standard of proof in the event of a customer challenge to the newly imposed capital charges, requiring proof of certain elements of capital charges by a preponderance of evidence while prohibiting courts from using deferential standard to government determinations in court actions, as was the case before the July 2009 revision. The statute section currently reads as follows:

***163.31801 Impact fees; short title; intent; definitions; ordinances levying impact fees.***

*(1) This section may be cited as the "Florida Impact Fee Act."*

*(2) The Legislature finds that impact fees are an important source of revenue for a local government to use in funding the infrastructure necessitated by new growth. The Legislature further finds that impact fees are an outgrowth of the home rule power of a local government to provide certain services within its jurisdiction. Due to the growth of impact fee collections and local governments' reliance on impact fees, it is the intent of the Legislature to ensure that, when a county or municipality adopts an impact fee by ordinance or a special district adopts an impact fee by resolution, the governing authority complies with this section.*

*(3) An impact fee adopted by ordinance of a county or municipality or by resolution of a special district must, at minimum:*

(a) *Require that the calculation of the impact fee be based on the most recent and localized data.*

(b) *Provide for accounting and reporting of impact fee collections and expenditures. If a local governmental entity imposes an impact fee to address its infrastructure needs, the entity shall account for the revenues and expenditures of such impact fee in a separate accounting fund.*

(c) *Limit administrative charges for the collection of impact fees to actual costs.*

(d) *Require that notice be provided no less than 90 days before the effective date of an ordinance or resolution imposing a new or increased impact fee. A county or municipality is not required to wait 90 days to decrease, suspend, or eliminate an impact fee.*

(4) *Audits of financial statements of local governmental entities and district school boards which are performed by a certified public accountant pursuant to s. 218.39 and submitted to the Auditor General must include an affidavit signed by the chief financial officer of the local governmental entity or district school board stating that the local governmental entity or district school board has complied with this section.*

(5) *In any action challenging an impact fee, the government has the burden of proving by a preponderance of the evidence that the imposition or amount of the fee meets the requirements of state legal precedent or this section. The court may not use a deferential standard.*

#### 6.6.1.2 Precedent

Although the statute provides criteria, certain precedents originally set by common law need to be addressed to meet the legal requirements associated with connection fees. The precedent for system connection fees (capital charges) in Florida was addressed in the courts with the case *Contractors and Builders Association of Pinellas City V. City of Dunedin*. In this case, the Plaintiff challenged a sewer connection fee as an unauthorized tax. The Florida Supreme Court found that the City ordinance requiring a new user to pay a fair share for the use of a City owned water and sewer system was a permissible municipal function. The amount of the connection impact fee was challenged by the Plaintiff as not being “just and equitable.” The Court held that “raising expansion capital by setting connection charges, which do not exceed the pro rata

share of reasonably anticipated costs of expansion, is permissible where expansion is reasonably required, if use of the money collected is limited to meeting the costs of expansion.” In this particular case, however, the ordinance requiring the connection fee failed because it did not contain any restrictions on how the fees collected would be used. The Court determined that although the ordinance had to be struck, the City was free to adopt a new ordinance that not only addressed how fees collected in the future could be used, but also how fees already collected could be used. This case established the dual rational nexus test. In the Florida Supreme Court decision, certain conditions were identified that needed to be present in order to have a valid fee. Generally, it is our understanding that the court decision addressed the following:

- 1) The system impact fee should be reasonably equitable to all parties; that is, the amount of the fee must bear a relationship to the amount of services requested;
- 2) The system of fees should be set up such that an intentional windfall to existing users is not created;
- 3) To the extent practical, the system impact fee should only cover the capital cost of construction and related costs thereto (engineering, field testing, legal, financing, administrative, etc.) for increases in or expansions of capacity or capital requirements that are required solely due to growth. Therefore, expenses due to normal renewal and replacement of a facility (e.g., replacement of a capital asset) should be borne by all users of the facility or municipality. Likewise, increased expenses due to operation and maintenance of that facility should be borne by all users of the facility; and
- 4) The City must adopt a revenue producing ordinance which explicitly sets forth restrictions on revenues (uses thereof) that the imposition of the system impact fee generates. Therefore, the funds collected from the system impact fee should be set aside in a separate account, and separate accounting must be made for those funds to ensure that they are used only for the lawful purposes described.

### 6.6.1.3 Other Legal Considerations – Court Cases

In addition to the Dunedin decision, there have been several other landmark cases dealing with the levying of system impact fees in Florida.

In the Hollywood, Inc. vs. Broward City case, a challenge was made regarding the applicability of levying a system impact fee for parks and recreation. Essentially, the Broward City ordinance provides for a park contribution agreement between the developer and the City and that a fee per each residential unit be collected. The court upheld the imposition of the fee and also addressed the more difficult question of whether the fee was correlated to the benefit received (the “Rational Nexus Test”). As stated in the decision, the government must show a reasonable connection or correlation between the expenditures of the funds collected and the benefits which accrue to the payee. In order to satisfy this requirement, the ordinance must specifically earmark funds collected from the imposition of a system impact fee in acquiring capital facilities to benefit the new residents.

In the City of Zephyrhills v. Wood case, the owner of an abandoned building which was later renovated into a sports bar challenged a utility connection fee as applied to the newly renovated building. The owner challenged the impact fee, arguing that the building was not new construction and that the fee constituted an illegal tax. The court found that in light of the new use of the building, rather than the new ownership or increased usage, the ordinance was permissible.

As determined and affirmed by the courts in Florida, the application of a system impact fee for the increased capital cost associated with the funding of expansion of facilities is valid. Specifically, the fee must be based on the incremental cost of the capital facilities required for the increased growth of the jurisdiction and there must exist some reasonable basis between the amount of the fee and the benefit accrued to the new or incremental customer.

Based on these criteria, the water system connection charges developed herein: 1) include only the estimated incremental cost of all unused or new facilities necessary to serve only the anticipated new customer growth; 2) will not reflect costs associated with improvements associated with the renewal and replacement of any existing capital

assets of the Town which are allocable to existing users of the system; and 3) will not include any costs of operation and maintenance of the facilities associated with the system connection fees.

#### 6.6.2 Design of the System Connection Fee

As provided for in the Florida Impact Fee Act, the Town should implement connection fees that are based on current, localized data of the entity. Based on this premise, GAI reviewed current bid tabulations for utility projects within the area, the Town's current Capital Improvement Plan, and other costs data provided by the Town, as well as contact with suppliers and contractors within and serving Southwest Florida.

The replacement cost for the current system assets, as detailed on **Schedule 6-5**, have been developed utilizing ENR Construction Cost indices as well as our review of the above mentioned data. Based on this analysis, the current replacement cost of the Town's assets is approximately \$6,877,170. It should be noted that the Town's current CIP of approximately \$20 million is to replace and upgrade the System. The CIP amount is higher than the calculated replacement costs due to several factors including 1) the CIP includes upgrading line sizes and capacities, whereas replacement costs is for replacing the existing system as is with the same line sizes and configuration; 2) the CIP includes other upgrades including automatic read meters; 3) the current CIP includes costs for removal and replacement of lines versus just the installation of new lines.

For water lines, capacity is typically calculated utilizing one of two primary methods. If the system has been modeled in its entirety, then capacities can be calculated based on flows at each node of the system. Alternatively, capacity of water lines can be calculated based on limiting factors including plant capacity, existing wells and pumping capacity, transmission line size, etc. The Town purchases its water supply from Lee County. Additionally, it has an emergency interconnect with Bonita Springs Utilities. Based on the size of these transmission lines and utilizing industry guidelines including hydraulic tables, GAI calculated the capacity of the lines to be approximately 1.67 million gallons per day (MGD). Based on 350 gallons per day (gpd) per Equivalent Residential Connection (ERC), the total maximum water system connection fee for the Town is calculated to be \$1,442.00 as shown in **Table 6-4** below.

**Table 6-4**  
**Water System Connection Fee Calculation**

Description	Cost
Total Replacement Cost of Town System Assets	\$ 6,877,170
Capacity <sup>(1)</sup>	1.67 MGD
Water System Connection Charge/Per Gallon per Day	\$ 4.12
Fixture Unit Value (Gallons per day)	17.50
ERC Value (Gallons per day)	350.00
Water System Connection Charge per Fixture Unit	\$ 72.10
Water System Connection Charge per ERC	\$ 1,442.00

Notes: (1) Developed by GAI utilizing Hydraulic Tables: The Elements of Gagings and the Friction of Water Flowing in Pipes, Aqueducts, Sewers, Etc.; Peak Demand Characteristics; and size of interconnect with both Lee County Utilities and Bonita Springs Utilities.

### 6.6.3 Conclusions and Recommendations on System Connection Fees

The water system connection fee calculated in this Section of the Report is the maximum amount the Town can charge for new connections to its system. This rate should be applied to the various user classes based on the equivalency factors developed earlier in **Section 5** of this Study. Additionally, as the Town is in the process of updating the majority of its system within the next 5 to 7 years as is scheduled in the current Capital Improvement Plan, GAI recommends that the Town prepare a new connection fee analysis once the upgrades are completed. The proposed System Connection Fees by Customer Class and Meter Size are detailed on **Schedule 6-6**.

## 6.7 FINDINGS AND RECOMMENDATIONS

The Town has a rather comprehensive list of miscellaneous service charges. Based on our review of the Town's current operating and personnel costs as well as equipment costs, it is recommended that the Town consider modifying some of its existing charges as well as adopting additional miscellaneous charges. **Schedule 6-4** at the end of this section, provides a detail listing of the existing and proposed miscellaneous service charges for Fiscal Year 2014 including the proposed Water System Connection Fees.

Schedule 6-1  
 Town of Fort Myers Beach, FL  
 Water Enterprise Fund  
 Existing Miscellaneous Charges

Description	Description of Charge	Existing Charge
<b>Meter Installation Fees</b>		
Meter Installation/Service Initiation Charge for 5/8" Meter	Charge for installation and service initiation at a location where service did not exist previously.	\$ 153.75
Meter Installation/Service Initiation Charge for 3/4" Meter		\$ 178.35
Meter Installation/Service Initiation Charge for 1" Meter		\$ 239.85
Meter Installation/Service Initiation Charge for 1.5" Meter		\$ 504.30
Meter Installation/Service Initiation Charge for 2" Meter		\$ 688.80
Meter Installation/Service Initiation Charge for 3" Meter		Actual Cost
<b>Tap-In Charges</b>		
Tap-In Charge for 5/8" Meter	Charge to tap into utility's distribution line to provide service to meter box.	\$ 578.10
Tap-In Charge for 3/4" Meter		\$ 602.70
Tap-In Charge for 1" Meter		\$ 688.80
Tap-In Charge for 1.5" Meter		\$ 1,045.50
Tap-In Charge for 2" Meter		\$ 1,217.70
Tap-In Charge for 3" Meter and above		Actual Cost
<b>Late Payment Charge</b>		
	Charge for delinquent payment after a written notice is issued	Greater of \$ 6.25 or 1.0% of unpaid balance
<b>Premises Visit</b>		
	Charge when service representative visits the premises.	\$ 31.37
<b>Premises Visit during Weekend</b>		
	Charge when service representative visits the premises during weekend	\$ 45.90

Schedule 6-1  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Existing Miscellaneous Charges

Description	Description of Charge	Existing Charge
Normal Turn-On/Reconnection of Service	Charge for transfer of service to a new customer account at a previously served location, or reconnection of service subsequent to a customer request.	\$ 43.05
Normal Turn-Off/Disconnection of Service	Each customer requesting water utility service deactivation shall pay a fee for such deactivation.	\$ 43.05
After Hours Turn-On/Reconnection of Service	Additional premium levied due to after hours salary premiums and additional time requirements.	\$ 55.35
After Hours Turn-Off/Disconnection of Service	Additional premium levied due to after hours salary premiums and additional time requirements.	\$ 55.35
Violation Turn-On/Reconnection of Service	Charge prior to reconnection of an existing customer after disconnection of service for cause, including a delinquency in bill payment.	\$ 49.20
After Hours Violation Turn-On/Reconnection of Service	Additional premium levied due to after hours salary premiums and additional time requirements.	\$ 67.65
Plan Review Fee	Cost of extraordinary engineering service where substantial engineering design and study is required.	Greater of 1% of Construction Costs or \$664.20

Schedule 6-1  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Existing Miscellaneous Charges

Description	Description of Charge	Existing Charge
<b>Fire Service Charges</b>		
Stand-by fire flow/year - 5/8" Line	Yearly amount based on largest diameter meter installed for fire protection.	\$ 2.34
Stand-by fire flow/year - 3/4" Line		\$ 3.51
Stand-by fire flow/year - 1" Line		\$ 4.85
Stand-by fire flow/year - 1.5" Line		\$ 11.75
Stand-by fire flow/year - 2" Line		\$ 18.76
Stand-by fire flow/year - 3" Line		\$ 37.52
Stand-by fire flow/year - 4" Line		\$ 58.61
Stand-by fire flow/year - 6" Line		\$ 117.22
Stand-by fire flow/year - 8" Line		\$ 187.58
Stand-by fire flow/year - 10" Line	\$ 269.62	
<b>Customer Deposit</b>		
Residential Service		
Single Family	Down payment given in advance to support intention to complete transaction for service for customers.	\$ 55.35
Multi-Family (per dwelling unit)		\$ 44.28
Recreational Vehicle (per dwelling unit/lot)		\$ 30.75
Commercial Service and All Non-Residential Services		
5/8" Meter		\$ 55.35
3/4" Meter		\$ 82.41
1" Meter		\$ 141.45
1.5" Meter		\$ 276.75
2" Meter		\$ 442.80
3" Meter		\$ 885.60
4" Meter		\$ 1,383.75
6" Meter		\$ 2,767.50
8" Meter		\$ 4,428.00
10" Meter		\$ 8,028.75
Hydrant Meter		\$ 575.00

Schedule 6-2  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Proposed Updates to Existing Miscellaneous Charges

Cost Components	Avg. Cost per Unit	Units	Total Cost	Description
<b>Meter Installation/Service Initiation Charge for 5/8" Meter - Charge for installation and service initiation at a location where service did not exist previously.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.50	\$ 11.00	Labor for initial system setup and processing
Service Personnel (\$/hr & hrs)	\$ 22.00	2.00	\$ 44.00	Labor for installation of meter box, meter, service lateral, misc. materials
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)				
5/8" Meter	\$ 180.75	1.00	\$ 180.75	
Meter Box and Appurtenances	\$ 50.00	1.00	\$ 50.00	At Cost if meter size is larger than 5/8"
Miscellaneous Materials	\$ 20.00	1.00	\$ 20.00	At Cost if meter size is larger than 5/8"
<b>Total</b>			<b>\$ 310.30</b>	
<b>Meter Installation/Service Initiation Charge for 3/4" Meter - Charge for installation and service initiation at a location where service did not exist previously.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.50	\$ 11.00	Labor for initial system setup and processing
Service Personnel (\$/hr & hrs)	\$ 22.00	2.00	\$ 44.00	Labor for installation of meter box, meter, service lateral, misc. materials
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)				
5/8" Meter	\$ 200.00	1.00	\$ 200.00	
Meter Box and Appurtenances	\$ 50.00	1.00	\$ 50.00	At Cost if meter size is larger than 5/8"
Miscellaneous Materials	\$ 20.00	1.00	\$ 20.00	At Cost if meter size is larger than 5/8"
<b>Total</b>			<b>\$ 329.55</b>	
<b>Meter Installation/Service Initiation Charge for 1" Meter - Charge for installation and service initiation at a location where service did not exist previously.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.50	\$ 11.00	Labor for initial system setup and processing
Service Personnel (\$/hr & hrs)	\$ 22.00	2.00	\$ 44.00	Labor for installation of meter box, meter, service lateral, misc. materials
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)				
1" Meter	\$ 227.00	1.00	\$ 227.00	
Meter Box and Appurtenances	\$ 50.00	1.00	\$ 50.00	At Cost if meter size is larger than 5/8"
Miscellaneous Materials	\$ 20.00	1.00	\$ 20.00	At Cost if meter size is larger than 5/8"
<b>Total</b>			<b>\$ 356.55</b>	
<b>Meter Installation/Service Initiation Charge for 1.5" Meter - Charge for installation and service initiation at a location where service did not exist previously.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.50	\$ 11.00	Labor for initial system setup and processing
Service Personnel (\$/hr & hrs)	\$ 22.00	2.00	\$ 44.00	Labor for installation of meter box, meter, service lateral, misc. materials
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)				
1.5" Meter	\$ 347.00	1.00	\$ 347.00	
Meter Box and Appurtenances	\$ 50.00	1.00	\$ 50.00	At Cost if meter size is larger than 5/8"
Miscellaneous Materials	\$ 20.00	1.00	\$ 20.00	At Cost if meter size is larger than 5/8"
<b>Total</b>			<b>\$ 476.55</b>	

Schedule 6-2  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Proposed Updates to Existing Miscellaneous Charges

Cost Components	Avg. Cost per Unit	Units	Total Cost	Description
<b>Meter Installation/Service Initiation Charge for 2" Meter - Charge for installation and service initiation at a location where service did not exist previously.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.50	\$ 11.00	Labor for initial system setup and processing
Service Personnel (\$/hr & hrs)	\$ 22.00	2.00	\$ 44.00	Labor for installation of meter box, meter, service lateral, misc. materials
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)				
2" Meter	\$ 465.00	1.00	\$ 465.00	
Meter Box and Appurtenances	\$ 50.00	1.00	\$ 50.00	At Cost if meter size is larger than 5/8"
Miscellaneous Materials	\$ 20.00	1.00	\$ 20.00	At Cost if meter size is larger than 5/8"
<b>Total</b>			<b>\$ 594.55</b>	

<b>Tap-In Charge for 5/8" Meter - Charge to tap into utility's distribution line to provide service to meter box.</b>				
Labor Expense				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for initial system setup and processing
Service Personnel (\$/hr & hrs)	\$ 22.00	3.00	\$ 66.00	Labor for installation of meter box, meter, service lateral, misc. materials
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Equipment Expense				
Utility Truck	\$ 7.50	1.00	\$ 7.50	
Construction/Excavation Equipment	\$ 7.50	1.00	\$ 7.50	
Materials Expense				
All Materials	\$ 78.50	1.00	\$ 78.50	At Cost if miscellaneous materials cost is greater than listed cost
<b>Total</b>			<b>\$ 186.05</b>	

<b>Tap-In Charge for Meters Larger than 5/8" - Charge to tap into utility's distribution line to provide service to meter box.</b>				
Labor Expense				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for initial system setup and processing
Service Personnel (\$/hr & hrs)	\$ 22.00	3.00	\$ 66.00	Labor for installation of meter box, meter, service lateral, misc. materials
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Equipment Expense				
Utility Truck	\$ 7.50	1.00	\$ 7.50	
Construction/Excavation Equipment	\$ 7.50	1.00	\$ 7.50	
Materials Expense				
All Materials	At Cost	1.00	At Cost	At cost for each meter size.
<b>Total</b>			<b>\$ 107.55</b>	Amount plus cost of Misc. Materials

<b>Late Payment Charge <sup>(1)</sup> - Charge for delinquent payment after a written notice is issued.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.25	\$ 5.50	Labor for processing and sending late payment notice
Postage (\$/stamp & stamps)	\$ 0.46	1.00	\$ 0.46	Cost of postage to send late notice to customer
Misc. Printing & Supplies (\$/page & pages)	\$ 0.04	1.00	\$ 0.04	Cost for printed pages and ink
<b>Total</b>			<b>\$ 6.00</b>	or 1.5% of unpaid balance

Schedule 6-2  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Proposed Updates to Existing Miscellaneous Charges

Cost Components	Avg. Cost per Unit	Units	Total Cost	Description
<b>Premises Visit - Charge when service representative visits the premises.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.50	\$ 11.00	Labor for disconnection preprocessing and premises visit processing
Service Personnel (\$/hr & hrs)	\$ 22.00	0.75	\$ 16.50	Labor for premises visit related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 32.05</b>	
<b>Premises Visit during Weekend - Charge when service representative visits the premises during weekend.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.75	\$ 16.50	Labor for disconnection preprocessing and premises visit processing
Service Personnel (\$/hr & hrs)	\$ 33.00	1.75	\$ 57.75	Labor for premises visit related activity
Truck (dpm & miles)	\$ 0.565	30.00	\$ 16.95	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 91.20</b>	
<b>Normal Turn-On/Reconnection of Service - Charge for transfer of service to a new customer account at a previously served location, or reconnection of service subsequent to a customer request.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.75	\$ 16.50	Labor for reconnection processing
Service Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for actual reconnection related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 43.05</b>	
<b>Normal Turn-Off/Disconnection of Service - Each customer requesting water utility service deactivation shall pay a fee for such deactivation.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.75	\$ 16.50	Labor for reconnection processing
Service Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for actual reconnection related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 43.05</b>	
<b>After Hours Turn-On/Reconnection of Service - Additional premium levied due to after hours salary premiums and additional time requirements.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for after hours reconnection processing
Service Personnel (\$/hr & hrs)	\$ 33.00	1.00	\$ 33.00	Labor for actual reconnection related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 59.55</b>	

Schedule 6-2  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Proposed Updates to Existing Miscellaneous Charges

Cost Components	Avg. Cost per Unit	Units	Total Cost	Description
<b>After Hours Turn-Off/Disconnection of Service - Additional premium levied due to after hours salary premiums and additional time requirements.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for after hours reconnection processing
Service Personnel (\$/hr & hrs)	\$ 33.00	1.00	\$ 33.00	Labor for actual reconnection related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 59.55</b>	
<b>Violation Turn-On/Reconnection of Service - Charge prior to reconnection of an existing customer after disconnection of service for cause, including a delinquency in bill payment.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.25	\$ 27.50	Labor for violation reconnection processing
Service Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for actual reconnection related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 54.05</b>	
<b>After Hours Violation Turn-On/Reconnection of Service - Additional premium levied due to after hours salary premiums and additional time requirements.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.50	\$ 33.00	Labor for violation reconnection processing
Service Personnel (\$/hr & hrs)	\$ 33.00	1.00	\$ 33.00	Labor for actual after hours reconnection related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 70.55</b>	
<b>Plan Review Fee - Cost of extraordinary engineering service where substantial design and study is required. Represented as flat fee based on average cost.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for plan review processing
Professional Personnel (\$/hr & hrs)	\$ 44.00	1.00	\$ 44.00	Labor for engineer and other professional personnel.
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 70.55</b>	+ Cost of Subconsultant Services
<b>Fire Service Charge - Charge for service availability costs and actual usage</b>				
Stand-by fire flow/year - 5/8" Line	\$ 9.62	1.00	\$ 9.62	Cost equal to base charge per meter size
Stand-by fire flow/year - 3/4" Line	\$ 14.43	1.00	\$ 14.43	Cost equal to base charge per meter size
Stand-by fire flow/year - 1" Line	\$ 24.05	1.00	\$ 24.05	Cost equal to base charge per meter size
Stand-by fire flow/year - 1.5" Line	\$ 48.10	1.00	\$ 48.10	Cost equal to base charge per meter size
Stand-by fire flow/year - 2" Line	\$ 76.96	1.00	\$ 76.96	Cost equal to base charge per meter size
Stand-by fire flow/year - 4" Line	\$ 153.92	1.00	\$ 153.92	Cost equal to base charge per meter size
Stand-by fire flow/year - 6" Line	\$ 240.50	1.00	\$ 240.50	Cost equal to base charge per meter size
Stand-by fire flow/year - 8" Line	\$ 481.00	1.00	\$ 481.00	Cost equal to base charge per meter size
Stand-by fire flow/year - 8" Line	\$ 769.60	1.00	\$ 769.60	Cost equal to base charge per meter size
Stand-by fire flow/year - 10" Line	\$ 1,394.90	1.00	\$ 1,394.90	Cost equal to base charge per meter size

Schedule 6-2  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Proposed Updates to Existing Miscellaneous Charges

Cost Components		Avg. Cost per Unit	Units	Total Cost	Description
<b>Customer Deposit - Down payment given in advance to support intention to complete transaction for service.</b>					
Residential Service					
Single Family	\$ 40.00	2.00	\$ 80.00	Down Payment given in advance for residential Single Family customers	
Multi-Family	\$ 32.00	2.00	\$ 64.00	Down Payment given in advance for residential Multi-Family customers	
Recreational Vehicle	\$ 22.00	2.00	\$ 44.00	Down Payment given in advance for residential R.V. customers	
Commercial Service and All Non-Residential Services					
5/8"	\$ 40.00	2.00	\$ 80.00	Down Payment given in advance for commercial customers with 5/8" Meter	
3/4"	\$ 60.00	2.00	\$ 120.00	Down Payment given in advance for commercial customers with 3/4" Meter	
1"	\$ 100.00	2.00	\$ 200.00	Down Payment given in advance for commercial customers with 1" Meter	
1"	\$ 200.00	2.00	\$ 400.00	Down Payment given in advance for commercial customers with 1.5" Meter	
1.5"	\$ 320.00	2.00	\$ 640.00	Down Payment given in advance for commercial customers with 2" Meter	
2"	\$ 640.00	2.00	\$ 1,280.00	Down Payment given in advance for commercial customers with 3" Meter	
3"	\$ 1,000.00	2.00	\$ 2,000.00	Down Payment given in advance for commercial customers with 4" Meter	
4"	\$ 2,000.00	2.00	\$ 4,000.00	Down Payment given in advance for commercial customers with 6" Meter	
8"	\$ 3,200.00	2.00	\$ 6,400.00	Down Payment given in advance for commercial customers with 8" Meter	
10"	\$ 4,600.00	2.00	\$ 9,200.00	Down Payment given in advance for commercial customers with 10" Meter	
Hydrant Meter			\$ 650.00	Down Payment given in advance for temporary water needs during construction, etc.	

