

**LEE COUNTY BOARD OF COUNTY COMMISSIONERS**  
**AGENDA ITEM SUMMARY** **BLUE SHEET NO: 20020793-UTL**

**1. REQUESTED MOTION:**

**ACTION REQUESTED:**

1) Accept Bonita Springs Utilities, Inc. (BSU) Petition for a modification to its franchise area and water and wastewater tariffs within its franchise area of Lee County, Florida; and, 2) Authorize staff to set a public hearing for 8-13-02 at 5:00 p.m., to adopt a Resolution approving the modified franchise area and updated Water and Wastewater Tariffs for BSU.

**WHY ACTION IS NECESSARY:**

As the franchising authority for this not-for-profit utility, Board approval is required for the approval of any modifications to its franchise or tariffs.

**WHAT ACTION ACCOMPLISHES:**

Provides required Board approval for BSU to modify its franchise and water and wastewater tariffs.

**2. DEPARTMENTAL CATEGORY:** 10 - UTILITIES  
**COMMISSION DISTRICT #:** 3

C10E

**3. MEETING DATE:**

07-09-2002

**4. AGENDA:**

- CONSENT
- ADMINISTRATIVE
- APPEALS
- PUBLIC
- WALK ON
- TIME REQUIRED: \_\_\_\_\_

**5. REQUIREMENT/PURPOSE:**

- (Specify)*
- STATUTE \_\_\_\_\_
  - ORDINANCE \_\_\_\_\_
  - ADMIN. CODE \_\_\_\_\_
  - OTHER Tariffs

**6. REQUESTOR OF INFORMATION:**

A. COMMISSIONER: \_\_\_\_\_  
 B. DEPARTMENT: Lee County-Public Works  
 C. DIVISION/SECTION: Utilities Division  
 BY: Rick Diaz, Utilities Director  
 DATE: 6/26/02  
*J. Lavender FOR R. DIAZ*

**7. BACKGROUND:**

On February 11, 1970 the Board of County Commissioners granted a franchise to Bonita Springs Water System. As the franchising authority for this not-for-profit utility, Board approval is required for all future changes in the tariffs or franchise area.

On May 2, 1990, the Board of County Commissioners confirmed their desire to have the Bonita Springs Water System as the County's franchisee to provide water and sewer services within its franchise area.

On November 21, 1990, the Board of County Commissioners adopted an "Amended and Restated Franchise Agreement by and between the Bonita Springs Water System and Lee County" which significantly added to the service territory of BSU; and revised name to Bonita Springs Utilities, Inc.

(CONT'D.)

**8. MANAGEMENT RECOMMENDATIONS:**

**9. RECOMMENDED APPROVAL**

(A) DEPARTMENT DIRECTOR	(B) PURCH. OR CONTRACTS	(C) HUMAN RESOURCES	(D) OTHER	(E) COUNTY ATTORNEY	(F) BUDGET SERVICES:				(G) COUNTY MANAGER
					OA	OM	Risk	GC	
<i>J. Lavender</i> Date: <u>6/26/02</u>	N/A Date:	N/A Date:	N/A Date:	<i>[Signature]</i> <u>6/26/02</u> Date:	<i>[Signature]</i> <u>6/26/02</u> Date:	<i>[Signature]</i> <u>6/26/02</u> Date:	<i>[Signature]</i> <u>6/27</u> Date:	<i>[Signature]</i> <u>6/26/02</u> Date:	<i>[Signature]</i> J. Lavender Date: <u>6/26/02</u>

**10. COMMISSION ACTION:**

- APPROVED
- DENIED
- DEFERRED
- OTHER

Rec. by CoAtty  
 Date: 6/26/02  
 Time: 3:35pm

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Forwarded To:  
[Signature]  
6/26/02 3:35pm

RECEIVED BY  
 COUNTY ADMIN.  
6/26/02 DD

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COUNTY ADMIN.  
 FORWARDED TO:  
6/27/02 Ham

On September 20, 1995, the Board of County Commissioners approved BSU's Petition for amending the water and wastewater rates as outlined in its Petition to the Board received on August 18, 1995.

On May 1, 1996, the Board of County Commissioners adopted a second "Amended and Restated Franchise Agreement by and between Bonita Springs Utilities Inc.", and Lee County, amending the term of the franchise which is extended 30 years from May 1, 1996; and revised language for the County's option for any purchase of the Bonita Springs Utilities System.

On April 28, 1998, the Board of County Commissioners approved BSU's Petition for a modification to water and wastewater tariffs and adjustments of certain charges.

On September 14, 1999, the Board of County Commissioners approved BSU's Petition amending the wastewater tariff to establish a special service charge for customers formerly served by Hacienda Treatment Plant.

On August 29, 2000, BSU submitted its Petition for the third amendment, which was approved by the Board on April 24, 2001.

On December 28, 2000, BSU submitted its Petition for the fourth amendment, which was approved by the Board on May 8, 2001, adopting a fourth amendment to its Franchise Agreement, by Resolution, to reflect changes to its service territory; and to approve an Agreement for Water and Sewer Service for the Mediterra Planned Unit Development between BSU, Long Bay Partners, LLC and Collier County Board of County Commissioners.

On April 16, 2002, BSU submitted its Petition to extend the term of the Franchise Agreement with Lee County, including the Exhibit A, which was approved by the Board on May 28, 2002.

BSU requests approval of the attached Petition to Amend Franchise and Tariffs along with its exhibits. A rate study has recently been completed which confirmed both water and wastewater rates need to be adjusted. The last major tariff adjustment was approved on September 20, 1995.

Attachments: BSU Petition to Amend Franchise and Tariffs w/attached Exhibits A-D  
-Water and Wastewater Rate and Charge Study for BSU  
-Proposed BSU Wastewater Tariffs  
-Proposed BSU Water Tariffs  
-BSU Amended and Restated Franchise Agreement

## BONITA SPRINGS UTILITIES, INC.

### PETITION TO AMEND FRANCHISE AND TARIFFS

Bonita Springs Utilities, Inc., ("BSU" or "Company"), a not-for-profit Florida corporation, by and through its undersigned attorneys, presents this Petition to Amend Franchise and Tariffs and in support thereof provides the following:

1. On February 11, 1970, Lee County did, by Resolution bearing the same date, grant to BSU an exclusive right, privilege and franchise to construct, maintain, equip and operate a water and sewer system over and in the areas as detailed in the Resolution granting the exclusive franchise.

2. The County has from time to time, by resolution, amended and restated BSU's Franchise and, as an exhibit to such Franchise, has approved BSU's Water and Wastewater Tariffs, which set forth the rates and charges and terms and conditions for service provided by the Company.

3. The purpose of this Petition is to amend BSU's Franchise and Tariffs to address the following matters:

- Adjust water and wastewater rates and charges based on the findings of a Water and Wastewater Rate and Charge Study undertaken by the Company's rate consultants, Public Resources Management Group, Inc.;
- Amend the Franchise to reflect that certain territory over which BSU was granted a right of first refusal shall now be designated as part of the Company's service area;
- Minor changes to the Company's Tariff's to update policies and procedures;

## ADJUSTMENT TO RATES AND CHARGES

### A. Monthly Service Rates

4. BSU seeks to amend its Water and Wastewater Tariffs to increase rates and charges applicable to all classes of service.

5. The Company has not been before this Commission requesting an adjustment in rates since 1995. In 2000, the Company modified its rate structure to more properly allocate costs between single family and multi-family customers. The Company's water system currently serves approximately 17,000 water accounts with a total of 27,000 equivalent residential connections. The wastewater system serves approximately 13,000 wastewater accounts comprised of approximately 22,000 equivalent residential connections. Since October of 1997, the water system has seen growth of 32% and the wastewater system growth of 70%. Sewer system growth includes connection of septic tank customers in the Company's gravity collection system program. The Company expects system growth to continue at these substantial levels.

6. In late 2001, BSU hired the financial consulting firm of Public Resources Management Group, Inc. ("PRMG"), to undertake a Water and Wastewater Rate and Charge Study ("Rate Study").

7. PRMG undertook a comprehensive review of the Company's financial condition over a five-year planning horizon. The analysis included a Capital Improvement Program ("CIP") review and funding plan. The Company is obligated, pursuant to its bond covenants, to set rates and charges at a level which enables it to pay its operating expenses, and its debt service obligations, with a reasonable reserve. PRMG further looked at rate design and monthly service rate structure. Finally, PRMG reviewed and analyzed miscellaneous service



charges collected by the Company. A copy of the Rate Study is attached hereto as Exhibit "A" and incorporated herein.

8. During the Rate Study, PRMG identified several reasons for the required increase in rates. Since 1995, inflation and substantial customer growth in the system have impacted financial and operational aspects of the utility system. In addition, there will be an incremental increase in operating costs associated with implementation of the Company's Capital Improvement Program. As more specifically set forth in the Rate Study, the Company is proposing a 7% increase in water rates and 12.5% increase in wastewater rates. The following is a schedule of existing and proposed rates for the average customer.

Standard Residential Water Customer

	<u>Existing</u>	<u>FY 2002 Proposed</u>	<u>FY 2003 Proposed</u>
Monthly Base Charge	\$5.10	\$5.50	\$5.90
Billing Charge	\$2.40	\$2.75	\$2.95
Usage Charge per 1,000 Gallons			
0-6,000 Gallons	\$2.35	\$2.49	\$2.66
6,001-12,000 Gallons	2.85	3.02	3.23
12,001-18,000 Gallons	3.35	3.55	3.80
Over 18,000 Gallons	3.85	4.08	4.37

Standard Residential Sewer Customer

	<u>Existing</u>	<u>FY 2002 Proposed</u>	<u>FY 2003 Proposed</u>
Base Charge	\$16.35	\$18.00	\$20.20
Billing Charge [1]	\$2.40	\$2.75	\$2.95
Usage Charge per 1,000 Gallons All Usage	\$2.00	\$2.33	\$2.62
Residential Billing (Usage) Threshold	16,000 gals.	16,000 gals.	16,000 gals.

[1] Billing charge not applicable if customer concurrently receives water service.

9. The Company is proposing the requested rate adjustment be implemented in two phases, the first increase immediately and the second on July 1, 2003. By phasing in these rate increases the Company hopes to cushion the impact on system customers. The Tariffs containing these changes to the water and wastewater rates, as well as other charges referenced in this Petition, are attached hereto as Exhibit "B." A second set of Tariffs containing the water and wastewater rates to be implemented on July 1, 2003 is attached hereto as Exhibit "C."

B. Aid-To-New-Construction Fees

10. PRMG also reviewed the water and wastewater Aid-To-New-Construction ("ANC") Fee (connection charge) levels, identifying capital needs, level of service and fee design. The Company is being required to undertake a very substantial Capital Improvement Program in order to keep pace with growth in the service area and to continue to bring quality service to existing customers. As such, the Company has charged PRMG

with the review of its ANC fees to determine adequacy and to ensure that future growth pays its fair share of the costs of providing service.

11. The Company's CIP for the 5-year forecast period includes approximately \$74.62 million in water system capital projects which include the following:

- Reverse Osmosis ("RO") Plant and Wells
- Phase I Irrigation Distribution System
- Additional Water Storage
- Acquirer Storage and Recovery Program Development

By far the largest expenditure will be the RO Plant and Wells estimated at \$38.35 million. These facilities are necessary to continue to bring quality water service to the residents of the Bonita Springs area, without negatively impacting the water source. The RO plant utilizes brackish water which is favored by the Water Management District, and provides a long-term source for domestic use.

12. The wastewater system capital projects total approximately \$68.8 million and include the following:

- 4.0 mgd East Water Reclamation Facility
- Gravity Expansion Program Phases 6-10
- San Carlos Estates Sewer Project
- Bonita Beach Road Transmission System Improvements

By far the largest expenditure in the wastewater CIP is the new treatment plant designed to serve areas east of I-75 and, in general, the eastern portion of the utility service area. This facility will cost approximately \$31.2 million, and will provide needed capacity to accommodate the tremendous growth in the utility's service area.

13. These capital improvement projects will be financed through the issuance of industrial development revenue bonds by the Lee County Industrial Development Authority, as well as from monthly rates and ANC Fee payments. It is necessary to establish rates and charges which will meet coverage requirements of the Company's outstanding bonds, and the additional bonds test for issuance of future debt. The Company is requesting the adjustment of its ANC fees as follows:

	<u>Charge per ERC</u>			
	<u>Existing</u>	<u>Proposed</u>	<u>Amount of Increase</u>	<u>Percent</u>
Water System	\$1,550.00	\$1,640.00	\$90.00	5.8%
Wastewater System	\$2,183.00	\$2,565.00	\$382.00	17.5%

Through this Rate Study, and the above proposed increases, the Company will be assigning growth related capital costs to those customers responsible for such additional costs. Therefore growth will pay its own way. BSU believes that the rates and charges that it is requesting are fair, equitable, and in the public interest.

C. MISCELLANEOUS RATES AND CHARGES

14. BSU seeks to amend its Water and Wastewater Tariffs to adjust its miscellaneous charges collected for various services including disconnect/reconnect charge, developer plan review fee, and returned check charge.

15. A copy of BSU's Water Tariff, in a revised version, is attached hereto as Exhibit "B" to reflect the revisions that are necessary and relevant to this request.

## AMENDMENT TO FRANCHISE SERVICE TERRITORY

16. The original franchise granted by Lee County to Bonita Springs Utilities, Inc. identified certain areas generally north and east of the area the Company initially served over which the Company was given a right of first refusal to provide utility service. Exhibit "A" to the Franchise reads, in part, as follows:

For the following sections, Bonita Springs Utilities, Inc. shall be granted the first right of refusal to expand its franchise into these sections if subsequent changes are made to the Lee County Comprehensive Plan which will provide for and allow development in these areas:

Sections 1, 2, 3 and that portion of Section 4 lying east of U.S.

Highway 41, Township 47 South, Range 25 East.

Sections 17, 18, 19, 20, 29, 30, 31, 32 and the South ½'s of

Sections 33, 34, 35 and 36, Township 47 South, Range 26 East.

Sections 1, 2 and 3, Township 48 South, Range 26 East.

17. Since 1970, southwest Lee County has experienced phenomenal growth, and the Company has continued to extend its services into growth areas. As a result, the Company has extended lines, or has received requests for the extension of service, into the right of first refusal areas. The right of first refusal area includes properties now being developed as "The Brooks," and other areas. No other utility is in a position to serve in these areas. The Company believes this to be an appropriate time to amend the Franchise to eliminate the right of first refusal language, and incorporate the subject service territory into the Company's franchise territory. Such action will promote orderly growth in the area,

and ensure the availability of essential services as development occurs. Such action is not intended to affect the County's land use approval or comprehensive planning functions.

18. Over the years, the Company has requested, and the County has approved, several minor changes to its service territory. As a result, the legal description for the Company's service territory has become a patchwork of additions and carve outs to the original territory. In an attempt to clarify and simplify the written description of its territory, the Company has created a single, simplified legal description to be incorporated as Exhibit "A" to the Franchise to replace the current legal description, and which includes the territory which had been identified as right of first refusal territory.

#### MINOR MODIFICATIONS TO WATER AND WASTEWATER TARIFFS

19. The Company sets forth in its tariffs its rates and charges and the terms and conditions pursuant to which it provides service to its membership. Periodically, these tariffs must be updated to address changes in customer service and operations protocols. The Company provided a markup of its water and wastewater tariffs attached as Exhibit "B" with modifications which include the following:

- Section 50 regarding further delineation of the Company's backflow prevention program policies;
- Section 22 of Water Tariff and Section 18 of Wastewater Tariff clarify the returned check policy;
- Section 28.1 identify a Reclaimed Water Rate.


In addition, BSU also seeks to amend several sections of its Tariffs to standardize references to BSU, to update, correct and conform page references and paragraph headings, and to conform existing and proposed amended language.

WHEREFORE, Petitioner requests that this Honorable Commission:

- (1) Approve its Amended and Restated Franchise Agreement in the form attached hereto as Exhibit "D";
- (2) Approve BSU's Amended Water Tariff and Wastewater Tariff in the form attached hereto as Exhibit "B";
- (3) Approve BSU's Amended Water Tariff and Wastewater Tariff in the form attached hereto as Exhibit "C"; and

The Petitioner further requests that this Honorable Commission set a Public Hearing as may be required by law to hear this Petition, and that this Honorable Commission grant the terms of this Petition by County resolution.

Respectfully submitted this  
7<sup>th</sup> day of June, 2002, by:



JOHN R. JENKINS, ESQ.  
STEVEN T. MINDLIN, P.A.  
Rose, Sundstrom & Bentley, LLP  
2548 Blairstone Pines Drive  
Tallahassee, Florida 32301  
(850) 877-6555

# BONITA SPRINGS UTILITIES, INC.

## WATER TARIFF

Revised \_\_\_\_\_

BONITA SPRINGS UTILITIES, INC.

~~Post Office Drawer 2368~~

~~11800~~ ~~11860~~ East Terry Street

Bonita Springs, Florida 34135

~~(941239)~~992-0711



WATER TARIFF

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TERRITORY SERVED

That territory set forth in the Bonita Springs Utilities, Inc. Franchise Agreement By And Between Bonita Springs Utilities, Inc. ~~And~~ and Lee County, Florida, as amended and restated, and on file at the Company's office.

## TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "ANC" - Fee for Aid to New Construction.
- 2.0 "ASSISTED LIVING FACILITY" - An institutional class of customer licensed by the State of Florida, Agency for Health Care Administration pursuant to Chapter 400, Florida Statutes.
- 3.0 "COMPANY" - Bonita Springs Utilities, Inc., a Florida Not-For-Profit Corporation.
- 4.0 "CONNECTION FEE" - Charge for meter, meter installation, accessories, and connection to lines of Company.
- ~~4.1 "CONSTRUCTION COST" - The Company's unit cost, multiplied by quantities for each item provided by the Developer, plus a five percent contingency.~~
- 5.0 "CONSUMER OR CUSTOMER" - Any person, firm, association, corporation, governmental agency or similar organization, supplied with water service by the Company and may also be a member.
- 6.0 "CONSUMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of an installation for utilizing water for any purpose, ordinarily located on the consumer's side of "Point of Delivery," whether such installation is owned by Consumer, or used by Consumer under lease or otherwise.
- 7.0 "COUNTY" - Refers to Lee County, a political subdivision of the State of Florida.
- 8.0 "EQUIVALENT RESIDENTIAL CONNECTION ("ERC") - A measure of the average daily flow for a single residential unit.
- 9.0 "FRANCHISE" - The franchise granted by the County to the Company.
- 10.0 "MAIN" - Shall refer to a pipe, conduit, or other facility installed to convey water service to individual service lines or to other mains.
- 11.0 "MEMBER" - The holder of a membership certificate or member account with the Company.
- 11.1 "MIXED MASTER" - Refers to a class of service where one meter serves customers utilizing different classes of service.

- 11.2 "MULTI-FAMILY UNIT" - Refers to a class of service where one meter serves more than three residential units such as apartments, condominiums, mobile homes, or combinations thereof.
- 12.0 "POINT OF DELIVERY" - The point where the Company's pipes, or meters or backflow preventers are connected with the pipes or meters of the Consumer, which is typically the property line.
- 13.0 "RATE SCHEDULE" - Refers to rates or charges for a particular classification of service, which rates or charges are subject to change from time to time by approval of the Lee County Board of County Commissioners.
- 14.0 "SERVICE" or "WATER SERVICE" - Service, as mentioned in this Tariff Book and in agreement with Consumers, shall be construed to include, in addition to all water service required by the Consumer, the readiness and ability on the part of the Company to furnish water service to the Consumer. Thus, the maintenance by the Company of pressure at the point of delivery upon request shall constitute the rendering of water service, irrespective of whether the Consumer makes any use thereof.
- 15.0 "SERVICE LINES" - The pipes of the Company which are connected from the Mains to Point of Delivery.

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## RULES AND REGULATIONS

- 1.0 GENERAL INFORMATION - ~~The Company's Rules and Regulations, insofar as they are inconsistent with any Statute, Law, Rule or commission Order shall be null and void.~~ These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every customer to whom the Company renders water service.

In the event that a portion of these Rules and Regulations are declared unconstitutional or void for any reason by any court of competent jurisdiction, such decision shall in no way affect the validity of the remaining portions of the Rules and Regulations for water service unless such court order or decision shall so direct.

- 2.0 APPLICATION REQUIRED - Water service is furnished only after an application or agreement and payment of the initial connection fee ~~and deposit~~ is accepted by the Company, and the ~~the~~ conditions of such application or agreement are binding upon the customer as well as upon the Company. A record of the application or agreement for water service accepted by the Company will be furnished to the applicant on request. The applicant shall furnish to the Company the correct name, street address and lot and block number at which service is to be rendered. Members may be required to show proof of occupancy when making application for new service or transfer of service.
- 3.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties. When water service is rendered under agreement or agreements entered into between the Company and an agent of the principal, the use of such water service by the principal shall constitute full and complete ratification by the principal of the agreement or agreements entered into between agent and the Company and under which such water service is rendered.
- 4.0 APPLICATIONS FOR BUILDING PERMIT - Upon request for a permit letter for the purpose of obtaining a building permit, the applicant shall pay in full the ANC fee as in effect at that time for the number of ERC's/Units as defined by the Company's Rules and Regulations. There shall be a minimum payment of one (1) ANC fee paid.
- 5.0 WITHHOLDING SERVICE - The Company may withhold or discontinue water and/or wastewater service rendered under application made by any member or agent of a household, organization or business unless all prior indebtedness to the Company of such household, organization or business for water and/or wastewater service has been settled in full. Service may also be discontinued for any violation made by the Consumer of any rule or regulation set forth in this Tariff.
- 6.0 EXTENSIONS - ~~The Company will make such extensions to its existing facilities as may be required by one or more Consumers provided the extension of service is financially~~

~~feasible for the Company extend service in accordance with the Service Availability Policy set forth herein.~~

7.0 LIMITATIONS OF USE - Water service purchased from the Company shall be used by the customer only for the purposes specified in the application for water service and the customer shall not sell or otherwise dispose of such water service supplied by the Company. Water service furnished to the customer shall be rendered directly to the customer through Company's individual meter and may not be submetered by the customer for the purpose of selling or otherwise disposing of water service to lessees, tenants, or others, unless: (i) Company elects not to individually meter; (ii) customer provides 60 days prior written notice to Company; (iii) customer collects a rate or charge which does not exceed the actual purchase price for water service paid to the Company; (iv) except in the case of a condominium association, customer retains ownership of the property served; and, (v) customer complies with all other technical and policy requirements of the Company. In no case shall a customer, ~~except with the written consent of the Company,~~ extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property even though such adjacent property may be owned by him. In case of such unauthorized extension, submetering, sale or disposition of service, the customer's water service is subject to discontinuance until such unauthorized extension, submetering, sale or disposition of service is discontinued and full payment is made to the Company for water services, calculated on proper classification and rate schedules and reimbursement in full made to the Company for all extra expenses incurred for clerical work, testing and inspections.

8.0 CONTINUITY OF SERVICE - The Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the customer for failure or interruption of continuous water service. The Company shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigations, breakdowns, shutdowns for emergency repairs or adjustments, acts of sabotage, enemies of the United States, Wars, United States, State, Municipal or other governmental interference, acts of God or other causes beyond its control. ~~In regards to large users, the~~ ~~The~~ Company has the right to restrict and equalize the daily rate of flow for consumption so large users cannot, at peak load time or any other time, interrupt our minimum required supply.

9.0 TERMINATION OF SERVICE - At customers request, Company will terminate service to a property on a specified date. Termination is the permanent end of service to a particular location and shall be distinguished from a discontinuation of service which is temporary in nature as in the case of a rental occupancy or a seasonal customer. In the event of a termination of service, customer will no longer be responsible for payment for service to the property. However, such termination of service shall result in the forfeiture of all fees paid (including, but not limited to ANC Fees). Any subsequent request for service to the same location must be accompanied by payment of all rates and charges then in effect.



- 10.0 TYPE AND MAINTENANCE - The customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company, and shall comply with all ~~Laws and Governmental Regulations~~ governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the customer's pipes and facilities. Consumer agrees further to keep such facilities in good repair and to promptly stop all leaks on his premises. The customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected, or which may adversely affect the water service; the Company reserves the right to discontinue or withhold water service to such apparatus or device.
- 11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The customer shall be liable for any charge resulting from a violation of this Rule. Upon request to increase customer's existing meter size without any change to the type or number of ERC/Units being served, customer shall be charged difference due for the connection fee, ANC Fees, Deposits and the cost of labor and materials, less the cost of any inventory items restocked.
- 12.0 UNAUTHORIZED CONNECTIONS - Connections to the Company's water system for any purpose whatsoever are to be made only by employees of the Company. Unauthorized connections render the service subject to immediate discontinuance without notice and water service shall not be restored until such unauthorized connections have been removed and until settlement is made in full of all water service estimated by the Company to have been used by reason of such unauthorized connection. No temporary pipes, nipples or spacers are permitted and under no circumstances are connections allowed which may permit water to bypass the meter or metering equipment. A party illegally hooking up to facilities of Company, or doing so in violation of Company's Rules and Regulations shall be charged costs plus expenses and back-billed for water used based upon reasonable estimate of service taken.
- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and such local governmental or other rules as may be in effect. Where ~~Municipal~~ municipal or other ~~Governmental~~ governmental inspection is required by ~~local Rules and Ordinances~~, the ~~company~~ Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company. The Company reserves the right to inspect the customer's installation prior to rendering water service and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.

- 14.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control. The customer shall provide meter space to the Company at a suitable and readily accessible location.
- 15.0 PROTECTION OF COMPANY'S PROPERTY - The customer shall exercise reasonable diligence to protect the Company's property on the customer's premises and shall knowingly permit no one but the Company's agents or persons authorized by law, to have access to the Company's pipes and apparatus. In the event of any loss, or damage to property of the Company caused by or arising out of carelessness, neglect or misuse by the customer, the cost of making good such loss or repairing such damage shall be paid by the customer.
- 16.0 ACCESS TO PREMISES - The duly authorized agents of the Company shall have access at all reasonable hours to the premises of the customer for the purpose of installing, maintaining, inspecting or removing Company's property, reading meters and other purposes incident to performance under or termination of the Company's agreement with the customer and in such performance shall not be liable for trespass.
- 17.0 RIGHT OF WAY OR EASEMENTS - The customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits and privileges which are necessary for the rendering of water service ~~as determined by the Company~~.
- 18.0 BILLING PERIODS - Bills for water service will be rendered monthly, and are due when rendered and shall be considered as received by customer when delivered or mailed to the service address or some other place mutually agreed upon. Non-receipt of bills by customer shall not release or diminish the obligation of customer with respect to payment thereof.
- 19.0 METER READINGS - All meters shall be read monthly. If unable to obtain a reading, an estimated bill shall be calculated based on the estimate and adjusted when an actual reading is obtained.
- 20.0 PULLS FOR NON-PAYMENT - Field personnel shall not accept payment from customers when pulling meters for non-payment or reconnecting service. Customer may avoid meter removal, after personnel have been dispatched, by either entering into a verbal or written agreement to pay by a mutually agreed upon date the amount due including non-payment trip charge and/or reconnect fees. Failure by the customer to pay the amount due by the date specified shall result in immediate discontinuance of water service. Water service shall not be restored until full payment is received in the office and shall include an additional reconnect fee.
- 21.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - When both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a customer shall not be accepted by the

Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company. The Company may discontinue both water service and wastewater service to the customer's premises for non-payment of the water service bill or wastewater bill or if payment is not made concurrently. The Company shall not reestablish or reconnect water service and/or wastewater service until such time as all water and wastewater service bills and all charges are paid. No partial payment of any bill rendered will be accepted by the Company, except by agreement with the Company.

- 22.0 RETURNED CHECKS - ~~Upon return of a bad check, customer is to be contacted by the most expedient method, giving them notice to contact Company's office within 15 days. Upon contact by customer, check may be redeposited a second time (if applicable) or replaced by customer with a second check. Either option incurs a service charge. Upon return of a check for any reason, the Company may redeposit the check, but the customer will be responsible for any service charge.~~ Upon return of a check for the second time, customer is to be notified that restitution must be made immediately by cash or money order only, including the service charges. Customers failing to respond or to make restitution shall have water and/or wastewater service disconnected and will be charged a violation reconnect fee. Service will not be restored until payment in full is received for all charges due. Owner/Tenant situations - owners shall not be held responsible for the service charge incurred because of a bad check from their tenant.

Check Return - ~~\$20.00 or 5% of face value of check, whichever is greater:~~

- ~~\$25.00 for a check that does not exceed \$50.00;~~
- ~~\$30.00 for a check that exceeds \$50.00.~~

- 23.0 CHANGE OF OCCUPANCY - When change of occupancy takes place on any premises supplied by the Company with water service, NOTICE shall be given at the office of the Company not less than three (3) days prior to the date of change by the outgoing customer, who will be held responsible for all water service used on such premises until such NOTICE is so received and Company has had reasonable time to discontinue water service. However, if such NOTICE has not been received, the application of a succeeding occupant for water service will automatically terminate the prior account. For the convenience of its customers the Company will accept telephone orders to discontinue or transfer water service and will use all reasonable diligence in the execution thereof. However, oral orders or advice cannot be deemed binding or be considered formal notification to the Company. All transactions must be reported and cleared through the Company, including transfers, sales and charges.

- 24.0 SERVICE DEPOSIT - Before rendering service, the Company shall require a non-interest bearing deposit or guarantee satisfactory to the Company to secure the payment of bills by the member

SINGLE FAMILY RESIDENTIAL,  
 DUPLEX, TRIPLEX  
 and GENERAL:

INSTITUTIONAL,  
 MULTI-FAMILY &  
 MIXED MASTER:

Meter Size	Amount of Deposit	Amount of Deposit
3/4"	\$ 40.00	<del>\$ 40.00 per unit or ERC</del>
1"	\$ 100.00	<del>\$</del>
1-1/2"	\$ 200.00	<del>\$</del>
2"	\$ 320.00	<del>\$</del>
3"	\$ 640.00	<del>\$</del>
4"	\$ 1,000.00	<del>\$</del>
6"	\$ 2,000.00	<del>\$</del>
8"	\$ 3,200.00	<del>\$</del>

~~Institutional, Multi-Family & Mixed Master: \$40.00 per unit or ERC~~

CONSTRUCTION METER: \$ 250.00 ~~1,000.00~~

The Company may waive the deposit requirement upon receipt of a letter from the customer's most recent utility company stating that the customer's account was in good standing for the 24-month period immediately preceding the application to Company for service. Good standing shall require, at a minimum, that the customer's account was never more than 30 days in arrears.

After a residential customer has established a satisfactory payment record and has continuous service for 18 months, the Company may refund the customer's deposit provided the customer has not, in the preceding 12 months: (a) made more than one late payment of a bill, (b) paid with a check refused by a bank, (c) been disconnected for nonpayment, or (d) used service in a fraudulent or unauthorized manner. Subsequent to such refund, Company may require a new deposit as a result of any of the above-referenced deficiencies:

General, institutional, multi-family and mixed master deposits are not refundable until change of ownership occurs and final settlement has been made. Upon final settlement of customer's account, any unused or remaining balance of the deposit shall be refunded, without interest.

Company may require an additional deposit if usage or payment history warrants. Upon final settlement of customer's account, any unused balance of the deposit will be refunded.

A service deposit may be transferred from one service location to another, if both locations are supplied water service by the Company; however, a deposit may not be transferred from one person to another.

- 25.0 TRANSFER FEES - Charge for transfer of service to a new owner or tenant at an existing service. Existing owners are not charged when tenants vacate. Transfer Fee - \$35.00 per transfer of existing service.
- 27.0 ALL WATER THROUGH METER - That portion of the customer's installation or water service shall be so arranged that all water service shall pass through the meter. All water passing through the meter must be paid for unless the Company determines the meter to be faulty.
- 28.0 ADJUSTMENT OF BILLS - When a customer has been overcharged or undercharged as a result of incorrect application of the rate schedules, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be credited or billed to the customer as the case may be.
- 29.0 REQUEST FOR BENCH TEST BY CUSTOMER - If the meter is found to register in excess of the accuracy limits set out herein, the customer shall not be charged for test, but if below such accuracy limit, the Company shall debit customer's account a service charge for conducting the test.

Meter Bench Test Fee -	<u>Meter Size</u>	<u>Cost</u>	
	3/4" - 1"	\$25.00	<del>50.00</del>
	1-1/2" & larger	Actual Cost	

- 30.0 ADJUSTMENT OF BILLS FOR METER ERROR - In meter tests made by the Company, the accuracy of registration of the meter and its performance in service shall be judged by its average error. The average meter error shall be considered to be the average of the errors at the test rate flows.
- 31.0 METER ACCURACY REQUIREMENTS - All meters used for measuring quantity of water delivered to a customer shall be in good mechanical condition and shall be adequate in size and design for the type of service which they measure. Before being installed for the use of any customer every water meter, whether new, repaired, or removed from service for any cause, shall be adjusted to register within the accuracy limits set forth in the following table:

ACCURACY LIMITS IN PERCENT

METER TYPE	MAXIMUM RATE	INTERMEDIATE RATE	ACCURACY LIMITS IN PERCENT	
			NEW	REPAIRED
Displacement	98.5-101.5	98.5-101.5	95-101.5	90-101.5
Current	97-103	97-103	95-103	90-103
Compound*	97-103	97-103	95-103	90-103

\*The minimum required accuracy for compound meters at any rate within the "changeover" range of flows shall be 85%.

- 32.0 ADJUSTMENT OF BILLS FOR FAST METERS - Whenever a meter tested is found to register fast in excess of the tolerance provided in the Meter Accuracy Requirements provision herein, the utility shall refund to the customer the amount billed in error for one-half the period since the last test; said one-half period not to exceed six (6) months except that if it can be shown that the error was due to some cause, the date of which can be fixed, the overcharge shall be computed back to, but not beyond such date. The refund shall not include any part of any minimum charge.
- 33.0 ADJUSTMENT OF BILLS FOR SLOW METERS - Whenever a meter tested is found to register slow in excess of the tolerance provided in the Meter Accuracy Requirements provision herein, the Company may bill the customer an amount equal to the unbilled error for one-half the period since the last test; said one-half period not to exceed six (6) months except that if it can be shown that the error was due to some cause; the date which can be fixed, the charge may be computed back to but not beyond such date and provided further that if the Company has required a deposit, the customer may be billed only for that portion of the unbilled error which is in excess of the deposit retained by the Company.
- 34.0 NON-REGISTER METERS - In the event of a non-register meter, the customer may be billed on an estimate based on previous bills for similar usage, such estimate to apply only to the current billing period.
- 35.0 METER TAMPERING - It is unlawful to willfully alter, tamper with, damage, or knowingly suffer to be damaged any meter, meter seal, pipe or other apparatus belonging to the Company with intent to avoid payment for utility service. According to State statute this is a misdemeanor of the first degree. Authorities shall be notified and Company will prosecute, and ~~in addition,~~ whoever is found in civil action to have violated the provisions hereof shall be liable to Company in an amount equal to 3 times the amount of services unlawfully obtained or \$1,000.00, whichever is greater.
- 36.0 RATE SCHEDULES - The following are the Company's rate schedules for service, and are subject to change from time to time upon approval of the Lee County Board of County Commissioners:

GENERAL SERVICE RATE SCHEDULE

APPLICABILITY - For service to all customers to which no other rate schedule applies.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

<u>WATER RATES</u> -	<u>Meter Size</u>	<u>Monthly Base Charge</u>	
	3/4"	\$ 5.10	<del>5.50</del>
	1"	\$ 12.75	<del>13.75</del>
	1.5"	\$ 25.50	<del>27.50</del>
	2"	\$ 40.80	<del>44.00</del>
	3"	\$ 81.60	<del>82.50</del>
	4"	\$ 127.50	<del>137.50</del>
	6"	\$ 255.00	<del>275.00</del>
	8"	\$ 408.00	<del>440.00</del>

Gallonge Charge (Per 1,000 gallons)

Block gallonage per ERC

Block	Charge	Gallonage
1	\$2.35 <del>2.49</del>	0 - 6000 gallons
2	2.85 <del>3.02</del>	6100 <del>6001</del> - 12000 gallons
3	3.35 <del>3.55</del>	12100 <del>12001</del> - 18000 gallons
4	3.85 <del>4.08</del>	18100 <del>18001</del> and over

BILLING CHARGE - \$2.40 ~~2.75~~ per account per month. No second charge if wastewater service is also provided.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may then be discontinued.

SINGLE FAMILY RESIDENTIAL, DUPLEX AND TRIPLEX RATE SCHEDULE

APPLICABILITY - For service to all single family customers or their equivalent, including duplexes and triplexes, except for those instances where four or more residential units are contained in duplexes or triplexes behind a master meter.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WATER RATES -

<u>Meter Size</u>	<u>Monthly Base Charge Per Unit Served</u>
All	\$ <del>5.10</del> <u>5.50</u>

Gallonge Charge (Per 1,000 gallons) Per Unit Served

Block gallonage per unit served

<u>Block</u>	<u>Charge</u>	<u>Gallonage</u>
1	\$ <del>2.35</del> <u>2.49</u>	0 - 6000 gallons
2	<del>2.85</del> <u>3.02</u>	<del>6100</del> <u>6001</u> - 12000 gallons
3	<del>3.35</del> <u>3.55</u>	<del>12100</del> <u>12001</u> - 18000 gallons
4	<del>3.85</del> <u>4.08</u>	<del>18100</del> <u>18001</u> and over

BILLING CHARGE - \$~~2.40~~ 2.75 per account per month. No second charge if wastewater service is also provided.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may then be discontinued.