Schedule 6-3  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Proposed Additional Miscellaneous Charges

Cost Components	Avg. Cost per Unit	Units	Total Cost	Description
<b>Service Application Fee - Each customer requesting water utility service shall pay an application fee to cover the costs of setting up an account.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for account setup processing
<b>Inspection Charge - Charge to defray cost of administering and monitoring a new connection to the system before service is initiated.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.50	\$ 11.00	Labor for inspection charge processing
Professional Personnel (\$/hr & hrs)	\$ 44.00	2.00	\$ 88.00	Labor for actual inspection and monitoring activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 103.55</b>	
<b>Account Transfer Fee - Charge to cover costs of transferring customer information from one account to another.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.75	\$ 16.50	Labor for account transfer processing
<b>Bank Draft Charge - Charge to cover pre-authorization and setup for the establishment of direct bank payments.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for processing bank drafts
<b>Returned Check Charge <sup>(1)</sup> - Charge reflects the added cost to the utility for processing a returned check and pursuing repayment.</b>				
Face Amount <= \$50	\$ 25.00		\$ 25.00	As per FL Statutes 832.07 and 832.08, fixed fee
Face Amount > \$50 and <= \$300	\$ 30.00		\$ 30.00	As per FL Statutes 832.07 and 832.08, fixed fee
Face Amount > \$300	\$ 40.00		\$ 40.00	As per FL Statutes 832.07 and 832.08, greater of fixed fee of \$40 or 5% of face value of check
<b>Violation Turn-Off/Disconnection of Service - Charge for disconnection of service for cause, including a delinquency in bill payment.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.25	\$ 27.50	Labor for disconnection processing
Service Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for actual disconnection related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	0.25	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 54.05</b>	
<b>After Hours Violation Turn-Off/Disconnection of Service - Additional premium levied due to after hours salary premiums and additional time requirements.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	1.50	\$ 33.00	Labor for after hours disconnection processing
Service Personnel (\$/hr & hrs)	\$ 33.00	1.00	\$ 33.00	Labor for actual disconnection related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ -	-	\$ -	No supplies necessary
<b>Total</b>			<b>\$ 70.55</b>	

Schedule 6-3  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Proposed Additional Miscellaneous Charges

Cost Components	Avg. Cost per Unit	Units	Total Cost	Description
<b>Meter Change-Out Fee - Charges assessed when a customer requests changing the meter to a different size.</b>				
Administrative Personnel (\$/hr & hrs)	\$ 22.00	0.50	\$ 11.00	Labor for processing service visit
Service Personnel (\$/hr & hrs)	\$ 22.00	1.25	\$ 27.50	Labor for actual visit and change-out related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)				
Meter			At Cost	
Miscellaneous Materials			At Cost	
<b>Total</b>			\$ 43.05	plus Cost of Materials

**Meter Tampering Fee - Charges due to customer being found in violation of making meter connection or altering utility services in any form. Charges cover full restoration of standard service.**

Penalty to Discourage Repeat	\$ 400.00	1.00	\$ 400.00	Penalty designed to discourage repeat offense
Administrative Personnel (\$/hr & hrs)	\$ 22.00	2.00	\$ 44.00	Labor for processing service visit and testing
Service Personnel (\$/hr & hrs)	\$ 22.00	1.00	\$ 22.00	Labor for actual visit and testing related activity
Truck (dpm & miles)	\$ 0.565	8.00	\$ 4.55	Mileage (rounded)
Supplies (\$/unit & units)	\$ 45.00	1.00	\$ 45.00	Miscellaneous supplies may need to be replaced due to tampering activity
<b>Total</b> <sup>(2)</sup>			\$ 515.55	

**Meter Tampering Fee with Meter Replacement - Charges due to customer being found in violation of making meter connection or altering utility services in any form. Charges cover full restoration of standard service.**

Meter Tampering Fee	\$ 515.55	1.00	\$ 515.55	
5/8" Meter	\$ 180.75	1.00	\$ 180.75	At Cost if Meter cost is greater than listed cost
Meter Box and Appurtenances	\$ 50.00	1.00	\$ 50.00	At Cost if Meter Box cost is greater than listed cost
Miscellaneous Materials	\$ 20.00	1.00	\$ 20.00	At Cost if Miscellaneous Materials cost is greater than listed cost
<b>Total</b> <sup>(2)</sup>			\$ 766.30	

**NOTES:**

(1) As per FL Statutes 832.07 and 832.08.

(2) Based on 5/8" meter - all commercial connections and larger meters will be charged at cost for supplies.

Schedule 6-4  
Town of Fort Myers Beach, FL  
Water Enterprise Fund

Existing and Proposed Miscellaneous Charges and Water System Connection Fees

Description	Description of Charge	Existing Charge	Proposed Charge	Difference	
				Amount	% Chg.
<b>Service Application Fee</b>	Charge to cover the costs of setting up a new account.	N/A	\$ 22.00	\$ 22.00	N/A
<b>Plan Review Fee</b>	Cost of extraordinary engineering service where substantial engineering design and study is required.	Greater of 1% of Construction Costs or \$664.20	\$ 70.55 + Cost of Subconsultant Services		
<b>Customer Deposit</b>	Down payment given in advance to support intention to complete transaction for service for customers.			N/A	N/A
<b>Residential Service</b>					
Single Family		\$ 55.35	\$ 80.00	\$ 24.65	45%
Multi-Family		\$ 44.28	\$ 64.00	\$ 19.72	45%
Recreational Vehicle.		\$ 30.75	\$ 44.00	\$ 13.25	43%
<b>Commercial Service and All Non-Residential Services</b>					
5/8"		\$ 55.35	\$ 80.00	\$ 24.65	45%
3/4"		\$ 82.41	\$ 120.00	\$ 37.59	46%
1"		\$ 141.45	\$ 200.00	\$ 58.55	41%
1.5"		\$ 276.75	\$ 400.00	\$ 123.25	45%
2"		\$ 442.80	\$ 640.00	\$ 197.20	45%
3"		\$ 885.60	\$ 1,280.00	\$ 394.40	45%
4"		\$ 1,383.75	\$ 2,000.00	\$ 616.25	45%
6"		\$ 2,767.50	\$ 4,000.00	\$ 1,232.50	45%
8"		\$ 4,428.00	\$ 6,400.00	\$ 1,972.00	45%
10"		\$ 8,028.75	\$ 9,200.00	\$ 1,171.25	15%
<b>Hydrant Meter</b>		\$ 575.00	\$ 650.00	\$ 75.00	13%

Schedule 6-4  
Town of Fort Myers Beach, FL  
Water Enterprise Fund

Existing and Proposed Miscellaneous Charges and Water System Connection Fees

Description	Description of Charge	Existing Charge	Proposed Charge	Difference	
				Amount	% Chg.
<b>System Connection Charges</b>					
One-time charge to recover in whole or in part the costs associated with system capacity.					
Residential					
Single Family (per unit)		\$ 1,254.60	\$ 1,442.00	\$ 187.40	15%
Multi-Family (per unit)		\$ 1,003.60	\$ 1,153.60	\$ 150.00	15%
Recreational Vehicle (per Dwelling Unit/Lot)		\$ 501.84	\$ 1,153.60	\$ 651.76	130%
Commercial Service and All Non-Residential Service <sup>(2)</sup>					
5/8" Meter		\$ 1,254.00	\$ 1,442.00	\$ 188.00	15%
3/4" Meter		\$ 1,881.90	\$ 2,163.00	\$ 281.10	15%
1.0" Meter		\$ 3,136.50	\$ 3,605.00	\$ 468.50	15%
1.5" Meter		\$ 6,273.00	\$ 7,210.00	\$ 937.00	15%
2.0" Meter		\$ 10,036.80	\$ 11,536.00	\$ 1,499.20	15%
3.0" Meter		\$ 20,073.60	\$ 23,072.00	\$ 2,998.40	15%
4.0" Meter		\$ 31,364.00	\$ 36,050.00	\$ 4,686.00	15%
6.0" Meter		\$ 62,730.00	\$ 72,100.00	\$ 9,370.00	15%
8.0" Meter		\$ 100,368.00	\$ 115,360.00	\$ 14,992.00	15%
10.0" Meter		\$ 181,917.00	\$ 165,830.00	\$ (16,087.00)	-9%

**Tap-In Charges**

Charge to tap into utility's distribution line to provide service to meter box.

Tap-In Charge for 5/8" Meter	\$ 578.10	\$ 186.05	\$ (392.05)	-68%
Tap-In Charge for 3/4" Meter	\$ 602.70	Actual Cost	N/A	N/A
Tap-In Charge for 1" Meter	\$ 688.80	Actual Cost	N/A	N/A
Tap-In Charge for 1.5" Meter	\$ 1,045.50	Actual Cost	N/A	N/A
Tap-In Charge for 2" Meter	\$ 1,217.70	Actual Cost	N/A	N/A
Tap-In Charge for 3" Meter and above	Actual Cost	Actual Cost	N/A	N/A

Schedule 6-4  
 Town of Fort Myers Beach, FL  
 Water Enterprise Fund  
 Existing and Proposed Miscellaneous Charges and Water System Connection Fees

Description	Description of Charge	Existing Charge	Proposed Charge	Difference	
				Amount	% Chg.
<b>Meter Installation Fees</b>					
	Charge for installation and service initiation at a location where service did not exist previously.				
Meter Installation/Service Initiation Charge for 5/8" Meter		\$ 153.75	\$ 310.30	\$ 156.55	102%
Meter Installation/Service Initiation Charge for 3/4" Meter		\$ 178.35	\$ 329.55	\$ 151.20	85%
Meter Installation/Service Initiation Charge for 1" Meter		\$ 239.85	\$ 356.55	\$ 116.70	49%
Meter Installation/Service Initiation Charge for 1.5" Meter		\$ 504.30	\$ 476.55	\$ (27.75)	-6%
Meter Installation/Service Initiation Charge for 2" Meter		\$ 688.80	\$ 594.55	\$ (94.25)	-14%
Meter Installation/Service Initiation Charge for 3" Meter		Actual Cost	Actual Cost	N/A	N/A
<b>Inspection Charge</b>					
	Charge levied to defray cost of administering and monitoring a new connection to the distribution system before service is initiated.	N/A	\$ 103.55	\$ 103.55	N/A
<b>Account Transfer Fee</b>					
	Charge to cover costs of transferring customer information from one account to another	N/A	\$ 16.50	\$ 16.50	N/A
<b>Bank Draft Charge</b>					
	Charge to cover pre-authorization and setup for the establishment of direct bank payments	N/A	\$ 22.00	\$ 22.00	N/A
<b>Late Payment Charge <sup>(1)</sup></b>					
	Charge for delinquent payment after a written notice is issued	Greater of \$ 6.25 or 1.0% of unpaid balance	Greater of \$ 6.00 or 1.5% of unpaid balance	N/A	N/A
<b>Returned Check Fee <sup>(2)</sup></b>					
	Charge reflects the added cost to the utility for processing a returned check and pursuing repayment	N/A	\$ 25.00	\$ 25.00	N/A
Face Amount <= \$50		N/A	\$ 30.00	\$ 30.00	N/A
Face Amount > \$50 and <= \$300		N/A	\$ 40.00	\$ 40.00	N/A
Face Amount > \$300		N/A	\$ 40.00	\$ 40.00	N/A

Schedule 6-4  
Town of Fort Myers Beach, FL  
Water Enterprise Fund

Existing and Proposed Miscellaneous Charges and Water System Connection Fees

Description	Description of Charge	Existing Charge	Proposed Charge	Difference	
				Amount	% Chg.
Premises Visit	Charge when service representative visits the premises.	\$ 31.37	\$ 32.05	\$ 0.68	2%
Premises Visit during Weekend	Charge when service representative visits the premises during weekend	\$ 45.90	\$ 91.20	\$ 45.30	99%
Normal Turn-On/Reconnection of Service	Charge for transfer of service to a new customer account at a previously served location, or reconnection of service subsequent to a customer request.	\$ 43.05	\$ 43.05	\$ -	0%
Normal Turn-Off/Disconnection of Service	Each customer requesting water utility service deactivation shall pay a fee for such deactivation.	\$ 43.05	\$ 43.05	\$ -	0%
After Hours Turn-On/Reconnection of Service	Additional premium levied due to after hours salary premiums and additional time requirements.	\$ 55.35	\$ 59.55	\$ 4.20	8%
After Hours Turn-Off/Disconnection of Service	Additional premium levied due to after hours salary premiums and additional time requirements.	\$ 55.35	\$ 59.55	\$ 4.20	8%
Violation Turn-On/Reconnection of Service	Charge prior to reconnection of an existing customer after disconnection of service for cause, including a delinquency in bill payment.	\$ 49.20	\$ 54.05	\$ 4.85	10%
Violation Turn-Off/Disconnection of Service	Charge for disconnection of service for cause, including a delinquency in bill payment.	N/A	\$ 54.05	\$ 54.05	N/A
After Hours Violation Turn-On/Reconnection of Service	Additional premium levied due to after hours salary premiums and additional time requirements.	\$ 67.65	\$ 70.55	\$ 2.90	4%
After Hours Violation Turn-Off/Disconnection of Service	Additional premium levied due to after hours salary premiums and additional time requirements.	N/A	\$ 70.55	\$ 70.55	N/A

Schedule 6--4  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Existing and Proposed Miscellaneous Charges and Water System Connection Fees

Description	Description of Charge	Existing Charge	Proposed Charge	Difference	
				Amount	% Chg.
<b>Meter Change-Out</b>					
	Charges assessed when a customer requests changing the meter to a different size, but the utility has deemed it is unnecessary.	N/A	\$ 43.05 plus Cost of Materials	N/A	N/A
<b>Meter Tampering Fee <sup>(3)</sup></b>					
	Charges due to customer being found in violation of making meter connection or altering utility services in any form. Charges cover full restoration of standard service, and are added to unbilled water usage.	N/A	\$ 515.55	\$ 515.55	N/A
	Without Meter Replacement	N/A	\$ 766.30	\$ 766.30	N/A
	With Meter Replacement (5/8" Meter, at cost if larger)	N/A	\$ 766.30	\$ 766.30	N/A
<b>Fire Service Charges</b>					
	Yearly amount based on largest diameter meter installed for fire protection				
	Stand-by fire flow/year - 5/8" Line	\$ 2.34	\$ 9.62	\$ 7.28	311%
	Stand-by fire flow/year - 3/4" Line	\$ 3.51	\$ 14.43	\$ 10.92	311%
	Stand-by fire flow/year - 1" Line	\$ 4.85	\$ 24.05	\$ 19.20	396%
	Stand-by fire flow/year - 1.5" Line	\$ 11.75	\$ 48.10	\$ 36.35	309%
	Stand-by fire flow/year - 2" Line	\$ 18.76	\$ 76.96	\$ 58.20	310%
	Stand-by fire flow/year - 3" Line	\$ 37.52	\$ 153.92	\$ 116.40	310%
	Stand-by fire flow/year - 4" Line	\$ 58.61	\$ 240.50	\$ 181.89	310%
	Stand-by fire flow/year - 6" Line	\$ 117.22	\$ 481.00	\$ 363.78	310%
	Stand-by fire flow/year - 8" Line	\$ 187.58	\$ 769.60	\$ 582.02	310%
	Stand-by fire flow/year - 10" Line	\$ 269.62	\$ 1,394.90	\$ 1,125.28	417%

**NOTES:**  
(1) Greater of fixed fee or 1.5% of unpaid balance.  
(2) As per FL Statutes 832.07 and 832.08.  
(3) Based on 5/8" meter - all commercial connections and larger meters will be charged at cost for supplies.

**Schedule 6-5**  
**Town of Fort Myers Beach, FL**  
**Water Enterprise Fund**  
**Detailed Asset Listing**

Item	Date	Replacement Cost
Land/So Booster Station Tank	08/01/01	201,660.00
Land/No End Booster Station	08/01/01	101,510.00
So End Booster Station Tank	08/01/01	485,931.30
A/C unit at S. Station	07/24/03	4,565.45
So End Booster Station Tank	07/09/07	28,442.92
Chlorine Analyzer	09/01/10	11,890.00
No End Booster Station	08/01/01	101,468.04
Electrical Service to valve	08/13/03	6,036.50
Landscaping for N. Booster	05/22/08	5,267.56
No Station motorized valve	06/27/03	8,898.58
No End Booster Station	07/09/07	14,221.46
Distribution Lines	08/01/01	3,935,493.33
Distribution Lines	10/26/01	45,453.14
Distribution Lines	01/11/02	6,685.29
Distribution Lines	02/02/02	20,398.42
Distribution Lines	02/08/02	4,033.86
Distribution Lines	04/01/02	22,431.94
Distribution Lines	04/02/02	8,402.03
Distribution Lines	02/09/04	21,298.72
Distribution Lines	05/20/04	10,656.97
Distribution Lines	05/10/05	15,878.32
Distribution Lines	07/28/06	12,793.76
Distribution Lines	03/23/07	10,584.04
Distribution Lines	06/10/07	12,571.68
Distribution Lines	09/30/08	26,632.62
Distribution Lines	03/20/08	10,346.16
Distribution Lines	01/30/08	1,416.83
Distribution Lines	07/25/07	7,868.01
Distribution Lines	09/01/09	19,134.71
Distribution Lines	09/01/09	8,766.37
Distribution Lines	09/30/09	63,155.80
Distribution Lines	09/30/09	36,650.76
Distribution Lines	10/01/09	92,964.37
Distribution Lines	10/01/09	3,353.57
Distribution Lines	10/01/09	1,433.43
Generators	11/27/07	110,844.09
North Estero	06/01/11	1,375,962.77
<b>Replacement Cost</b>		<b>6,877,169.76</b>

Schedule 6-6  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
System Connection Fees  
Existing vs. Proposed

Classification	Existing		Proposed <sup>(1)</sup>	
	Equiv. Factor	FY 2013 Charge	Equiv. Factor	FY 2014 Charge
Residential				
Single Family (per unit)	1.00	\$ 1,254.60	1.00	\$ 1,442.00
Multi-Family (per unit)	0.80	\$ 1,003.60	0.80	\$ 1,153.60
Recreational Vehicle (per Dwelling Unit/Lot)	0.40	\$ 501.84	0.80	\$ 1,153.60
Commercial Service and All Non-Residential Service <sup>(2)</sup>				
5/8" Meter	1.00	\$ 1,254.00	1.00	\$ 1,442.00
3/4" Meter	1.50	\$ 1,881.90	1.50	\$ 2,163.00
1.0" Meter	2.50	\$ 3,136.50	2.50	\$ 3,605.00
1.5" Meter	5.00	\$ 6,273.00	5.00	\$ 7,210.00
2.0" Meter	8.00	\$ 10,036.80	8.00	\$ 11,536.00
3.0" Meter	16.00	\$ 20,073.60	16.00	\$ 23,072.00
4.0" Meter	25.00	\$ 31,364.00	25.00	\$ 36,050.00
6.0" Meter	50.00	\$ 62,730.00	50.00	\$ 72,100.00
8.0" Meter	80.00	\$ 100,368.00	80.00	\$ 115,360.00
10.0" Meter	145.00	\$ 181,917.00	145.00	\$ 209,090.00

Notes: (1) Proposed Effective Date is a minimum of 90 days after adoption.

(2) Exception: If a general service connection serves living units such as hotel, motel, or timeshare, etc. with efficiency units that include a kitchen or kitchenette and/or laundry facilities, the connection charge shall be the higher of the fee from the meter size schedule above or the number of dwelling units based on the multifamily ERC equivalent.

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# SECTION 7

**SECTION 7**  
**PROPOSED REQUIREMENTS, RATES, AND PROJECTED RESULTS**

7.1 General

This section provides the development and apportionment of the net fiscal requirements per rate structure component for the purpose of calculating the appropriate levels of monthly user rates and charges. It should be noted that in utility rate making, a cash flow or requirement basis of accounting is used and as such no consideration is provided for non-cash items such as depreciation and amortization.

7.2 Net Fiscal Requirements Test Year

As discussed in **Section 4** related to the existing requirements for revenue sufficiency, fiscal requirements are generally separated into three primary categories consisting of: (i) operating and maintenance expenses (O&M); (ii) debt service; and (iii) other needs and transfers. O&M expenses consist of those reoccurring expenses associated with labor, materials, supplies, services, etc. that are required to manage and operate the systems while maintaining a dependable and desirable level of service. O&M expenses consisting primarily of labor, materials, supplies, utilities and contract services are directly related to the level of services provided to customers and therefore, are appropriately recovered through the user rates and charges. Debt service is the principal and interest on bonds, loans, or other debt instruments and pledged security of the debt instruments (coverage) and is allocated to the net rate requirement together with other sources of payments based on the pledged security of the debt instrument. Other needs and transfers include expenses and costs not associated with O&M expenses or debt service and can include such items as capital needs from rates, transfers, certain Renewal and Replacement (R&R) requirements, and/or other funding per covenants in resolutions adopted pursuant to outstanding bond issues.

The net fiscal requirements of the Utility system to be recovered through monthly water user rates and charges consist of the net amount of O&M expenses, debt services, and other requirements after deduction of other budgeted non-user rate revenue sources. The net fiscal requirements, which are the fiscal requirements less non-user rate revenue sources such as miscellaneous charges, interest income, capital revenues, and

transfers from other accounts associated with the Test Year, were identified as discussed in **Section 4**.

The Test Year net fiscal requirements were shown in **Table 4-1**, as summarized from **Schedule 4-2** and are shown again in **Table 7-1** for reference. Requirements were developed with consideration of: (1) findings on existing and projected customers and usage; (2) analysis of past and current O&M expenses, (3) existing debt service payments, (4) necessary transfers, and (5) conversations with Town staff.

**Table 7-1**  
**Test Year Adjusted Fiscal Rate Requirements**  
**For Rate Design**

Description	Amount
<b>Fiscal Requirements</b>	
Total O&M Expenses	\$ 2,718,600
Debt Service	298,000
Transfers Out	729,900
Capital Expenditures	305,400
<b>Total Fiscal Requirements</b>	<b>\$ 4,051,900</b>
<b>Less Other Revenues</b>	
Miscellaneous Charges	\$ 53,400
Capital (Restricted) Revenues	316,900
<b>Total Other Revenues</b>	<b>\$ 370,300</b>
<b>Net Fiscal Requirements</b>	<b>\$ 3,681,600</b>

It is important to note that, despite the proposed updates and additions to the miscellaneous charges, as discussed in **Section 6**, given the fact that the fire charges are billed in arrears and for conservative purposes the fiscal requirements and projections herein do not contemplate any additional assumed revenue in the Test Year.

### 7.3 Cost of Service Allocations

The utility ratemaking cost of service method requires that there be a reasonable relationship between the costs of services and the benefits received by each customer. It is important to recognize that service/benefits are varied and to a large extent not always evident to the customers of the utility. Customers generally associate services

and/or benefits with the metered usage of water, however, just as important are those costs associated with the underlying infrastructure and capacity. Most of the services/benefits have related capital costs and fixed O&M expenses. Although some of the capital costs are traditionally provided for through contributions, such as impact fees or capital charges, the remainder requires funding through user rates and charges.

The Test Year net fiscal requirements discussed above were further allocated to each rate structure component based on the cost of service principals of revenue stability, revenue sufficiency, and class equity. Involved in the allocation process was the consideration of community standards that provided for certain adjustments reflecting the goals of the Town with respect to utility revenue generation for the different functional services provided. **Table 7-2** summarizes the allocations of the net fiscal requirements to each rate component. Details regarding these allocations are provided in **Schedules 7-1**.

**Table 7-2**  
**Test Year Cost of Service Allocations**  
**For Rate Design**

Rate Component	Amount	Percent
Administrative Fee	\$ 120,000	3.26%
Base Charge	971,600	26.39%
Usage	2,590,000	70.35%
<b>Total</b>	<b>\$ 3,681,600</b>	<b>100.00%</b>

#### 7.4 Determination of Rate Components

The charge or rate for each rate structure component was derived by dividing the net fiscal requirement by the appropriate rate structure determinant previously discussed in **Section 5**. The net revenue requirements, determinants, and resulting administrative fee, base charge, and usage rates are shown below in **Table 7-3**. It should be noted that for ratemaking purposes, amounts have been rounded up to the nearest penny.

**Table 7-3  
Determination of Rate Components  
Test Year**

Description	Calculation
<b>Administrative Fee</b>	
Allocated Net Fiscal Requirement	\$ 120,000
Average Monthly ERCs	3,117
Proposed Charge per ERC	\$ 3.21
<b>Base Charge</b>	
Allocated Net Fiscal Requirement	\$ 971,600
Average Monthly ERCs	8,425
Proposed Charge per ERC	\$ 9.62
<b>Usage Rate</b>	
Allocated Net Fiscal Requirement	\$ 2,590,000
Annual Rate Determinant	547,897
Proposed Rates per 1,000 Gallons <sup>(1)</sup>	\$ 4.73

**Notes:** (1) Rate for 5/8" meter factored up by AWWA meter factor for larger meters.

## 7.5 Proposed Rates

The user rates and charges for each user class and rate component reflecting appropriate attributes previously discussed for the Test Year are shown below on **Tables 7-4a** and **7-4b**. As discussed previously in **Section 4**, for fiscal year 2014, the rates that have been developed are revenue neutral and are anticipated to generate the similar revenues as the existing rate structure. Therefore, GAI recommends that the Town adopt and implement these rates during the fiscal year once appropriate customer notice has been given per State Statute and after required hearings for the Rate Ordinance adoption. It should be noted that it has been the Utility's practice historically to pass through any rate increases from Lee County through to the Town's Usage rate. The proposed rates for FY 2014 include this adjustment in the calculation of the usage charge. For FY 2015 and forward, GAI would recommend that the Town continue this practice and; therefore, we have included the proposed \$0.09 increase for FY 2015 in the projected rates for that year. Additionally, **Schedule 7-2** shows the rates projected for fiscal years 2015 through 2018 (**Lee County increase only known through FY 2015**).