MULTI-FAMILY AND MIXED MASTER RATE SCHEDULE

APPLICABILITY - For service to all multi-family and mixed master customers as herein defined, including those instances where four or more residential units are contained in duplexes or triplexes behind a master meter.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WATER RATES

Meter Size                      Monthly Base Charge per Unit Served

All                                      \$4.08 ~~4.40~~

Gallonge Charge (Per 1,000 gallons)

Block gallonage per unit served

Block	Charge	Gallonage
1	\$2.35 <del>2.49</del>	0 - 6000 gallons
2	2.85 <del>3.02</del>	6100 <del>6001</del> - 12000 gallons
3	3.35 <del>3.55</del>	12100 <del>12001</del> - 18000 gallons
4	3.85 <del>4.08</del>	18100 <del>18001</del> and over

BILLING CHARGE - \$2.40 ~~2.75~~ per account per month. No second charge if wastewater service is also provided.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may then be discontinued.

INSTITUTIONAL RATE SCHEDULE

APPLICABILITY - For service to all assisted living facilities and other applicable institutional customers.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WATER RATES

<u>Meter Size</u>	<u>Monthly Base Charge per ERC</u>
All	\$ 5.10 <del>5.50</del>

Gallonge Charge (Per 1,000 gallons)

Block gallonge per ERC

Block	Charge	Gallonge
1	\$2.35 <del>2.49</del>	0 - 6000 gallons
2	2.85 <del>3.02</del>	6100 <del>6001</del> - 12000 gallons
3	3.35 <del>3.55</del>	12100 <del>12001</del> - 18000 gallons
4	3.85 <del>4.08</del>	18100 <del>18001</del> and over

BILLING CHARGE - \$2.40 ~~2.75~~ per account per month. No second charge if wastewater service is also provided.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may then be discontinued.

- 37.0 NORMAL RECONNECTION CHARGE - Removal or reconnection of service subsequent to a customer-request. Normal Reconnect/Disconnect Fees.  
~~\$25.00~~ ~~30.00~~ Disconnect charge  
~~\$25.00~~ ~~30.00~~ Reconnect charge
- 38.0 VIOLATION RECONNECTION CHARGE - Subsequent to disconnection of service for cause, including a delinquency in bill payments, service shall not be reinstated until reconnection charge plus all past-due balances are paid in full. ~~\$30.00~~ ~~40.00~~ during normal work hours; ~~\$40.00~~ ~~50.00~~ after hours and weekends.
- 39.0 REIMBURSEMENTS FOR EXTRA EXPENSES - The consumer shall reimburse the Company for extra expenses (such as for special trips, inspections, additional clerical expenses, etc.) incurred by the Company on account of consumer's violation of the Rules and Regulations. The customer will be advised of these expenses prior to Company rendering service.
- 40.0 MISCELLANEOUS SERVICE CHARGES - The Company charges the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

Usage Reports - ~~\$25.00~~ ~~50.00~~ minimum or \$0.15 ~~0.25~~ per meter, whichever is greater.

Non-Payment Trip Charge -  
~~\$30.00~~ ~~\$40.00~~ - only applicable during normal work hours

Capacity Reservation Fee - a monthly charge equal to the base charge plus billing charge for the applicable class of service.

Plan Review ~~and Inspection~~ Fees -  
~~\$250.00 plus \$.03 per linear foot if lines are 3" or larger~~ ~~The greater of \$500.00 or 1.0% of Construction Cost.~~

Warranty Expiration Televising (cleaning) -  
\$.55 per linear foot

Fire Flow Test -  
~~\$40.00~~ ~~45.00~~  
~~\$25.00~~ ~~45.00~~- retest

Developer Application ~~Agreement Administration~~ Fees -  
not to exceed \$1000.00 per Main Extension Manual

Connect/Disconnect Construction Meter -  
~~\$25.00~~ ~~\$30.00~~ per occurrence

Labor & Equipment -  
\$40.00 per 1 man crew per hour  
\$65.00 per 2 man crew per hour

Check for Misread and/or Leak  
Turn On/Off  
Re-Read or special read per customer request (excluding final reads)  
High Bill Inquiry (no charge for 1st request in 12 month period)  
Water Service Line Locate  
Re-read due to obstruction by customer  
Other related and similar activities  
\$25.00 during normal work hours  
\$35.00 after hours and weekends

CONSTRUCTION METER - Deposit ~~\$250.00~~ ~~\$1,000.00~~, refundable if returned in good condition. ~~\$25.00~~ ~~\$30.00~~ connect and disconnect charge. \$3.50 for each thousand (1000) gallons of water used.

The Fire Department is to be notified by engineering department, when customer is ready to check the fire flow. Company and Fire Department will then do the test.

~~Water Tank Truck Fill-up Fee - \$3.50 per 1000 gallons.~~

## SERVICE AVAILABILITY POLICY

- 41.0 PURPOSE - The Company has determined that it is necessary to set forth a policy for the availability of water capacity which will provide a non-discriminatory and equitable basis upon which to provide service to future customers and plan capital expenditures for facilities expansion.
- 42.0 APPLICABILITY - This policy is applicable throughout the service territory of the Company.
- 43.0 AGREEMENT FOR SERVICE - Service is available from Company only by entering into a Service Agreement with the Company and, if the capacity request warrants, a Developer Agreement or both. A standard form Service Agreement or Developer Agreement is available at the Company's office. Such Agreements may be subject to modification by Company to suit the particular circumstances of service to the applicant. Upon execution of a Service Agreement or Developer Agreement, accompanied by payment of the appropriate ANC Fees, Capacity Reservation Fees, Connection Fee and other charges as set forth herein, Company will reserve the number of connections paid for and will provide service to those units pursuant to its rules and regulations upon notification by Developer that service is required. A person who owns a lot or plot of land with houses, duplexes, or more and who has one or more water connections on this property cannot serve water to a buyer of any previously unserved portion of this property. The sale must be reported to the Company. If there are two buyers each one buying half of a duplex, each must pay an ANC Fee, Deposit and Connection Fee.
- 44.0 NON-TRANSFERABILITY - A person who has paid an ANC Fee on one location, must pay another ANC Fee for water service at a new location. Plant capacity reserved through Developer's payment of ANC Fees cannot be assigned, transferred, leased, encumbered or disposed of in any manner unless, prior to connection, Developer has obtained the written consent of the Company and all applicable rates and charges are transferred or paid for the new lot. Following written notice, Company's consent to an assignment of capacity in connection with a bona fide sale of the property to which the plant capacity reservation relates will not be unreasonably withheld. In no instance shall Developer sell or assign plant capacity for a consideration which is more than the ANC Fee amount actually paid by Developer to reserve the capacity.
- 45.0 LETTERS OF AVAILABILITY - Company may issue Letters Of Availability of water service to Developers for use in obtaining zoning changes and development orders necessary for construction on their property. Such letters are not permit letters as referenced in section 4.0 of this Tariff and are not specific reservations of capacity for Developer and do not guarantee that capacity will be available for Developer's project at any later date. Such a reservation can only be made through execution of an agreement with the Company and payment of rates and charges as set forth herein. Such an agreement is required prior to issuing a Permit Letter for the purpose of obtaining a concurrency letter or building permit.

46.0 SERVICE AVAILABILITY PAYMENTS - In consideration for the provision of water service by the Company, Developer shall be required to pay certain costs of making service available, including on-site water distribution system contributed in cash or in kind; payments to defray in part, or in total, the cost of off-site lines and related facilities, ANC Fees, Connection Fees, and Capacity Reservation Fees. Default in the payment of the charges set forth herein shall result in a cancellation of reserved capacity and forfeiture of monies previously paid to Company.

47.0 ANC FEES - An Aid-To-New-Construction Fee (ANC Fee) shall be paid for each connection to the Company's system to defray all or a portion of the cost of providing service to the property. The ANC Fee shall be calculated based on an equivalent residential connection ("ERC") which is a factor used to convert a given average daily flow to the equivalent number of residential connections. For this purpose, the average daily flow of one ERC is 250 gallons per day ("gpd"). The number of ERC's contained in a given average daily flow is determined by dividing that average daily flow by 250 gpd.

ANC FEE SCHEDULE

(a) Single Family Residential, Duplex; ~~and Triplex and General:~~

<u>Meter Size</u>	<u>ANC Fee Per Unit Served</u>
All	\$ 1,550.00 <del>\$1,640.00 per unit served</del>

(b) Multi-family and Mixed-Master:

ANC Fee per unit served	\$ 1,240.00 <del>\$1,312.00 per unit served</del>
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(c) Assisted Living Facility: \$ 1,550.00 ~~\$1,640.00~~ per ERC.

The ANC Fee is calculated based on the estimated water capacity at a rate of 100 gpd/bed plus 5 gpd/meal served (resident or staff) divided by 250 gpd to determine the number of ERC's. The number of ERC's is then multiplied by the ANC Fee then in effect.

(c) General Service:

<u>Meter Size</u>	<u>ERC Equivalent</u>	<u>ANC Fee Per ERC</u>
<u>3/4"</u>	<u>1</u>	<u>\$ 1,640.00</u>
<u>1"</u>	<u>2.5</u>	<u>4,100.00</u>
<u>1-1/2"</u>	<u>5</u>	<u>8,200.00</u>
<u>2"</u>	<u>8</u>	<u>13,120.00</u>
<u>3"</u>	<u>16</u>	<u>26,240.00</u>

4 <sup>th</sup>	25	41,000.00
6 <sup>th</sup>	50	82,000.00
8 <sup>th</sup>	80	131,200.00

Company reserves the right to increase ANC Fees as it deems necessary in the best interests of the Company subject to approval of the Lee County Board of County Commissioners. All connections made to the Company's system subsequent to the effective date of the ANC Fee increase shall be subject to the higher charge, notwithstanding a prior Letter of Availability, Developer Agreement, or the prepayment of ANC Fees at the previous level.

ANC Fees are refundable only in the following cases:

- (1) Governmental agency reduces the number of units, or denies a building permit
- (2) Water meter has not been installed at time of customer's request for refund

48.0 SPECIAL SERVICE CHARGE TO IMPERIAL HARBOR SUBDIVISION - As a result of the abandonment of Harbor Utilities Company, Inc., the Company provides water service to the Imperial Harbor Subdivision. In order to provide such service, the lines, meters, meter boxes, and appurtenant facilities within Imperial Harbor required substantial upgrading. In addition to the other rates and charges contained in this Tariff, the customers within Imperial Harbor are required to pay a Special Service Charge which is intended to defray the cost of necessary improvements in order to render service to such customers, and which provide a special benefit to those customers. Such customers may pay the Special Services Charge, which includes ANC Fee, in a lump sum, or amortize the cost over 25 years which charges are set forth below.

Special Service Charge: \$ 2,482.49 per unit

or

Monthly Amortization: \$ 17.55 per unit

Any customer electing to pay the amortized monthly charge may request from the Company the outstanding balance due on such Special Service Charge and pay off the charge in full at any time. Customers electing to pay the monthly amortized charge shall be subject to the terms of payment for monthly rates as set forth herein, including being subject to disconnection of service for nonpayment.

49.0 CAPACITY RESERVATION FEES - Upon execution of a Water Service Agreement or Developer Agreement reserving capacity in the system, Developer or customer shall pay a monthly Capacity Reservation Fee for each unit of capacity reserved equal to the base facility charge per unit then in effect. As active connections are made, the Capacity Reservation Fee obligation shall be proportionately reduced. Failure to make payments as due shall result in the use of previously paid ANC Fees as credits against unpaid

capacity reservation fees. This will result in a reduction in the number of connections reserved by Developer in an amount which corresponds to each ANC Fee used to meet Developer's capacity reservation fee obligation. Company shall provide 15 days written notice prior to taking such action. Depending on the amount of capacity reserved, Company may require annual prepayments of Capacity Reservation Fees to secure payment. In that event, Developer shall be given credit for the prepayment of capacity reservation fees for that portion of the year during which a customer has connected to the system and begun paying a base facility charge for service. Such credit shall be made at the time of the next year's capacity reservation fee prepayment.

50.0 BACKFLOW PREVENTER - The Company requires the installation of backflow preventers on water connections to residential or commercial customers with dual water systems, and ~~in such other situations for other water connections~~ as deemed reasonably necessary by the Company. ~~Developer shall be required to install such backflow preventer which meets Company specifications~~ Backflow preventers sized 3-inches and larger shall be installed by the developer or customer at its cost, and shall be subject to inspection by the Company prior to commencement of service. ~~At its option, Company may elect to install, inspect or repair such backflow preventer and Developer or customer shall be required to pay the following:~~ Backflow preventers sized 3-inches and larger shall remain as the property of the customer, and shall be tested annually by a certified backflow prevention technician at the customer's expense. Testing report shall be forwarded to the Company on an annual basis by the customer.

Backflow preventers sized smaller than 3-inches shall be installed by the Company and shall remain as the property of the Company. The developer or customer shall be required to pay for the installation as listed below. Annual testing of backflow preventers smaller than 3-inches shall be conducted by the Company at the Company's expense.

<u>Meter Size</u>	<u>Fee</u>	
3/4"	\$ 170.00	<u>190.00</u>
1"	210.00	<u>250.00</u>
1-1/2"	390.00	<u>435.00</u>
2"	470.00	<u>500.00</u>
3" and larger equal current cost		
<u>Above 2-inch</u>		<u>Actual Cost</u>

51.0 CONNECTION/METER INSTALLATION FEE - Upon execution of a water Service Agreement or Developer Agreement, Developer shall pay for costs associated with the meter installation and tap-in or connection of the Consumer Installation to the distribution or transmission system of the Company according to the following schedule:

<u>Meter Size</u>	<u>Amount</u>	
3/4"	\$250.00	<u>295.00</u>
1"	400.00	<u>420.00</u>
1-1/2"	685.00	<u>690.00</u>
2"	800.00	<u>900.00</u>
3" and larger equal current cost <u>Above 2-inch</u>	Actual Cost	



There will be a separate connection/meter installation fee for irrigation meters which are requested by the customer or otherwise provided by the Company.

- 52.0 CONTRIBUTION OF LINES - Developer may be required to construct and contribute to the Company on-site facilities, particularly water distribution lines, and off-site facilities including transmission mains to connect Company's transmission system in order to provide service to Developer's property. Contribution of such lines is independent of the payment of any charges hereunder. Construction and contribution of such lines shall meet the minimum specifications of the Company.
- 53.0 OBLIGATIONS OF DEVELOPER - All contributors and developers shall furnish to the Company accurate information regarding matters of engineering, construction of buildings, dwellings and proposed densities. Developer shall advise Company of changes in density factors or consumption requirements during construction of the project, and Developer shall be liable for adjustment in ANC Fees and charges paid or payable.
- 54.0 MISCELLANEOUS CONSTRUCTION PROVISIONS - Any contractor or similar person doing work for the Company must first show a certificate of insurance acceptable to the Company. In case of a service size change being requested by a Consumer regardless of pre-installation, or after installation, the Company will collect a charge based on the actual cost involved. The cost of a change or relocation of a service will be based on actual cost to Company.
- 55.0 SERVICE TO EXISTING SUBDIVISIONS - In the event Company determines to provide service to an existing subdivision served by individual wells, Company shall determine availability of capacity for that subdivision. The representatives of the subdivision shall provide all information reasonably necessary for Company to make such determination. In the event service is available, the subdivision residents (or someone other than Company) shall be responsible for construction, or the cost of construction, of all on-site and off-site facilities necessary to serve the subdivision. Provision of service by the Company shall further be conditioned upon payment of all applicable rates and charges as set forth herein. Company, in its sole discretion, shall determine whether to accept a subdivision's existing distribution system, which may be subject to upgrade at the sole discretion of the Company, or render service pursuant to a master meter or both in the case of a subdivision system owned and maintained by a homeowners association, developer, or other such similar unit. For customers in these areas connecting to the Company's potable water system, the Company may elect to allow such customers the option of paying the ANC fee and connection charges in lump sum, or amortizing the cost over ~~for up to~~ thirty years.

Should the Company elect to allow such customers the option of amortizing such charges, the Company shall notify all customers in existing homes subject to the provisions of this paragraph of their right to elect to amortize these costs or pay these costs in a lump sum. Any customers so notified will have six (6) months from the date of notification to elect to participate in this program and to notify Company that the customer wishes to amortize these costs. Any customers so notified, that do not notify the Company within six months of their desire to amortize such costs, will be required to pay the ANC Fee and connection charges in lump sum. ~~In the event a customer elects to amortize these costs, the customer shall allow the Company to place a lien on the property to secure repayment.~~

56.0 REFUNDABLE ADVANCES - Company may require, in addition to the contributions set forth herein, a refundable advance by a Developer to temporarily defray the cost of off-site extension of water mains, pumping stations and other facilities necessary to connect the Developer's property with the then proper point of interconnection with the Company's existing water facilities, in excess of the size needed to provide service to the subject property. Costs paid by the Developer over and above the Developer's hydraulic share of the off-site facilities, may be refunded to the Developer in accordance with the terms and conditions of a Refundable Advance Agreement with Company. Company shall not be required to refund to Developer any fees or charges collected from consumers as a result of his contribution toward the cost of constructing the off-site facilities.

At the time the engineer of record certifies the off-site facilities as complete, he will also be requested to provide a determination of the hydraulic capacity of the facilities and the number of connections it is capable of serving based upon the Company's current determination of an equivalent residential connection. On that basis, Company will establish a refundable advance charge per equivalent residential connection and Company will agree to collect and refund same to Developer upon payment of such charges by subsequent customers obtaining service through the off-site facilities. Unless otherwise agreed to by Company, no refundable advance treatment will be available to Developer constructing lines and appurtenant facilities less than six (6) inches in diameter. Company may limit the life of the Refundable Advance Agreement to a term of not more than seven (7) years, after which time a portion of the refund not made to the Developer will be retained by the Company. In no event shall a Developer recover an amount greater than the difference between the capitalized cost of such improvements and the Developer's own hydraulic share of such improvement. The Service Company will not include any interest upon the refund of the Developer's advance.

57.0 TIME OF PAYMENT/ALLOCATION OF CAPACITY - It is the policy of the Florida Department of Environmental Protection ("~~DERDEP~~") to reduce the capacity available in Company's water and sewer systems upon issuance of a ~~DERDEP~~ Collection and/or Distribution System Permit (or its equivalent) to construct an on-site system which will receive treatment capacity from Company. ~~DERDEP~~ reduces Company's uncommitted capacity by the total number of ERC's which can be served by the on-site system approved in the Permit ("Permit Capacity"). This ~~DERDEP~~ policy prevents Company from committing the Permit Capacity to other developers and customers, regardless of an immediate need and willingness to pay for such capacity.

In an effort to fairly allocate plant capacity, it is Service Company's policy to require Developer to enter into a Developer Agreement concurrent with Company signing off on Developer's Permit Application, and to require payment of all charges related to the Permit Capacity committed to Developer at that time. This requirement is intended to avoid a situation in which developers who have not paid service availability charges tie up capacity to the exclusion of customers with an immediate need and ability to pay.

# BONITA SPRINGS UTILITIES, INC.

## WASTEWATER TARIFF

Revised \_\_\_\_\_

BONITA SPRINGS UTILITIES, INC.

Post Office Drawer 2368

~~11800~~~~11860~~ East Terry Street

Bonita Springs, Florida 34135

(~~941~~~~239~~) 992-0711

WASTEWATER TARIFF

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TERRITORY SERVED

That territory set forth in the Bonita Springs Utilities, Inc. Franchise Agreement By And Between Bonita Springs Utilities, Inc. ~~And~~ and Lee County, Florida, as amended and restated, and on file at the Company's office.

## TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "ANC" - Fee for Aid to New Construction.
- 2.0 "ASSISTED LIVING FACILITY" - An institutional class of customer licensed by the State of Florida, Agency for Health Care Administration pursuant to Chapter 400, Florida Statutes.
- 3.0 "COMPANY" - Bonita Springs Utilities, Inc., a Florida Not-For-Profit Corporation.
- 4.0 "CONNECTION FEE" - Charge for labor and facilities necessary for connection to lines of Company.
- ~~4.1 "CONSTRUCTION COST" - The Company's unit cost, multiplied by quantities for each item provided by the Developer, plus a five percent contingency.~~
- 5.0 "CONSUMER OR CUSTOMER" - Any person, firm, association, corporation, governmental agency or similar organization, supplied with wastewater service by the Company and may also be a member.
- 6.0 "CONSUMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature which are located on the customer's side of the "Point of Delivery" and used in connection with or forming a part of the installation necessary for disposing of sewage collected from the customer's premises regardless of whether such installation is owned by the customer or used by the Consumer under lease or other agreement.
- 7.0 "COUNTY" - refers to Lee County, a political subdivision of the State of Florida.
- 8.0 "EQUIVALENT RESIDENTIAL CONNECTION" ("ERC") - A measure of the average daily flow for a single residential unit.
- 9.0 "FRANCHISE" - The franchise granted by the County to the Company.
- 10.0 "MAIN" - Shall refer to a pipe, conduit, or other facility installed to convey wastewater service to individual service lines or to other mains.
- 11.0 "MEMBER" - The holder of a membership certificate or member account with the Company.
- 11.1 "MIXED MASTER" - Refers to a class of service where one meter serves customers utilizing different classes of service.

- 11.2 "MULTI-FAMILY UNIT" - Refers to a class of service where one meter serves more than three residential units such as apartments, condominiums, mobile homes, or combinations thereof.
- 12.0 "POINT OF DELIVERY" - The point where the Company's pipes or meters are connected with pipes of the Consumer, which is typically the property line.
- 13.0 "RATE SCHEDULE" - Refers to rates or charges for a particular classification of service, which rates or charges are subject to change from time to time by approval of the Lee County Board of County Commissioners.
- 14.0 "SERVICE" or "WASTEWATER SERVICE" - Service, as mentioned in this Tariff and in agreement with Consumers, shall be construed to include, in addition to all wastewater service required by the Consumer, the readiness and ability on the part of the Company to furnish wastewater service to the Consumer. Thus, the maintenance by the Company of the availability of service at the point of delivery upon request shall constitute the rendering of wastewater service, irrespective of whether Consumer makes any use thereof.
- 15.0 "SERVICE LINES" - The pipes of the Company which are connected from the Mains to Point of Delivery.

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## RULES AND REGULATIONS

1.0 GENERAL INFORMATION - ~~The Company's Rules and Regulations, insofar as they are inconsistent with any Statute, Law, Rule or Commission Order shall be null and void.~~ These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every customer to whom the Company renders wastewater service.

In the event that a portion of these Rules and Regulations are declared unconstitutional or void for any reason by any court of competent jurisdiction, such decision shall in no way affect the validity of the remaining portions of the Rules and Regulations for wastewater service unless such court order or decision shall so direct.

2.0 APPLICATION REQUIRED - Wastewater service is furnished only after an application or agreement and payment of the initial connection fee ~~and deposit~~ is accepted by the Company. The conditions of such application or agreement are binding upon the customer as well as upon the Company. A record of the application or agreement for wastewater service accepted by the Company will be furnished to the applicant on request. Members may be required to show proof of occupancy when making application for new service or transfer of service. The applicant shall furnish to the Company the correct name and street address or lot and block number at which wastewater service is to be rendered.

3.0 APPLICATIONS BY AGENTS - Applications for wastewater service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties. When wastewater service is rendered under agreement or agreements entered into between the Company and an agent of the principal, the use of such wastewater service by the principal shall constitute full and complete ratification by the principal of the agreement or agreements entered into between agent and the Company and under which such wastewater service is rendered.

4.0 APPLICATIONS FOR BUILDING PERMIT - Upon request for a permit letter for the purpose of obtaining a building permit, the applicant shall pay in full the ANC fee as in effect at that time for the number of ERC's/Units as defined by the Company's Rules and Regulations. There shall be a minimum payment of one (1) ANC fee paid.

5.0 WITHHOLDING SERVICE - The Company may withhold or discontinue wastewater service rendered under application made by any member or agent of a household, organization or business unless all prior indebtedness to the Company of such household, organization or business for water and/or wastewater service has been settled in full. Service may also be discontinued for any violation made by the Consumer of any rule or regulation set forth in this Tariff.

- 6.0 EXTENSIONS - The Company will ~~make such extensions to its existing facilities as may be required by one or more Consumers provided the extension of service is financially feasible for the Company extend service in accordance with the Service Availability Policy set forth herein.~~
- 7.0 LIMITATIONS OF USE - Wastewater service purchased from the Company shall be used by the customer only for the purposes specified in the application for wastewater service. Wastewater service shall be rendered to the customer for the customer's own use, shall be collected directly into the Company's main wastewater lines, and may not be submetered, resold or otherwise disposed of to lessees, tenants, or others unless: (i) Company elects not to individually meter; (ii) customer provides 60 days prior written notice to Company; (iii) customer collects a rate or charge which does not exceed the actual purchase price for wastewater service paid to the Company; (iv) except in the case of a condominium association, customer retains ownership of the property served; and, (v) customer complies with all other technical and policy requirements of the Company. In no case shall a customer, ~~except with the written consent of the Company,~~ extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish wastewater service to the adjacent property even though such adjacent property may be owned by him. In case of such unauthorized extension, sale or disposition of service, the customer's wastewater service will be subject to discontinuance until such unauthorized extension, sale or disposition of service is discontinued and full payment is made to the Company for wastewater service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing and inspections.
- 8.0 CONTINUITY OF SERVICE - The Company will at all times use reasonable diligence to provide continuous wastewater service and, having used reasonable diligence, shall not be liable to the customer for failure or interruption of continuous wastewater service. The Company shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigations, breakdowns, shutdowns for emergency repairs or adjustments, acts of sabotage, enemies of the United States, Wars, United States, State, Municipal or other governmental interference, acts of God or other causes beyond its control.
- 9.0 TERMINATION OF SERVICE - At customers request, Company will terminate service to a property on a specified date. Termination is the permanent end of service to a particular location and shall be distinguished from a discontinuation of service which is temporary in nature as in the case of a rental occupancy or a seasonal customer. In the event of a termination of service, customer will no longer be responsible for payment for service to the property. However, such termination of service shall result in the forfeiture of all fees paid (including, but not limited to ANC Fees). Any subsequent request for service to the same location must be accompanied by payment of all rates and charges then in effect.

- 10.0 TYPE AND MAINTENANCE - The customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company, and shall comply with all ~~Governmental Regulations~~ governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the customer's pipes and facilities. Consumer agrees to keep such facilities in good repair, to promptly stop all leaks, and infiltration within standard limits. The customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected, or which may adversely affect the wastewater service; the Company reserves the right to discontinue or withhold wastewater service to such apparatus or device.
- 11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The customer shall be liable for any charge resulting from a violation of this Rule. Upon increasing size of water meter customer may be charged for increase in ANC Fees and deposits, as stated in Rate Schedule.
- 12.0 INSPECTION OF CUSTOMER'S INSTALLATION - All customer's wastewater service installations or changes shall be inspected upon completion by a competent authority to ensure that the customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and ~~Governmental Regulations~~ governmental regulations. Where ~~Municipal~~ municipal or other ~~Governmental~~ governmental inspection is required by local Rules and Ordinances, the Company cannot render wastewater service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company. Notwithstanding the above, the Company reserves the right to inspect the customer's installation prior to rendering wastewater service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.
- 13.0 PROTECTION OF COMPANY'S PROPERTY - The customer shall exercise reasonable diligence to protect the Company's property on the customer's premises and shall knowingly permit no one but the Company's agents or persons authorized by law, to have access to the Company's pipes and apparatus. In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect or misuse by the customer, the cost of making good such loss or repairing such damage shall be paid by the customer.
- 14.0 ACCESS TO PREMISES - The duly authorized agents of the Company shall have access at all reasonable hours to the premises of the customer for the purpose of installing, maintaining, inspecting or removing Company's property or for performance under or termination of the Company's agreement with the customer and in such performance shall not be liable for trespass.

15.0 RIGHT OF WAY OR EASEMENTS - The customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of wastewater service ~~as determined by the Company.~~

16.0 BILLING PERIODS - Bills for wastewater service will be billed monthly, and are due when rendered and will be considered as received by customer when delivered or mailed to the service address or some other place mutually agreed upon. Non-receipt of bills by customer shall not release or diminish the obligation of the customer with respect to payment thereof. ~~In case of bankruptcy or other nonpayment, a lien can be put on the property for an unpaid bill.~~

17.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY- When both water and wastewater service are provided by the Company, payment of any wastewater service bill rendered by the Company to a customer shall not be accepted by the Company without the simultaneous or concurrent payment of any water service bill rendered by the Company. The Company may discontinue both water service and wastewater service to the customer's premises for non-payment of the wastewater service bill or water service bill or if payment is not made concurrently. The Company shall not reestablish or reconnect wastewater service and/or water service until such time as all wastewater and water service bills and all charges are paid. No partial payment of any bill rendered will be accepted by the Company, except by agreement with Company.

18.0 RETURNED CHECKS - ~~Upon return of a bad check, customer is to be contacted by the most expedient method, giving them notice to contact Company's office within 15 days. Upon contact by customer, check may be redeposited a second time (if applicable) or replaced by customer with a second check. Either option incurs a service charge. Upon return of a check for any reason, the Company may redeposit the check, but the customer will be responsible for any service charge.~~ Upon return of a check for the second time, customer is to be notified that restitution must be made immediately by cash or money order only, including the service charges. Customers failing to respond or to make restitution shall have water and/or wastewater service disconnected and will be charged a violation reconnect fee. Service will not be restored until payment in full is received for all charges due. Owner/Tenant situations - owners shall not be held responsible for the service charge incurred because of a bad check from their tenant.

Check Return - ~~\$20.00 or 5% of face value of check, whichever is greater.~~

- ~~• \$25.00 for a check that does not exceed \$50.00;~~
- ~~• \$30.00 for a check that exceeds \$50.00.~~

19.0 CHANGE OF OCCUPANCY - When a change of occupancy takes place on any premises supplied by the Company with wastewater service, notice shall be given to the Company not less than three (3) days prior to the date of change by the outgoing Customer. The outgoing customer shall be held responsible for all wastewater service rendered on such

premises until such notice is so received by the Company and the Company has had reasonable time to discontinue the wastewater service. However, if such notice has not been received, the application of a succeeding occupant for wastewater service will automatically terminate the prior account.

For the convenience of its customers, the Company will accept telephone orders, to discontinue or transfer wastewater service from one service address to another, and will use all reasonable diligence in the execution thereof. However, oral orders or advice shall not be deemed binding or be considered formal notification to the Company. All transactions must be reported and cleared through the Company, including transfers, sales and charges.

20.0 UNAUTHORIZED CONNECTIONS - ~~WASTEWATER~~ - Connections to the Company's wastewater system for any purpose whatsoever are to be made only by employees of the Company. Any unauthorized connections to the customer's wastewater service shall be subject to immediate discontinuance without notice. Wastewater service shall not be restored until such unauthorized connections have been removed and until settlement is made in full to the Company for all wastewater service estimated by the Company to have been used by reason of such unauthorized connection.

21.0 ADJUSTMENT OF BILLS - When a customer has been overcharged or undercharged as a result of incorrect application of the rate schedule, incorrect reading of a water meter, or other similar reasons, the utility shall bill or refund to the customer amount in error for 1/2 the period since the last test; not to exceed 6 months, except if it can be shown that the error was due to some cause, the date of which can be fixed, the adjustment shall be computed back to that date, but not beyond. Adjustment shall not include any portion of the base charge. If meter does not register, or if no reading can be obtained, only current billing may be adjusted using an estimate of previous billings.

22.0 EVIDENCE OF CONSUMPTION - The initiation or continuation or resumption of water service to the customer's premises shall constitute the initiation or continuation or resumption of wastewater service to the customer's premises regardless of occupancy.

23.0 SERVICE DEPOSIT - Before rendering service, the Company shall require a non-interest bearing deposit or guarantee satisfactory to the Company to secure the payment of bills by the member. The amount of initial deposit shall be the following, according to meter size:

SINGLE FAMILY RESIDENTIAL,  
 DUPLEX, TRIPLEX and  
 GENERAL:  
Meter Size    Deposit Amount

5/8 x 3/4"        \$ 60.00

~~INSTITUTIONAL  
 MULTI-FAMILY &  
 MIXED-MASTER:  
Deposit Amount~~

~~\$ 60.00 per unit or ERC~~

1"	150.00	\$
1.5"	300.00	\$
2"	480.00	\$
3"	960.00	\$
4"	1,500.00	\$
6"	3,000.00	\$
8"	4,800.00	\$

Institutional, Multi-Family & Mixed Master      \$60.00 per unit or ERC

The Company may waive the deposit requirement upon receipt of a letter from the customer's most recent utility company stating that the customer's account was in good standing for the 24-month period immediately preceding the application to Company for service. Good standing shall require, at a minimum, that the customer's account was never more than 30 days in arrears.

After a residential customer has established a satisfactory payment record and has continuous service for 18 months, the Company may refund the customer's deposit provided the customer has not, in the preceding 12 months: (a) made more than one late payment of a bill, (b) paid with a check refused by a bank, (c) been disconnected for nonpayment, or (d) used service in a fraudulent or unauthorized manner. Subsequent to such refund, Company may require a new deposit as a result of any of the above-referenced deficiencies. General, multi-family, mixed master and institutional deposits, however, are not refundable until change of ownership occurs.

Company may require an additional deposit if usage or payment history warrants. Upon final settlement of customer's account, any unused balance of the deposit will be refunded.

A service deposit may be transferred from one service location to another, if both locations are supplied wastewater service by the Company; however, a deposit may not be transferred from one name to another.

24.0 RATE SCHEDULES - The following are the Company's rate schedules for service, and are subject to change from time to time upon approval of the Lee County Board of County Commissioners:

GENERAL SERVICE RATE SCHEDULE

AVAILABILITY - Available throughout the area served by the Company to all customers for which no other schedule applies.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WASTEWATER RATES -

Gallorage Rate - \$2.00 ~~2.33~~

(per 1000 gallons)

<u>Meter Size</u>	<u>Monthly Base Charge</u>
3/4"	\$ 16.35 <del>18.00</del>
1"	\$ 40.88 <del>45.00</del>
1.5"	\$ 81.75 <del>90.00</del>
2"	\$ 130.80 <del>144.00</del>
3"	\$ 261.60 <del>270.00</del>
4"	\$ 408.75 <del>450.00</del>
6"	\$ 817.50 <del>900.00</del>
8"	\$1,308.00 <del>1440.00</del>

BILLING CHARGE - is \$2.40 ~~2.75~~ per bill. No extra Billing Charge if customer is also a water customer.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may be discontinued.



SINGLE FAMILY RESIDENTIAL, DUPLEX AND TRIPLEX RATE SCHEDULE

AVAILABILITY - Available to single family customers or their equivalent throughout the area served by the Company, including duplexes and triplexes, except for those instances where four or more residential units are contained in duplexes or triplexes behind a master meter.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WASTEWATER RATES -

Gallage Rate - \$2.00 ~~2.33~~

(per 1000 gallons capped at 16,000 gallons per month per unit served)

<u>Meter Size</u>	<u>Monthly Base Charge</u> <u>Per Unit Served</u>
All	\$ 16.35 <del>18.00</del>

BILLING CHARGE - is \$2.40 ~~2.75~~ per bill. No extra Billing Charge if customer is also a water customer.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may be discontinued.

MULTI-FAMILY AND MIXED MASTER RATE SCHEDULE

AVAILABILITY - Available to multi-family and mixed master customers as herein defined or their equivalent throughout the area served by the Company, including those instances where four or more residential units are contained in duplexes or triplexes behind a master meter.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WASTEWATER RATES -

Gallage Rate - \$2.00 ~~2.33~~  
(per 1000 gallons)

<u>Meter Size</u>	<u>Monthly Base Charge Per Unit Served</u>
All	\$ 13.08 <del>14.40</del>

BILLING CHARGE - is \$2.40 ~~2.75~~ per bill. No extra Billing Charge if customer is also a water customer.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may be discontinued.



## FIXED WASTEWATER RATE SCHEDULE

AVAILABILITY - Available throughout the area served by the Company for wastewater only customers.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WASTEWATER RATES -

Gallonge Rate	None
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<u>Meter Size</u>	<u>Monthly Charge Per Unit</u>
N/A	\$ <del>29.35</del> <u>33.15</u>

BILLING CHARGE - is \$~~2.40~~ 2.75 per bill.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may be discontinued.