**Table 7-4a  
Proposed Rate Structure and Rates**

<u>Component</u>	<u>Equiv. Factor</u>	<u>FY 2014 Charge</u>
<b>Administrative Fee (per account)</b>		\$ 3.21
<b>Base Charge</b>		
Single Family (per unit)	1.00	\$ 9.62
Multi-Family (per unit)	0.80	\$ 7.70
Commercial, Irrigation, Non-Residential (per meter)		
5/8" Meter	1.00	\$ 9.62
3/4" Meter	1.50	\$ 14.43
1.0" Meter	2.50	\$ 24.05
1.5" Meter	5.00	\$ 48.10
2.0" Meter	8.00	\$ 76.96
3.0" Meter	16.00	\$ 153.92
4.0" Meter	25.00	\$ 240.50
6.0" Meter	50.00	\$ 481.00
8.0" Meter	80.00	\$ 769.60
10.0" Meter	145.00	\$ 1,394.90
<b>Capital Reserve Charge</b>		
Single Family (per unit)	1.00	\$ 2.72
Multi-Family (per unit)	1.00	\$ 2.72
Commercial, Irrigation, Non-Residential (per meter)		
5/8" Meter	1.00	\$ 2.72
3/4" Meter	1.43	\$ 3.88
1.0" Meter	2.50	\$ 6.80
1.5" Meter	5.00	\$ 13.60
2.0" Meter	8.04	\$ 21.86
3.0" Meter	16.22	\$ 44.12
4.0" Meter	25.04	\$ 68.10
6.0" Meter	50.00	\$ 136.00
8.0" Meter	80.00	\$ 217.60
10.0" Meter	145.00	\$ 394.40
<b>Usage Rate Per 1,000 gal.</b>		
All Customer Classes		
Block 1		\$ 4.73
Block 2		\$ 5.68
Block 3		\$ 7.10
Block 4		\$ 9.46

**Table 7-4b  
Proposed Rate Structure - Usage Block Ranges**

<b>Gallage Ranges</b>	<b>Block 1</b>	<b>Block 2</b>	<b>Block 3</b>	<b>Block 4</b>
Single-Family	up to 6,000	6,001 to 15,000	15,001 to 30,000	> 30,000
Multi-Family	up to 5,000	5,001 to 12,000	12,001 to 24,000	> 24,000
Commercial, Irrigation, Non-Residential				
5/8" Meter	up to 6,000	6,001 to 15,000	15,001 to 30,000	> 30,000
3/4" Meter	up to 6,000	6,001 to 15,000	15,001 to 30,000	> 30,000
1.0" Meter	up to 15,000	15,001 to 38,000	38,001 to 75,000	> 75,000
1.5" Meter	up to 30,000	30,001 to 75,000	75,001 to 150,000	> 150,000
2.0" Meter	up to 48,000	48,001 to 120,000	120,001 to 240,000	> 240,000
3.0" Meter	up to 96,000	96,001 to 240,000	240,001 to 480,000	> 480,000
4.0" Meter	up to 150,000	150,001 to 375,000	375,001 to 750,000	> 750,000
6.0" Meter	up to 300,000	300,001 to 750,000	750,001 to 1,500,000	> 1,500,000
8.0" Meter	up to 480,000	480,001 to 1,200,000	1,200,001 to 2,400,000	> 2,400,000
10.0" Meter	up to 870,000	870,001 to 2,175,000	2,175,001 to 4,350,000	> 4,350,000

## 7.6 Projected Fiscal Requirements and Revenues

Projections of the net fiscal rate requirements are provided below. As discussed in **Section 4**, the following significant forecast assumptions went into developing the fiscal requirement and revenue projections.

- All projected expenses were based upon the adopted Fiscal Year 2013 Annual Budget for the Town of Fort Myers Beach and adjusted based on discussions with Town staff.
- Most Operations and Maintenance expenses were escalated for general inflation.
- General inflation is projected at 2.5 percent and personnel expenses are assumed to increase at a rate of 3.0 percent per year.
- Customer growth is anticipated at 0.0% throughout the projection period.
- The Wholesale Rate from Lee County is expected to increase by \$0.08 per thousand gallons effective for Fiscal Year 2014. This increase has been included

in developing the Net Fiscal Requirements for the Test Year and is included in the FY 2014 rates developed for each scenario.

- The Wholesale Rate from Lee County is expected to increase by \$0.09 per thousand gallons effective for Fiscal Year 2015. The Town has historically passed these increases through to the customer. For purposes of this analysis, the gallonage rates for FY 2015 have been increased by \$0.09.
- Capital costs, revenues other than rates, and debt service and transfers are projected based on line-item values of the Fiscal Year 2013 budget as adjusted for inflation and labor escalations, where appropriate.
- Annual debt service payments are based on the accounts contained in the applicable official debt service schedules as well as projected funding sources. These include the proposed debt service numbers associated with the Series 2013 Refunding.
- For purposes of these projections, it is assumed that this CIP will be funded through a combination of bank loans, State Revolving Fund Loans, and pay-as-you-go from user rates. For conservative purposes, debt service associated with the CIP has been assumed to be financed over a 20-year period at 3.0% interest. For this analysis, it is assumed that approximately \$17.1 million of the CIP will be funded through the use of debt. Annual borrowings will begin in FY 2014 at approximately \$2.8 million and will remain at a consistent annual borrowing level throughout the projection period.
- The Capital Reserve Charge will remain as currently developed and will be adjusted with any across-the-board rate adjustments throughout the projection period.

The results of the projected fiscal requirements are shown in **Table 7-5**, as summarized from **Schedule 7-3**. Projections are based on anticipated events and assumptions that are subject to change; therefore, no assurance can be given with respect to the accuracy of such projections.

**Table 7-5  
Projected Fiscal Rate Requirements (Rounded)  
With Proposed Modifications**

Description	Test Year	Projected Fiscal Year			
	FY 2014	2015	2016	2017	2018
<b>Fiscal Requirements</b>					
Total O&M Expenses	\$ 2,718,600	\$ 2,798,100	\$ 2,869,700	\$ 2,943,000	\$ 3,018,300
Debt Service	298,000	499,000	676,500	860,900	1,062,400
Transfers Out	729,900	511,800	263,900	113,900	116,000
Capital Expenditures	305,400	313,100	320,900	328,900	337,200
<b>Total Fiscal Requirements</b>	<b>\$ 4,051,900</b>	<b>\$ 4,139,300</b>	<b>\$ 4,130,100</b>	<b>\$ 4,245,800</b>	<b>\$ 4,533,900</b>
<b>Less Other Revenues</b>					
Miscellaneous Charges	\$ 53,400	\$ 97,400	\$ 97,400	\$ 99,500	\$ 106,700
Capital (Restricted) Revenues	316,900	316,900	316,900	325,100	347,200
<b>Total Other Revenues</b>	<b>\$ 370,300</b>	<b>\$ 414,300</b>	<b>\$ 414,300</b>	<b>\$ 425,000</b>	<b>\$ 453,900</b>
<b>Net Fiscal Requirements</b>	<b>\$ 3,681,600</b>	<b>\$ 3,707,700</b>	<b>\$ 3,715,800</b>	<b>\$ 3,820,800</b>	<b>\$ 4,080,000</b>

The projected revenues for the 5-year projection period were based on the application of the user rates and charges proposed herein, as developed in **Section 5**, to the projected customer and flow characteristics discussed in **Section 3**. It has been recommended that the proposed rate adjustments go into effect after proper customer notice and Ordinance readings and be adjusted October 1 of each successive year beginning in FY 2015. The projected revenues under the proposed rate structure and rates are shown in **Table 7-6**, as summarized from **Schedule 7-4**.

**Table 7-6  
Projected Revenues  
With Proposed Modifications**

Description	Test Year	Projected Fiscal Year			
	FY 2014	2015	2016	2017	2018
Residential	\$ 1,199,300	\$ 1,212,000	\$ 1,212,000	\$ 1,244,100	\$ 1,329,200
Commercial	917,300	927,100	927,100	951,500	1,016,200
Irrigation	226,900	229,500	229,500	236,700	251,700
Multi-Family	1,655,200	1,670,900	1,670,900	1,716,100	1,833,900
Lift Station	3,100	3,100	3,100	3,400	3,600
<b>Total Revenue</b>	<b>\$ 4,001,800</b>	<b>\$ 4,042,600</b>	<b>\$ 4,042,600</b>	<b>\$ 4,150,800</b>	<b>\$ 4,434,600</b>

## 7.7 Five-Year Proforma Operating Results

Based on current and projected fiscal requirements and revenue expectations, the Proforma operating results were calculated. **Table 7-7** summarizes the proposed operational results for the Projection Period, as detailed on **Schedule 7-5**. Of important note is that both revenue sufficiency and required debt service coverage has been achieved.

**Table 7-7**  
**Water Operating Statement**  
**With Proposed Modifications**

Description	Test Year	Projected Fiscal Year			
	FY 2014	2015	2016	2017	2018
User Fee Revenue	\$ 3,684,900	\$ 3,725,700	\$ 3,725,700	\$ 3,824,500	\$ 4,085,200
Other Oper. Revenues	53,400	97,400	97,400	99,900	106,700
<b>Total Operating Revs</b>	<b>\$ 3,738,300</b>	<b>\$ 3,823,100</b>	<b>\$ 3,823,100</b>	<b>\$ 3,924,400</b>	<b>\$ 4,191,900</b>
Total O & M Expenses	2,718,600	2,798,100	2,869,700	2,943,000	3,018,300
<b>Net Revenues</b>	<b>\$ 1,019,700</b>	<b>\$ 1,025,000</b>	<b>\$ 953,400</b>	<b>\$ 981,400</b>	<b>\$ 1,173,600</b>
Total Debt Service	298,000	499,500	676,500	860,900	1,062,400
<b>Bal. after Debt Service</b>	<b>\$ 721,700</b>	<b>\$ 526,000</b>	<b>\$ 276,900</b>	<b>\$ 120,500</b>	<b>\$ 111,200</b>
Other Revenue	317,300	317,500	317,600	327,000	350,100
Other Requirements	(1,035,300)	(824,900)	(583,900)	(441,900)	(453,200)
<b>Avail. For Other Uses</b>	<b>\$ 3,700</b>	<b>\$ 18,600</b>	<b>\$ 10,600</b>	<b>\$ 5,600</b>	<b>\$ 8,100</b>
<b>Debt Service Coverage</b>					
Net Revenues	\$ 1,337,000	\$ 1,342,500	\$ 1,271,000	\$ 1,308,400	\$ 1,523,700
Parity Debt Service	\$ 298,000	\$ 499,000	\$ 676,500	\$ 860,900	\$ 1,062,400
Projected Coverage	<b>4.4866</b>	<b>2.6904</b>	<b>1.8788</b>	<b>1.5198</b>	<b>1.4342</b>
Minimum Required	1.30	1.30	1.30	1.30	1.30
<b>Rate Increase for Revenue Sufficiency and Debt Coverage</b>					
	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>2.60%</b>	<b>6.80%</b>

## 7.8 Projected Reserve Funds

As discussed in **Section 4**, a key financial measure of the financial stability, health and creditworthiness of a utility is the ability to maintain adequate levels of unrestricted funds. Typically, the operating reserve funds should maintain the larger of at least three months of O&M requirements or at least five (5) percent of total debt obligations, but

should at the very least be stable. **Table 7-8**, as detailed on **Schedule 7-6**, displays a summary of estimated fund balances using the proposed modifications. As shown, the Town is maintaining a sufficient minimum level of both restricted and unrestricted reserves.

**Table 7-8  
Flow of Funds  
With Proposed Modifications**

Description	Test Year	Projected Fiscal Year			
	FY 2014	2015	2016	2017	2018
<b>Unrestricted Fund</b>					
Beginning Balance	\$ 410,759	\$ 1,032,023	\$ 1,401,023	\$ 1,462,023	\$ 1,368,023
Annual Operating Surplus	101,700	126,000	126,900	120,500	111,200
Transfers In	620,000	400,000	150,000	-	-
Transfers Out	(100,836)	(157,600)	(216,600)	(215,200)	(103,300)
Interest Income	400	600	700	700	700
Ending Balance	<b>\$ 1,032,023</b>	<b>\$ 1,401,023</b>	<b>\$ 1,462,023</b>	<b>\$ 1,368,023</b>	<b>\$ 1,376,623</b>
<b>Capital / R&amp;R</b>					
Beginning Balance	\$ 747,564	\$ 750,400	\$ 800,400	\$ 900,400	\$ 1,000,500
Annual Operating Surplus	316,900	316,900	316,900	326,300	349,400
Transfers In	100,836	157,600	216,600	215,200	103,300
Transfers Out	(415,300)	(424,900)	(433,900)	(441,900)	(453,200)
Interest Income	400	400	400	500	500
Ending Balance	<b>\$ 750,400</b>	<b>\$ 800,400</b>	<b>\$ 900,400</b>	<b>\$ 1,000,500</b>	<b>\$ 1,000,500</b>

## 7.9 Rate Comparisons

Comparisons to existing bills for various customer classes, as well as comparisons to other communities' average monthly bills, provide a utility with an understanding as to the impact any rate structure or rate modifications will have on its customers. The following subsections provide these comparisons.

### 7.9.1 Typical Monthly Bill Comparisons

A comparison of typical monthly water bills, exclusive of taxes and other charges is provided for in **Table 7-9**. As shown, the average residential customers with a 5/8"

meter will experience an increase of approximately 1.40% at an average of 5,000 gallons of usage per month.

**Table 7-9**  
**Town of Fort Myers Beach, FL**  
**Water Enterprise Fund**  
**Current and Proposed Monthly Bills**

<u>Customer Class</u>	<u>Usage</u>	<u>Monthly Bill</u>		<u>Difference</u>	
		<u>Current</u>	<u>Proposed</u>	<u>Amount</u>	<u>Percent</u>
<b>Residential</b>					
5/8"	5	\$ 38.66	\$ 39.20	\$ 0.54	1.40%
5/8"	15	\$ 100.36	\$ 95.05	\$ (5.31)	-5.29%
5/8"	30	\$ 194.41	\$ 201.55	\$ 7.14	3.67%
<b>Commercial</b>					
5/8"	9	\$ 63.22	\$ 60.97	\$ (2.25)	-3.56%
5/8"	18	\$ 119.65	\$ 116.35	\$ (3.30)	-2.76%
5/8"	36	\$ 238.51	\$ 258.31	\$ 19.80	8.30%
1"	12	\$ 95.34	\$ 90.82	\$ (4.52)	-4.74%
1"	60	\$ 416.30	\$ 391.85	\$ (24.45)	-5.87%
1"	100	\$ 747.10	\$ 734.85	\$ (12.25)	-1.64%
1.5"	25	\$ 197.97	\$ 183.16	\$ (14.81)	-7.48%
1.5"	80	\$ 592.82	\$ 497.91	\$ (94.91)	-16.01%
1.5"	300	\$ 2,412.22	\$ 2,413.91	\$ 1.69	0.07%
<b>Multi-Family</b>					
Per Unit	2	\$ 22.85	\$ 23.09	\$ 0.24	1.05%
Per Unit	6	\$ 43.93	\$ 42.96	\$ (0.97)	-2.21%
Per Unit	15	\$ 100.36	\$ 98.34	\$ (2.02)	-2.01%

#### 7.9.2 Neighboring Community Comparison

In order to provide additional insight with regard to the Town's rate levels, a comparison of average monthly bills relative to the average monthly bills currently imposed by other nearby water utility systems is provided. The water comparisons to other communities at an average usage level of 5,000 gallons, 12,000 gallons, and 20,000 gallons per month can be seen in **Table 7-10** below, and reflects the cost for a typical 5/8" residential connection.

**Table 7-10  
Test Year Proposed Monthly Service Bill Comparisons**

<u>Utility</u>	<u>Usage (Gallons)</u>		
	<u>5,000</u>	<u>12,000</u>	<u>20,000</u>
<b>Town of Fort Myers Beach <sup>(1)</sup></b>			
Existing	\$ 35.94	\$ 78.83	\$ 128.99
Proposed	\$ 36.48	\$ 75.29	\$ 137.83
<b>Other Utilities</b>			
City of Cape Coral	\$ 33.94	\$ 71.53	\$ 145.59
Charlotte County	\$ 45.12	\$ 83.41	\$ 141.29
Collier County	\$ 29.73	\$ 57.61	\$ 96.33
City of Fort Myers	\$ 31.63	\$ 90.78	\$ 194.23
Lee County <sup>(2)</sup>	\$ 28.31	\$ 55.51	\$ 97.11
Town of Longboat Key	\$ 25.29	\$ 49.27	\$ 91.24
City of Marco Island	\$ 49.01	\$ 76.54	\$ 109.58
City of Punta Gorda	\$ 23.53	\$ 47.63	\$ 78.03
City of Sarasota	\$ 29.27	\$ 58.51	\$ 115.55
<b>Average Other Utilities</b>	\$ 32.87	\$ 65.64	\$ 118.77

**Note:** (1) Excludes Capital Reserve Charge.

(2) Effective October 1, 2013.

It should be noted that when making comparisons for water service, several factors have an effect on the level of rates and charges. These factors include, but are not limited to:

- 1) Configuration of service area;
- 2) Level of treatment required before the distribution of water to the ultimate customer;
- 3) Plant capacity utilization, age of facilities, capital structure, and assistance in construction by federal grants, connection fees, etc.;
- 4) General Fund and administrative fee transfers made by the utility systems which may account for differences in the level of rates charges; and
- 5) Bond covenants and funding requirements of the rates.

For the utilities included in the rate comparison, no analysis has been performed with consideration to the above mentioned factors.

#### 7.10 Summary

Projections clearly demonstrate that revenues generated pursuant to the proposed rate structure and rates will be sufficient to address the required expenditures for operations and improvements over the Projection Period. Planned rate adjustments as discussed herein need to be instituted if the Utility is to continue to properly operate.

In the preparation of this Report, certain assumptions were made with respect to conditions which may occur in the future. While it is believed that the assumptions are reasonable for the purpose of this Report, they are dependent upon future events and actual conditions may differ from those assumed. In addition to the projections, estimates, and studies, certain information and assumptions provided or prepared by others have been used and relied upon. While believed to be reasonable for the purpose of this Report, no further assurances with respect thereto are offered, other than for the purpose of this Report. To the extent that actual conditions differ from those assumed herein or from information or assumptions provided or prepared by others, the actual results will vary from those estimated and projected herein. Such projections are; therefore, subject to adjustment and there are no assurances that the projections will be realized.

Schedule 7-1  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Water Rate Components

Account Name	Test Year FY 2014	Rate Components					
		FY 2014 Allocation Factors			FY 2014 Allocated Amounts		
		Admin	Base	Usage	Admin	Base	Usage
<b>Expenses</b>							
<i>Personal Services</i>							
Salaries	\$ 42,100	3.00%	32.00%	65.00%	\$ 1,300	\$ 13,500	\$ 27,300
FICA	3,200	3.00%	32.00%	65.00%	100	1,000	2,100
Retirement	4,200	3.00%	32.00%	65.00%	100	1,300	2,800
Life Health & Disability	9,600	3.00%	32.00%	65.00%	300	3,100	6,200
State Unemployment Tax	-	3.00%	32.00%	65.00%	-	-	-
Administrative Expense	221,600	3.00%	32.00%	65.00%	6,600	70,900	144,100
<b>Total Personal Services</b>	<b>\$ 280,700</b>				<b>\$ 8,400</b>	<b>\$ 89,800</b>	<b>\$ 182,500</b>
<i>Operating Expense</i>							
Professional Services	\$ 2,500	3.00%	32.00%	65.00%	\$ 100	\$ 800	\$ 1,600
Accounting & Auditing	-	3.00%	32.00%	65.00%	-	-	-
Other Contractual Service	16,600	3.00%	32.00%	65.00%	500	5,300	10,800
Communications	-	3.00%	32.00%	65.00%	-	-	-
Utility Services (Electricity)	47,100	3.00%	32.00%	65.00%	1,400	15,100	30,600
Rentals & Leases	-	3.00%	32.00%	65.00%	-	-	-
Insurance	82,000	3.00%	32.00%	65.00%	2,500	26,200	53,300
Repair & Maintenance	321,100	3.00%	32.00%	65.00%	9,600	102,800	208,700
Other Current Charges	4,800	3.00%	32.00%	65.00%	100	1,500	3,200
Security Deposit Refunds	-	3.00%	32.00%	65.00%	-	-	-
Office Supplies	5,500	3.00%	32.00%	65.00%	200	1,800	3,500
Operating Supplies	27,200	3.00%	32.00%	65.00%	800	8,700	17,700
Fireline Refunds	-	3.00%	32.00%	65.00%	-	-	-
Interest Expense-Custome	-	3.00%	32.00%	65.00%	-	-	-
Travel & Per Diem, Training	3,100	3.00%	32.00%	65.00%	100	1,000	2,000
Professional Services Management	480,000	3.00%	32.00%	65.00%	14,400	153,600	312,000
Security Deposit Refunds	-	3.00%	32.00%	65.00%	-	-	-
Bank Charges	21,500	3.00%	32.00%	65.00%	600	6,900	14,000
Dues and Memberships	600	3.00%	32.00%	65.00%	-	200	400
Bulk Water Agreement	1,374,300	3.00%	32.00%	65.00%	41,200	439,800	893,300
Lee County Utilities Sew	-	3.00%	32.00%	65.00%	-	-	-
Taxes - Other	-	3.00%	32.00%	65.00%	-	-	-
Administration	-	3.00%	32.00%	65.00%	-	-	-
Professional Services-Legal	51,600	3.00%	32.00%	65.00%	1,500	16,500	33,600
<b>Total Operating Expenses</b>	<b>\$ 2,437,900</b>				<b>\$ 73,000</b>	<b>\$ 780,200</b>	<b>\$ 1,584,700</b>
<b>Subtotal O&amp;M</b>	<b>\$ 2,718,600</b>				<b>\$ 81,400</b>	<b>\$ 870,000</b>	<b>\$ 1,767,200</b>
<b>Debt</b>							
Series 2010 Note Payable - Interest	\$ 21,800	3.00%	35.00%	62.00%	\$ 700	\$ 7,600	\$ 13,500
Series 2010 Note Payable - Principal	180,000	3.00%	35.00%	62.00%	5,400	63,000	111,600
Loan Cost Amortization	-	3.00%	35.00%	62.00%	-	-	-
New Debt	96,200	3.00%	35.00%	62.00%	2,900	33,700	59,600
<b>Subtotal Debt</b>	<b>\$ 298,000</b>				<b>\$ 9,000</b>	<b>\$ 104,300</b>	<b>\$ 184,700</b>
<b>Other Non-Operating Expenditures</b>							
Non-Operating Expense	\$ -	3.00%	32.00%	65.00%	\$ -	\$ -	\$ -
Other Non-Operating Expense	-	3.00%	32.00%	65.00%	-	-	-
<b>Subtotal Other Expenditures</b>	<b>\$ -</b>				<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers Out</b>							
Capital Improvement Reserved (R&R)	\$ 109,900	3.00%	32.00%	65.00%	\$ 3,300	\$ 35,200	\$ 71,400
Other Transfers Out	620,000	3.00%	32.00%	65.00%	18,600	198,400	403,000
<b>Subtotal Transfers Out</b>	<b>\$ 729,900</b>				<b>\$ 21,900</b>	<b>\$ 233,600</b>	<b>\$ 474,400</b>

Schedule 7-1  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Water Rate Components

Account Name	Test Year FY 2014	Rate Components					
		FY 2014 Allocation Factors			FY 2014 Allocated Amounts		
		Admin	Base	Usage	Admin	Base	Usage
<b>Capital Expenditures</b>							
Depreciation Expenses	\$ -	3.00%	32.00%	65.00%	\$ -	\$ -	\$ -
Capital Improvements/Oper. Equip.	202,900	3.00%	32.00%	65.00%	6,100	64,900	131,900
Capital Improvement	102,500	3.00%	32.00%	65.00%	3,100	32,800	66,600
CIP - Pay As You Go	-	3.00%	32.00%	65.00%	-	-	-
<b>Subtotal Capital Expenditures</b>	<b>\$ 305,400</b>				<b>\$ 9,200</b>	<b>\$ 97,700</b>	<b>\$ 198,500</b>
<b>Total Expenses</b>	<b>\$ 4,051,900</b>				<b>\$ 121,500</b>	<b>\$ 1,305,600</b>	<b>\$ 2,624,800</b>
<b>Revenues</b>							
<b>Water Operating Revenues</b>							
Metered Water Sales	\$ -	0.00%	0.00%	0.00%	\$ -	\$ -	\$ -
Water	-	0.00%	0.00%	0.00%	-	-	-
Water Admin. Charge	-	0.00%	0.00%	0.00%	-	-	-
<b>Total Water Operating Revenues</b>	<b>\$ -</b>				<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Miscellaneous Charge Revenues</b>							
Utility Credit Bal. R/Misc. and Deposits	\$ -	3.00%	32.00%	65.00%	\$ -	\$ -	\$ -
Customer Responsibility	-	3.00%	32.00%	65.00%	-	-	-
Miscellaneous Revenue	23,500	3.00%	32.00%	65.00%	700	7,500	15,300
Connection Fees Resident	-	3.00%	32.00%	65.00%	-	-	-
Tap In Charges	500	3.00%	32.00%	65.00%	-	200	300
Establish Service Charge	4,000	3.00%	32.00%	65.00%	100	1,300	2,600
Trip Charge	800	3.00%	32.00%	65.00%	-	300	500
Reconnection Fees	3,200	3.00%	32.00%	65.00%	100	1,000	2,100
Overpayments	-	3.00%	32.00%	65.00%	-	-	-
Fire Service Charges	10,000	3.00%	32.00%	65.00%	300	3,200	6,500
Returned Check Fee	400	3.00%	32.00%	65.00%	-	100	300
Water Late Charges	11,000	3.00%	32.00%	65.00%	300	3,500	7,200
Deposits	-	3.00%	32.00%	65.00%	-	-	-
<b>Total Miscellaneous Charge Revenues</b>	<b>\$ 53,400</b>				<b>\$ 1,500</b>	<b>\$ 17,100</b>	<b>\$ 34,800</b>
<b>Other Operating Revenue</b>							
Interest Income	\$ -	3.00%	32.00%	65.00%	\$ -	\$ -	\$ -
Other Operating Income	-	3.00%	32.00%	65.00%	-	-	-
<b>Subtotal Other Revenue</b>	<b>\$ -</b>				<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers In</b>							
Prior Year Carryover	\$ -	3.00%	32.00%	65.00%	\$ -	\$ -	\$ -
Transfer In	-	3.00%	32.00%	65.00%	-	-	-
<b>Subtotal Transfers Out</b>	<b>\$ -</b>				<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Capital (Restricted) Revenues</b>							
Capital Reserves	\$ 316,900	0.00%	100.00%	0.00%	\$ -	\$ 316,900	\$ -
Water Impact Fees	-	3.00%	32.00%	65.00%	-	-	-
<b>Total Restricted Revenues</b>	<b>\$ 316,900</b>				<b>\$ -</b>	<b>\$ 316,900</b>	<b>\$ -</b>
<b>Total Revenues</b>	<b>\$ 370,300</b>				<b>\$ 1,500</b>	<b>\$ 334,000</b>	<b>\$ 34,800</b>
<b>Net Fiscal Requirements</b>	<b>\$ 3,681,600</b>				<b>\$ 120,000</b>	<b>\$ 971,600</b>	<b>\$ 2,590,000</b>
					3.259%	26.391%	70.350%