- 25.0 NORMAL RECONNECTION CHARGE - Removal or reconnection of service subsequent to a customer-request. Normal Reconnect/Disconnect Fees.  
~~\$25.00~~ \$30.00 Disconnect charge  
~~\$25.00~~ \$30.00 Reconnect charge
- 26.0 VIOLATION RECONNECTION CHARGE - Subsequent to disconnection of service for cause, including a delinquency in bill payments, service shall not be reinstated until reconnection charge plus all past-due balances are paid in full. ~~\$30.00~~ \$40.00 during normal work hours; ~~\$40.00~~ \$50.00 after hours and weekends.
- 27.0 REIMBURSEMENTS FOR EXTRA EXPENSES - The consumer shall reimburse the Company for extra expenses (such as for special trips, inspections, additional clerical expenses, etc.) incurred by the Company on account of consumer's violation of the Rules and Regulations. The customer will be advised of these expenses prior to Company rendering service.
- 28.0 MISCELLANEOUS SERVICE CHARGES - The Company charges the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company requires multiple actions.

Transfer Fee - \$35.00 per transfer of existing service.

Non-Payment Trip Charge -  
~~\$30.00~~ \$40.00 - only applicable during normal work hours

Capacity Reservation Fee - a monthly charge equal to the base charge plus billing charge for the applicable class of service.

Plan Review ~~and Inspection~~ Fees - ~~\$250.00 plus \$.03 per linear foot if lines are 3" or larger~~ The greater of \$500.00 or 1.0% of the Construction Cost

Warranty Expiration Televising (cleaning) -  
\$.55 per linear foot

Developer ~~Application Agreement Administration~~ Fees -  
not to exceed \$1000.00 per Main Extension Manual

Labor & Equipment -  
\$40.00 per 1 man crew per hour  
65.00 per 2 man crew per hour  
Sewer Tap Locate  
Other related and similar activities  
\$25.00 during normal work hours  
35.00 after hours and weekends

~~28.1~~ RECLAIMED WATER RATE - \$.40 per 1000 gallons except as otherwise set by contract.

## SERVICE AVAILABILITY POLICY

- 29.0 PURPOSE - The Company has determined that it is necessary to set forth a policy for the availability of sewer capacity which will provide a non-discriminatory and equitable basis upon which to provide service to future customers and plan capital expenditures for facilities expansion.
- 30.0 APPLICABILITY - This policy is applicable throughout the service territory of the Company.
- 31.0 AGREEMENT FOR SERVICE - Service is available from Company only by entering into a Wastewater Service Agreement with the Company and, if the capacity request warrants, a Developer Agreement or both. A standard form Service Agreement or Developer Agreement is available at the Company's office. Such Agreements may be subject to modification by Company to suit the particular circumstances of service to the applicant. Upon execution of a Wastewater Service Agreement or Developer Agreement, accompanied by payment of the appropriate ANC Fees, Capacity Reservation Fees, Connection Fees and other charges as set forth herein, Company will reserve the number of connections paid for and will provide service to those units pursuant to its rules and regulations upon notification by Developer that service is required. A person who owns a lot or plot of land with houses, duplexes, or more and who has one or more sewer connections on this property cannot serve sewer to a buyer of any previously unserved portion of this property. He must report his sale to the Company. If there are two buyers each one buying half of a duplex, each must pay an ANC Fee, Deposit and Connection Fee.
- 32.0 NON-TRANSFERABILITY - A person who has paid an ANC Fee on one location, must pay another ANC Fee for sewer service at a new location. Plant capacity reserved through Developer's payment of ANC Fees cannot be assigned, transferred, leased, encumbered or disposed of in any manner unless, prior to connection, Developer has obtained the written consent of the Company and all applicable rates and charges are transferred or paid for the new lot. Following written notice, Company's consent to an assignment of capacity in connection with a bona fide sale of the property to which the plant capacity reservation relates will not be unreasonably withheld. In no instance shall Developer sell or assign plant capacity for a consideration which is more than the ANC Fee amount actually paid by Developer to reserve the capacity.
- 33.0 LETTERS OF AVAILABILITY - Company may issue Letters Of Availability of sewer service to Developers for use in obtaining zoning changes and development orders necessary for construction on their property. Such letters are not permit letters as referenced in section 4.0 of this Tariff and are not specific reservations of capacity for Developer and do not guarantee that capacity will be available for Developer's project at any later date. Such a reservation can only be made through execution of an agreement with the Company and payment of rates and charges as set forth herein. Such an agreement is required prior to issuing Permit Letters for the purpose of obtaining a concurrency letter or building permit.
- 34.0 SERVICE AVAILABILITY PAYMENTS - In consideration for the provision of sewer service by the Company, Developer shall be required to pay certain costs of making service available, including on-site sewage collection system contributed in cash or in kind; payments to defray in part, or in total, the cost of off-site lines and related facilities, ANC

Fees, Connection Fees, and Capacity Reservation Fees. Default in the payment of the charges set forth herein shall result in a cancellation of reserved capacity and forfeiture of monies previously paid to Company.

35.0 ANC FEES - An Aid-To-New-Construction Fee (ANC Fee) shall be paid for each connection to the Company's system to defray all or a portion of the cost of providing service to the property. The ANC Fee shall be calculated based on an equivalent residential connection ("ERC") which is a factor used to convert a given average daily flow to the equivalent number of residential connections. For this purpose, the average daily flow of one ERC is 250 gallons per day ("gpd"). The number of ERC's contained in a given average daily flow is determined by dividing that average daily flow by 250 gpd.

ANC FEE SCHEDULE

(a) Single Family Residential, Duplex, ~~and Triplex and General:~~

Meter Size

All \$ 2,183.00 ~~\$2,565.00 per unit served~~

(b) Multi-family and Mixed-Master:

\$ 1,746.40 ~~\$2,052.00 per unit served~~

(c) Assisted Living Facility: \$2,183.00 ~~\$2,565.00 per ERC.~~

The ANC Fee is calculated based on the estimated water capacity at a rate of 100 gpd/bed plus 5 gpd/meal served (resident or staff) divided by 250 gpd to determine the number of ERC's. The number of ERC's is then multiplied by the ANC Fee then in effect.

(c) General Service:

<u>Meter Size</u>	<u>ERC Equivalent</u>	<u>ANC Fee per ERC</u>
<u>3/4"</u>	<u>1</u>	<u>\$ 2,565.00</u>
<u>1"</u>	<u>2.5</u>	<u>6,412.50</u>
<u>1-1/2"</u>	<u>5</u>	<u>12,825.00</u>
<u>2"</u>	<u>8</u>	<u>20,520.00</u>
<u>3"</u>	<u>16</u>	<u>41,040.00</u>
<u>4"</u>	<u>25</u>	<u>64,125.00</u>
<u>6"</u>	<u>50</u>	<u>128,250.00</u>
<u>8"</u>	<u>80</u>	<u>205,200.00</u>

Company reserves the right to increase ANC Fees as it deems necessary in the best interests of the Company, subject to approval of the Lee County Board of County Commissioners. All connections made to the Company's system subsequent to the effective date of the ANC Fee increase shall be subject to the higher charge,

notwithstanding a prior Letter of Availability, Developer Agreement, or the prepayment of ANC Fees at the previous level.

ANC Fees are refundable only in the following cases:

- (1) Governmental agency reduces the number of units, or denies a building permit
- (2) Water meter has not been installed at time of customer's request for refund

36.0 CONNECTION/METER INSTALLATION FEE - Upon execution of a Wastewater Service Agreement or Developer Agreement, Company may require Developer to pay for costs associated with the tap-in or connection of the Consumer Installation to the collection or transmission system of the Company according to the following schedule:

<u>Customer Connection (tap-in) Charge</u>	-	Actual Cost
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37.0 CAPACITY RESERVATION FEES - Upon execution of a Wastewater Service Agreement or Developer Agreement reserving capacity in the system, Developer or customer shall pay a monthly Capacity Reservation Fee for each unit of capacity reserved equal to the base facility charge per unit then in effect. As active connections are made, the Capacity Reservation Fee obligation shall be proportionately reduced. Failure to make payments as due shall result in a cancellation of the capacity reservation and a forfeiture of all charges previously paid including ANC Fees. Company shall provide 15 days written notice prior to cancellation in order to remedy delinquent payments. Depending on the amount of capacity reserved, Company may require annual prepayments of Capacity Reservation Fees to secure payment. In that event, Developer shall be given credit for the prepayment of capacity reservation fees for that portion of the year during which a customer has connected to the system and begun paying a base facility charge for service. Such credit shall be made at the time of the next year's capacity reservation fee prepayment.

38.0 CONTRIBUTION OF LINES - Developer may be required to construct and contribute to the Company on-site facilities, particularly sewer collection lines, and off-site facilities including transmission mains to connect Company's transmission system in order to provide service to Developer's property. Contribution of such lines is independent of the payment of any charges hereunder. Construction and of such lines shall meet the minimum specifications of the Company.

39.0 OBLIGATIONS OF DEVELOPER - All contributors and developers shall furnish to the Company accurate information regarding matters of engineering, construction of buildings, dwellings and proposed densities. Developer shall advise Company of changes in density factors or consumption requirements during construction of the project, and Developer shall be liable for adjustment in ANC Fees and charges paid or payable.

40.0 MISCELLANEOUS CONSTRUCTION PROVISIONS - Any contractor or similar person doing work for the Company must first show a certificate of insurance acceptable to the Company. In case of a service size change being requested by a Consumer regardless of pre-installation, or after installation, the Company will charge based on actual cost involved. The cost of a change or relocation of a service will be based on actual cost.



41.0 SERVICE TO EXISTING SUBDIVISIONS - In the event Company determines to provide service to an existing subdivision served by individual septic systems or package plants in an area other than one which the Company has designated as a Gravity Expansion Area, Company shall determine availability of capacity for that subdivision. The representatives of the subdivision shall provide all information reasonably necessary for Company to make such determination. In the event service is available, the subdivision residents (or someone other than Company) shall be responsible for construction, or the cost of construction, of all on-site and off-site facilities including, but not limited to, lift stations necessary to serve the subdivision. Provision of service by the Company shall further be conditioned upon payment of all applicable rates and charges as set forth herein. Company, in its sole discretion, shall determine whether to accept a subdivision's existing collection system, which may be subject to upgrade at the sole discretion of the Company, or render service pursuant to a master meter or both in the case of a subdivision system owned and maintained by a homeowners association, developer, or other such similar unit.

Should the cost of such future wastewater service expansion programs vary significantly from the general charges contained herein, the Company may institute an additional or lesser charge to affected customers, based upon the Company's actual costs, and may allow the amortization of charges and costs over a reasonable time period, if warranted.

42.0 SPECIAL SERVICE CHARGE TO IMPERIAL HARBOR SUBDIVISION - As a result of the abandonment of Harbor Utilities Company, Inc., the Company provides wastewater service to the Imperial Harbor Subdivision. In order to provide such service, the lines, lift stations and appurtenant facilities within Imperial Harbor required substantial upgrading. In addition to the other rates and charges contained in this Tariff, the customers within Imperial Harbor are required to pay a Special Service Charge which is intended to defray the cost of necessary improvements in order to render service to such customers, and which provide a special benefit to those customers. Such customers may pay the Special Services Charge in a lump sum, or amortize the cost over 25 years which charges are set forth below.

Special Service Charge: \$ 1,095.67 per unit  
or  
Monthly Amortization: \$ 7.74 per unit

Any customer electing to pay the amortized monthly charge may request from the Company the outstanding balance due on such Special Service Charge and pay off the charge in full at any time. Customers electing to pay the monthly amortized charge shall be subject to the terms of payment for monthly rates as set forth herein, including being subject to disconnection of service for nonpayment.

42.1 SPECIAL SERVICE CHARGE TO FORMER HACIENDA CUSTOMERS - As a result of the abandonment of Hacienda Treatment Plant, Inc. ("Hacienda"), the Company provides wastewater service to former Hacienda customers. In order to provide such service, the former Hacienda customers needed to be interconnected with the Company's wastewater facilities. In addition to the other rates and charges contained in this Tariff, the customers formerly served by Hacienda, as well as future customers who would have been served by Hacienda, are required to pay a Special Service Charge that is intended to defray the cost of necessary interconnection in order to render service to such customers, and which provides a special benefit to those customers. Such customers may pay the

Special Service Charge in a lump sum, or amortize the cost over 20 years as set forth below:

Special Service Charge:     \$ 795 per ERC  
or  
Monthly Amortization:     \$ 5.68 per ERC

Any customer electing to pay the amortized monthly charge may request from the Company the outstanding balance due on such Special Service Charge and pay off the charge in full at any time. Customers electing to pay the monthly amortized charge shall be subject to the terms of payment for monthly rates as set forth herein, including being subject to disconnection of service for nonpayment.

43.0 SERVICE TO GRAVITY EXPANSION AREAS - The Company has undertaken a program of constructing local collection and transmission systems to replace septic tanks serving existing residential areas in a program designated as the Gravity Expansion Program. The territory included in the Gravity Expansion Program is on file with the Company. Customers within the Gravity Expansion area may be required to connect to the system when service becomes available following required notice by the Company. In addition to the other rates and charges contained in this Tariff, customers within the Gravity Expansion area are required to pay a charge which is intended to defray the cost of necessary improvements in order to render service to such customers, and which provide a special benefit to those customers. Such customers may pay the Gravity Expansion charge in a lump sum, or amortize the cost up to 30 years which charges are set forth below. ~~In the event a customer elects to amortize the Gravity Expansion charge, the customer shall allow the Company to place a lien on the property to secure repayment.~~

Gravity Expansion Residential Charge: \$1,717.00 per unit

plus

Gravity Expansion customers are also responsible for payment of the ~~appropriate~~ ANC Fee ~~for their unit of \$2,183.00~~ which may also be amortized up to 30 years.

44.0 QUALITY OF WASTEWATER - No substance other than domestic wastewater will be placed into the sewage system and delivered to the lines of the Company. Should any non-domestic wastes, grease or oils, including, but not limited to, floor wax, paint, chlorides, or salt water be delivered to the lines, the customer will be responsible for payment of the cost and expense required in correcting or repairing any resulting damage to the system or property of third parties.

Developer, or subsequent owners or occupants of the Property, may introduce non-domestic wastes from commercial establishments on the Property only upon prior written approval from Service Company based on Service Company's determination that such non-domestic waste will not harm Utility Facilities. Developer further agrees that no waste waters, fluids, or any substances and materials which contain any hazardous, flammable, toxic and/or industrial constituents, in whole or in part, regardless of the concentrations of said constituents, shall be discharged into Service Company's sanitary sewer collection/transmission system. Service Company shall have the right to sample the Developer's sewage to verify Developer's compliance with this paragraph.

In addition to the preceding paragraphs, and not by way of limitation, in the event Company determines that the property to be served poses a threat of introducing chlorides, salt water, or similar constituents into the collection or transmission system at levels determined by the Company to be harmful to the sewer system, including, but not limited to, the system's ability to provide effluent meeting reuse standards, and its acceptability as an irrigation supply source for vegetation, the Company has the right to decline or discontinue service, or charge a higher rate due to increased treatment costs if applicable, to such property or customer and to require such pretreatment or other measures as are necessary to protect the integrity of Company's system and the ability to serve its members.

- 45.0 REFUNDABLE ADVANCES - Company may require, in addition to the s set forth herein, a refundable advance by a Developer to temporarily defray the cost of off-site extension of sewer mains, pumping stations and other facilities necessary to connect the Developer's property with the then proper point of interconnection with the Company's existing sewer facilities, in excess of the size needed to provide service to the subject property. Costs paid by the Developer over and above the Developer's hydraulic share of the off-site facilities, may be refunded to the Developer in accordance with the terms and conditions of a Refundable Advance Agreement with Company. Company shall not be required to refund to Developer any fees or charges collected from consumers as a result of his contribution toward the cost of constructing the off-site facilities.

At the time the engineer of record certifies the off-site facilities as complete, he will also be requested to provide a determination of the hydraulic capacity of the facilities and the number of connections it is capable of serving based upon the Company's current determination of an equivalent residential connection. On that basis, Company will establish a refundable advance charge per equivalent residential connection and Company will agree to collect and refund same to Developer upon payment of such charges by subsequent customers obtaining service through the off-site facilities. Unless otherwise agreed to by Company, no refundable advance treatment will be available to Developer constructing lines and appurtenant facilities less than six (6) inches in diameter. Company may limit the life of the Refundable Advance Agreement to a term of not more than seven (7) years, after which time a portion of the refund not made to the Developer will be retained by the Company. In no event shall a Developer recover an amount greater than the difference between the capitalized cost of such improvements and the Developer's own hydraulic share of such improvement. The Service Company will not include any interest upon the refund of the Developer's advance.

- 46.0 WASTEWATER REUSE - The Company owns, operates and maintains wastewater treatment facilities, pursuant to operating permits from the Florida Department of Environmental Regulation, which produce treated effluent of a quality suitable for the irrigation of grasses, woodlands and certain vegetation. The Company may make treated effluent available to consumers within the service area of the Company that own large tracts of green areas requiring landscape irrigation ("Users"), based on the Board of Directors determination of the best interests of the Company and its members. Determination of the quantity, price, terms and conditions of the provision of effluent to Users shall be at the sole discretion of the Company, and may be set forth in an Effluent Reuse Agreement entered into by the Company and the User.

User shall be responsible for the design, construction and installation, at User's sole cost and expense subject to the approval and inspection by the Company, of on-site and off-site

utility lines and facilities needed to initially create or thereafter connect into the Company's effluent disposal system. User shall convey ownership to Company of all lines and facilities from authorized treatment facilities to the point of delivery of effluent to User by bill of sale in a form satisfactory to the Company; it being understood that lines and facilities must be sized and constructed to the satisfaction of Company in accordance with the guidelines and specifications of the Company, subject to refundable advance treatment for oversized facilities. Acceptance of said lines and facilities shall be within the sole discretion of the Company.

User shall be responsible for obtaining information and preparing all necessary environmental planning, hydrogeologic monitoring studies and reports reasonably necessary for the permitting, preparation and continued utilization of User's property as a site for effluent reuse. User shall further be required to provide wet weather storage (non-application day) for not less than five (5) days effluent allocation. Wet weather storage capacity is subject to evaluation on a case by case basis and may be increased due to, among other things, changes in regulatory requirements.

User shall be responsible for any and all costs relative to the maintenance of any water management tract constructed upon User's land and User shall be responsible, at its sole cost and expense, for the construction and maintenance of any effluent spray irrigation device or other system which draws from the water management tract. User shall incur the cost of securing licenses and permits from applicable governmental agencies relative to the reuse of the Company's treated effluent upon User's property, including any costs incurred by Company to secure same.

As a prerequisite to the Company's acceptance of effluent discharge and delivery lines, facilities and appurtenances thereof, User shall grant Company, its successors and assigns, all easements and rights of ingress and egress, necessary for the discharge and delivery of effluent upon User's property, including, but not limited to, easements covering lines and facilities. The easements shall allow the Company to own effluent discharge lines and other facilities required for the effluent delivery.