Schedule 7-2  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Rates  
FY 2014 through FY 2018

	Test Year	Projected Fiscal Year			
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Administrative Fee:</b>					
Per Billed Account per Month	\$ 3.21	\$ 3.21	\$ 3.21	\$ 3.29	\$ 3.51
<b>Base Facility Charge:</b>					
<u>Residential</u>					
Per Unit	\$ 9.62	\$ 9.62	\$ 9.62	\$ 9.87	\$ 10.54
<u>Commercial</u>					
5/8"	\$ 9.62	\$ 9.62	\$ 9.62	\$ 9.87	\$ 10.54
1"	\$ 24.05	\$ 24.05	\$ 24.05	\$ 24.68	\$ 26.36
1.5"	\$ 48.10	\$ 48.10	\$ 48.10	\$ 49.35	\$ 52.71
2"	\$ 76.96	\$ 76.96	\$ 76.96	\$ 78.96	\$ 84.33
3"	\$ 153.92	\$ 153.92	\$ 153.92	\$ 157.92	\$ 168.66
4"	\$ 240.50	\$ 240.50	\$ 240.50	\$ 246.75	\$ 263.53
<u>Irrigation</u>					
5/8"	\$ 9.62	\$ 9.62	\$ 9.62	\$ 9.87	\$ 10.54
1"	\$ 24.05	\$ 24.05	\$ 24.05	\$ 24.68	\$ 26.36
1.5"	\$ 48.10	\$ 48.10	\$ 48.10	\$ 49.35	\$ 52.71
2"	\$ 76.96	\$ 76.96	\$ 76.96	\$ 78.96	\$ 84.33
<u>Multi-Family</u>					
Per Unit	\$ 7.70	\$ 7.70	\$ 7.70	\$ 7.90	\$ 8.44
<u>Lift Stations</u>					
Per Station	\$ 9.62	\$ 9.62	\$ 9.62	\$ 9.87	\$ 10.54
<b>Capital Reserve Charge:</b>					
<u>Residential</u>					
Per Unit	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.80	\$ 3.00
<u>Commercial</u>					
5/8"	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.80	\$ 3.00
1"	\$ 6.80	\$ 6.80	\$ 6.80	\$ 6.98	\$ 7.46
1.5"	\$ 13.60	\$ 13.60	\$ 13.60	\$ 13.96	\$ 14.91
2"	\$ 21.86	\$ 21.86	\$ 21.86	\$ 22.43	\$ 23.96
3"	\$ 44.12	\$ 44.12	\$ 44.12	\$ 45.27	\$ 48.35
4"	\$ 68.10	\$ 68.10	\$ 68.10	\$ 69.88	\$ 74.64
<u>Irrigation</u>					
5/8"	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.80	\$ 3.00
1"	\$ 6.80	\$ 6.80	\$ 6.80	\$ 6.98	\$ 7.46
1.5"	\$ 13.60	\$ 13.60	\$ 13.60	\$ 13.96	\$ 14.91
2"	\$ 21.86	\$ 21.86	\$ 21.86	\$ 22.43	\$ 23.96
<u>Multi-Family (per Unit)</u>					
Per Unit	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.80	\$ 3.00
<u>Lift Stations</u>					
Per Station	\$ 2.72	\$ 2.72	\$ 2.72	\$ 2.80	\$ 3.00
<b>Gallage Charges:</b>					
<u>Volume Charges (per 1,000 gallons)</u>					
All Customers					
Block 1	\$ 4.73	\$ 4.82	\$ 4.82	\$ 4.95	\$ 5.29
Block 2	\$ 5.68	\$ 5.77	\$ 5.77	\$ 5.92	\$ 6.32
Block 3	\$ 7.10	\$ 7.19	\$ 7.19	\$ 7.38	\$ 7.88
Block 4	\$ 9.46	\$ 9.55	\$ 9.55	\$ 9.80	\$ 10.47
<b>Additional Rate Increases</b>	0.00%	0.00%	0.00%	2.60%	6.80%

Schedule 7-3  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Net Fiscal Requirements

Account Name	Escal. Ref.	Test Year FY 2014	Projected Fiscal Year			
			FY 2015	FY 2016	FY 2017	FY 2018
<b>Expenses</b>						
<i>Personal Services</i>						
Salaries	3	\$ 42,100	\$ 43,400	\$ 44,700	\$ 46,000	\$ 47,400
FICA	3	3,200	3,300	3,400	3,500	3,600
Retirement	3	4,200	4,300	4,400	4,500	4,600
Life Health & Disability	3	9,600	9,900	10,200	10,500	10,800
State Unemployment Tax	3	-	-	-	-	-
Administrative Expense	3	221,600	238,200	245,300	252,700	260,300
<b>Total Personal Services</b>		<b>\$ 280,700</b>	<b>\$ 299,100</b>	<b>\$ 308,000</b>	<b>\$ 317,200</b>	<b>\$ 326,700</b>
<i>Operating Expense</i>						
Professional Services	5	\$ 2,500	\$ 2,600	\$ 2,700	\$ 2,800	\$ 2,900
Accounting & Auditing	5	-	-	-	-	-
Other Contractual Service	5	16,600	17,000	17,400	17,800	18,200
Communications	5	-	-	-	-	-
Utility Services (Electricity)	5	47,100	48,300	49,500	50,700	52,000
Rentals & Leases	2	-	-	-	-	-
Insurance	2	82,000	84,000	86,100	88,200	90,400
Repair & Maintenance	5	321,100	329,100	337,300	345,700	354,300
Other Current Charges	5	4,800	4,900	5,000	5,100	5,200
Security Deposit Refunds	5	-	-	-	-	-
Office Supplies	5	5,500	5,600	5,700	5,800	5,900
Operating Supplies	5	27,200	27,900	28,600	29,300	30,000
Fireline Refunds	5	-	-	-	-	-
Interest Expense-Custome	5	-	-	-	-	-
Travel & Per Diem, Training	5	3,100	3,200	3,300	3,400	3,500
Professional Services Management	5	480,000	492,000	504,300	516,900	529,800
Security Deposit Refunds	5	-	-	-	-	-
Bank Charges	5	21,500	22,000	22,500	23,100	23,700
Dues and Memberships	5	600	600	600	600	600
Bulk Water Agreement	5	1,374,300	1,408,600	1,443,800	1,479,800	1,516,700
Lee County Utilities Sew	5	-	-	-	-	-
Taxes - Other	5	-	-	-	-	-
Administration	5	-	-	-	-	-
Professional Services-Legal	8	51,600	53,200	54,900	56,600	58,400
<b>Total Operating Expenses</b>		<b>\$ 2,437,900</b>	<b>\$ 2,499,000</b>	<b>\$ 2,561,700</b>	<b>\$ 2,625,800</b>	<b>\$ 2,691,600</b>
<b>Subtotal O&amp;M</b>		<b>\$ 2,718,600</b>	<b>\$ 2,798,100</b>	<b>\$ 2,869,700</b>	<b>\$ 2,943,000</b>	<b>\$ 3,018,300</b>
<b>Debt</b>						
Series 2010 Note Payable - Interest	Y	\$ 21,800	\$ 31,000	\$ 27,700	\$ 24,400	\$ 21,200
Series 2010 Note Payable - Principal	Y	180,000	180,000	180,000	180,000	180,000
Loan Cost Amortization	1	-	-	-	-	-
New Debt	INPUT	96,200	288,000	468,800	656,500	861,200
<b>Subtotal Debt</b>		<b>\$ 298,000</b>	<b>\$ 499,000</b>	<b>\$ 676,500</b>	<b>\$ 860,900</b>	<b>\$ 1,062,400</b>
<b>Other Non-Operating Expenditures</b>						
Non-Operating Expense	2	\$ -	\$ -	\$ -	\$ -	\$ -
Other Non-Operating Expense	2	-	-	-	-	-
<b>Subtotal Other Expenditures</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Transfers Out</b>						
Capital Improvement Reserved (R&R)	INPUT	\$ 109,900	\$ 111,800	\$ 113,000	\$ 113,000	\$ 116,000
Other Transfers Out	INPUT	620,000	400,000	150,000	-	-
<b>Subtotal Transfers Out</b>		<b>\$ 729,900</b>	<b>\$ 511,800</b>	<b>\$ 263,000</b>	<b>\$ 113,000</b>	<b>\$ 116,000</b>

Schedule 7-3  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Net Fiscal Requirements

Account Name	Escal. Ref.	Test Year FY 2014	Projected Fiscal Year			
			FY 2015	FY 2016	FY 2017	FY 2018
<b>Capital Expenditures</b>						
Depreciation Expenses	2	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Improvements/Oper. Equip.	2	202,900	208,000	213,200	218,500	224,000
Capital Improvement	2	102,500	105,100	107,700	110,400	113,200
CIP - Pay As You Go	INPUT	-	-	-	-	-
<b>Subtotal Capital Expenditures</b>		<b>\$ 305,400</b>	<b>\$ 313,100</b>	<b>\$ 320,900</b>	<b>\$ 328,900</b>	<b>\$ 337,200</b>
<b>Total Expenses</b>		<b>\$ 4,051,900</b>	<b>\$ 4,122,000</b>	<b>\$ 4,130,100</b>	<b>\$ 4,245,800</b>	<b>\$ 4,533,900</b>
<b>Revenues</b>						
<b>Miscellaneous Charge Revenues</b>						
Utility Credit Bal. R/Misc. and Deposits	7	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Responsibility	7	-	-	-	-	-
Miscellaneous Revenue	7	23,500	23,500	23,500	24,100	25,700
Connection Fees Resident	7	-	-	-	-	-
Tap In Charges	7	500	500	500	500	500
Establish Service Charge	7	4,000	4,000	4,000	4,100	4,400
Trip Charge	7	800	800	800	800	900
Reconnection Fees	7	3,200	3,200	3,200	3,300	3,500
Overpayments	7	-	-	-	-	-
Fire Service Charges	7	10,000	54,000	54,000	55,400	59,200
Returned Check Fee	7	400	400	400	400	400
Water Late Charges	7	11,000	11,000	11,000	11,300	12,100
Deposits	7	-	-	-	-	-
Proposed Miscellaneous Charges	7	-	-	-	-	-
<b>Total Miscellaneous Charge Revenues</b>		<b>\$ 53,400</b>	<b>\$ 97,400</b>	<b>\$ 97,400</b>	<b>\$ 99,900</b>	<b>\$ 106,700</b>
<b>Capital (Restricted) Revenues</b>						
Capital Reserves	6	\$ 316,900	\$ 316,900	\$ 316,900	\$ 325,100	\$ 347,200
Water Impact Fees	7	-	-	-	-	-
<b>Total Restricted Revenues</b>		<b>\$ 316,900</b>	<b>\$ 316,900</b>	<b>\$ 316,900</b>	<b>\$ 325,100</b>	<b>\$ 347,200</b>
<b>Total Revenues</b>		<b>\$ 370,300</b>	<b>\$ 414,300</b>	<b>\$ 414,300</b>	<b>\$ 425,000</b>	<b>\$ 453,900</b>
<b>Net Fiscal Requirements</b>		<b>\$ 3,681,600</b>	<b>\$ 3,707,700</b>	<b>\$ 3,715,800</b>	<b>\$ 3,820,800</b>	<b>\$ 4,080,000</b>

Schedule 7-4  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Revenues

Account Name	Test Year	Projected Fiscal Year			
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b><u>Administrative Charge:</u></b>					
(Per Billed Account per Month)					
Residential	\$ 90,300	\$ 90,300	\$ 90,300	\$ 92,500	\$ 98,700
Commercial	8,300	8,300	8,300	8,500	9,000
Irrigation	2,900	2,900	2,900	3,000	3,200
Multi-Family	18,000	18,000	18,000	18,500	19,700
Lift Station	600	600	600	700	700
<b>Total Administrative Revenue</b>	<b>\$ 120,100</b>	<b>\$ 120,100</b>	<b>\$ 120,100</b>	<b>\$ 123,200</b>	<b>\$ 131,300</b>
<b><u>Base Facility Charge:</u></b>					
<b><u>Residential</u></b>					
5/8" Meter	\$ 270,500	\$ 270,500	\$ 270,500	\$ 277,600	\$ 296,400
<b><u>Commercial</u></b>					
5/8" Meter	\$ 13,400	\$ 13,400	\$ 13,400	\$ 13,700	\$ 14,700
1"	10,800	10,800	10,800	11,100	11,800
1.5"	19,300	19,300	19,300	19,800	21,100
2"	14,500	14,500	14,500	14,900	15,900
3"	14,500	14,500	14,500	14,900	15,900
4"	11,300	11,300	11,300	11,600	12,400
<b><u>Irrigation</u></b>					
5/8" Meter	\$ 4,100	\$ 4,100	\$ 4,100	\$ 4,200	\$ 4,500
1"	5,400	5,400	5,400	5,500	5,900
1.5"	8,500	8,500	8,500	8,700	9,300
2"	6,400	6,400	6,400	6,500	7,000
<b><u>Multi-Family (per Unit)</u></b>					
5/8" Meter	\$ 77,900	\$ 77,900	\$ 77,900	\$ 80,000	\$ 85,400
1"	13,600	13,600	13,600	14,000	14,900
1.5"	43,200	43,200	43,200	44,400	47,400
2"	118,400	118,400	118,400	121,400	129,700
3"	186,900	186,900	186,900	191,800	204,900
4"	152,200	152,200	152,200	156,200	166,900
<b><u>Lift Stations</u></b>					
Per Station	\$ 1,900	\$ 1,900	\$ 1,900	\$ 2,000	\$ 2,100
<b>Combined Base Revenue</b>					
Residential	\$ 270,500	\$ 270,500	\$ 270,500	\$ 277,600	\$ 296,400
Commercial	83,800	83,800	83,800	86,000	91,800
Irrigation	24,400	24,400	24,400	24,900	26,700
Multi-Family	592,200	592,200	592,200	607,800	649,200
Lift Station	1,900	1,900	1,900	2,000	2,100
<b>Total Base Revenue</b>	<b>\$ 972,800</b>	<b>\$ 972,800</b>	<b>\$ 972,800</b>	<b>\$ 998,300</b>	<b>\$ 1,066,200</b>
<b><u>Capital Reserve Charge:</u></b>					
<b><u>Residential</u></b>					
5/8" Meter	\$ 76,500	\$ 76,500	\$ 76,500	\$ 78,700	\$ 84,400
<b><u>Commercial</u></b>					
5/8" Meter	\$ 3,800	\$ 3,800	\$ 3,800	\$ 3,900	\$ 4,200
1"	3,000	3,000	3,000	3,100	3,300
1.5"	5,500	5,500	5,500	5,600	6,000
2"	4,100	4,100	4,100	4,200	4,500
3"	4,200	4,200	4,200	4,300	4,600
4"	3,200	3,200	3,200	3,300	3,500
<b><u>Irrigation</u></b>					
5/8" Meter	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,200	\$ 1,300
1"	1,500	1,500	1,500	1,600	1,700
1.5"	2,400	2,400	2,400	2,500	2,600
2"	1,800	1,800	1,800	1,900	2,000

Schedule 7-4  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Revenues

Account Name	Test Year		Projected Fiscal Year		
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<u>Multi-Family (per Unit)</u>					
5/8" Meter	\$ 27,500	\$ 27,500	\$ 27,500	\$ 28,300	\$ 30,400
1"	4,800	4,800	4,800	5,000	5,300
1.5"	15,300	15,300	15,300	15,700	16,800
2"	41,800	41,800	41,800	43,000	46,100
3"	66,000	66,000	66,000	68,000	72,800
4"	53,800	53,800	53,800	55,400	59,300
<u>Lift Stations</u>					
Per Station	\$ 500	\$ 500	\$ 500	\$ 600	\$ 600
<b>Combined Capital Reserve Revenue</b>					
Residential	\$ 76,500	\$ 76,500	\$ 76,500	\$ 78,700	\$ 84,400
Commercial	23,800	23,800	23,800	24,400	26,100
Irrigation	6,900	6,900	6,900	7,200	7,600
Multi-Family	209,200	209,200	209,200	215,400	230,700
Lift Station	500	500	500	600	600
<b>Total Capital Reserve Revenue</b>	<b>\$ 316,900</b>	<b>\$ 316,900</b>	<b>\$ 316,900</b>	<b>\$ 326,300</b>	<b>\$ 349,400</b>
<u>Gallage Charges:</u>					
<u>Volume Charges (per 1,000 gallons)</u>					
<b>Block 1</b>					
Residential	\$ 427,100	\$ 435,200	\$ 435,200	\$ 447,000	\$ 477,700
Commercial	118,300	120,500	120,500	123,800	132,300
Irrigation	39,800	40,600	40,600	41,700	44,500
Multi-Family	772,000	786,700	786,700	807,900	863,400
Lift Station	100	100	100	100	200
<b>Total Block 1</b>	<b>\$ 1,357,300</b>	<b>\$ 1,383,100</b>	<b>\$ 1,383,100</b>	<b>\$ 1,420,500</b>	<b>\$ 1,518,100</b>
<b>Block 2</b>					
Residential	\$ 177,200	\$ 180,000	\$ 180,000	\$ 184,700	\$ 197,200
Commercial	119,400	121,300	121,300	124,400	132,800
Irrigation	43,600	44,200	44,200	45,400	48,500
Multi-Family	54,200	55,000	55,000	56,500	60,300
Lift Station	-	-	-	-	-
<b>Total Block 2</b>	<b>\$ 394,400</b>	<b>\$ 400,500</b>	<b>\$ 400,500</b>	<b>\$ 411,000</b>	<b>\$ 438,800</b>
<b>Block 3</b>					
Residential	\$ 92,900	\$ 94,100	\$ 94,100	\$ 96,500	\$ 103,100
Commercial	131,700	133,300	133,300	136,900	146,100
Irrigation	44,100	44,700	44,700	45,900	49,000
Multi-Family	5,900	6,000	6,000	6,100	6,500
Lift Station	-	-	-	-	-
<b>Total Block 3</b>	<b>\$ 274,600</b>	<b>\$ 278,100</b>	<b>\$ 278,100</b>	<b>\$ 285,400</b>	<b>\$ 304,700</b>
<b>Block 4</b>					
Residential	\$ 64,800	\$ 65,400	\$ 65,400	\$ 67,100	\$ 71,700
Commercial	432,000	436,100	436,100	447,500	478,100
Irrigation	65,200	65,800	65,800	67,600	72,200
Multi-Family	3,700	3,800	3,800	3,900	4,100
Lift Station	-	-	-	-	-
<b>Total Block 4</b>	<b>\$ 565,700</b>	<b>\$ 571,100</b>	<b>\$ 571,100</b>	<b>\$ 586,100</b>	<b>\$ 626,100</b>
<b>Combined Usage Revenue</b>					
Residential	\$ 762,000	\$ 774,700	\$ 774,700	\$ 795,300	\$ 849,700
Commercial	801,400	811,200	811,200	832,600	889,300
Irrigation	192,700	195,300	195,300	200,600	214,200
Multi-Family	835,800	851,500	851,500	874,400	934,300
Lift Station	100	100	100	100	200
<b>Total Usage Revenue</b>	<b>\$ 2,592,000</b>	<b>\$ 2,632,800</b>	<b>\$ 2,632,800</b>	<b>\$ 2,703,000</b>	<b>\$ 2,887,700</b>
<b>Total Revenue Summary</b>					
Residential	\$ 1,199,300	\$ 1,212,000	\$ 1,212,000	\$ 1,244,100	\$ 1,329,200
Commercial	917,300	927,100	927,100	951,500	1,016,200
Irrigation	226,900	229,500	229,500	235,700	251,700
Multi-Family	1,655,200	1,670,900	1,670,900	1,716,100	1,833,900
Lift Station	3,100	3,100	3,100	3,400	3,600
<b>Total Revenue</b>	<b>\$ 4,001,800</b>	<b>\$ 4,042,600</b>	<b>\$ 4,042,600</b>	<b>\$ 4,150,800</b>	<b>\$ 4,434,600</b>

Schedule 7-5  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Projected Proforma Operating Results

Account Name	Test Year	Projected Fiscal Year			
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Operating Revenues</b>					
<b>User Fee Revenue</b>					
Administrative Charge	\$ 120,100	\$ 120,100	\$ 120,100	\$ 123,200	\$ 131,300
Base Charges	972,800	972,800	972,800	998,300	1,066,200
Usage (Gallonage) Charges	2,592,000	2,632,800	2,632,800	2,703,000	2,887,700
<b>Subtotal User Fee Revenue</b>	<b>\$ 3,684,900</b>	<b>\$ 3,725,700</b>	<b>\$ 3,725,700</b>	<b>\$ 3,824,500</b>	<b>\$ 4,085,200</b>
<b>Other Revenues</b>					
Miscellaneous Charge Revenues	\$ 53,400	\$ 97,400	\$ 97,400	\$ 99,900	\$ 106,700
Other Operating Income	-	-	-	-	-
Transfer In from Operating Fund	-	-	-	-	-
Transfer In from General Fund	-	-	-	-	-
<b>Subtotal Other Revenues</b>	<b>\$ 53,400</b>	<b>\$ 97,400</b>	<b>\$ 97,400</b>	<b>\$ 99,900</b>	<b>\$ 106,700</b>
<b>Total Operating Revenues</b>	<b>\$ 3,738,300</b>	<b>\$ 3,823,100</b>	<b>\$ 3,823,100</b>	<b>\$ 3,924,400</b>	<b>\$ 4,191,900</b>
O & M Expenses	2,718,600	2,798,100	2,869,700	2,943,000	3,018,300
<b>Net Revenues Avail. For Debt Service</b>	<b>\$ 1,019,700</b>	<b>\$ 1,025,000</b>	<b>\$ 953,400</b>	<b>\$ 981,400</b>	<b>\$ 1,173,600</b>
Debt Service	298,000	499,000	676,500	860,900	1,062,400
<b>Operating Balance after Debt Service</b>	<b>\$ 721,700</b>	<b>\$ 526,000</b>	<b>\$ 276,900</b>	<b>\$ 120,500</b>	<b>\$ 111,200</b>
<b>Other Revenue</b>					
Capital (Restricted) Revenue	\$ 316,900	\$ 316,900	\$ 316,900	\$ 326,300	\$ 349,400
Interest Income	400	600	700	700	700
<b>Total Other Revenues</b>	<b>\$ 317,300</b>	<b>\$ 317,500</b>	<b>\$ 317,600</b>	<b>\$ 327,000</b>	<b>\$ 350,100</b>
<b>Other Requirements</b>					
Other Non-Operating Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
R&R and Other Transfers Out	729,900	511,800	263,000	113,000	116,000
Capital Expenditures Paid by Rates	305,400	313,100	320,900	328,900	337,200
<b>Total Other Requirements</b>	<b>\$ 1,035,300</b>	<b>\$ 824,900</b>	<b>\$ 583,900</b>	<b>\$ 441,900</b>	<b>\$ 453,200</b>
<b>Total Available for Other Uses</b>	<b>\$ 3,700</b>	<b>\$ 18,600</b>	<b>\$ 10,600</b>	<b>\$ 5,600</b>	<b>\$ 8,100</b>
<b>Rate Increase for Rev. Suff. &amp; DS Cov.</b>	0.00%	0.00%	0.00%	2.60%	6.80%

**Water System Coverage Tests**

**Coverage Test With Existing Note and New Debt on Par as Primary**

**Primary (on Parity)**

Net Revenues	\$ 1,337,000	\$ 1,342,500	\$ 1,271,000	\$ 1,308,400	\$ 1,523,700
Parity Debt Service	\$ 298,000	\$ 499,000	\$ 676,500	\$ 860,900	\$ 1,062,400
Projected Coverage	4.4866	2.6904	1.8788	1.5198	1.4342
Minimum Required	1.30	1.30	1.30	1.30	1.30

Schedule 7-6  
Town of Fort Myers Beach, FL  
Water Enterprise Fund  
Summary of Available Reserve Funds

	FY 2013	Test Year	Projected Fiscal Year			
		FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
<b>Water Fund - Unrestricted</b>						
Beginning Bal. <sup>(1)</sup>	\$ 2,780,750	\$ 410,759	\$ 1,032,023	\$ 1,401,023	\$ 1,462,023	\$ 1,368,023
Ann. Oper. Surplus Excl. Int. Inc., I.F., Trfrs.	529,209	101,700	126,000	126,900	120,500	111,200
Transfer In from Operations	-	620,000	400,000	150,000	-	-
Transfer In from General Fund	-	-	-	-	-	-
Transfer out to CIP/Debt	(2,900,000)	-	-	-	-	-
Transfer out to Operations	-	-	-	-	-	-
Transfer out to Capital / R&R Account	-	(100,836)	(157,600)	(216,600)	(215,200)	(103,300)
Ending Balance before Interest	\$ 409,959	\$ 1,031,623	\$ 1,400,423	\$ 1,461,323	\$ 1,367,323	\$ 1,375,923
Interest Income <sup>(2)</sup>	0.05%	400	600	700	700	700
Ending Balance	\$ 410,759	\$ 1,032,023	\$ 1,401,023	\$ 1,462,023	\$ 1,368,023	\$ 1,376,623
Min Fund Bal (Months of O&M)	3	\$ 679,700	\$ 699,500	\$ 717,400	\$ 735,800	\$ 754,600
<b>Capital / R&amp;R Account</b>						
Beginning Bal.	\$ 833,707	\$ 747,564	\$ 750,400	\$ 800,400	\$ 900,400	\$ 1,000,500
Revenue From Capital Charges	318,557	316,900	316,900	316,900	326,300	349,400
Capital Improvement Reserved	-	-	-	-	-	-
Transfer In From Unrestricted Fund	-	100,836	157,600	216,600	215,200	103,300
Transfer In from Operations	-	-	-	-	-	-
Transfer In from General Fund	-	-	-	-	-	-
R&R / CIP Expenditures	(298,000)	(305,400)	(313,100)	(320,900)	(328,900)	(337,200)
R&R Operating Expenditures	(107,100)	(109,900)	(111,800)	(113,000)	(113,000)	(116,000)
Ending Balance before Interest	\$ 747,164	\$ 750,000	\$ 800,000	\$ 900,000	\$ 1,000,000	\$ 1,000,000
Interest Income <sup>(2)</sup>	0.05%	400	400	400	500	500
Ending Balance	\$ 747,564	\$ 750,400	\$ 800,400	\$ 900,400	\$ 1,000,500	\$ 1,000,500
Minimum Fund Balance	\$ -	\$ 750,000	\$ 800,000	\$ 900,000	\$ 1,000,000	\$ 1,000,000
<b>Total All Reserve Funds</b>	<b>\$ 1,158,323</b>	<b>\$ 1,782,423</b>	<b>\$ 2,201,423</b>	<b>\$ 2,362,423</b>	<b>\$ 2,368,523</b>	<b>\$ 2,377,123</b>

Notes:

(1) Beginning Balances per Town Trial Balances as provided.

(2) Interest calculated based on average annual fund balances, before interest earnings, at 0.05% interest.

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# SECTION 8

## SECTION 8 FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS

### 8.1 General

The water rates presented herein are developed in consideration of the Utility's goals of just and equitable cost recovery, as well as financial stability and strength of system. The findings, conclusions, and recommendations presented herein were formulated based on reviews, analysis and input from Town staff together with cost of service ratemaking principles and guidelines taking the community's standards into consideration. Other factors that contributed include customer characteristics, promotion of water conservation, operating costs and cost of capital considerations.

### 8.2 Findings

The availability and quality of source data pertaining to operating, customer, and financial matters was sufficient for the purpose of the Study and can be attributed to the Town's fine and dedicated staff. The Town's existing rate structure was found to be sufficient in the provision of recovery of costs, as well as in promoting conservation. However, it was determined that certain modifications and adjustments are required to meet the previously discussed goals and objectives relative to just and equitable cost recovery as well as standardization of the Utility system revenue generation.

### 8.3 Conclusions

The Utility has good administrative management that continues to look for ways of improving service and reducing costs. The existing water rate structure was reviewed and determined to meet the basic criteria of being just and equitable, with minor modifications based on our review of the billing frequency analysis and customer usage characteristics. Additionally, the current rate structure provides much less stability in the base rates than is typically recommended. As such, GAI has determined that the Utility is in need of a few modifications to meet the Town's criteria of just and equitable recovery of costs. **Table 8-1** below shows a comparison of the revenues generated by customer class under the existing and proposed rate structure.

**Table 8-1**  
**Existing and Proposed Revenue Distribution by Class**  
**Test Year FY 2014**

	Existing		Proposed		Difference	
	Revenue	% of Total	Revenue	% of Total	Amount	Percent
<b>Total Revenue Summary - By Class</b>						
Residential	\$ 1,163,200	28.79%	\$ 1,199,300	29.978%	\$ 36,100	3.10%
Commercial	956,200	23.67%	917,300	22.92%	(38,900)	-4.07%
Irrigation	243,100	6.02%	226,900	5.67%	(16,200)	-6.66%
Multi-Family	1,674,200	41.44%	1,655,200	41.36%	(19,000)	-1.13%
Lift Station	3,100	0.08%	3,100	0.08%	-	0.00%
<b>Total Revenue</b>	<b>\$ 4,039,800</b>	<b>100.00%</b>	<b>\$ 4,001,800</b>	<b>100.00%</b>	<b>\$ (38,000)</b>	<b>-0.94%</b>

As a result, pursuant to the findings, goals, and objectives previously discussed and the analyses, assumptions, and considerations summarized herein, along with the application of ratemaking principles, the needs of the community and the experience of GAI with similar utilities, it was concluded that:

1. The Utility has good administrative management that continues to look for ways of improving service and reducing costs;
2. The current rate structure and rates are adequate for recovering costs, but are not fully just and equitable;
3. While the Utility has adopted a list of miscellaneous charges, these charges should be updated to recover current costs of providing those services, and additional charges should be added to recover other standard activities; and
4. The proposed water rate structure is revenue neutral, generating approximately the same overall revenue as the current rates. Based on a review of the customer data and analysis of customer characteristics, the proposed rate structure, while not generating additional revenue, will shift how revenue is recovered by customer class, with certain customers experiencing increases in bills and other experiencing decreases.
5. The proposed water rates and charges are sufficient to recover costs of the Utility system.

## 8.4 Recommendations

Based upon the reviews, analyses and assumptions developed and discussed throughout this Report, generally accepted principles of ratemaking, requirements of Florida Statutes, consideration of community standards, as well as the resulting conclusions provided above, it is respectfully recommended that the Town:

1. Once proper customer notice has been given consistent with statutory requirements and required hearings held to adopt a new rate ordinance, implement a new rate structure and rates as presented herein and shown on **Tables 7-4a** and **7-4b**, which includes but is not limited to:
  - a. Moving to AWWA standard meter equivalencies for commercial and non-residential customers and to dwelling unit equivalencies for multi-family customers;
  - b. Placing a steeper rate increment on water usage blocks to promote conservation; and
  - c. Promoting stability by recovering 35% of the revenue requirements through the administrative fee and base charge.
2. Update the existing miscellaneous charges and establish the proposed additional miscellaneous charges discussed herein at the same time the monthly user rates are adopted;
3. Adjust the Connection Fees effective a minimum of 90 days after Council adoption to fulfill the 90 days statutory provision;
4. Perform a water revenue sufficiency evaluation on an annual basis in order to more fully track Utility performance after the modifications are in place and to stay in line with the goals of the Utility; and
5. Adopt provisions for a comprehensive review of the water rate structure and rates a minimum of every five (5) years, or whenever significant changes occur in costs, debt service, utility regulations, technical aspects, customer demand characteristics, or the method of delivery of utility services.

Due to the financial requirements and adjustments as recommended herein, GAI recommends for adequacy of reserves and improved financial performance that the Town implement all proposed modifications.

It must be noted that the expenses, costs, and criteria associated with ratemaking are representative of averages that are developed primarily from historic data or projections based on opinions and assumptions. Significant amounts of historical review and analysis, together with the development of assumptions based on prudent engineering, financial, and ratemaking relationships were utilized in the development of the customers, operating activity, costs and proposed rates and charges. Some of the assumptions will inevitably change or not materialize, and unanticipated events may occur which could significantly change the results presented herein.

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# APPENDIX A

Appendix A - Schedule 1  
Town of Fort Myers Beach, FL  
Customer Billing Frequency Analysis  
FY 2011 Water Customer Statistics, Using Oct 2010 - Sept 2011 Data and FY 2011 Rates

Customers/ Meter Size	Annual Events	Annual Units	Avg Monthly Events	Avg Monthly Units	Annual Consumption (000s Gals) (2)				Annual Revenues from Monthly Base Charges				Usage Revenues				Total Revenue						
					Block 1	Block 2	Block 3	Block 4	Total	Admin Fee	Base Chg.	Cap. Rev.	Subtotal	Block 1	Block 2	Block 3		Block 4	Subtotal				
<b>Single Family</b>																							
5/8"	28,608	28,608	2,384	2,384	6	30	50	All	92,141	45,603	4,481	3,576	145,801	\$ 79,244	\$ 195,107	\$ 77,814	\$ 442,277	\$ 264,497	\$ 30,471	\$ 27,893	\$ 765,138	\$ 1,117,303	
Subtotal	28,608	28,608	2,384	2,384	6	30	50	All	92,141	45,603	4,481	3,576	145,801	\$ 79,244	\$ 195,107	\$ 77,814	\$ 442,277	\$ 264,497	\$ 30,471	\$ 27,893	\$ 765,138	\$ 1,117,303	
<b>Multi-Family</b>																							
5/8"	3,900	10,296	325	858	6	30	50	All	26,719	3,237	53	-	30,009	\$ 10,803	\$ 70,219	\$ 28,005	\$ 128,251	\$ 18,775	\$ 360	\$ -	\$ -	\$ 147,386	\$ 256,413
1"	312	1,800	26	150	4,044	787	113	-	4,944	864	12,276	4,896	-	18,036	19,411	4,565	768	-	-	-	-	24,744	42,780
1.5"	384	5,712	32	476	14,375	1,315	-	-	15,690	1,064	38,956	15,537	-	55,357	69,000	7,627	-	-	-	-	-	76,627	132,184
2"	492	15,636	41	1,303	36,839	1,299	-	-	38,138	1,363	106,638	42,530	-	150,531	176,827	7,534	-	-	-	-	-	184,361	334,892
3"	468	24,696	39	2,058	50,341	613	-	-	50,954	1,296	168,427	67,173	-	236,896	241,637	3,555	-	-	-	-	-	245,192	482,088
4"	156	20,112	13	1,676	37,886	-	-	-	37,886	432	137,164	54,705	-	192,301	181,853	-	-	-	-	-	-	181,853	374,154
Subtotal	5,712	78,252	476	6,521	170,204	7,251	166	-	177,621	\$ 15,822	\$ 533,680	\$ 212,846	\$ 762,548	\$ 816,979	\$ 42,056	\$ 1,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 860,163	\$ 1,622,511
<b>Commercial</b>																							
5/8"	1,416	1,416	118	118	8	30	60	All	7,022	8,670	2,941	1,968	20,601	\$ 3,922	\$ 13,169	\$ 3,852	\$ 33,706	\$ 50,286	\$ 10,999	\$ 15,350	\$ 119,341	\$ 140,284	
1"	456	456	38	38	3,143	6,090	1,060	3,509	13,802	1,263	8,906	3,101	-	13,270	15,086	35,322	7,208	27,370	-	-	84,986	98,256	
1.5"	408	408	34	34	3,810	7,152	813	11,759	23,534	1,130	15,035	5,549	-	21,714	18,288	41,482	5,528	91,720	-	-	157,018	178,732	
2"	192	192	16	16	2,505	4,007	-	9,441	15,953	532	10,952	4,197	-	15,681	12,024	23,241	-	73,640	-	-	108,905	124,586	
3"	96	96	8	8	554	2,041	1,495	24,159	28,249	266	10,704	4,236	-	15,206	2,659	11,838	10,166	188,440	-	-	213,103	228,309	
4"	48	48	4	4	288	1,143	881	15,763	18,075	133	8,303	3,269	-	11,705	1,382	6,629	5,991	122,951	-	-	136,953	148,658	
Subtotal	2,616	2,616	218	218	17,322	29,103	7,190	66,599	120,214	\$ 7,246	\$ 67,069	\$ 24,204	\$ 98,519	\$ 83,145	\$ 168,798	\$ 48,892	\$ 519,471	\$ 48,969	\$ 55,359	\$ 17,051	\$ 48,969	\$ 55,359	
<b>Irrigation</b>																							
5/8"	432	432	36	36	2,146	2,774	813	2,186	7,919	\$ 1,197	\$ 4,018	\$ 1,175	\$ 6,390	\$ 10,301	\$ 16,089	\$ 5,528	\$ 17,051	\$ 48,969	\$ 55,359	\$ 17,051	\$ 48,969	\$ 55,359	
1"	228	228	19	19	1,565	3,146	467	2,339	7,517	632	4,453	1,550	6,635	7,512	18,247	3,176	18,244	47,179	53,814	18,244	47,179	53,814	
1.5"	180	180	15	15	1,476	3,225	392	8,350	13,443	499	6,633	2,448	9,580	7,085	18,705	2,666	65,130	93,586	103,166	65,130	93,586	103,166	
2"	84	84	7	7	497	700	-	992	2,189	233	4,791	1,836	6,860	2,386	4,060	-	7,738	14,184	21,044	7,738	14,184	21,044	
Subtotal	924	924	77	77	5,684	9,845	1,672	13,867	31,068	\$ 2,561	\$ 19,895	\$ 7,009	\$ 29,465	\$ 27,284	\$ 57,101	\$ 11,370	\$ 108,163	\$ 203,918	\$ 233,383	\$ 108,163	\$ 203,918	\$ 233,383	
<b>Lift Stations</b>																							
5/8"	204	204	17	17	29	-	-	-	29	\$ 565	\$ 1,897	\$ 555	\$ 3,017	\$ 139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139	\$ 3,156
Subtotal	204	204	17	17	29	-	-	-	29	\$ 565	\$ 1,897	\$ 555	\$ 3,017	\$ 139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 139	\$ 3,156
<b>Total</b>	38,064	110,604	3,172	9,217	285,380	91,802	13,509	84,042	474,733	\$ 105,438	\$ 817,648	\$ 322,428	\$ 1,245,514	\$ 1,369,824	\$ 532,452	\$ 91,861	\$ 655,527	\$ 2,649,664	\$ 3,895,178	\$ 68,024%	\$ 2,649,664	\$ 3,895,178	

Notes:  
(1) Represents dwelling residences or commercial businesses within a multi-unit building or structure.  
(2) Block range limits (in thousands of gallons) for each customer class shown in red.

FY 2011 Actual: \$ 3,945,345  
% Difference: -1.27%  
(within 2% tolerance is acceptable)

Appendix A - Schedule 2  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 5/8 Inch Single Family Residential

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing					
	Units	Flow	Percent	Events	Units	Percent	Flow	Percent	Units	Percent	Flow	Percent
0	4,999	17.47%	0.00%	4,999	4,999	17.47%	-	0.00%	28,608	100.00%	-	0.00%
1	3,225	11.27%	2.21%	8,224	8,224	28.75%	3,225	2.21%	23,609	82.53%	23,609	16.19%
2	3,626	12.67%	4.97%	11,850	11,850	41.42%	10,477	7.19%	20,384	71.25%	43,993	30.17%
3	3,507	12.47%	7.34%	15,417	15,417	53.89%	21,178	14.53%	16,758	58.58%	60,751	41.67%
4	2,955	10.33%	8.11%	18,372	18,372	64.22%	32,998	22.63%	13,191	46.11%	73,942	50.71%
5	2,273	7.95%	7.79%	20,645	20,645	72.17%	44,363	30.43%	10,236	35.78%	84,178	57.73%
6	1,642	5.74%	6.76%	22,287	22,287	77.90%	54,215	37.18%	7,963	27.83%	92,141	63.20%
7	1,147	4.01%	5.51%	23,434	23,434	81.91%	62,244	42.69%	6,321	22.10%	98,462	67.53%
8	824	2.88%	4.52%	24,258	24,258	84.79%	68,836	47.21%	5,174	18.09%	103,636	71.08%
9	710	2.48%	4.38%	24,968	24,968	87.28%	75,226	51.59%	4,350	15.21%	107,986	74.06%
10	494	1.73%	3.39%	25,462	25,462	89.00%	80,166	54.98%	3,640	12.72%	111,626	76.56%
11	393	1.37%	2.97%	25,855	25,855	90.38%	84,489	57.95%	3,146	11.00%	114,772	78.72%
12	347	1.21%	2.86%	26,202	26,202	91.59%	88,653	60.80%	2,753	9.62%	117,525	80.61%
13	265	0.93%	2.36%	26,467	26,467	92.52%	92,098	63.17%	2,406	8.41%	119,931	82.26%
14	239	0.84%	2.29%	26,706	26,706	93.35%	95,444	65.46%	2,141	7.48%	122,072	83.73%
15	233	0.81%	2.40%	26,939	26,939	94.17%	98,939	67.86%	1,902	6.65%	123,974	85.03%
16	173	0.60%	1.90%	27,112	27,112	94.77%	101,707	69.76%	1,669	5.83%	125,643	86.17%
17	130	0.45%	1.52%	27,242	27,242	95.23%	103,917	71.27%	1,496	5.23%	127,139	87.20%
18	128	0.45%	1.58%	27,370	27,370	95.67%	106,221	72.85%	1,366	4.77%	128,505	88.14%
19	106	0.37%	1.38%	27,476	27,476	96.04%	108,235	74.23%	1,238	4.33%	129,743	88.99%
20	98	0.34%	1.34%	27,574	27,574	96.39%	110,195	75.58%	1,132	3.96%	130,875	89.76%
25	414	1.45%	6.46%	27,988	27,988	97.83%	119,611	82.04%	1,034	3.61%	135,111	92.67%
30	220	0.77%	4.21%	28,208	28,208	98.60%	125,744	86.24%	620	2.17%	137,744	94.47%
35	132	0.46%	2.97%	28,340	28,340	99.06%	130,076	89.21%	400	1.40%	139,456	95.65%
40	70	0.24%	1.81%	28,410	28,410	99.31%	132,722	91.03%	268	0.94%	140,642	96.46%
45	49	0.17%	1.44%	28,459	28,459	99.48%	134,827	92.47%	198	0.69%	141,532	97.07%
50	28	0.10%	0.92%	28,487	28,487	99.58%	136,175	93.40%	149	0.52%	142,225	97.55%
75	85	0.30%	3.46%	28,572	28,572	99.87%	141,217	96.88%	121	0.42%	143,917	98.71%
80	1	0.00%	0.05%	28,573	28,573	99.88%	141,296	96.91%	36	0.13%	144,096	98.83%
100	15	0.05%	0.91%	28,588	28,588	99.93%	142,629	97.82%	35	0.12%	144,629	99.20%
125	9	0.03%	0.66%	28,597	28,597	99.96%	143,593	98.49%	20	0.07%	144,968	99.43%
150	7	0.02%	0.68%	28,604	28,604	99.99%	144,587	99.17%	11	0.04%	145,187	99.58%
200	2	0.01%	0.22%	28,606	28,606	99.99%	144,907	99.39%	4	0.01%	145,307	99.66%
300	1	0.00%	0.15%	28,607	28,607	100.00%	145,126	99.54%	2	0.01%	145,426	99.74%
400	-	0.00%	0.00%	28,607	28,607	100.00%	145,126	99.54%	1	0.00%	145,526	99.81%
500	-	0.00%	0.00%	28,607	28,607	100.00%	145,126	99.54%	1	0.00%	145,626	99.88%
600	-	0.00%	0.00%	28,607	28,607	100.00%	145,126	99.54%	1	0.00%	145,726	99.95%
700	1	0.00%	0.46%	28,608	28,608	100.00%	145,801	100.00%	1	0.00%	145,801	100.00%
800	-	0.00%	0.00%	28,608	28,608	100.00%	145,801	100.00%	-	0.00%	145,801	100.00%
900	-	0.00%	0.00%	28,608	28,608	100.00%	145,801	100.00%	-	0.00%	145,801	100.00%
1,000	-	0.00%	0.00%	28,608	28,608	100.00%	145,801	100.00%	-	0.00%	145,801	100.00%
1,000,000	-	0.00%	0.00%	28,608	28,608	100.00%	145,801	100.00%	-	0.00%	145,801	100.00%
				28,608	145,801							

Appendix A - Schedule 3-A  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 5/8 Inch Multi-Family Residential

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing						
	Units	Percent	Flow	Percent	Events	Units	Percent	Flow	Percent	Units	Percent	Flow	Percent
0	990	9.62%	-	0.00%	433	990	9.62%	0.00%	100.00%	10,296	100.00%	-	0.00%
1	1,746	16.96%	1,259	4.20%	1,063	2,736	26.57%	1,259	4.20%	9,306	90.38%	8,819	29.39%
2	2,072	20.12%	3,503	11.67%	1,843	4,808	46.70%	4,762	15.87%	7,560	73.43%	15,738	52.44%
3	2,003	19.45%	5,309	17.69%	2,551	6,811	66.15%	10,071	33.56%	5,488	53.30%	20,526	68.40%
4	1,275	12.38%	4,650	15.50%	3,032	8,086	78.54%	14,721	49.06%	3,485	33.85%	23,561	78.51%
5	815	7.92%	3,803	12.67%	3,342	8,901	86.45%	18,524	61.73%	2,210	21.46%	25,499	84.97%
6	483	4.69%	2,723	9.07%	3,528	9,384	91.14%	21,247	70.80%	1,395	13.55%	26,719	89.04%
7	264	2.56%	1,777	5.92%	3,637	9,648	93.71%	23,024	76.72%	912	8.86%	27,560	91.84%
8	211	2.05%	1,621	5.40%	3,723	9,859	95.76%	24,645	82.13%	648	6.29%	28,141	93.78%
9	121	1.18%	1,048	3.49%	3,771	9,980	96.93%	25,693	85.62%	437	4.24%	28,537	95.09%
10	103	1.00%	993	3.31%	3,808	10,083	97.93%	26,686	88.93%	316	3.07%	28,816	96.02%
11	38	0.37%	404	1.35%	3,825	10,121	98.30%	27,090	90.27%	213	2.07%	29,015	96.69%
12	26	0.25%	307	1.02%	3,837	10,147	98.55%	27,397	91.30%	175	1.70%	29,185	97.25%
13	40	0.39%	508	1.69%	3,854	10,187	98.94%	27,905	92.99%	149	1.45%	29,322	97.71%
14	8	0.08%	110	0.37%	3,858	10,195	99.02%	28,015	93.36%	109	1.06%	29,429	98.07%
15	20	0.19%	293	0.98%	3,867	10,215	99.21%	28,308	94.33%	101	0.98%	29,523	98.38%
16	10	0.10%	158	0.53%	3,872	10,225	99.31%	28,466	94.86%	81	0.79%	29,602	98.64%
17	16	0.16%	269	0.90%	3,879	10,241	99.47%	28,735	95.75%	71	0.69%	29,670	98.87%
18	8	0.08%	143	0.48%	3,882	10,249	99.54%	28,878	96.23%	55	0.53%	29,724	99.05%
19	5	0.05%	92	0.31%	3,884	10,254	99.59%	28,970	96.54%	47	0.46%	29,768	99.20%
20	3	0.03%	60	0.20%	3,885	10,257	99.62%	29,030	96.74%	42	0.41%	29,810	99.34%
25	31	0.30%	693	2.31%	3,896	10,288	99.92%	29,723	99.05%	39	0.38%	29,923	99.71%
30	2	0.02%	53	0.18%	3,897	10,290	99.94%	29,776	99.22%	8	0.08%	29,956	99.82%
35	2	0.02%	63	0.21%	3,898	10,292	99.96%	29,839	99.43%	6	0.06%	29,979	99.90%
40	2	0.02%	79	0.26%	3,899	10,294	99.98%	29,918	99.70%	4	0.04%	29,998	99.96%
45	-	0.00%	-	0.00%	3,899	10,294	99.98%	29,918	99.70%	2	0.02%	30,008	100.00%
50	2	0.02%	91	0.30%	3,900	10,296	100.00%	30,009	100.00%	2	0.02%	30,009	100.00%
75	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
80	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
100	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
125	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
150	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
200	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
300	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
400	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
500	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
600	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
700	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
800	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
900	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
1,000	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
1,000,000	-	0.00%	-	0.00%	3,900	10,296	100.00%	30,009	100.00%	-	0.00%	30,009	100.00%
			30,009		3,900								

Appendix A - Schedule 3-B  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 1.0 Inch Multi-Family Residential

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing					
	Units	Flow	Percent	Events	Units	Percent	Flow	Percent	Units	Percent	Flow	Percent
<=0	30	1.67%	0.00%	14	30	1.67%	-	0.00%	1,800	100.00%	-	0.00%
<=1	562	31.22%	5.56%	275	78	32.89%	275	5.56%	1,770	98.53%	1,483	30.00%
<=2	395	21.94%	12.34%	610	135	54.83%	885	17.90%	1,208	67.11%	2,511	50.79%
<=3	287	15.94%	14.62%	723	186	70.78%	1,608	32.52%	813	45.17%	3,186	64.44%
<=4	209	11.61%	14.89%	736	227	82.59%	2,344	47.41%	526	29.22%	3,612	73.06%
<=5	109	6.06%	9.91%	490	248	88.44%	2,834	57.32%	317	17.61%	3,874	78.36%
<=6	82	4.56%	9.18%	454	269	93.00%	3,288	66.50%	208	11.56%	4,044	81.80%
<=7	24	1.33%	3.14%	155	277	94.33%	3,443	69.64%	126	7.00%	4,157	84.08%
<=8	22	1.22%	3.38%	167	1,720	95.56%	3,610	73.02%	102	5.67%	4,250	85.96%
<=9	29	1.61%	5.04%	249	1,749	97.17%	3,859	78.05%	80	4.44%	4,318	87.34%
<=10	6	0.33%	1.09%	59	1,755	97.50%	3,918	79.25%	51	2.83%	4,368	88.35%
<=11	5	0.28%	1.05%	52	1,760	97.78%	3,970	80.30%	45	2.50%	4,410	89.20%
<=12	-	0.00%	0.00%	292	1,760	97.78%	3,970	80.30%	40	2.22%	4,450	90.01%
<=13	6	0.33%	1.56%	77	1,766	98.11%	4,047	81.86%	40	2.22%	4,489	90.80%
<=14	-	0.00%	0.00%	295	1,766	98.11%	4,047	81.86%	34	1.89%	4,523	91.48%
<=15	4	0.22%	1.17%	58	1,770	98.33%	4,105	83.03%	34	1.89%	4,555	92.13%
<=16	6	0.33%	1.92%	95	1,776	98.67%	4,200	84.95%	30	1.67%	4,584	92.72%
<=17	-	0.00%	0.00%	300	1,776	98.67%	4,200	84.95%	24	1.33%	4,608	93.20%
<=18	-	0.00%	0.00%	300	1,776	98.67%	4,200	84.95%	24	1.33%	4,632	93.69%
<=19	2	0.11%	0.77%	38	1,778	98.78%	4,238	85.72%	24	1.33%	4,656	94.17%
<=20	-	0.00%	0.00%	301	1,778	98.78%	4,238	85.72%	22	1.22%	4,678	94.62%
<=25	6	0.33%	2.63%	304	1,784	99.11%	4,368	88.35%	22	1.22%	4,768	96.44%
<=30	6	0.33%	3.30%	163	1,790	99.44%	4,531	91.65%	16	0.89%	4,831	97.71%
<=35	-	0.00%	0.00%	307	1,790	99.44%	4,531	91.65%	10	0.56%	4,881	98.73%
<=40	2	0.11%	1.52%	75	1,792	99.56%	4,606	93.16%	10	0.56%	4,926	99.64%
<=45	8	0.44%	6.84%	338	1,800	100.00%	4,944	100.00%	8	0.44%	4,944	100.00%
<=50	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=75	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=80	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=100	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=125	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=150	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=200	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=300	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=400	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=500	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=600	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=700	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=800	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=900	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
<=1000	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
1,000,000	-	0.00%	0.00%	312	1,800	100.00%	4,944	100.00%	-	0.00%	4,944	100.00%
					1,800		4,944					