47.0 ~~TIME OF PAYMENT ALLOCATION OF CAPACITY~~ - It is the policy of the Florida Department of Environmental Regulation Protection ("DERDEP") to reduce the capacity available in Company's water and sewer systems upon issuance of a DERDEP Collection and/or Distribution System Permit (or its equivalent) to construct an on-site system which will receive treatment capacity from Company. DERDEP reduces Company's uncommitted capacity by the total number of ERC's which can be served by the on-site system approved in the Permit ("Permit Capacity"). This DERDEP policy prevents Company from committing the Permit Capacity to other developers and customers, regardless of an immediate need and willingness to pay for such capacity.

In an effort to fairly allocate plant capacity, it is Service Company's policy to require Developer to enter into a Developer Agreement concurrent with Company signing off on Developer's Permit Application, and to require payment of all charges related to the Permit Capacity committed to Developer at that time. This requirement is intended to avoid a situation in which developers who have not paid service availability charges tie up capacity to the exclusion of customers with an immediate need and ability to pay.

BONITA SPRINGS UTILITIES, INC.

WATER TARIFF

Revised \_\_\_\_\_

BONITA SPRINGS UTILITIES, INC.  
11860 East Terry Street  
Bonita Springs, Florida 34135

(239)992-0711

WATER TARIFF

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TERRITORY SERVED

That territory set forth in the Bonita Springs Utilities, Inc. Franchise Agreement By And Between Bonita Springs Utilities, Inc. and Lee County, Florida, as amended and restated, and on file at the Company's office.

## TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "ANC" - Fee for Aid to New Construction.
- 2.0 "ASSISTED LIVING FACILITY" - An institutional class of customer licensed by the State of Florida, Agency for Health Care Administration pursuant to Chapter 400, Florida Statutes.
- 3.0 "COMPANY" - Bonita Springs Utilities, Inc., a Florida Not-For-Profit Corporation.
- 4.0 "CONNECTION FEE" - Charge for meter, meter installation, accessories, and connection to lines of Company.
- 4.1 "CONSTRUCTION COST" - The Company's unit cost, multiplied by quantities for each item provided by the Developer, plus a five percent contingency.
- 5.0 "CONSUMER OR CUSTOMER" - Any person, firm, association, corporation, governmental agency or similar organization, supplied with water service by the Company and may also be a member.
- 6.0 "CONSUMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature used in connection with or forming a part of an installation for utilizing water for any purpose, ordinarily located on the consumer's side of "Point of Delivery," whether such installation is owned by Consumer, or used by Consumer under lease or otherwise.
- 7.0 "COUNTY" - Refers to Lee County, a political subdivision of the State of Florida.
- 8.0 "EQUIVALENT RESIDENTIAL CONNECTION ("ERC") - A measure of the average daily flow for a single residential unit.
- 9.0 "FRANCHISE" - The franchise granted by the County to the Company.
- 10.0 "MAIN" - Shall refer to a pipe, conduit, or other facility installed to convey water service to individual service lines or to other mains.
- 11.0 "MEMBER" - The holder of a membership certificate or member account with the Company.
- 11.1 "MIXED MASTER" - Refers to a class of service where one meter serves customers utilizing different classes of service.



- 11.2 "MULTI-FAMILY UNIT" - Refers to a class of service where one meter serves more than three residential units such as apartments, condominiums, mobile homes, or combinations thereof.
- 12.0 "POINT OF DELIVERY" - The point where the Company's pipes, meters or backflow preventers are connected with the pipes or meters of the Consumer, which is typically the property line.
- 13.0 "RATE SCHEDULE" - Refers to rates or charges for a particular classification of service, which rates or charges are subject to change from time to time by approval of the Lee County Board of County Commissioners.
- 14.0 "SERVICE" or "WATER SERVICE" - Service, as mentioned in this Tariff Book and in agreement with Consumers, shall be construed to include, in addition to all water service required by the Consumer, the readiness and ability on the part of the Company to furnish water service to the Consumer. Thus, the maintenance by the Company of pressure at the point of delivery upon request shall constitute the rendering of water service, irrespective of whether the Consumer makes any use thereof.
- 15.0 "SERVICE LINES" - The pipes of the Company which are connected from the Mains to Point of Delivery.

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SERVICE AVAILABILITY POLICY

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## RULES AND REGULATIONS

- 1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every customer to whom the Company renders water service.

In the event that a portion of these Rules and Regulations are declared unconstitutional or void for any reason by any court of competent jurisdiction, such decision shall in no way affect the validity of the remaining portions of the Rules and Regulations for water service unless such court order or decision shall so direct.

- 2.0 APPLICATION REQUIRED - Water service is furnished only after an application or agreement and payment of the initial connection fee and deposit is accepted by the Company. The conditions of such application or agreement are binding upon the customer as well as upon the Company. A record of the application or agreement for water service accepted by the Company will be furnished to the applicant on request. The applicant shall furnish to the Company the correct name, street address and lot and block number at which service is to be rendered. Members may be required to show proof of occupancy when making application for new service or transfer of service.

- 3.0 APPLICATIONS BY AGENTS - Applications for water service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties. When water service is rendered under agreement or agreements entered into between the Company and an agent of the principal, the use of such water service by the principal shall constitute full and complete ratification by the principal of the agreement or agreements entered into between agent and the Company and under which such water service is rendered.

- 4.0 APPLICATIONS FOR BUILDING PERMIT - Upon request for a permit letter for the purpose of obtaining a building permit, the applicant shall pay in full the ANC fee as in effect at that time for the number of ERC's/Units as defined by the Company's Rules and Regulations. There shall be a minimum payment of one(1) ANC fee paid.

- 5.0 WITHHOLDING SERVICE - The Company may withhold or discontinue water and/or wastewater service rendered under application made by any member or agent of a household, organization or business unless all prior indebtedness to the Company of such household, organization or business for water and/or wastewater service has been settled in full. Service may also be discontinued for any violation made by the Consumer of any rule or regulation set forth in this Tariff.

- 6.0 EXTENSIONS - The Company will extend service in accordance with the Service Availability Policy set forth herein.

- 7.0 LIMITATIONS OF USE - Water service purchased from the Company shall be used by the customer only for the purposes specified in the application for water service and the customer shall not sell or otherwise dispose of such water service supplied by the Company. Water service furnished to the customer shall be rendered directly to the customer through Company's individual meter and may not be submetered by the customer for the purpose of selling or otherwise disposing of water service to lessees, tenants, or others, unless: (i) Company elects not to individually meter; (ii) customer provides 60 days prior written notice to Company; (iii) customer collects a rate or charge which does not exceed the actual purchase price for water service paid to the Company; (iv) except in the case of a condominium association, customer retains ownership of the property served; and, (v) customer complies with all other technical and policy requirements of the Company. In no case shall a customer extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish water service to the adjacent property even though such adjacent property may be owned by him. In case of such unauthorized extension, submetering, sale or disposition of service, the customer's water service is subject to discontinuance until such unauthorized extension, submetering, sale or disposition of service is discontinued and full payment is made to the Company for water services, calculated on proper classification and rate schedules and reimbursement in full made to the Company for all extra expenses incurred for clerical work, testing and inspections.
- 8.0 CONTINUITY OF SERVICE - The Company will at all times use reasonable diligence to provide continuous water service and, having used reasonable diligence, shall not be liable to the customer for failure or interruption of continuous water service. The Company shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigations, breakdowns, shutdowns for emergency repairs or adjustments, acts of sabotage, enemies of the United States, Wars, United States, State, Municipal or other governmental interference, acts of God or other causes beyond its control. The Company has the right to restrict and equalize the daily rate of flow for consumption so large users cannot, at peak load time or any other time, interrupt our minimum required supply.
- 9.0 TERMINATION OF SERVICE - At customers request, Company will terminate service to a property on a specified date. Termination is the permanent end of service to a particular location and shall be distinguished from a discontinuation of service which is temporary in nature as in the case of a rental occupancy or a seasonal customer. In the event of a termination of service, customer will no longer be responsible for payment for service to the property. However, such termination of service shall result in the forfeiture of all fees paid (including, but not limited to ANC Fees). Any subsequent request for service to the same location must be accompanied by payment of all rates and charges then in effect.
- 10.0 TYPE AND MAINTENANCE - The customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company, and shall comply with all



governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the customer's pipes and facilities. Consumer agrees further to keep such facilities in good repair and to promptly stop all leaks on his premises. The customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected, or which may adversely affect the water service; the Company reserves the right to discontinue or withhold water service to such apparatus or device.

- 11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The customer shall be liable for any charge resulting from a violation of this Rule. Upon request to increase customer's existing meter size without any change to the type or number of ERC/Units being served, customer shall be charged difference due for the connection fee, ANC Fees, Deposits and the cost of labor and materials, less the cost of any inventory items restocked.
- 12.0 UNAUTHORIZED CONNECTIONS - Connections to the Company's water system for any purpose whatsoever are to be made only by employees of the Company. Unauthorized connections render the service subject to immediate discontinuance without notice and water service shall not be restored until such unauthorized connections have been removed and until settlement is made in full of all water service estimated by the Company to have been used by reason of such unauthorized connection. No temporary pipes, nipples or spacers are permitted and under no circumstances are connections allowed which may permit water to bypass the meter or metering equipment. A party illegally hooking up to facilities of Company, or doing so in violation of Company's Rules and Regulations shall be charged costs plus expenses and back-billed for water used based upon reasonable estimate of service taken.
- 13.0 INSPECTION OF CUSTOMER'S INSTALLATION - All customer's water service installations or changes shall be inspected upon completion by a competent authority to ensure that the customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and such local governmental or other rules as may be in effect. Where municipal or other governmental inspection is required, the Company cannot render water service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company. The Company reserves the right to inspect the customer's installation prior to rendering water service and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.
- 14.0 METERS - All water meters shall be furnished by and remain the property of the Company and shall be accessible and subject to its control. The customer shall provide meter space to the Company at a suitable and readily accessible location.

- 15.0 PROTECTION OF COMPANY'S PROPERTY - The customer shall exercise reasonable diligence to protect the Company's property on the customer's premises and shall knowingly permit no one but the Company's agents or persons authorized by law, to have access to the Company's pipes and apparatus. In the event of any loss, or damage to property of the Company caused by or arising out of carelessness, neglect or misuse by the customer, the cost of making good such loss or repairing such damage shall be paid by the customer.
- 16.0 ACCESS TO PREMISES - The duly authorized agents of the Company shall have access at all reasonable hours to the premises of the customer for the purpose of installing, maintaining, inspecting or removing Company's property, reading meters and other purposes incident to performance under or termination of the Company's agreement with the customer and in such performance shall not be liable for trespass.
- 17.0 RIGHT OF WAY OR EASEMENTS - The customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits and privileges which are necessary for the rendering of water service as determined by the Company.
- 18.0 BILLING PERIODS - Bills for water service will be rendered monthly, and are due when rendered and shall be considered as received by customer when delivered or mailed to the service address or some other place mutually agreed upon. Non-receipt of bills by customer shall not release or diminish the obligation of customer with respect to payment thereof.
- 19.0 METER READINGS - All meters shall be read monthly. If unable to obtain a reading, an estimated bill shall be calculated based on the estimate and adjusted when an actual reading is obtained.
- 20.0 PULLS FOR NON-PAYMENT - Field personnel shall not accept payment from customers when pulling meters for non-payment or reconnecting service. Customer may avoid meter removal, after personnel have been dispatched, by either entering into a verbal or written agreement to pay by a mutually agreed upon date the amount due including non-payment trip charge and/or reconnect fees. Failure by the customer to pay the amount due by the date specified shall result in immediate discontinuance of water service. Water service shall not be restored until full payment is received in the office and shall include an additional reconnect fee.
- 21.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY - When both water and wastewater service are provided by the Company, payment of any water service bill rendered by the Company to a customer shall not be accepted by the Company without the simultaneous or concurrent payment of any wastewater service bill rendered by the Company. The Company may discontinue both water service and wastewater service to the customer's premises for non-payment of the water service bill or wastewater bill or if payment is not made concurrently. The Company shall not



reestablish or reconnect water service and/or wastewater service until such time as all water and wastewater service bills and all charges are paid. No partial payment of any bill rendered will be accepted by the Company, except by agreement with the Company.

22.0 RETURNED CHECKS - Upon return of a check for any reason, the Company may redeposit the check, but the customer will be responsible for any service charge. Upon return of a check for the second time, customer is to be notified that restitution must be made immediately by cash or money order only, including the service charges. Customers failing to respond or to make restitution shall have water and/or wastewater service disconnected and will be charged a violation reconnect fee. Service will not be restored until payment in full is received for all charges due. Owner/Tenant situations - owners shall not be held responsible for the service charge incurred because of a bad check from their tenant.

Check Return -

- \$25.00 for a check that does not exceed \$50.00;
- \$30.00 for a check that exceeds \$50.00.

23.0 CHANGE OF OCCUPANCY - When change of occupancy takes place on any premises supplied by the Company with water service, NOTICE shall be given at the office of the Company not less than three (3) days prior to the date of change by the outgoing customer, who will be held responsible for all water service used on such premises until such NOTICE is so received and Company has had reasonable time to discontinue water service. However, if such NOTICE has not been received, the application of a succeeding occupant for water service will automatically terminate the prior account. For the convenience of its customers the Company will accept telephone orders to discontinue or transfer water service and will use all reasonable diligence in the execution thereof. However, oral orders or advice cannot be deemed binding or be considered formal notification to the Company. All transactions must be reported and cleared through the Company, including transfers, sales and charges.

24.0 SERVICE DEPOSIT - Before rendering service, the Company shall require a non-interest bearing deposit or guarantee satisfactory to the Company to secure the payment of bills by the member

SINGLE FAMILY RESIDENTIAL,  
DUPLEX, TRIPLEX  
and GENERAL:

Meter Size	Amount of Deposit
3/4"	\$ 45.00
1"	\$ 112.50

1-1/2"	\$ 225.00
2"	\$ 360.00
3"	\$ 720.00
4"	\$ 1,125.00
6"	\$ 2,250.00
8"	\$ 3,600.00

Institutional, Multi-Family & Mixed Master: \$45.00 per unit or ERC

CONSTRUCTION METER: \$ 1,000.00

The Company may waive the deposit requirement upon receipt of a letter from the customer's most recent utility company stating that the customer's account was in good standing for the 24-month period immediately preceding the application to Company for service. Good standing shall require, at a minimum, that the customer's account was never more than 30 days in arrears.

After a residential customer has established a satisfactory payment record and has continuous service for 18 months, the Company may refund the customer's deposit provided the customer has not, in the preceding 12 months: (a) made more than one late payment of a bill, (b) paid with a check refused by a bank, (c) been disconnected for nonpayment, or (d) used service in a fraudulent or unauthorized manner. Subsequent to such refund, Company may require a new deposit as a result of any of the above-referenced deficiencies.

General, institutional, multi-family and mixed master deposits are not refundable until change of ownership occurs and final settlement has been made. Upon final settlement of customer's account, any unused or remaining balance of the deposit shall be refunded, without interest.

Company may require an additional deposit if usage or payment history warrants. Upon final settlement of customer's account, any unused balance of the deposit will be refunded.

A service deposit may be transferred from one service location to another, if both locations are supplied water service by the Company; however, a deposit may not be transferred from one person to another.

25.0 TRANSFER FEES - Charge for transfer of service to a new owner or tenant at an existing service. Existing owners are not charged when tenants vacate. Transfer Fee - \$35.00 per transfer of existing service.

27.0 ALL WATER THROUGH METER - That portion of the customer's installation or water service shall be so arranged that all water service shall pass through the meter. All water passing through the meter must be paid for unless the Company determines the meter to be faulty.

28.0 ADJUSTMENT OF BILLS - When a customer has been overcharged or undercharged as a result of incorrect application of the rate schedules, incorrect reading of the meter, incorrect connection of the meter, or other similar reasons, the amount may be credited or billed to the customer as the case may be.

29.0 REQUEST FOR BENCH TEST BY CUSTOMER - If the meter is found to register in excess of the accuracy limits set out herein, the customer shall not be charged for test, but if below such accuracy limit, the Company shall debit customer's account a service charge for conducting the test.

Meter Bench Test Fee -	<u>Meter Size</u>	<u>Cost</u>
	3/4" - 1"	\$50.00
	1-1/2" & larger	Actual Cost

30.0 ADJUSTMENT OF BILLS FOR METER ERROR - In meter tests made by the Company, the accuracy of registration of the meter and its performance in service shall be judged by its average error. The average meter error shall be considered to be the average of the errors at the test rate flows.

31.0 METER ACCURACY REQUIREMENTS - All meters used for measuring quantity of water delivered to a customer shall be in good mechanical condition and shall be adequate in size and design for the type of service which they measure. Before being installed for the use of any customer every water meter, whether new, repaired, or removed from service for any cause, shall be adjusted to register within the accuracy limits set forth in the following table:

ACCURACY LIMITS IN PERCENT

METER TYPE	MAXIMUM RATE	INTERMEDIATE RATE	NEW	REPAIRED
Displacement	98.5-101.5	98.5-101.5	95-101.5	90-101.5
Current	97-103	97-103	95-103	90-103
Compound*	97-103	97-103	95-103	90-103

\*The minimum required accuracy for compound meters at any rate within the "changeover" range of flows shall be 85%.

32.0 ADJUSTMENT OF BILLS FOR FAST METERS - Whenever a meter tested is found to register fast in excess of the tolerance provided in the Meter Accuracy Requirements provision herein, the utility shall refund to the customer the amount billed in error for one-half the period since the last test; said one-half period not to exceed six (6) months except that if it can be shown that the error was due to some cause, the date of which can be fixed, the overcharge shall be computed back to, but not beyond such date. The refund shall not include any part of any minimum charge.

- 33.0 ADJUSTMENT OF BILLS FOR SLOW METERS - Whenever a meter tested is found to register slow in excess of the tolerance provided in the Meter Accuracy Requirements provision herein, the Company may bill the customer an amount equal to the unbilled error for one-half the period since the last test; said one-half period not to exceed six (6) months except that if it can be shown that the error was due to some cause; the date which can be fixed, the charge may be computed back to but not beyond such date and provided further that if the Company has required a deposit, the customer may be billed only for that portion of the unbilled error which is in excess of the deposit retained by the Company.
- 34.0 NON-REGISTER METERS - In the event of a non-register meter, the customer may be billed on an estimate based on previous bills for similar usage, such estimate to apply only to the current billing period.
- 35.0 METER TAMPERING - It is unlawful to willfully alter, tamper with, damage, or knowingly suffer to be damaged any meter, meter seal, pipe or other apparatus belonging to the Company with intent to avoid payment for utility service. According to State statute this is a misdemeanor of the first degree. Authorities shall be notified and Company will prosecute. In addition, whoever is found in civil action to have violated the provisions hereof shall be liable to Company in an amount equal to 3 times the amount of services unlawfully obtained or \$1,000.00, whichever is greater.
- 36.0 RATE SCHEDULES - The following are the Company's rate schedules for service, and are subject to change from time to time upon approval of the Lee County Board of County Commissioners:

GENERAL SERVICE RATE SCHEDULE

APPLICABILITY - For service to all customers to which no other rate schedule applies.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

<u>WATER RATES</u> -	<u>Meter Size</u>	<u>Monthly Base Charge</u>
	3/4"	\$ 5.90
	1"	\$ 14.70
	1.5"	\$ 29.45
	2"	\$ 47.10
	3"	\$ 88.30
	4"	\$ 147.15
	6"	\$ 294.25
	8"	\$ 470.80

Gallonge Charge (Per 1,000 gallons)

Block gallonge per ERC

Block	Charge	Gallonge
1	\$2.66	0 - 6000 gallons
2	3.23	6001- 12000 gallons
3	3.80	12001 - 18000 gallons
4	4.37	18001 and over

BILLING CHARGE - \$2.95 per account per month. No second charge if wastewater service is also provided.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may then be discontinued.

SINGLE FAMILY RESIDENTIAL, DUPLEX AND TRIPLEX RATE SCHEDULE

APPLICABILITY - For service to all single family customers or their equivalent, including duplexes and triplexes, except for those instances where four or more residential units are contained in duplexes or triplexes behind a master meter.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WATER RATES -

Meter Size                      Monthly Base Charge Per Unit Served

All    \$ 5.90

Gallonge Charge (Per 1,000 gallons) Per Unit Served

Block gallonge per unit served

Block	Charge	Gallonge
1	\$2.66	0 - 6000 gallons
2	3.23	6001 - 12000 gallons
3	3.80	12001 - 18000 gallons
4	4.37	18001 and over

BILLING CHARGE - \$2.95 per account per month. No second charge if wastewater service is also provided.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may then be discontinued.

MULTI-FAMILY AND MIXED MASTER RATE SCHEDULE

APPLICABILITY - For service to all multi-family and mixed master customers as herein defined, including those instances where four or more residential units are contained in duplexes or triplexes behind a master meter.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WATER RATES -

Meter Size                      Monthly Base Charge per Unit Served

All                                      \$5.90

Gallonge Charge (Per 1,000 gallons)

Block gallonge per unit served

Block	Charge	Gallonge
1	\$2.66	0 - 6000 gallons
2	3.23	6001 - 12000 gallons
3	3.80	12001 - 18000 gallons
4	4.37	18001 and over

BILLING CHARGE - \$2.95 per account per month. No second charge if wastewater service is also provided.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may then be discontinued.

INSTITUTIONAL RATE SCHEDULE

APPLICABILITY - For service to all assisted living facilities and other applicable institutional customers.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WATER RATES -

<u>Meter Size</u>	<u>Monthly Base Charge per ERC</u>
All	\$ 5.90

Gallage Charge (Per 1,000 gallons)

Block gallage per ERC

Block	Charge	Gallage
1	\$ 2.66	0 - 6000 gallons
2	3.23	6001 - 12000 gallons
3	3.80	12001 - 18000 gallons
4	4.37	18001 and over

BILLING CHARGE - \$2.95 per account per month. No second charge if wastewater service is also provided.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may then be discontinued.



- 37.0 NORMAL RECONNECTION CHARGE - Removal or reconnection of service subsequent to a customer-request. Normal Reconnect/Disconnect Fees.  
     \$30.00 Disconnect charge  
     \$30.00 Reconnect charge
- 38.0 VIOLATION RECONNECTION CHARGE - Subsequent to disconnection of service for cause, including a delinquency in bill payments, service shall not be reinstated until reconnection charge plus all past-due balances are paid in full. \$40.00 during normal work hours; \$50.00 after hours and weekends.
- 39.0 REIMBURSEMENTS FOR EXTRA EXPENSES - The consumer shall reimburse the Company for extra expenses (such as for special trips, inspections, additional clerical expenses, etc.) incurred by the Company on account of consumer's violation of the Rules and Regulations. The customer will be advised of these expenses prior to Company rendering service.
- 40.0 MISCELLANEOUS SERVICE CHARGES - The Company charges the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company require multiple actions.

Usage Reports - \$50.00 minimum or \$0.25 per meter, whichever is greater.

Non-Payment Trip Charge -  
     \$40.00 - only applicable during normal work hours

Capacity Reservation Fee - a monthly charge equal to the base charge plus billing charge for the applicable class of service.

Plan Review and Inspection Fees -  
     The greater of \$500.00 or 1.0% of Construction Cost.

Warranty Expiration Televising (cleaning) -  
     \$.55 per linear foot

Fire Flow Test -  
     \$45.00  
     \$45.00- retest

Developer Agreement Administration Fees -  
     not to exceed \$1000.00

Connect/Disconnect Construction Meter -

\$30.00 per occurrence

Labor & Equipment -

\$40.00 per 1 man crew per hour

\$65.00 per 2 man crew per hour

Check for Misread and/or Leak

Turn On/Off

Re-Read or special read per customer request (excluding final reads)

High Bill Inquiry (no charge for 1st request in 12 month period)

Water Service Line Locate

Re-read due to obstruction by customer

Other related and similar activities

\$25.00 during normal work hours

\$35.00 after hours and weekends

CONSTRUCTION METER - Deposit \$1,000.00, refundable if returned in good condition.  
\$30.00 connect and disconnect charge. \$3.50 for each thousand (1000) gallons of water used.

The Fire Department is to be notified by engineering department, when customer is ready to check the fire flow. Company and Fire Department will then do the test.

Water Tank Truck Fill-up Fee - \$3.50 per 1,000 gallons.

## SERVICE AVAILABILITY POLICY

- 41.0 PURPOSE - The Company has determined that it is necessary to set forth a policy for the availability of water capacity which will provide a non-discriminatory and equitable basis upon which to provide service to future customers and plan capital expenditures for facilities expansion.
- 42.0 APPLICABILITY - This policy is applicable throughout the service territory of the Company.
- 43.0 AGREEMENT FOR SERVICE - Service is available from Company only by entering into a Service Agreement with the Company and, if the capacity request warrants, a Developer Agreement or both. A standard form Service Agreement or Developer Agreement is available at the Company's office. Such Agreements may be subject to modification by Company to suit the particular circumstances of service to the applicant. Upon execution of a Service Agreement or Developer Agreement, accompanied by payment of the appropriate ANC Fees, Capacity Reservation Fees, Connection Fee and other charges as set forth herein, Company will reserve the number of connections paid for and will provide service to those units pursuant to its rules and regulations upon notification by Developer that service is required. A person who owns a lot or plot of land with houses, duplexes, or more and who has one or more water connections on this property cannot serve water to a buyer of any previously unserved portion of this property. The sale must be reported to the Company. If there are two buyers each one buying half of a duplex, each must pay an ANC Fee, Deposit and Connection Fee.
- 44.0 NON-TRANSFERABILITY - A person who has paid an ANC Fee on one location, must pay another ANC Fee for water service at a new location. Plant capacity reserved through Developer's payment of ANC Fees cannot be assigned, transferred, leased, encumbered or disposed of in any manner unless, prior to connection, Developer has obtained the written consent of the Company and all applicable rates and charges are transferred or paid for the new lot. Following written notice, Company's consent to an assignment of capacity in connection with a bona fide sale of the property to which the plant capacity reservation relates will not be unreasonably withheld. In no instance shall Developer sell or assign plant capacity for a consideration which is more than the ANC Fee amount actually paid by Developer to reserve the capacity.
- 45.0 LETTERS OF AVAILABILITY - Company may issue Letters Of Availability of water service to Developers for use in obtaining zoning changes and development orders necessary for construction on their property. Such letters are not permit letters as referenced in section 4.0 of this Tariff and are not specific reservations of capacity for Developer and do not guarantee that capacity will be available for Developer's project at any later date. Such a reservation can only be made through execution of an agreement with the Company and payment of rates and charges as set forth herein. Such an agreement is required prior to issuing a Permit Letter for the purpose of obtaining a concurrency letter or building permit.

46.0 SERVICE AVAILABILITY PAYMENTS - In consideration for the provision of water service by the Company, Developer shall be required to pay certain costs of making service available, including on-site water distribution system contributed in cash or in kind; payments to defray in part, or in total, the cost of off-site lines and related facilities, ANC Fees, Connection Fees, and Capacity Reservation Fees. Default in the payment of the charges set forth herein shall result in a cancellation of reserved capacity and forfeiture of monies previously paid to Company.

47.0 ANC FEES - An Aid-To-New-Construction Fee (ANC Fee) shall be paid for each connection to the Company's system to defray all or a portion of the cost of providing service to the property. The ANC Fee shall be calculated based on an equivalent residential connection ("ERC") which is a factor used to convert a given average daily flow to the equivalent number of residential connections. For this purpose, the average daily flow of one ERC is 250 gallons per day ("gpd"). The number of ERC's contained in a given average daily flow is determined by dividing that average daily flow by 250 gpd.

ANC FEE SCHEDULE

(a) Single Family Residential, Duplex and Triplex:

Meter Size

All \$1735.00 per unit served

(b) Multi-family and Mixed-Master:

\$1388.00 per unit served

(c) Assisted Living Facility: \$1735.00 per ERC.

The ANC Fee is calculated based on the estimated water capacity at a rate of 100 gpd/bed plus 5 gpd/meal served (resident or staff) divided by 250 gpd to determine the number of ERC's. The number of ERC's is then multiplied by the ANC Fee then in effect.

(c) General Service:

Meter Size	ERC Equivalent	ANC Fee Per ERC
3/4"	1	\$ 1,735.00
1"	2.5	4,337.50
1-1/2"	5	8,675.00
2"	8	13,880.00
3"	16	27,760.00

4"	25	43,375.00
6"	50	86,750.00
8"	80	138,800.00

Company reserves the right to increase ANC Fees as it deems necessary in the best interests of the Company subject to approval of the Lee County Board of County Commissioners. All connections made to the Company's system subsequent to the effective date of the ANC Fee increase shall be subject to the higher charge, notwithstanding a prior Letter of Availability, Developer Agreement, or the prepayment of ANC Fees at the previous level.

ANC Fees are refundable only in the following cases:

- (1) Governmental agency reduces the number of units, or denies a building permit
- (2) Water meter has not been installed at time of customer's request for refund

48.0 SPECIAL SERVICE CHARGE TO IMPERIAL HARBOR SUBDIVISION - As a result of the abandonment of Harbor Utilities Company, Inc., the Company provides water service to the Imperial Harbor Subdivision. In order to provide such service, the lines, meters, meter boxes, and appurtenant facilities within Imperial Harbor required substantial upgrading. In addition to the other rates and charges contained in this Tariff, the customers within Imperial Harbor are required to pay a Special Service Charge which is intended to defray the cost of necessary improvements in order to render service to such customers, and which provide a special benefit to those customers. Such customers may pay the Special Services Charge, which includes ANC Fee, in a lump sum, or amortize the cost over 25 years which charges are set forth below.

Special Service Charge: \$ 2,482.49 per unit

or

Monthly Amortization: \$ 17.55 per unit

Any customer electing to pay the amortized monthly charge may request from the Company the outstanding balance due on such Special Service Charge and pay off the charge in full at any time. Customers electing to pay the monthly amortized charge shall be subject to the terms of payment for monthly rates as set forth herein, including being subject to disconnection of service for nonpayment.

49.0 CAPACITY RESERVATION FEES - Upon execution of a Water Service Agreement or Developer Agreement reserving capacity in the system, Developer or customer shall pay a monthly Capacity Reservation Fee for each unit of capacity reserved equal to the base facility charge per unit then in effect. As active connections are made, the Capacity Reservation Fee obligation shall be proportionately reduced. Failure to make payments

as due shall result in the use of previously paid ANC Fees as credits against unpaid capacity reservation fees. This will result in a reduction in the number of connections reserved by Developer in an amount which corresponds to each ANC Fee used to meet Developer's capacity reservation fee obligation. Company shall provide 15 days written notice prior to taking such action. Depending on the amount of capacity reserved, Company may require annual prepayments of Capacity Reservation Fees to secure payment. In that event, Developer shall be given credit for the prepayment of capacity reservation fees for that portion of the year during which a customer has connected to the system and begun paying a base facility charge for service. Such credit shall be made at the time of the next year's capacity reservation fee prepayment.

- 50.0 BACKFLOW PREVENTER - The Company requires the installation of backflow preventers on water connections to residential and commercial customers with dual water systems, and for other water connections as deemed reasonably necessary by the Company. Backflow preventers sized 3-inches and larger shall be installed by the developer or customer at its cost, and shall be subject to inspection by the Company prior to commencement of service. Backflow preventers sized 3-inches and larger shall remain as the property of the customer, and shall be tested annually by a certified backflow prevention technician at the customer's expense. Testing report shall be forwarded to the Company on an annual basis by the customer.

Backflow preventers sized smaller than 3-inches shall be installed by the Company and shall remain as the property of the Company. The developer or customer shall be required to pay for the installation as listed below. Annual testing of backflow preventers smaller than 3-inches shall be conducted by the Company at the Company's expense.

<u>Meter Size</u>	<u>Fee</u>
3/4"	\$ 190.00
1"	250.00
1-1/2"	435.00
2"	500.00
Above 2-inch	Actual Cost

- 51.0 CONNECTION/METER INSTALLATION FEE - Upon execution of a water Service Agreement or Developer Agreement, Developer shall pay for costs associated with the meter installation and tap-in or connection of the Consumer Installation to the distribution or transmission system of the Company according to the following schedule:

<u>Meter Size</u>	<u>Amount</u>
3/4"	\$295.00
1"	420.00
1-1/2"	690.00
2"	900.00
Above 2-inch	Actual Cost

There will be a separate connection/meter installation fee for irrigation meters which are requested by the customer or otherwise provided by the Company.

- 52.0 CONTRIBUTION OF LINES - Developer may be required to construct and contribute to the Company on-site facilities, particularly water distribution lines, and off-site facilities including transmission mains to connect Company's transmission system in order to provide service to Developer's property. Contribution of such lines is independent of the payment of any charges hereunder. Construction and contribution of such lines shall meet the minimum specifications of the Company.
- 53.0 OBLIGATIONS OF DEVELOPER - All contributors and developers shall furnish to the Company accurate information regarding matters of engineering, construction of buildings, dwellings and proposed densities. Developer shall advise Company of changes in density factors or consumption requirements during construction of the project, and Developer shall be liable for adjustment in ANC Fees and charges paid or payable.
- 54.0 MISCELLANEOUS CONSTRUCTION PROVISIONS - Any contractor or similar person doing work for the Company must first show a certificate of insurance acceptable to the Company. In case of a service size change being requested by a Consumer regardless of pre-installation, or after installation, the Company will collect a charge based on the actual cost involved. The cost of a change or relocation of a service will be based on actual cost to Company.
- 55.0 SERVICE TO EXISTING SUBDIVISIONS - In the event Company determines to provide service to an existing subdivision served by individual wells, Company shall determine availability of capacity for that subdivision. The representatives of the subdivision shall provide all information reasonably necessary for Company to make such determination. In the event service is available, the subdivision residents (or someone other than Company) shall be responsible for construction, or the cost of construction, of all on-site and off-site facilities necessary to serve the subdivision. Provision of service by the Company shall further be conditioned upon payment of all applicable rates and charges as set forth herein. Company, in its sole discretion, shall determine whether to accept a subdivision's existing distribution system, which may be subject to upgrade at the sole discretion of the Company, or render service pursuant to a master meter or both in the case of a subdivision system owned and maintained by a homeowners association, developer, or other such similar unit. For customers in these areas connecting to the Company's potable water system, the Company may elect to allow such customers the option of paying the ANC fee and connection charges in lump sum, or amortizing the cost for up to thirty years.

Should the Company elect to allow such customers the option of amortizing such charges, the Company shall notify all customers in existing homes subject to the provisions of this paragraph of their right to elect to amortize these costs or pay these costs in a lump sum. Any customers so notified will have six (6) months from the date of notification to elect to participate in this program and to notify Company that the customer wishes to amortize these costs. Any customers so notified, that do not notify the Company within six months of their desire to amortize such costs, will be required to pay the ANC Fee and connection charges in lump sum. In the event a customer elects to amortize these costs, the customer shall allow the Company to place a lien on the property to secure repayment.

- 56.0 REFUNDABLE ADVANCES - Company may require, in addition to the contributions set forth herein, a refundable advance by a Developer to temporarily defray the cost of off-site

extension of water mains, pumping stations and other facilities necessary to connect the Developer's property with the then proper point of interconnection with the Company's existing water facilities, in excess of the size needed to provide service to the subject property. Costs paid by the Developer over and above the Developer's hydraulic share of the off-site facilities, may be refunded to the Developer in accordance with the terms and conditions of a Refundable Advance Agreement with Company. Company shall not be required to refund to Developer any fees or charges collected from consumers as a result of his contribution toward the cost of constructing the off-site facilities.

At the time the engineer of record certifies the off-site facilities as complete, he will also be requested to provide a determination of the hydraulic capacity of the facilities and the number of connections it is capable of serving based upon the Company's current determination of an equivalent residential connection. On that basis, Company will establish a refundable advance charge per equivalent residential connection and Company will agree to collect and refund same to Developer upon payment of such charges by subsequent customers obtaining service through the off-site facilities. Unless otherwise agreed to by Company, no refundable advance treatment will be available to Developer constructing lines and appurtenant facilities less than six (6) inches in diameter. Company may limit the life of the Refundable Advance Agreement to a term of not more than seven (7) years, after which time a portion of the refund not made to the Developer will be retained by the Company. In no event shall a Developer recover an amount greater than the difference between the capitalized cost of such improvements and the Developer's own hydraulic share of such improvement. The Service Company will not include any interest upon the refund of the Developer's advance.

57.0 ALLOCATION OF CAPACITY - It is the policy of the Florida Department of Environmental Protection ("DEP") to reduce the capacity available in Company's water and sewer systems upon issuance of a DEP Collection and/or Distribution System Permit (or its equivalent) to construct an on-site system which will receive treatment capacity from Company. DEP reduces Company's uncommitted capacity by the total number of ERC's which can be served by the on-site system approved in the Permit ("Permit Capacity"). This DEP policy prevents Company from committing the Permit Capacity to other developers and customers, regardless of an immediate need and willingness to pay for such capacity.

In an effort to fairly allocate plant capacity, it is Service Company's policy to require Developer to enter into a Developer Agreement concurrent with Company signing off on Developer's Permit Application, and to require payment of all charges related to the Permit Capacity committed to Developer at that time. This requirement is intended to avoid a situation in which developers who have not paid service availability charges tie up capacity to the exclusion of customers with an immediate need and ability to pay.



BONITA SPRINGS UTILITIES, INC.