Appendix A - Schedule 3-C  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 1.5 Inch Multi-Family Residential

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing					
	Units	Flow	Percent	Events	Units	Percent	Flow	Percent	Units	Percent	Flow	Percent
0	42	0.74%	0.00%	9	42	0.74%	-	0.00%	5,712	100.00%	-	0.00%
1	1,475	25.82%	6.11%	104	1,517	26.56%	959	6.11%	5,670	99.26%	5,154	32.85%
2	1,379	24.14%	12.62%	193	2,896	50.70%	2,939	18.73%	4,195	73.44%	8,571	54.63%
3	919	16.09%	14.74%	261	3,815	66.79%	5,251	33.47%	2,816	49.30%	10,942	69.74%
4	654	11.45%	14.20%	302	4,469	78.24%	7,479	47.67%	1,897	33.21%	12,451	79.36%
5	273	4.78%	7.73%	324	4,742	83.02%	8,692	55.40%	1,243	21.76%	13,542	86.31%
6	306	5.36%	10.83%	346	5,048	88.38%	10,391	66.23%	970	16.98%	14,375	91.62%
7	224	3.92%	9.36%	357	5,272	92.30%	11,859	75.58%	664	11.62%	14,939	95.21%
8	179	3.13%	8.49%	368	5,451	95.43%	13,191	84.07%	440	7.70%	15,279	97.38%
9	96	1.68%	5.23%	374	5,547	97.11%	14,011	89.30%	261	4.57%	15,496	98.76%
10	84	1.47%	5.11%	379	5,631	98.58%	14,812	94.40%	165	2.89%	15,622	99.57%
11	66	1.16%	4.37%	383	5,697	99.74%	15,498	98.78%	81	1.42%	15,603	99.83%
12	-	0.00%	0.00%	383	5,697	99.74%	15,498	98.78%	15	0.26%	15,678	99.92%
13	15	0.26%	1.22%	384	5,712	100.00%	15,690	100.00%	15	0.26%	15,690	100.00%
14	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
15	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
16	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
17	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
18	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
19	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
20	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
25	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
30	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
35	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
40	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
45	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
50	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
75	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
80	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
100	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
125	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
150	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
200	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
300	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
400	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
500	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
600	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
700	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
800	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
900	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
1,000	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
1,000,000	-	0.00%	0.00%	384	5,712	100.00%	15,690	100.00%	-	0.00%	15,690	100.00%
					5,712		15,690					
												384

Appendix A - Schedule 3-D  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 2.0 Inch Multi-Family Residential

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing					
	Units	Flow	Percent	Events	Units	Percent	Flow	Percent	Units	Percent	Flow	Percent
0	356	2.28%	0.00%	14	356	2.28%	-	0.00%	15,636	100.00%	-	0.00%
1	2,977	19.04%	4.23%	107	3,333	21.32%	1,613	4.23%	15,280	97.72%	13,916	36.49%
2	4,137	26.46%	15.75%	236	7,470	47.77%	7,620	19.98%	12,303	78.68%	23,952	62.80%
3	3,324	21.26%	21.44%	331	10,794	69.03%	15,796	41.42%	8,166	52.23%	30,322	79.51%
4	2,371	15.16%	21.74%	405	13,165	84.20%	24,086	63.15%	4,842	30.97%	33,970	89.07%
5	1,110	7.10%	13.04%	440	14,275	91.30%	29,058	76.19%	2,471	15.80%	35,863	94.03%
6	713	4.56%	10.21%	464	14,988	95.86%	32,951	86.40%	1,361	8.70%	36,839	96.59%
7	248	1.59%	4.11%	474	15,236	97.44%	34,519	90.51%	648	4.14%	37,319	97.85%
8	152	0.97%	1.138	481	15,388	98.41%	35,657	93.49%	400	2.56%	37,641	98.70%
9	76	0.49%	1.68%	484	15,464	98.90%	36,296	95.17%	248	1.59%	37,844	99.23%
10	60	0.38%	1.45%	487	15,524	99.28%	36,848	96.62%	172	1.10%	37,968	99.55%
11	24	0.15%	0.65%	488	15,548	99.44%	37,094	97.26%	112	0.72%	38,062	99.80%
12	56	0.36%	1.71%	490	15,604	99.80%	37,745	98.97%	88	0.56%	38,129	99.98%
13	32	0.20%	1.03%	492	15,636	100.00%	38,138	100.00%	32	0.20%	38,138	100.00%
14	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
15	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
16	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
17	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
18	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
19	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
20	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
25	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
30	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
35	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
40	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
45	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
50	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
75	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
80	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
100	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
125	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
150	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
200	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
300	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
400	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
500	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
600	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
700	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
800	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
900	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
1,000	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
1,000,000	-	0.00%	0.00%	492	15,636	100.00%	38,138	100.00%	-	0.00%	38,138	100.00%
									15,636		38,138	
												492

Appendix A - Schedule 3-E  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 3.0 Inch Multi-Family Residential

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing			
	Units	Flow	Percent	Units	Percent	Flow	Units	Percent	Flow	Percent
<=0	-	-	0.00%	-	0.00%	-	0.00%	-	-	0.00%
<=1	5,909	4,147	8.14%	5,909	23.93%	4,147	24,696	100.00%	22,934	45.01%
<=2	7,702	11,469	22.51%	13,611	55.11%	15,616	18,787	76.07%	37,786	74.16%
<=3	5,930	14,828	29.10%	19,541	79.13%	30,444	11,085	44.89%	45,909	90.10%
<=4	3,417	11,537	22.64%	22,958	92.96%	41,981	5,155	20.87%	48,933	96.03%
<=5	1,265	5,589	10.97%	24,223	98.08%	47,570	1,738	7.04%	49,935	98.00%
<=6	129	707	1.39%	24,352	98.61%	48,277	473	1.92%	50,341	98.80%
<=7	172	1,131	2.22%	24,524	99.30%	49,408	344	1.39%	50,612	99.33%
<=8	43	328	0.64%	24,567	99.48%	49,736	172	0.70%	50,768	99.63%
<=9	43	358	0.70%	24,610	99.65%	50,094	129	0.52%	50,868	99.83%
<=10	43	416	0.82%	24,653	99.83%	50,510	86	0.35%	50,940	99.97%
<=11	43	444	0.87%	24,696	100.00%	50,954	43	0.17%	50,954	100.00%
<=12	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=13	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=14	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=15	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=16	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=17	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=18	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=19	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=20	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=25	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=30	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=35	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=40	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=45	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=50	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=75	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=80	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=100	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=125	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=150	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=200	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=300	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=400	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=500	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=600	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=700	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=800	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=900	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=1000	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
1,000,000	-	-	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
<=1000000	-	50,954	0.00%	24,696	100.00%	50,954	-	0.00%	50,954	100.00%
				24,696		468				

Appendix A - Schedule 3-F  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 4.0 Inch Multi-Family Residential

Consumption Level (000s)	Consumption Level Events				Cumulative Billing				Reverse Billing				
	Units	Percent	Flow	Percent	Events	Units	Percent	Flow	Percent	Units	Percent	Flow	Percent
0	-	0.00%	-	0.00%	-	-	0.00%	-	0.00%	20,112	100.00%	-	0.00%
1	5,158	25.65%	3,785	9.99%	36	5,158	25.65%	3,785	9.99%	20,112	100.00%	18,739	49.46%
2	7,068	35.14%	10,471	27.64%	86	12,226	60.79%	14,256	37.63%	14,954	74.35%	30,028	79.26%
3	4,265	21.21%	10,411	27.48%	120	16,491	82.00%	24,667	65.11%	7,886	39.21%	35,530	93.78%
4	2,907	14.45%	9,946	26.25%	147	19,398	96.45%	34,613	91.36%	3,621	18.00%	37,469	98.90%
5	552	2.74%	2,414	6.37%	154	19,950	99.19%	37,027	97.73%	714	3.55%	37,837	99.87%
6	162	0.81%	859	2.27%	156	20,112	100.00%	37,886	100.00%	162	0.81%	37,886	100.00%
7	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
8	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
9	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
10	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
11	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
12	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
13	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
14	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
15	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
16	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
17	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
18	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
19	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
20	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
25	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
30	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
35	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
40	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
45	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
50	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
75	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
80	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
100	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
125	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
150	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
200	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
300	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
400	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
500	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
600	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
700	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
800	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
900	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
1,000	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
1,000,000	-	0.00%	-	0.00%	156	20,112	100.00%	37,886	100.00%	-	0.00%	37,886	100.00%
						20,112		37,886					
													156

Appendix A - Schedule 3-G  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - All Multi-Family Residential Meters

Consumption Level (000s)	Consumption Level Events				Cumulative Billing				Reverse Billing				
	Units	Percent	Flow	Percent	Events	Units	Percent	Flow	Percent	Units	Percent	Flow	Percent
0	1,418	1.81%	-	0.00%	470	1,418	1.81%	-	0.00%	78,252	100.00%	-	0.00%
1	17,827	22.78%	12,038	6.78%	1,509	19,245	24.59%	42,038	6.78%	76,834	98.19%	71,045	40.00%
2	22,753	29.08%	34,040	19.16%	2,752	41,998	53.67%	46,078	25.94%	59,007	75.41%	118,586	66.76%
3	16,728	21.38%	41,759	23.51%	3,820	58,726	75.05%	87,837	49.45%	36,254	46.33%	146,415	82.43%
4	10,833	13.84%	37,387	21.05%	4,547	69,559	88.89%	125,224	70.50%	19,526	24.95%	159,996	90.08%
5	4,124	5.27%	18,481	10.40%	4,965	73,683	94.16%	143,705	80.91%	8,693	11.11%	166,550	93.77%
6	1,875	2.40%	10,335	5.82%	5,223	75,558	96.56%	154,040	86.72%	4,569	5.84%	170,204	95.82%
7	932	1.19%	6,099	3.43%	5,365	76,490	97.75%	160,139	90.16%	2,694	3.44%	172,473	97.10%
8	607	0.78%	4,586	2.58%	5,476	77,097	98.52%	164,725	92.74%	1,762	2.25%	173,965	97.94%
9	365	0.47%	3,114	1.75%	5,538	77,462	98.99%	167,839	94.49%	1,155	1.48%	174,949	98.50%
10	296	0.38%	2,821	1.59%	5,587	77,758	99.37%	170,660	96.08%	790	1.01%	175,600	98.86%
11	176	0.22%	1,832	1.03%	5,612	77,934	99.59%	172,492	97.11%	494	0.63%	175,990	99.08%
12	82	0.10%	958	0.54%	5,626	78,016	99.70%	173,450	97.65%	318	0.41%	176,282	99.25%
13	93	0.12%	1,170	0.66%	5,649	78,109	99.82%	174,620	98.31%	236	0.30%	176,479	99.36%
14	8	0.01%	110	0.06%	5,653	78,117	99.83%	174,730	98.37%	143	0.18%	176,620	99.44%
15	24	0.03%	351	0.20%	5,664	78,141	99.86%	175,081	98.57%	135	0.17%	176,746	99.51%
16	16	0.02%	253	0.14%	5,672	78,157	99.88%	175,334	98.71%	111	0.14%	176,854	99.57%
17	16	0.02%	269	0.15%	5,679	78,173	99.90%	175,603	98.86%	95	0.12%	176,946	99.62%
18	8	0.01%	143	0.08%	5,682	78,181	99.91%	175,746	98.94%	79	0.10%	177,024	99.66%
19	7	0.01%	130	0.07%	5,685	78,188	99.92%	175,876	99.02%	71	0.09%	177,092	99.70%
20	3	0.00%	60	0.03%	5,686	78,191	99.92%	175,936	99.05%	64	0.08%	177,156	99.74%
25	37	0.05%	823	0.46%	5,700	78,228	99.97%	176,759	99.51%	61	0.08%	177,359	99.85%
30	8	0.01%	216	0.12%	5,704	78,236	99.98%	176,975	99.64%	24	0.03%	177,455	99.91%
35	2	0.00%	63	0.04%	5,705	78,238	99.98%	177,038	99.67%	16	0.02%	177,528	99.95%
40	4	0.01%	154	0.09%	5,707	78,242	99.99%	177,192	99.76%	14	0.02%	177,592	99.98%
45	8	0.01%	338	0.19%	5,711	78,250	100.00%	177,330	99.95%	10	0.01%	177,620	100.00%
50	2	0.00%	91	0.05%	5,712	78,252	100.00%	177,621	100.00%	2	0.00%	177,621	100.00%
75	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
80	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
100	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
125	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
150	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
200	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
300	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
400	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
500	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
600	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
700	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
800	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
900	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
1,000	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
1,000,000	-	0.00%	-	0.00%	5,712	78,252	100.00%	177,621	100.00%	-	0.00%	177,621	100.00%
	78,252		177,621		5,712	78,252		177,621		78,252		177,621	

Appendix A - Schedule 4-A  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 5/8 Inch Commercial

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing				
	Units	Percent	Flow	Events	Units	Percent	Flow	Units	Percent	Flow	Percent
0	193	13.63%	-	193	193	13.63%	-	1,416	100.00%	-	0.00%
1	166	11.72%	166	359	359	25.35%	166	1,223	86.37%	1,223	5.94%
2	89	6.29%	178	448	448	31.64%	344	1,057	74.65%	2,280	11.07%
3	96	6.78%	288	544	544	38.42%	632	968	68.36%	3,248	15.77%
4	65	4.59%	260	609	609	43.01%	892	872	61.58%	4,120	20.00%
5	58	4.10%	290	667	667	47.10%	1,182	807	56.99%	4,927	23.92%
6	56	3.95%	336	723	723	51.06%	1,518	749	52.90%	5,676	27.55%
7	40	2.82%	280	763	763	53.88%	1,798	693	48.94%	6,369	30.92%
8	26	1.84%	208	789	789	55.72%	2,006	653	46.12%	7,022	34.09%
9	33	2.33%	297	822	822	58.05%	2,503	627	44.28%	7,649	37.13%
10	33	2.33%	330	855	855	60.38%	2,633	594	41.95%	8,243	40.01%
11	21	1.48%	231	876	876	61.86%	2,864	561	39.62%	8,804	42.74%
12	32	2.26%	384	908	908	64.12%	3,248	540	38.14%	9,344	45.36%
13	23	1.62%	299	931	931	65.75%	3,547	508	35.88%	9,852	47.82%
14	27	1.91%	378	958	958	67.66%	3,925	485	34.25%	10,337	50.18%
15	19	1.34%	285	977	977	69.00%	4,210	458	32.34%	10,795	52.40%
16	18	1.27%	288	995	995	70.27%	4,498	439	31.00%	11,234	54.53%
17	17	1.20%	289	1,012	1,012	71.47%	4,787	421	29.73%	11,655	56.57%
18	21	1.48%	378	1,033	1,033	72.95%	5,165	404	28.53%	12,059	58.54%
19	13	0.92%	247	1,046	1,046	73.87%	5,412	383	27.05%	12,442	60.40%
20	21	1.48%	420	1,067	1,067	75.35%	5,832	370	26.13%	12,812	62.19%
25	65	4.59%	1,489	1,132	1,132	79.94%	7,321	349	24.65%	14,421	70.00%
30	65	4.59%	1,801	1,197	1,197	84.53%	9,122	284	20.06%	15,692	76.17%
35	44	3.11%	1,462	1,241	1,241	87.64%	10,584	219	15.47%	16,709	81.11%
40	37	2.61%	1,420	1,278	1,278	90.25%	12,004	175	12.36%	17,524	85.06%
45	28	1.98%	1,185	1,306	1,306	92.23%	13,189	138	9.75%	18,139	88.05%
50	25	1.77%	1,194	1,331	1,331	94.00%	14,383	110	7.77%	18,633	90.45%
75	52	3.67%	3,115	1,383	1,383	97.67%	17,498	85	6.00%	19,973	96.95%
80	3	0.21%	231	1,386	1,386	97.88%	17,729	33	2.33%	20,129	97.71%
100	22	1.55%	1,968	1,408	1,408	99.44%	19,697	30	2.12%	20,497	99.50%
125	8	0.56%	904	1,416	1,416	100.00%	20,601	8	0.56%	20,601	100.00%
150	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
200	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
300	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
400	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
500	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
600	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
700	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
800	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
900	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
1,000	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
1,000,000	-	0.00%	-	1,416	1,416	100.00%	20,601	-	0.00%	20,601	100.00%
<=1000000	-	0.00%	20,601	1,416	1,416	100.00%	1,416	-	0.00%	-	0.00%

Appendix A - Schedule 4-B  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 1.0 Inch Commercial

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing			
	Units	Percent	Flow	Units	Percent	Flow	Units	Percent	Flow	Percent
<=0	64	14.04%	-	64	14.04%	-	456	100.00%	-	0.00%
<=1	13	2.85%	13	77	16.89%	13	392	85.96%	392	2.84%
<=2	4	0.88%	8	81	17.67%	21	379	83.11%	771	5.59%
<=3	12	2.65%	36	93	20.39%	57	375	82.24%	1,146	8.30%
<=4	13	2.85%	52	106	23.25%	109	363	79.61%	1,509	10.93%
<=5	10	2.19%	50	116	25.44%	159	350	76.75%	1,859	13.47%
<=6	14	3.07%	84	130	28.51%	243	340	74.56%	2,199	15.93%
<=7	9	1.97%	63	139	30.48%	306	326	71.49%	2,525	18.29%
<=8	16	3.51%	128	155	33.99%	434	317	69.52%	2,842	20.59%
<=9	9	1.97%	81	164	35.96%	515	301	66.01%	3,143	22.77%
<=10	5	1.10%	50	169	37.06%	565	292	64.04%	3,435	24.89%
<=11	5	1.10%	55	174	38.16%	620	287	62.94%	3,722	26.97%
<=12	7	1.54%	84	181	39.69%	704	282	61.84%	4,004	29.01%
<=13	10	2.19%	130	191	41.89%	834	275	60.31%	4,279	31.00%
<=14	6	1.32%	84	197	43.20%	918	265	58.11%	4,544	32.92%
<=15	6	1.32%	90	203	44.52%	1,008	259	56.80%	4,803	34.80%
<=16	6	1.32%	96	209	45.83%	1,104	253	55.48%	5,056	36.63%
<=17	7	1.54%	119	216	47.37%	1,223	247	54.17%	5,303	38.42%
<=18	7	1.54%	126	223	48.90%	1,349	240	52.63%	5,543	40.16%
<=19	7	1.54%	133	230	50.44%	1,482	233	51.10%	5,776	41.85%
<=20	10	2.19%	200	240	52.63%	1,682	226	49.56%	6,002	43.49%
<=25	38	8.33%	888	278	60.96%	2,570	216	47.37%	7,020	50.86%
<=30	26	5.70%	724	304	66.67%	3,294	178	39.04%	7,854	56.90%
<=35	16	3.51%	529	320	70.18%	3,823	152	33.33%	8,583	62.19%
<=40	16	3.51%	610	336	73.68%	4,433	136	29.82%	9,233	66.90%
<=45	15	3.29%	636	351	76.97%	5,069	120	26.32%	9,794	70.96%
<=50	11	2.41%	524	362	79.39%	5,593	105	23.03%	10,293	74.58%
<=75	44	9.65%	2,575	406	89.04%	8,168	94	20.61%	11,918	86.35%
<=80	-	0.00%	-	406	89.04%	8,168	50	10.96%	12,168	88.16%
<=100	17	3.73%	1,529	423	92.76%	9,697	50	10.96%	12,997	94.17%
<=125	23	5.04%	2,605	446	97.81%	12,302	33	7.24%	13,552	98.19%
<=150	6	1.32%	814	452	99.12%	13,116	10	2.19%	13,716	99.38%
<=200	3	0.66%	480	455	99.78%	13,596	4	0.88%	13,796	99.96%
<=300	1	0.22%	206	456	100.00%	13,802	1	0.00%	13,802	100.00%
<=400	-	0.00%	-	456	100.00%	13,802	-	0.00%	13,802	100.00%
<=500	-	0.00%	-	456	100.00%	13,802	-	0.00%	13,802	100.00%
<=600	-	0.00%	-	456	100.00%	13,802	-	0.00%	13,802	100.00%
<=700	-	0.00%	-	456	100.00%	13,802	-	0.00%	13,802	100.00%
<=800	-	0.00%	-	456	100.00%	13,802	-	0.00%	13,802	100.00%
<=900	-	0.00%	-	456	100.00%	13,802	-	0.00%	13,802	100.00%
<=1000	-	0.00%	-	456	100.00%	13,802	-	0.00%	13,802	100.00%
<=1000000	-	0.00%	-	456	100.00%	13,802	-	0.00%	13,802	100.00%
			13,802				456			

Appendix A - Schedule 4-C  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 1.5 Inch Commercial

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing			
	Units	Percent	Flow	Units	Percent	Flow	Units	Percent	Flow	Percent
0	21	5.15%	-	21	5.15%	-	408	100.00%	-	0.00%
1	27	6.62%	27	48	11.76%	27	387	94.85%	387	1.64%
2	20	4.90%	40	68	16.67%	67	360	88.24%	747	3.17%
3	8	1.96%	24	76	18.63%	91	340	83.33%	1,087	4.62%
4	8	1.96%	32	84	20.59%	123	332	81.37%	1,419	6.03%
5	6	1.47%	30	90	22.06%	153	324	79.41%	1,743	7.41%
6	5	1.23%	30	95	23.28%	183	318	77.94%	2,061	8.76%
7	16	3.92%	112	111	27.21%	295	313	76.72%	2,374	10.09%
8	9	2.21%	72	120	29.41%	367	297	72.79%	2,671	11.35%
9	3	0.74%	27	123	30.15%	394	288	70.59%	2,959	12.57%
10	1	0.25%	10	124	30.39%	404	285	69.85%	3,244	13.78%
11	2	0.49%	22	126	30.88%	426	284	69.61%	3,528	14.99%
12	6	1.47%	72	132	32.35%	498	282	69.12%	3,810	16.19%
13	2	0.49%	26	134	32.84%	524	276	67.65%	4,086	17.36%
14	4	0.98%	56	138	33.82%	580	274	67.16%	4,360	18.53%
15	6	1.47%	90	144	35.29%	670	270	66.18%	4,630	19.67%
16	7	1.72%	112	151	37.01%	782	264	64.71%	4,894	20.80%
17	8	1.96%	136	159	38.97%	918	257	62.99%	5,151	21.89%
18	2	0.49%	36	161	39.46%	954	249	61.03%	5,400	22.95%
19	4	0.98%	76	165	40.44%	1,030	247	60.54%	5,647	24.00%
20	2	0.49%	40	167	40.93%	1,070	243	59.56%	5,890	25.03%
25	13	3.19%	309	180	44.12%	1,379	241	59.07%	7,079	30.08%
30	24	5.88%	675	204	50.00%	2,054	228	55.88%	8,174	34.73%
35	16	3.92%	531	220	53.92%	2,585	204	50.00%	9,165	38.94%
40	7	1.72%	267	227	55.64%	2,852	188	46.08%	10,092	42.88%
45	16	3.92%	685	243	59.56%	3,537	181	44.36%	10,962	46.58%
50	6	1.47%	288	249	61.03%	3,825	165	40.44%	11,775	50.03%
75	35	8.58%	2,174	284	69.61%	5,999	159	38.97%	15,299	65.01%
80	9	2.21%	705	293	71.81%	6,704	124	30.39%	15,904	67.58%
100	27	6.62%	2,478	320	78.43%	9,182	115	28.19%	17,982	76.41%
125	26	6.37%	2,859	346	84.80%	12,041	88	21.57%	19,791	84.10%
150	21	5.15%	2,851	367	89.95%	14,892	62	15.20%	21,042	89.41%
200	22	5.39%	3,762	389	95.34%	18,654	41	10.05%	22,454	95.41%
300	17	4.17%	4,122	406	99.51%	22,776	19	4.60%	23,376	99.33%
400	1	0.25%	307	407	1.30%	23,083	2	0.49%	23,483	99.78%
500	1	0.25%	451	408	100.00%	23,534	1	0.25%	23,534	100.00%
600	-	0.00%	-	408	100.00%	23,534	-	0.00%	23,534	100.00%
700	-	0.00%	-	408	100.00%	23,534	-	0.00%	23,534	100.00%
800	-	0.00%	-	408	100.00%	23,534	-	0.00%	23,534	100.00%
900	-	0.00%	-	408	100.00%	23,534	-	0.00%	23,534	100.00%
1,000	-	0.00%	-	408	100.00%	23,534	-	0.00%	23,534	100.00%
1,000,000	-	0.00%	-	408	100.00%	23,534	-	0.00%	23,534	100.00%
			23,534	408						

Appendix A - Schedule 4-D  
Town of Fort Myers Beach, FL  
Customer Billing Frequency Analysis  
Analysis Period October 2010 - September 2011  
Water - 2.0 Inch Commercial

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing			
	Units	Percent	Flow	Units	Percent	Flow	Units	Percent	Flow	Percent
0	-	0.00%	-	-	0.00%	-	192	100.00%	-	0.00%
1	2	1.04%	2	2	1.04%	2	192	100.00%	192	1.20%
2	4	2.08%	8	6	3.13%	10	190	98.96%	382	2.39%
3	5	2.60%	15	11	5.73%	25	186	96.88%	568	3.56%
4	-	0.00%	-	11	5.73%	25	181	94.27%	749	4.70%
5	4	2.08%	20	15	7.81%	45	181	94.27%	930	5.83%
6	3	1.56%	18	18	9.38%	63	177	92.19%	1,107	6.94%
7	4	2.08%	28	22	11.46%	91	174	90.63%	1,281	8.03%
8	3	1.56%	24	25	13.02%	115	170	88.54%	1,451	9.10%
9	5	2.60%	45	30	15.63%	160	167	86.98%	1,618	10.14%
10	6	3.13%	60	36	18.75%	220	162	84.38%	1,780	11.16%
11	7	3.65%	77	43	22.40%	297	156	81.25%	1,936	12.14%
12	5	2.60%	60	48	25.00%	357	149	77.60%	2,085	13.07%
13	5	2.60%	65	53	27.60%	422	144	75.00%	2,229	13.97%
14	2	1.04%	28	55	28.65%	450	139	72.40%	2,368	14.84%
15	4	2.08%	60	59	30.73%	510	137	71.35%	2,505	15.70%
16	2	1.04%	32	61	31.77%	542	133	69.27%	2,638	16.54%
17	2	1.04%	34	63	32.81%	576	131	68.23%	2,769	17.36%
18	1	0.52%	18	64	33.33%	594	129	67.19%	2,898	18.17%
19	1	0.52%	19	65	33.85%	613	128	66.67%	3,026	18.97%
20	2	1.04%	40	67	34.90%	653	127	66.15%	3,153	19.76%
25	2	1.04%	44	69	35.94%	697	125	65.10%	3,372	23.64%
30	4	2.08%	115	73	38.02%	812	123	64.06%	4,382	27.47%
35	4	2.08%	133	77	40.10%	945	119	61.98%	4,970	31.15%
40	11	5.73%	408	88	45.83%	1,353	115	59.90%	5,513	34.56%
45	6	3.13%	261	94	48.96%	1,614	104	54.17%	6,024	37.76%
50	1	0.52%	48	95	49.48%	1,662	98	51.04%	6,512	40.82%
75	24	12.50%	1,498	119	61.98%	3,160	97	50.52%	8,635	54.13%
80	3	1.56%	233	122	63.54%	3,393	73	38.02%	8,993	56.37%
100	18	9.38%	1,626	140	72.92%	5,019	70	36.46%	10,219	64.06%
125	9	4.69%	1,065	149	77.60%	6,084	52	27.08%	11,459	71.83%
150	9	4.69%	1,211	158	82.29%	7,295	43	22.40%	12,595	77.70%
200	11	5.73%	1,915	169	88.02%	9,210	34	17.71%	13,810	86.57%
300	14	7.29%	3,649	183	95.31%	12,859	23	11.98%	15,559	97.53%
400	8	4.17%	2,690	191	99.48%	15,549	9	4.69%	15,949	99.97%
500	1	0.52%	404	192	100.00%	15,953	1	0.52%	15,953	100.00%
600	-	0.00%	-	192	100.00%	15,953	-	0.00%	15,953	100.00%
700	-	0.00%	-	192	100.00%	15,953	-	0.00%	15,953	100.00%
800	-	0.00%	-	192	100.00%	15,953	-	0.00%	15,953	100.00%
900	-	0.00%	-	192	100.00%	15,953	-	0.00%	15,953	100.00%
1,000	-	0.00%	-	192	100.00%	15,953	-	0.00%	15,953	100.00%
1,000,000	-	0.00%	-	192	100.00%	15,953	-	0.00%	15,953	100.00%
			15,953				192			

Appendix A - Schedule 4-E  
Town of Fort Myers Beach, FL  
Customer Billing Frequency Analysis  
Analysis Period October 2010 - September 2011  
Water - 3.0 Inch Commercial

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing				
	Units	Percent	Flow	Units	Percent	Flow	Units	Percent	Flow	Percent	
<=0	-	0.00%	-	-	0.00%	-	-	96	100.00%	-	0.00%
<=1	1	1.04%	1	1	1.04%	1	1	96	100.00%	96	0.34%
<=2	3	3.13%	6	4	4.17%	7	7	95	98.96%	191	0.88%
<=3	1	1.04%	3	5	5.21%	10	10	92	95.83%	283	1.00%
<=4	1	1.04%	4	6	6.25%	14	14	91	94.79%	374	1.32%
<=5	-	0.00%	-	6	6.25%	14	14	90	93.75%	464	1.64%
<=6	-	0.00%	-	6	6.25%	14	14	90	93.75%	554	1.96%
<=7	-	0.00%	-	6	6.25%	14	14	90	93.75%	644	2.28%
<=8	-	0.00%	-	6	6.25%	14	14	90	93.75%	734	2.60%
<=9	-	0.00%	-	6	6.25%	14	14	90	93.75%	824	2.92%
<=10	-	0.00%	-	6	6.25%	14	14	90	93.75%	914	3.24%
<=11	1	1.04%	11	7	7.29%	25	25	90	93.75%	1,004	3.55%
<=12	2	2.08%	24	9	9.38%	49	49	89	92.71%	1,093	3.87%
<=13	1	1.04%	13	10	10.42%	62	62	87	90.63%	1,180	4.18%
<=14	1	1.04%	14	11	11.46%	76	76	86	89.58%	1,266	4.48%
<=15	-	0.00%	-	11	11.46%	76	76	85	88.54%	1,351	4.78%
<=16	-	0.00%	-	11	11.46%	76	76	85	88.54%	1,436	5.08%
<=17	-	0.00%	-	11	11.46%	76	76	85	88.54%	1,521	5.38%
<=18	-	0.00%	-	11	11.46%	76	76	85	88.54%	1,606	5.69%
<=19	1	1.04%	19	12	12.50%	95	95	85	88.54%	1,691	5.99%
<=20	1	1.04%	20	13	13.54%	115	115	84	87.50%	1,775	6.28%
<=25	1	1.04%	25	14	14.58%	140	140	83	86.46%	2,190	7.75%
<=30	4	4.17%	115	18	18.75%	255	255	82	85.42%	2,595	9.19%
<=35	1	1.04%	33	19	19.79%	288	288	78	81.25%	2,983	10.56%
<=40	4	4.17%	155	23	23.96%	443	443	77	80.21%	3,363	11.90%
<=45	-	0.00%	-	23	23.96%	443	443	73	76.04%	3,728	13.20%
<=50	1	1.04%	47	24	25.00%	490	490	73	76.04%	4,090	14.48%
<=75	1	1.04%	54	25	26.04%	544	544	72	75.00%	5,869	20.78%
<=80	-	0.00%	-	25	26.04%	544	544	71	73.96%	6,224	22.03%
<=100	7	7.29%	626	32	33.33%	1,170	1,170	71	73.96%	7,570	26.80%
<=125	10	10.42%	1,141	42	43.75%	2,311	2,311	64	66.67%	9,061	32.08%
<=150	6	6.25%	858	48	50.00%	3,169	3,169	54	56.25%	10,369	36.71%
<=200	4	4.17%	705	52	54.17%	3,874	3,874	48	50.00%	12,674	44.87%
<=300	9	9.38%	2,261	61	63.54%	6,135	6,135	44	45.83%	16,635	58.89%
<=400	2	2.08%	712	63	65.63%	6,847	6,847	35	36.46%	20,047	70.97%
<=500	7	7.29%	3,153	70	72.92%	10,000	10,000	33	34.38%	23,000	81.42%
<=600	12	12.50%	6,680	82	85.42%	16,680	16,680	26	27.08%	25,080	88.78%
<=700	4	4.17%	2,651	86	89.58%	19,331	19,331	14	14.58%	26,331	93.21%
<=800	1	1.04%	726	87	90.63%	20,057	20,057	10	10.42%	27,257	96.49%
<=900	5	5.21%	4,235	92	95.83%	24,292	24,292	9	9.38%	27,892	98.74%
<=1000	3	3.13%	2,843	95	98.96%	27,135	27,135	4	4.17%	28,135	99.60%
<=1000000	1	1.04%	1,114	96	100.00%	28,249	28,249	1	1.04%	28,249	100.00%
	96		28,249	96							

Appendix A - Schedule 4-F  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 4.0 Inch Commercial

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing			
	Units	Percent	Flow	Units	Percent	Flow	Units	Percent	Flow	Percent
<=0	-	0.00%	-	-	0.00%	-	48	100.00%	-	0.00%
<=1	-	0.00%	-	-	0.00%	-	48	100.00%	48	0.27%
<=2	-	0.00%	-	-	0.00%	-	48	100.00%	96	0.53%
<=3	-	0.00%	-	-	0.00%	-	48	100.00%	144	0.80%
<=4	-	0.00%	-	-	0.00%	-	48	100.00%	192	1.06%
<=5	-	0.00%	-	-	0.00%	-	48	100.00%	240	1.33%
<=6	-	0.00%	-	-	0.00%	-	48	100.00%	288	1.59%
<=7	-	0.00%	-	-	0.00%	-	48	100.00%	336	1.86%
<=8	-	0.00%	-	-	0.00%	-	48	100.00%	384	2.12%
<=9	-	0.00%	-	-	0.00%	-	48	100.00%	432	2.39%
<=10	-	0.00%	-	-	0.00%	-	48	100.00%	480	2.66%
<=11	-	0.00%	-	-	0.00%	-	48	100.00%	528	2.92%
<=12	-	0.00%	-	-	0.00%	-	48	100.00%	576	3.19%
<=13	-	0.00%	-	-	0.00%	-	48	100.00%	624	3.45%
<=14	-	0.00%	-	-	0.00%	-	48	100.00%	672	3.72%
<=15	-	0.00%	-	-	0.00%	-	48	100.00%	720	3.98%
<=16	-	0.00%	-	-	0.00%	-	48	100.00%	768	4.25%
<=17	-	0.00%	-	-	0.00%	-	48	100.00%	816	4.51%
<=18	-	0.00%	-	-	0.00%	-	48	100.00%	864	4.78%
<=19	-	0.00%	-	-	0.00%	-	48	100.00%	912	5.05%
<=20	-	0.00%	-	-	0.00%	-	48	100.00%	960	5.31%
<=25	1	2.08%	22	1	2.08%	22	48	100.00%	1,197	6.62%
<=30	1	2.08%	29	2	4.17%	51	47	97.92%	1,431	7.92%
<=35	2	4.17%	64	4	8.33%	115	46	95.83%	1,655	9.16%
<=40	-	0.00%	-	4	8.33%	115	44	91.67%	1,875	10.37%
<=45	-	0.00%	-	4	8.33%	115	44	91.67%	2,095	11.59%
<=50	1	2.08%	47	5	10.42%	162	44	91.67%	2,312	12.79%
<=75	1	2.08%	72	6	12.50%	234	43	89.58%	3,384	18.72%
<=80	1	2.08%	79	7	14.58%	313	42	87.50%	3,593	19.88%
<=100	2	4.17%	186	9	18.75%	499	41	85.42%	4,399	24.34%
<=125	3	6.25%	333	12	25.00%	832	39	81.25%	5,332	29.50%
<=150	-	0.00%	-	12	25.00%	832	36	75.00%	6,232	34.48%
<=200	-	0.00%	-	12	25.00%	832	36	75.00%	8,032	44.44%
<=300	6	12.50%	1,528	18	37.50%	2,360	36	75.00%	11,360	62.85%
<=400	8	16.67%	2,800	26	54.17%	5,160	30	62.50%	13,960	77.23%
<=500	7	14.58%	3,228	33	68.75%	8,388	22	45.83%	15,888	87.90%
<=600	7	14.58%	3,826	40	83.33%	12,214	15	31.25%	17,014	94.13%
<=700	3	6.25%	1,925	43	89.58%	14,139	8	16.67%	17,639	97.59%
<=800	4	8.33%	3,085	47	97.92%	17,224	5	10.42%	18,024	99.72%
<=900	1	2.08%	851	48	100.00%	18,075	1	2.08%	18,075	100.00%
<=1000	-	0.00%	-	48	100.00%	18,075	-	0.00%	18,075	100.00%
1,000,000	-	0.00%	-	48	100.00%	18,075	-	0.00%	18,075	100.00%
			18,075				48			

Appendix A - Schedule 4-G  
Town of Fort Myers Beach, FL  
Customer Billing Frequency Analysis  
Analysis Period October 2010 - September 2011  
Water - All Commercial Meters

Consumption Level (000s)	Consumption Level Events				Cumulative Billing				Reverse Billing				
	Units	Percent	Flow	Percent	Events	Units	Percent	Flow	Percent	Units	Percent	Flow	Percent
<=0	278	10.63%	-	0.00%	278	278	10.63%	-	0.00%	2,616	100.00%	-	0.00%
<=1	209	7.99%	209	0.17%	487	607	18.62%	209	0.17%	2,338	89.37%	2,338	1.94%
<=2	120	4.59%	240	0.20%	607	607	23.20%	449	0.37%	2,129	81.38%	4,467	3.72%
<=3	122	4.66%	366	0.30%	729	729	27.87%	815	0.68%	2,009	76.80%	6,476	5.30%
<=4	87	3.33%	348	0.29%	816	816	31.19%	1,163	0.97%	1,887	72.13%	8,363	6.96%
<=5	78	2.98%	390	0.32%	894	894	34.17%	1,553	1.29%	1,800	68.81%	10,163	8.45%
<=6	69	2.64%	468	0.39%	972	972	37.16%	2,021	1.68%	1,722	65.83%	11,885	9.89%
<=7	54	2.06%	432	0.36%	1,095	1,095	41.86%	2,936	2.08%	1,644	62.84%	13,529	11.25%
<=8	50	1.91%	450	0.37%	1,145	1,145	43.77%	3,386	2.82%	1,521	58.14%	16,625	13.83%
<=9	45	1.72%	450	0.37%	1,190	1,190	45.49%	3,836	3.19%	1,471	56.23%	18,096	15.05%
<=10	36	1.38%	396	0.33%	1,226	1,226	46.87%	4,232	3.52%	1,426	54.51%	19,522	16.24%
<=11	52	1.99%	624	0.52%	1,278	1,278	48.85%	4,856	4.04%	1,390	53.13%	20,912	17.40%
<=12	41	1.57%	533	0.44%	1,319	1,319	50.42%	5,389	4.48%	1,338	51.15%	22,250	18.51%
<=13	40	1.53%	560	0.47%	1,359	1,359	51.95%	5,949	4.95%	1,297	49.58%	23,547	19.59%
<=14	35	1.34%	525	0.44%	1,394	1,394	53.29%	6,474	5.39%	1,257	48.05%	24,804	20.63%
<=15	33	1.26%	528	0.44%	1,427	1,427	54.55%	7,002	5.82%	1,222	46.71%	26,026	21.65%
<=16	34	1.30%	578	0.48%	1,461	1,461	55.85%	7,580	6.31%	1,189	45.45%	27,215	22.64%
<=17	31	1.19%	558	0.46%	1,492	1,492	57.03%	8,138	6.77%	1,155	44.15%	28,370	23.60%
<=18	26	0.99%	494	0.41%	1,518	1,518	58.03%	8,632	7.18%	1,124	42.97%	29,494	24.53%
<=19	36	1.38%	720	0.60%	1,554	1,554	59.40%	9,352	7.78%	1,098	41.97%	30,592	25.45%
<=20	120	4.59%	2,777	2.31%	1,674	1,674	63.99%	12,129	10.09%	1,062	40.60%	35,679	29.68%
<=25	124	4.74%	3,459	2.88%	1,798	1,798	68.73%	15,588	12.97%	942	36.01%	40,128	33.38%
<=30	83	3.17%	2,752	2.29%	1,881	1,881	71.90%	18,340	15.26%	818	31.27%	44,065	36.66%
<=35	75	2.87%	2,860	2.38%	1,956	1,956	74.77%	21,200	17.64%	735	28.10%	47,600	39.60%
<=40	65	2.48%	2,767	2.30%	2,021	2,021	77.26%	23,967	19.94%	660	25.23%	50,742	42.21%
<=45	45	1.72%	2,148	1.79%	2,066	2,066	78.98%	26,115	21.72%	595	22.74%	53,615	44.60%
<=50	157	6.00%	9,488	7.89%	2,223	2,223	84.98%	35,603	29.62%	550	21.02%	65,078	54.14%
<=75	16	0.61%	1,248	1.04%	2,239	2,239	85.59%	36,851	30.65%	393	15.02%	67,011	55.74%
<=80	93	3.56%	8,413	7.00%	2,332	2,332	89.14%	45,264	37.65%	377	14.41%	73,664	61.28%
<=100	79	3.02%	8,907	7.41%	2,411	2,411	92.16%	54,171	45.06%	284	10.86%	79,796	66.38%
<=125	42	1.61%	5,734	4.77%	2,453	2,453	93.77%	59,905	49.83%	205	7.84%	84,355	70.17%
<=150	40	1.53%	6,862	5.71%	2,493	2,493	95.30%	66,767	55.54%	163	6.23%	91,367	76.00%
<=200	47	1.80%	11,766	9.79%	2,540	2,540	97.09%	78,533	65.33%	123	4.70%	101,333	84.29%
<=300	19	0.73%	6,509	5.41%	2,559	2,559	97.82%	85,042	70.74%	76	2.91%	107,842	89.71%
<=400	16	0.61%	7,236	6.02%	2,575	2,575	98.43%	92,278	76.76%	57	2.18%	112,778	93.81%
<=500	19	0.73%	10,506	8.74%	2,594	2,594	99.16%	102,784	85.50%	41	1.57%	115,984	96.48%
<=600	7	0.27%	4,576	3.81%	2,601	2,601	99.43%	107,360	89.31%	22	0.84%	117,860	98.04%
<=700	5	0.19%	3,811	3.17%	2,606	2,606	99.62%	111,171	92.48%	15	0.57%	119,171	99.13%
<=800	6	0.23%	5,086	4.23%	2,612	2,612	99.85%	116,257	96.71%	10	0.38%	119,857	99.70%
<=900	3	0.11%	2,843	2.36%	2,615	2,615	99.96%	119,100	99.07%	4	0.15%	120,100	99.91%
<=1000	1	0.04%	1,114	0.93%	2,616	2,616	100.00%	120,214	100.00%	1	0.04%	120,214	100.00%
1,000,000	2,616		120,214		2,616	2,616							

Appendix A - Schedule 5-A  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - 5/8 Inch Irrigation

Consumption Level (000s)	Consumption Level Events				Cumulative Billing				Reverse Billing			
	Units	Percent	Flow	Events	Units	Percent	Flow	Percent	Units	Percent	Flow	Percent
0	87	20.14%	-	87	87	20.14%	-	0.00%	432	100.00%	-	0.00%
<=1	38	8.80%	38	125	125	28.94%	38	0.48%	345	79.86%	345	4.36%
<=2	14	3.24%	28	139	139	32.18%	66	0.83%	307	71.06%	652	8.23%
<=3	24	5.56%	72	163	163	37.73%	138	1.74%	293	67.82%	945	11.93%
<=4	19	4.40%	76	182	182	42.13%	214	2.70%	269	62.27%	1,214	15.33%
<=5	13	3.01%	65	195	195	45.14%	279	3.52%	250	57.87%	1,464	18.49%
<=6	9	2.08%	54	204	204	47.22%	333	4.21%	237	54.86%	1,701	21.48%
<=7	11	2.55%	77	215	215	49.77%	410	5.18%	228	52.78%	1,929	24.36%
<=8	15	3.47%	120	230	230	53.24%	530	6.69%	217	50.23%	2,146	27.10%
<=9	8	1.85%	72	238	238	55.09%	602	7.60%	202	46.76%	2,348	29.65%
<=10	8	1.85%	80	246	246	56.94%	682	8.61%	194	44.91%	2,542	32.10%
<=11	9	2.08%	99	255	255	59.03%	781	9.86%	186	43.06%	2,728	34.45%
<=12	7	1.62%	84	262	262	60.65%	865	10.92%	177	40.97%	2,905	36.68%
<=13	14	3.24%	182	276	276	63.89%	1,047	13.22%	170	39.55%	3,075	38.83%
<=14	4	0.93%	56	280	280	64.81%	1,103	13.93%	156	36.11%	3,231	40.80%
<=15	8	1.85%	120	288	288	66.67%	1,223	15.44%	152	35.19%	3,383	42.72%
<=16	5	1.16%	80	293	293	67.82%	1,303	16.45%	144	33.33%	3,527	44.54%
<=17	13	3.01%	221	306	306	70.83%	1,524	19.24%	139	32.18%	3,666	46.29%
<=18	3	0.69%	54	309	309	71.53%	1,578	19.93%	126	29.17%	3,792	47.88%
<=19	4	0.93%	76	313	313	72.45%	1,654	20.89%	123	28.47%	3,915	49.44%
<=20	6	1.39%	120	319	319	73.84%	1,774	22.40%	119	27.55%	4,034	50.94%
<=25	24	5.56%	551	343	343	79.40%	2,325	29.36%	113	26.16%	4,550	57.46%
<=30	31	7.18%	855	374	374	86.57%	3,180	40.16%	89	20.60%	4,920	62.13%
<=35	10	2.31%	323	384	384	88.89%	3,503	44.24%	58	13.43%	5,183	65.45%
<=40	10	2.31%	379	394	394	91.20%	3,882	49.02%	48	11.11%	5,402	68.22%
<=45	7	1.62%	305	401	401	92.82%	4,187	52.87%	38	8.80%	5,582	70.49%
<=50	2	0.46%	96	403	403	93.29%	4,283	54.09%	31	7.18%	5,733	72.40%
<=75	7	1.62%	457	410	410	94.91%	4,740	59.86%	29	6.71%	6,390	80.69%
<=80	3	0.69%	235	413	413	95.60%	4,975	62.82%	22	5.09%	6,495	82.02%
<=100	6	1.39%	535	419	419	96.99%	5,510	69.58%	19	4.40%	6,810	86.00%
<=125	6	1.39%	648	425	425	98.38%	6,158	77.76%	13	3.01%	7,033	88.81%
<=150	1	0.23%	135	426	426	98.61%	6,293	79.47%	7	1.62%	7,193	90.83%
<=200	-	0.00%	-	426	426	98.61%	6,293	79.47%	6	1.39%	7,493	94.62%
<=300	4	0.93%	995	430	430	99.54%	7,288	92.03%	6	1.39%	7,888	99.61%
<=400	2	0.46%	631	432	432	100.00%	7,919	100.00%	2	0.46%	7,919	100.00%
<=500	-	0.00%	-	432	432	100.00%	7,919	100.00%	-	0.00%	7,919	100.00%
<=600	-	0.00%	-	432	432	100.00%	7,919	100.00%	-	0.00%	7,919	100.00%
<=700	-	0.00%	-	432	432	100.00%	7,919	100.00%	-	0.00%	7,919	100.00%
<=800	-	0.00%	-	432	432	100.00%	7,919	100.00%	-	0.00%	7,919	100.00%
<=900	-	0.00%	-	432	432	100.00%	7,919	100.00%	-	0.00%	7,919	100.00%
<=1000	-	0.00%	-	432	432	100.00%	7,919	100.00%	-	0.00%	7,919	100.00%
1,000,000	-	0.00%	-	432	432	100.00%	7,919	100.00%	-	0.00%	7,919	100.00%
			7,919		432							

**Appendix A - Schedule 5-B**  
**Town of Fort Myers Beach, FL**  
**Customer Billing Frequency Analysis**  
**Analysis Period October 2010 - September 2011**  
**Water - 1.0 Inch Irrigation**

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing			
	Units	Percent	Flow	Units	Percent	Flow	Units	Percent	Flow	Percent
0	23	10.09%	-	23	10.09%	-	228	100.00%	-	0.00%
1	9	3.95%	9	32	14.04%	9	205	89.91%	205	2.73%
2	6	2.63%	12	38	16.67%	21	196	85.96%	401	5.33%
3	10	4.39%	30	48	21.05%	51	190	83.33%	591	7.86%
4	7	3.07%	28	55	24.12%	79	180	78.95%	771	10.26%
5	9	3.95%	45	64	28.07%	124	173	75.88%	944	12.56%
6	6	2.63%	36	70	30.70%	160	164	71.93%	1,108	14.74%
7	8	3.51%	56	78	34.21%	216	158	69.30%	1,266	16.84%
8	1	0.44%	8	79	34.65%	224	150	65.70%	1,416	18.84%
9	5	2.19%	45	84	36.84%	269	149	65.35%	1,565	20.82%
10	3	1.32%	30	87	38.16%	299	144	63.16%	1,709	22.74%
11	4	1.75%	44	91	39.91%	343	141	61.84%	1,850	24.61%
12	1	0.44%	12	92	40.35%	355	137	60.09%	1,987	26.43%
13	5	2.19%	65	97	42.54%	420	136	59.65%	2,123	28.24%
14	3	1.32%	42	100	43.86%	462	131	57.46%	2,254	29.99%
15	1	0.44%	15	101	44.30%	477	128	56.14%	2,382	31.69%
16	1	0.44%	16	102	44.74%	493	127	55.70%	2,509	33.38%
17	4	1.75%	68	106	46.49%	561	126	55.26%	2,635	35.05%
18	1	0.44%	18	107	46.93%	579	122	53.51%	2,757	36.68%
19	6	2.63%	114	113	49.56%	693	121	53.07%	2,878	38.29%
20	2	0.88%	40	115	50.44%	733	115	50.44%	2,993	39.82%
25	20	8.77%	454	135	59.21%	1,187	113	49.56%	3,512	46.72%
30	5	2.19%	139	140	61.40%	1,326	93	40.79%	3,966	52.76%
35	17	7.46%	567	157	68.86%	1,893	88	38.60%	4,378	58.24%
40	14	6.14%	538	171	75.00%	2,431	71	31.14%	4,711	62.67%
45	12	5.26%	512	183	80.26%	2,943	57	25.00%	4,968	66.09%
50	7	3.07%	335	190	83.33%	3,278	45	19.74%	5,178	68.88%
75	12	5.26%	782	202	88.60%	4,060	38	16.67%	6,010	79.95%
80	5	2.19%	386	207	90.79%	4,446	26	11.40%	6,126	81.50%
100	5	2.19%	476	212	92.98%	4,922	21	9.21%	6,522	86.76%
125	6	2.63%	655	218	95.61%	5,577	16	7.02%	6,827	90.82%
150	3	1.32%	412	221	96.93%	5,989	10	4.39%	7,039	93.64%
200	3	1.32%	519	224	98.25%	6,508	7	3.07%	7,308	97.22%
300	4	1.75%	1,009	228	100.00%	7,517	4	1.75%	7,517	100.00%
400	-	0.00%	-	228	100.00%	7,517	-	0.00%	7,517	100.00%
500	-	0.00%	-	228	100.00%	7,517	-	0.00%	7,517	100.00%
600	-	0.00%	-	228	100.00%	7,517	-	0.00%	7,517	100.00%
700	-	0.00%	-	228	100.00%	7,517	-	0.00%	7,517	100.00%
800	-	0.00%	-	228	100.00%	7,517	-	0.00%	7,517	100.00%
900	-	0.00%	-	228	100.00%	7,517	-	0.00%	7,517	100.00%
1,000	-	0.00%	-	228	100.00%	7,517	-	0.00%	7,517	100.00%
1,000,000	-	0.00%	-	228	100.00%	7,517	-	0.00%	7,517	100.00%
	228		7,517	228		7,517	228		7,517	

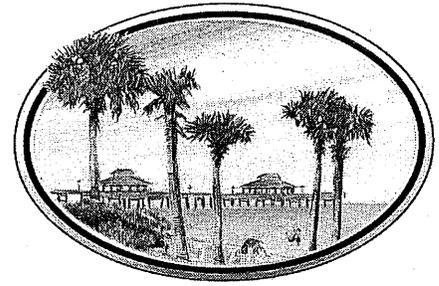
Appendix A - Schedule 5-C  
Town of Fort Myers Beach, FL  
Customer Billing Frequency Analysis  
Analysis Period October 2010 - September 2011  
Water - 1.5 Inch Irrigation

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing			
	Units	Percent	Flow	Units	Percent	Flow	Units	Percent	Flow	Percent
0	45	25.00%	-	45	25.00%	-	180	100.00%	-	0.00%
1	6	3.33%	6	51	28.33%	6	135	75.00%	135	1.00%
2	1	0.56%	2	52	28.89%	8	129	71.67%	264	1.96%
3	1	0.56%	3	53	29.44%	11	128	71.11%	392	2.92%
4	2	1.11%	8	55	30.56%	19	127	70.56%	519	3.86%
5	1	0.56%	5	56	31.11%	24	125	69.44%	644	4.79%
6	3	1.67%	18	59	32.78%	42	124	68.89%	768	5.71%
7	-	0.00%	-	59	32.78%	42	121	67.22%	889	6.61%
8	2	1.11%	16	61	33.89%	58	121	67.22%	1,010	7.51%
9	2	1.11%	18	63	35.00%	76	119	66.11%	1,129	8.40%
10	1	0.56%	10	64	35.56%	86	117	65.00%	1,246	9.27%
11	2	1.11%	22	66	36.67%	108	116	64.44%	1,362	10.13%
12	-	0.00%	-	66	36.67%	108	114	63.33%	1,476	10.98%
13	-	0.00%	-	66	36.67%	108	114	63.33%	1,590	11.83%
14	1	0.56%	14	67	37.22%	122	114	63.33%	1,704	12.68%
15	1	0.56%	15	68	37.78%	137	113	62.78%	1,817	13.52%
16	1	0.56%	16	69	38.33%	153	112	62.22%	1,929	14.35%
17	1	0.56%	17	70	38.89%	170	111	61.67%	2,040	15.18%
18	2	1.11%	36	72	40.00%	206	110	61.11%	2,150	15.99%
19	1	0.56%	19	73	40.56%	225	108	60.00%	2,258	16.80%
20	1	0.56%	20	74	41.11%	245	107	59.44%	2,365	17.59%
25	5	2.78%	119	79	43.89%	364	106	58.89%	2,889	21.49%
30	5	2.78%	140	84	46.67%	504	101	56.11%	3,384	25.17%
35	7	3.89%	236	91	50.56%	740	96	53.33%	3,855	28.68%
40	4	2.22%	153	95	52.78%	893	89	49.44%	4,293	31.93%
45	5	2.78%	208	100	55.56%	1,101	85	47.22%	4,701	34.97%
50	3	1.67%	142	103	57.22%	1,243	80	44.44%	5,093	37.89%
75	12	6.67%	724	115	63.89%	1,967	77	42.78%	6,842	50.90%
80	2	1.11%	156	117	65.00%	2,123	65	36.11%	7,163	53.28%
100	15	8.33%	1,343	132	73.33%	3,466	63	35.00%	8,266	61.49%
125	19	10.56%	2,071	151	83.89%	5,537	48	26.67%	9,162	68.15%
150	2	1.11%	270	153	85.00%	5,807	29	16.11%	9,857	73.32%
200	9	5.00%	1,554	162	90.00%	7,361	27	15.00%	10,961	81.54%
300	4	2.22%	2,576	172	95.56%	9,937	18	10.00%	12,337	91.77%
400	2	1.11%	1,412	176	97.78%	11,349	8	4.44%	12,949	96.33%
500	2	1.11%	1,158	180	100.00%	13,443	4	2.22%	13,285	98.82%
600	-	0.00%	-	180	100.00%	13,443	2	1.11%	13,443	100.00%
700	-	0.00%	-	180	100.00%	13,443	-	0.00%	13,443	100.00%
800	-	0.00%	-	180	100.00%	13,443	-	0.00%	13,443	100.00%
900	-	0.00%	-	180	100.00%	13,443	-	0.00%	13,443	100.00%
1,000	-	0.00%	-	180	100.00%	13,443	-	0.00%	13,443	100.00%
1,000,000	-	0.00%	-	180	100.00%	13,443	-	0.00%	13,443	100.00%
			13,443				180			





# TOWN OF FORT MYERS BEACH



## MEMORANDUM

DATE: October 9, 2013

TO: Terry Stewart, Town Manager

FROM: Cathie Lewis, Public Works Director

SUBJECT: Water Utility Administrative Services Analysis

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Attached you will find the previously prepared documents related to a budgetary evaluation associated with bringing the water utility administrative services in house vs. having a contractual arrangement for these operations activities. I prepared the initial evaluation shortly after the new Operations & Maintenance Contract was placed with Woodard & Curran, in 2011.

Resulting from that initial evaluation I was requested to update it and remove certain administrative and start-up projections in October 2012.

I am providing this entire package so that Town Council has an opportunity to review it as they consider the rate study recently completed by GAI which also included an evaluation of the water system operations efficiencies.

Please let me know if you have any questions or require additional information.

# TOWN OF FORT MYERS BEACH



## **MEMORANDUM**

DATE: July 11, 2011

TO: Terry Stewart, Town Manager  
Evelyn Wicks, Finance Director  
Marilyn Miller, Town Attorney (via e-mail)

FROM: Cathie Lewis, Public Works Director *C Lewis*

SUBJECT: Water Utility Administrative Cost Analysis

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The Town recently finalized a Request for Proposals (RFP) for the water utility system operations and placed a contract with Woodard & Curran in the amount of \$454,612 for the first year. Based on cost concerns associated with this contract service it was prudent to investigate the potential cost savings of providing the service with Town staff vs. a contracted arrangement. This analysis has only assumed administration and routine maintenance services that are identified in the scope of services utilized in the RFP (a copy is attached for reference).

Also attached is a line item detail associated with the costs to provide the scope of services as referenced. The following is a description of what the budget categories on the attached detail represent and the basis for the same.

Personnel Costs – staffing positions are shown nearly identical to how the utility is currently staffed and it is assumed that existing personnel will transfer with those positions into the new administration. The proposed listing reclassifies the Operations Manager to Supervisor and the Administrative Assistant is shown as a full time position. The annual salary allocation for each position is consistent with similar positions with other local utilities, but is markedly lower than what is being paid to Woodard & Curran employees.

The overhead costs are based on Town expenses associated with these benefits.

Call in pay is based on local rates and what Woodard & Curran had budgeted. Overtime will be necessary from time to time.

The Additional Allocation is in addition to what is currently charged for various staff members' time associated with the water utility. Although certain PW staff members spend an appreciable amount of time working with the utility, I have not budgeted for an Operations Manager as I believe this can continue to be managed as is currently done. I have also included in the increased allocation the additional A/P invoicing that will need to be processed by PW and Finance. Currently this process is mostly handled as pass through on the monthly invoice from W & C.

Other Contractual Services – this detail is self explanatory and is based on actual confirmed costs.

## *TOWN OF FORT MYERS BEACH*

Page 2

July 11, 2011

Utility Services – Office – again self explanatory and based on actual confirmed costs.

Insurance – Vehicle – it will be necessary to increase the Town's vehicle insurance coverage to include the water utility vehicles, this is an estimate based on 3 vehicles.

Rentals & Leases – until the utility is able to be housed at Town Hall, office space will be needed. It is anticipated that the office lease would be transferred to the Town and the budget line is based on current costs.

Office Supplies & Office Maintenance – is based on both existing known costs and best estimates for these types of requirements.

Vehicle Maintenance – utility vehicles and equipment will be included in the Town's fleet and charged directly to the utility.

Uniforms – based on known costs.

Training & Travel – PW staff will need to obtain water distribution licenses as required by FL DOT and all utility staff will also be required to obtain licenses. It will be necessary for staff to attend regular training to maintain the licensure.

Dues & Memberships – it is advisable for the Town to be members of various professional organizations.

Legal Services – this is in addition to what is currently budgeted and will be allocated annually as is done with Town staff.

Start-up Costs – these are basically once and done costs. The estimates for vehicles, tools, office furniture and computers may be somewhat reduced should the Town be able to purchase the existing assets from Woodard & Curran. All of these items should be provided for in long term capital replacement planning.

The "Transition Costs" assume that it will take approximately three months to complete the transition. The \$10,100. represents the net of prorating the current Woodard & Curran fees for three months by the new budget costs.

The attached budget represents an estimated annual savings of \$40,600 from the current contract price. Of course with the start-up costs the first year is estimated to exceed the current contract by \$41,400.

Please let me know if you have any questions associated with this memo or the attached budget.

## PROPOSAL SPECIFICATIONS

### 1. INTRODUCTION

The Town of Fort Myers Beach Public Works Services Inc. (PWSI) is requesting proposals from firms interested in providing water utility meter reading, billing and collection, monitoring services and operations and maintenance of the system. The Town of Fort Myers Beach Public Works Services Inc. water storage, transmission, and distribution system (the System) includes:

1. Approximately thirty (30) miles of distribution piping
2. Two (2) storage tanks
3. Approximately 3,200 residential and commercial meters
4. Marina Booster Station
5. North Pumping Station
6. South Pumping Station
7. Approximately 250 fire hydrants and 160 fire line meters
8. Miscellaneous system valves
9. Distribution and transmission piping
10. Spare parts, tools, and equipment for the operation and maintenance of the System
11. Billing software and service support is provided through AVR (Ad Valorem Records) Utility Billing basic software package
12. Emergency services

PWSI's water is purchased from Lee County and is pre-chlorinated to approximately 3.0 ppm total free chlorine residual. Monthly bills are issued to approximately 3,200 customers.

### 2. SCOPE OF SERVICES

The key elements of the services to be provided include industry best practices related to water utility management including operations and maintenance of the system, water utility meter reading services, bill preparation and bill collection services typical of residential and commercial water users, and monitoring services. Specific services to be provided include, but are not limited to the following:

- a. Maintain an independent office within the corporate limits of the Town of Fort Myers Beach that shall be open during regular business hours at a minimum of eight (8) hours per day, Monday through Friday;
- b. Perform all monthly meter reading, billing and financial accounting activities;
- c. Provision of invoice and remittance collection services;
- d. Prepare and submit monthly utility financial transactions;
- e. Resolve issues with customers concerning: billing, high water consumption, field repairs, low pressure, odors, or other water quality complaints;
- f. Perform service connects and disconnects; and repair or replace water meters, boxes, and box covers as necessary;
- g. Perform or facilitate the proper repair of all breaks and leaks within the system;
- h. Perform and document distribution system chlorine residuals and master meter reads five (5) days per week;
- i. Properly collect and process all regulatory sampling; create, submit, and maintain all regulatory sampling, and monitoring reports as required by EPA, the Florida DEP, and Lee County Health administrative statutes;
- j. Develop and mail an annual Consumer Confidence Report (CCR) to all water system consumers;
- k. Develop and implement a fire hydrant flushing program in accordance with Florida DEP and Lee County Health Department requirements.
- l. Perform routine maintenance of fire hydrants, storage system high service pumps, on-line Chlorine Residual analyzers, and pump emergency generator systems;
- m. Schedule large meter annual calibrations, testing, and documentation records;
- n. Document all maintenance activities through a formal work order system;

- o. Develop, implement, and document a valve maintenance program that includes, but is not limited to valve exercising, and the maintenance of the valve data within the Town's GIS mapping and maintenance system;
- p. Provide and maintain all "as-built" information within the system for any and all additions, deletions and changes which will also include GIS updates for meters, hydrants, and any other physical equipment within the system;
- q. Develop and implement a cross-connection control program for all system backflow devices;
- r. Order water utility parts and maintain a parts inventory for PWSI;
- s. Prepare requests for utility work bids;
- t. Review construction plans for new connections consistent with operational standards; coordinate with Town and/or County staff when developing impact and connection fees associated with new construction;
- u. Coordinate water system work activities with subcontractors;
- v. Perform water system locates;
- w. Review and issue invoices for utility damage or work performed on systems;
- x. Witness hot taps and pressure tests on distribution lines;
- y. Work with Lee County and State of Florida Agencies on impact fees, water quality issues, fire hydrant management, and routine sampling requirements; and
- z. Maintain at all times and keep up to date an Emergency Operations Plan for the water utility system and required training consistent with the National Incident Management System.

Respondents must be prepared to provide on-call response 24 hours per day, 365 days per year. Respondents must also be able to respond to an after hours service call-out within thirty (30 minutes) of being contacted. Successful Respondent shall work closely with the Town and PWSI and be available prior to, during, and after emergency situations. The water utility system operator is an integral component in the Town's Emergency Operations Structure and will be relied upon to provide assistance with damage assessment and repairs associated with an emergency event.

### 3. **FORM OF PROPOSAL**

Proposal Format: Each proposal shall be of typewritten form on 8 ½" x 11" white paper inside a three ring or other type binder. Font size shall be no less than 12 point type and printed on one side only. Margins shall be no less than ¾" around the perimeter of each page. The number of pages, including required attachments, shall be kept to a minimum, with each page numbered. Submit one (1) original proposal and four (4) identical copies of the accompanying information with an electronic copy of the same as a PDF on CD/DVD. The electronic file submitted shall be a PDF copy of the original paper proposal. No other electronic files shall be included as part of the proposal. Each proposal must include the sections and attachments in the sequence listed in this Form of Proposal Section. Failure to meet the above conditions may result in disqualification of the proposal.

Respondent's proposal shall include the following items in the following sequence, titled and tabbed:

**A. EXECUTIVE SUMMARY:** Summary of the Respondents proposal; brief description of the organization's mission, experience overall and any specific relevant experience in Lee County and or other Florida Counties. Please limit summaries to two pages.

**B. NARRATIVE:** Detailed statement of the work to be accomplished; how the Respondent proposes to accomplish and perform the listed services; explanations regarding any unique issues perceived by the Respondent and their proposed solutions. Please provide a clear and concise description of the program using the format below.

**The narrative portion of the application is limited to ten double spaced pages (minimum 12-point**

Fort Myers Beach Public Water Works Service		
Fiscal Year 2012 Budget Working Sheets		
Administrative Expenses		
		FY12
Account	/ Description	
<b>Personnel Costs</b>		
40.000.533.5110	Salaries	
	Operations Supervisor	34,320
	Billing/Office Manager	34,320
	Distribution Tech	31,200
	Distribution Tech	31,200
	Adm. Assistant	30,451
	<b>Salaries</b>	<b>161,491</b>
40.000.533.5210	FICA	12,354
40.000.533.5220	Retirement	16,149
40.000.533.5238	Life Health & Disability	48,680
	<b>Benefits</b>	<b>77,183</b>
	Call In Pay	3,000
	Overtime	5,000
	<b>Other Pay</b>	<b>8,000</b>
	Additional Annual Allocation of PW Staff	33,600
	<b>Total Personnel</b>	<b>280,274</b>
	<b>Other Contractual Service</b>	
	Answering Service	10,000
	Collection Agency	3,000
	Contractual Labor (meter reading)	5,000
	<b>Other Contractual Services</b>	<b>13,000</b>
	<b>Utility Services - Office</b>	
	Water	1,200
	Electric	3,000
	Telephone/Internet	8,500
	Solid Waste	300
	<b>Utility Services</b>	<b>11,800</b>
	<b>Insurance</b>	
	Vehicle	3,000
	<b>Insurance</b>	<b>3,000</b>
	<b>Rentals &amp; Leases</b>	
	Office Rental	16,000
	Copier/Scanner/Printer	1,200
	<b>Rentals &amp; Leases</b>	<b>17,200</b>
	<b>Other Current Charges</b>	
	Janitorial	7,000
	Contracting	2,000
	Utility Locates (One-Call System)	1,000
	<b>Other Current Charges</b>	<b>10,000</b>
	<b>Office Supplies</b>	
	Invoice Prep & Mailing	30,000
	Postage	2,400
	General Office Supplies	6,000
	Computer Supplies	1,000
	Misc.	5,000
	<b>Office Supplies</b>	<b>44,400</b>
	<b>Office Maintenance</b>	
	Computers/IT/Software	5,000
	Other Office Equipment	5,000
	Miscellaneous	1,500
	<b>Office Maintenance</b>	<b>11,500</b>
	<b>Vehicle Fuel</b>	<b>4,000</b>

<b>Fort Myers Beach Public Water Works Service</b>		
<b>Fiscal Year 2012 Budget Working Sheets</b>		
<b>Administrative Expenses</b>		
		FY12
Account	/ Description	
	<b>Vehicle &amp; Equipment Maintenance</b>	
	Vehicles	3,000
	Equipment/Tools	300
	<b>Vehicle &amp; Equip Maintenance</b>	<b>3,300</b>
	<b>Uniforms &amp; Personal Safety</b>	
	Uniforms	4,000
	First Aid/Safety	1,000
	<b>Uniforms &amp; Personal Safety</b>	<b>5,000</b>
40.000.533.5440	<b>Training &amp; Travel Per Diem</b>	<b>5,000</b>
40.000.533.5540	<b>Dues and Memberships</b>	<b>2,500</b>
40.000.533.5591	<b>Professional Services-Legal</b>	<b>3,000</b>
	<b>Total Administration/Staffing</b>	<b>413,974</b>
	<b>Initial Start Up Costs</b>	
	Transition Costs	10,100
	Vehicles (3)	60,000
	Hand Tools	2,000
	Office Furniture	6,000
	Computers	4,000
		<b>82,100</b>
		496,074

**Fort Myers Beach Potable Water Utility - Beach Water  
Fiscal Year 2012 Budget Proposal  
Administrative Expenses**

Description	Initial Cost Proposal	Revised Cost Proposal	Description	Initial Cost Proposal	Revised Cost Proposal
<b>Personnel Costs</b>			<b>Office Maintenance</b>		
Salaries			Computers/IT/Software	5,000	5,000
Operations Supervisor	34,320	34,320	Other Office Equipment	5,000	5,000
Billing/Office Manager	34,320	34,320	Miscellaneous	1,500	1,500
Distribution Tech	31,200	31,200	<b>Office Maintenance</b>	<b>11,500</b>	<b>11,500</b>
Distribution Tech	31,200	31,200			
Adm. Assistant	30,451	22,854	<b>Vehicle Fuel</b>	<b>4,000</b>	<b>4,000</b>
<b>Salaries</b>	<b>161,491</b>	<b>153,894</b>			
FICA	12,354	11,773	<b>Vehicle &amp; Equipment Maintenance</b>		
Retirement	16,149	13,104	Vehicles	3,000	3,000
Life Health & Disability	48,680	38,944	Equipment/Tools	300	300
<b>Benefits</b>	<b>77,183</b>	<b>63,821</b>	<b>Vehicle &amp; Equip Maintenance</b>	<b>3,300</b>	<b>3,300</b>
Call In Pay	3,000	3,000			
Overtime	5,000	5,000	<b>Uniforms &amp; Personal Safety</b>		
<b>Other Pay</b>	<b>8,000</b>	<b>8,000</b>	Uniforms	4,000	4,000
Additional Annual Allocation of PW Staff	33,600	-	First Aid/Safety	1,000	1,000
<b>Total Personnel</b>	<b>280,274</b>	<b>225,715</b>	<b>Uniforms &amp; Personal Safety</b>	<b>5,000</b>	<b>5,000</b>
<b>Other Contractual Service</b>			<b>Training &amp; Travel Per Diem</b>	<b>5,000</b>	<b>5,000</b>
Answering Service	10,000	10,000	<b>Dues and Memberships</b>	<b>2,500</b>	<b>2,500</b>
Collection Agency	3,000	3,000	<b>Professional Services-Legal</b>	<b>3,000</b>	<b>-</b>
Contractual Labor (meter reading)	5,000	5,000			
<b>Other Contractual Services</b>	<b>13,000</b>	<b>13,000</b>	<b>Total Administration/Staffing</b>	<b>413,974</b>	<b>330,115</b>
<b>Utility Services - Office</b>					
Water	1,200	-	<b>Initial Start Up Costs</b>		
Electric	3,000	-	Transition Costs	10,100	2,020
Telephone/Internet	8,500	8,500	Vehicles (3)	60,000	12,000
Solid Waste	300	-	Hand Tools	2,000	400
<b>Utility Services</b>	<b>11,800</b>	<b>8,500</b>	Office Furniture	6,000	1,200
<b>Insurance</b>			Computers	4,000	800
Vehicle	3,000	3,000	<b>Initial Start Up Costs</b>	<b>82,100</b>	<b>16,420</b>
<b>Insurance</b>	<b>3,000</b>	<b>3,000</b>			
<b>Rentals &amp; Leases</b>			<b>Total First Year</b>	<b>496,074</b>	<b>346,535</b>
Office Rental	16,000	-			
Copier/Scanner/Printer	1,200	1,200	<b>Office Costs/Utilities</b>		
<b>Rentals &amp; Leases</b>	<b>17,200</b>	<b>1,200</b>	Office Rental		16,000
<b>Other Current Charges</b>			Janitorial		7,000
Janitorial	7,000	-	Water		1,200
Contracting	2,000	2,000	Electric		3,000
Utility Locates (One-Call System)	1,000	1,000	Solid Waste		300
<b>Other Current Charges</b>	<b>10,000</b>	<b>3,000</b>	<b>Office Costs/Utilities</b>		<b>27,500</b>
<b>Office Supplies</b>					
Invoice Prep & Mailing	30,000	30,000			
Postage	2,400	2,400			
General Office Supplies	6,000	6,000			
Computer Supplies	1,000	1,000			
Misc.	5,000	5,000			
<b>Office Supplies</b>	<b>44,400</b>	<b>44,400</b>			

Appendix A - Schedule 6  
 Town of Fort Myers Beach, FL  
 Customer Billing Frequency Analysis  
 Analysis Period October 2010 - September 2011  
 Water - Lift Stations

Consumption Level (000s)	Consumption Level Events			Cumulative Billing			Reverse Billing		
	Units	Percent	Flow	Units	Percent	Flow	Units	Percent	Flow
0	185	90.69%	-	185	90.69%	-	204	100.00%	-
1	12	5.88%	12	197	41.38%	12	19	9.31%	19
2	5	2.45%	10	202	99.02%	22	7	3.43%	26
3	1	0.49%	3	203	99.51%	25	2	0.98%	28
4	1	0.49%	4	204	100.00%	29	1	0.49%	29
5	-	0.00%	-	204	100.00%	29	-	0.00%	29
6	-	0.00%	-	204	100.00%	29	-	0.00%	29
7	-	0.00%	-	204	100.00%	29	-	0.00%	29
8	-	0.00%	-	204	100.00%	29	-	0.00%	29
9	-	0.00%	-	204	100.00%	29	-	0.00%	29
10	-	0.00%	-	204	100.00%	29	-	0.00%	29
11	-	0.00%	-	204	100.00%	29	-	0.00%	29
12	-	0.00%	-	204	100.00%	29	-	0.00%	29
13	-	0.00%	-	204	100.00%	29	-	0.00%	29
14	-	0.00%	-	204	100.00%	29	-	0.00%	29
15	-	0.00%	-	204	100.00%	29	-	0.00%	29
16	-	0.00%	-	204	100.00%	29	-	0.00%	29
17	-	0.00%	-	204	100.00%	29	-	0.00%	29
18	-	0.00%	-	204	100.00%	29	-	0.00%	29
19	-	0.00%	-	204	100.00%	29	-	0.00%	29
20	-	0.00%	-	204	100.00%	29	-	0.00%	29
25	-	0.00%	-	204	100.00%	29	-	0.00%	29
30	-	0.00%	-	204	100.00%	29	-	0.00%	29
35	-	0.00%	-	204	100.00%	29	-	0.00%	29
40	-	0.00%	-	204	100.00%	29	-	0.00%	29
45	-	0.00%	-	204	100.00%	29	-	0.00%	29
50	-	0.00%	-	204	100.00%	29	-	0.00%	29
75	-	0.00%	-	204	100.00%	29	-	0.00%	29
80	-	0.00%	-	204	100.00%	29	-	0.00%	29
100	-	0.00%	-	204	100.00%	29	-	0.00%	29
125	-	0.00%	-	204	100.00%	29	-	0.00%	29
150	-	0.00%	-	204	100.00%	29	-	0.00%	29
200	-	0.00%	-	204	100.00%	29	-	0.00%	29
300	-	0.00%	-	204	100.00%	29	-	0.00%	29
400	-	0.00%	-	204	100.00%	29	-	0.00%	29
500	-	0.00%	-	204	100.00%	29	-	0.00%	29
600	-	0.00%	-	204	100.00%	29	-	0.00%	29
700	-	0.00%	-	204	100.00%	29	-	0.00%	29
800	-	0.00%	-	204	100.00%	29	-	0.00%	29
900	-	0.00%	-	204	100.00%	29	-	0.00%	29
1,000	-	0.00%	-	204	100.00%	29	-	0.00%	29
1,000,000	-	0.00%	-	204	100.00%	29	-	0.00%	29
			29				204		204