WASTEWATER TARIFF

Revised \_\_\_\_\_

BONITA SPRINGS UTILITIES, INC.  
11860 East Terry Street  
Bonita Springs, Florida 34135

(239) 992-0711

WASTEWATER TARIFF

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## TECHNICAL TERMS AND ABBREVIATIONS

- 1.0 "ANC" - Fee for Aid to New Construction.
- 2.0 "ASSISTED LIVING FACILITY" - An institutional class of customer licensed by the State of Florida, Agency for Health Care Administration pursuant to Chapter 400, Florida Statutes.
- 3.0 "COMPANY" - Bonita Springs Utilities, Inc., a Florida Not-For-Profit Corporation.
- 4.0 "CONNECTION FEE" - Charge for labor and facilities necessary for connection to lines of Company.
- 4.1 "CONSTRUCTION COST" - The Company's unit cost, multiplied by quantities for each item provided by the Developer, plus a five percent contingency.
- 5.0 "CONSUMER OR CUSTOMER" - Any person, firm, association, corporation, governmental agency or similar organization, supplied with wastewater service by the Company and may also be a member.
- 6.0 "CONSUMER'S INSTALLATION" - All pipes, shut-offs, valves, fixtures and appliances or apparatus of every kind and nature which are located on the customer's side of the "Point of Delivery" and used in connection with or forming a part of the installation necessary for disposing of sewage collected from the customer's premises regardless of whether such installation is owned by the customer or used by the Consumer under lease or other agreement.
- 7.0 "COUNTY" - refers to Lee County, a political subdivision of the State of Florida.
- 8.0 "EQUIVALENT RESIDENTIAL CONNECTION" ("ERC") - A measure of the average daily flow for a single residential unit.
- 9.0 "FRANCHISE" - The franchise granted by the County to the Company.
- 10.0 "MAIN" - Shall refer to a pipe, conduit, or other facility installed to convey wastewater service to individual service lines or to other mains.
- 11.0 "MEMBER" - The holder of a membership certificate or member account with the Company.
- 11.1 "MIXED MASTER" - Refers to a class of service where one meter serves customers utilizing different classes of service.

- 11.2 "MULTI-FAMILY UNIT" - Refers to a class of service where one meter serves more than three residential units such as apartments, condominiums, mobile homes, or combinations thereof.
- 12.0 "POINT OF DELIVERY" - The point where the Company's pipes or meters are connected with pipes of the Consumer, which is typically the property line.
- 13.0 "RATE SCHEDULE" - Refers to rates or charges for a particular classification of service, which rates or charges are subject to change from time to time by approval of the Lee County Board of County Commissioners.
- 14.0 "SERVICE" or "WASTEWATER SERVICE" - Service, as mentioned in this Tariff and in agreement with Consumers, shall be construed to include, in addition to all wastewater service required by the Consumer, the readiness and ability on the part of the Company to furnish wastewater service to the Consumer. Thus, the maintenance by the Company of the availability of service at the point of delivery upon request shall constitute the rendering of wastewater service, irrespective of whether Consumer makes any use thereof.
- 15.0 "SERVICE LINES" - The pipes of the Company which are connected from the Mains to Point of Delivery.

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## RULES AND REGULATIONS

- 1.0 GENERAL INFORMATION - These Rules and Regulations are a part of the rate schedules and applications and contracts of the Company and, in the absence of specific written agreement to the contrary, apply without modifications or change to each and every customer to whom the Company renders wastewater service.

In the event that a portion of these Rules and Regulations are declared unconstitutional or void for any reason by any court of competent jurisdiction, such decision shall in no way affect the validity of the remaining portions of the Rules and Regulations for wastewater service unless such court order or decision shall so direct.

- 2.0 APPLICATION REQUIRED - Wastewater service is furnished only after an application or agreement and payment of the initial connection fee and deposit is accepted by the Company. The conditions of such application or agreement are binding upon the customer as well as upon the Company. A record of the application or agreement for wastewater service accepted by the Company will be furnished to the applicant on request. Members may be required to show proof of occupancy when making application for new service or transfer of service. The applicant shall furnish to the Company the correct name and street address or lot and block number at which wastewater service is to be rendered.

- 3.0 APPLICATIONS BY AGENTS - Applications for wastewater service requested by firms, partnerships, associations, corporations, and others shall be rendered only by duly authorized parties. When wastewater service is rendered under agreement or agreements entered into between the Company and an agent of the principal, the use of such wastewater service by the principal shall constitute full and complete ratification by the principal of the agreement or agreements entered into between agent and the Company and under which such wastewater service is rendered.

- 4.0 APPLICATIONS FOR BUILDING PERMIT - Upon request for a permit letter for the purpose of obtaining a building permit, the applicant shall pay in full the ANC fee in effect at that time for the number of ERC's/Units as defined by the Company's Rules and Regulations. There shall be a minimum payment of one (1) ANC fee paid.

- 5.0 WITHHOLDING SERVICE - The Company may withhold or discontinue wastewater service rendered under application made by any member or agent of a household, organization or business unless all prior indebtedness to the Company of such household, organization or business for water and/or wastewater service has been settled in full. Service may also be discontinued for any violation made by the Consumer of any rule or regulation set forth in this Tariff.

- 6.0 EXTENSIONS - The Company will extend service in accordance with the Service Availability Policy set forth herein.

- 7.0 LIMITATIONS OF USE - Wastewater service purchased from the Company shall be used by the customer only for the purposes specified in the application for wastewater service. Wastewater service shall be rendered to the customer for the customer's own use, shall be collected directly into the Company's main wastewater lines, and may not be submetered, resold or otherwise disposed of to lessees, tenants, or others unless: (i) Company elects not to individually meter; (ii) customer provides 60 days prior written notice to Company; (iii) customer collects a rate or charge which does not exceed the actual purchase price for wastewater service paid to the Company; (iv) except in the case of a condominium association, customer retains ownership of the property served; and, (v) customer complies with all other technical and policy requirements of the Company. In no case shall a customer extend his lines across a street, alley, lane, court, property line, avenue, or other way in order to furnish wastewater service to the adjacent property even though such adjacent property may be owned by him. In case of such unauthorized extension, sale or disposition of service, the customer's wastewater service will be subject to discontinuance until such unauthorized extension, sale or disposition of service is discontinued and full payment is made to the Company for wastewater service rendered by the Company (calculated on proper classification and rate schedules) and until reimbursement is made in full to the Company for all extra expenses incurred for clerical work, testing and inspections.
- 8.0 CONTINUITY OF SERVICE - The Company will at all times use reasonable diligence to provide continuous wastewater service and, having used reasonable diligence, shall not be liable to the customer for failure or interruption of continuous wastewater service. The Company shall not be liable for any act or omission caused directly or indirectly by strikes, labor troubles, accidents, litigations, breakdowns, shutdowns for emergency repairs or adjustments, acts of sabotage, enemies of the United States, Wars, United States, State, Municipal or other governmental interference, acts of God or other causes beyond its control.
- 9.0 TERMINATION OF SERVICE - At customers request, Company will terminate service to a property on a specified date. Termination is the permanent end of service to a particular location and shall be distinguished from a discontinuation of service which is temporary in nature as in the case of a rental occupancy or a seasonal customer. In the event of a termination of service, customer will no longer be responsible for payment for service to the property. However, such termination of service shall result in the forfeiture of all fees paid (including, but not limited to ANC Fees). Any subsequent request for service to the same location must be accompanied by payment of all rates and charges then in effect.
- 10.0 TYPE AND MAINTENANCE - The customer's pipes, apparatus and equipment shall be selected, installed, used and maintained in accordance with standard practice and shall conform with the Rules and Regulations of the Company, and shall comply with all governmental regulations applicable to same. The Company shall not be responsible for the maintenance and operation of the customer's pipes and facilities. Consumer agrees to keep such facilities in good repair, to promptly stop all leaks, and infiltration within



standard limits. The customer expressly agrees not to utilize any appliance or device which is not properly constructed, controlled and protected, or which may adversely affect the wastewater service; the Company reserves the right to discontinue or withhold wastewater service to such apparatus or device.

- 11.0 CHANGE OF CUSTOMER'S INSTALLATION - No changes or increases in the customer's installation, which will materially affect the proper operation of the pipes, mains, or stations of the Company, shall be made without written consent of the Company. The customer shall be liable for any charge resulting from a violation of this Rule. Upon increasing size of water meter customer may be charged for increase in ANC Fees and deposits, as stated in Rate Schedule.
- 12.0 INSPECTION OF CUSTOMER'S INSTALLATION - All customer's wastewater service installations or changes shall be inspected upon completion by a competent authority to ensure that the customer's piping, equipment, and devices have been installed in accordance with accepted standard practice and local laws and governmental regulations. Where municipal or other governmental inspection is required, the Company cannot render wastewater service until such inspection has been made and a formal notice of approval from the inspecting authority has been received by the Company. Notwithstanding the above, the Company reserves the right to inspect the customer's installation prior to rendering wastewater service, and from time to time thereafter, but assumes no responsibility whatsoever for any portion thereof.
- 13.0 PROTECTION OF COMPANY'S PROPERTY - The customer shall exercise reasonable diligence to protect the Company's property on the customer's premises and shall knowingly permit no one but the Company's agents or persons authorized by law, to have access to the Company's pipes and apparatus. In the event of any loss or damage to property of the Company caused by or arising out of carelessness, neglect or misuse by the customer, the cost of making good such loss or repairing such damage shall be paid by the customer.
- 14.0 ACCESS TO PREMISES - The duly authorized agents of the Company shall have access at all reasonable hours to the premises of the customer for the purpose of installing, maintaining, inspecting or removing Company's property or for performance under or termination of the Company's agreement with the customer and in such performance shall not be liable for trespass.
- 15.0 RIGHT OF WAY OR EASEMENTS - The customer shall grant or cause to be granted to the Company, and without cost to the Company, all rights, easements, permits, and privileges which are necessary for the rendering of wastewater service as determined by the Company.
- 16.0 BILLING PERIODS - Bills for wastewater service will be billed monthly, and are due when rendered and will be considered as received by customer when delivered or mailed

to the service address or some other place mutually agreed upon. Non-receipt of bills by customer shall not release or diminish the obligation of the customer with respect to payment thereof.

17.0 PAYMENT OF WATER AND WASTEWATER SERVICE BILLS CONCURRENTLY-

When both water and wastewater service are provided by the Company, payment of any wastewater service bill rendered by the Company to a customer shall not be accepted by the Company without the simultaneous or concurrent payment of any water service bill rendered by the Company. The Company may discontinue both water service and wastewater service to the customer's premises for non-payment of the wastewater service bill or water service bill or if payment is not made concurrently. The Company shall not reestablish or reconnect wastewater service and/or water service until such time as all wastewater and water service bills and all charges are paid. No partial payment of any bill rendered will be accepted by the Company, except by agreement with Company.

18.0 RETURNED CHECKS - Upon return of a check for any reason, the Company may redeposit the check, but the customer will be responsible for any service charge. Upon return of a check for the second time, customer is to be notified that restitution must be made immediately by cash or money order only, including the service charges. Customers failing to respond or to make restitution shall have water and/or wastewater service disconnected and will be charged a violation reconnect fee. Service will not be restored until payment in full is received for all charges due. Owner/Tenant situations - owners shall not be held responsible for the service charge incurred because of a bad check from their tenant.

Check Return -

- \$25.00 for a check that does not exceed \$50.00;
- \$30.00 for a check that exceeds \$50.00.

19.0 CHANGE OF OCCUPANCY - When a change of occupancy takes place on any premises supplied by the Company with wastewater service, notice shall be given to the Company not less than three (3) days prior to the date of change by the outgoing Customer. The outgoing customer shall be held responsible for all wastewater service rendered on such premises until such notice is so received by the Company and the Company has had reasonable time to discontinue the wastewater service. However, if such notice has not been received, the application of a succeeding occupant for wastewater service will automatically terminate the prior account.

For the convenience of its customers, the Company will accept telephone orders, to discontinue or transfer wastewater service from one service address to another, and will use all reasonable diligence in the execution thereof. However, oral orders or advice shall not be deemed binding or be considered formal notification to the Company. All transactions must be reported and cleared through the Company, including transfers, sales and charges.

- 20.0 UNAUTHORIZED CONNECTIONS - Connections to the Company's wastewater system for any purpose whatsoever are to be made only by employees of the Company. Any unauthorized connections to the customer's wastewater service shall be subject to immediate discontinuance without notice. Wastewater service shall not be restored until such unauthorized connections have been removed and until settlement is made in full to the Company for all wastewater service estimated by the Company to have been used by reason of such unauthorized connection.
- 21.0 ADJUSTMENT OF BILLS - When a customer has been overcharged or undercharged as a result of incorrect application of the rate schedule, incorrect reading of a water meter, or other similar reasons, the utility shall bill or refund to the customer amount in error for ½ the period since the last test; not to exceed 6 months, except if it can be shown that the error was due to some cause, the date of which can be fixed, the adjustment shall be computed back to that date, but not beyond. Adjustment shall not include any portion of the base charge. If meter does not register, or if no reading can be obtained, only current billing may be adjusted using an estimate of previous billings.
- 22.0 EVIDENCE OF CONSUMPTION - The initiation or continuation or resumption of water service to the customer's premises shall constitute the initiation or continuation or resumption of wastewater service to the customer's premises regardless of occupancy.
- 23.0 SERVICE DEPOSIT - Before rendering service, the Company shall require a non-interest bearing deposit or guarantee satisfactory to the Company to secure the payment of bills by the member. The amount of initial deposit shall be the following, according to meter size:

SINGLE FAMILY RESIDENTIAL,  
 DUPLEX, TRIPLEX and  
 GENERAL:

<u>Meter Size</u>	<u>Deposit Amount</u>
5/8 x 3/4"	\$ 65.00
1"	162.50
1.5"	325.00
2"	520.00
3"	1,040.00
4"	1,625.00
6"	3,250.00
8"	5,200.00

Institutional, Multi-Family & Mixed Master: \$65.00 per unit or ERC

The Company may waive the deposit requirement upon receipt of a letter from the customer's most recent utility company stating that the customer's account was in good

standing for the 24-month period immediately preceding the application to Company for service. Good standing shall require, at a minimum, that the customer's account was never more than 30 days in arrears.

After a residential customer has established a satisfactory payment record and has continuous service for 18 months, the Company may refund the customer's deposit provided the customer has not, in the preceding 12 months: (a) made more than one late payment of a bill, (b) paid with a check refused by a bank, (c) been disconnected for nonpayment, or (d) used service in a fraudulent or unauthorized manner. Subsequent to such refund, Company may require a new deposit as a result of any of the above-referenced deficiencies. General, multi-family, mixed master and institutional deposits, however, are not refundable until change of ownership occurs.

Company may require an additional deposit if usage or payment history warrants. Upon final settlement of customer's account, any unused balance of the deposit will be refunded.

A service deposit may be transferred from one service location to another, if both locations are supplied wastewater service by the Company; however, a deposit may not be transferred from one name to another.

- 24.0 RATE SCHEDULES - The following are the Company's rate schedules for service, and are subject to change from time to time upon approval of the Lee County Board of County Commissioners:

GENERAL SERVICE RATE SCHEDULE

AVAILABILITY - Available throughout the area served by the Company to all customers for which no other schedule applies.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WASTEWATER RATES -

Gallonage Rate - \$2.62

(per 1000 gallons)

<u>Meter Size</u>	<u>Monthly Base Charge</u>
3/4"	\$ 20.20
1"	\$ 50.50
1.5"	\$ 101.05
2"	\$ 161.65
3"	\$ 303.10
4"	\$ 505.15
6"	\$ 1,010.25
8"	\$ 1,616.40

BILLING CHARGE - is \$ 2.95 per bill. No extra Billing Charge if customer is also a water customer.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may be discontinued.

SINGLE FAMILY RESIDENTIAL, DUPLEX AND TRIPLEX RATE SCHEDULE

AVAILABILITY - Available to single family customers or their equivalent throughout the area served by the Company, including duplexes and triplexes, except for those instances where four or more residential units are contained in duplexes or triplexes behind a master meter.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WASTEWATER RATES -

Gallage Rate - \$2.62

(per 1000 gallons capped at 16,000  
gallons per month per unit served)

<u>Meter Size</u>	<u>Monthly Base Charge Per Unit Served</u>
All	\$ 20.20

BILLING CHARGE - is \$2.95 per bill. No extra Billing Charge if customer is also a water customer.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may be discontinued.

MULTI-FAMILY AND MIXED MASTER RATE SCHEDULE

AVAILABILITY - Available to multi-family and mixed master customers as herein defined or their equivalent throughout the area served by the Company, including those instances where four or more residential units are contained in duplexes or triplexes behind a master meter.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WASTEWATER RATES -

Gallage Rate - \$2.62

(per 1000 gallons)

Meter Size      Monthly Base Charge Per Unit Served

All                \$ 16.16

BILLING CHARGE - is \$2.95 per bill. No extra Billing Charge if customer is also a water customer.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may be discontinued.

INSTITUTIONAL RATE SCHEDULE

AVAILABILITY - For service to all assisted living facilities and other applicable institutional customers.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WASTEWATER RATES -

<u>Gallonge Rate</u>	\$	2.62
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<u>Meter Size</u>	<u>Monthly Base Charge per ERC</u>
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N/A	\$	20.20
-----	----	-------

BILLING CHARGE - is \$2.95 per bill. No extra Billing Charge if customer is also a water customer.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may be discontinued.



FIXED WASTEWATER RATE SCHEDULE

AVAILABILITY - Available throughout the area served by the Company for wastewater only customers.

LIMITATION - Subject to all of the Rules and Regulations of this Tariff.

WASTEWATER RATES -

Gallonage Rate	None
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<u>Meter Size</u>	<u>Monthly Charge Per Unit</u>
N/A	\$ 33.15

BILLING CHARGE - is \$2.95 per bill.

TERMS OF PAYMENT - Bills are due and payable when rendered and become delinquent if not paid within twenty (20) days. After five (5) working days written notice, which notice may be provided in a subsequent bill, service may be discontinued.

- 25.0 NORMAL RECONNECTION CHARGE - Removal or reconnection of service subsequent to a customer-request. Normal Reconnect/Disconnect Fees.  
     \$30.00 Disconnect charge  
     \$30.00 Reconnect charge
- 26.0 VIOLATION RECONNECTION CHARGE - Subsequent to disconnection of service for cause, including a delinquency in bill payments, service shall not be reinstated until reconnection charge plus all past-due balances are paid in full. \$40.00 during normal work hours; \$50.00 after hours and weekends.
- 27.0 REIMBURSEMENTS FOR EXTRA EXPENSES - The consumer shall reimburse the Company for extra expenses (such as for special trips, inspections, additional clerical expenses, etc.) incurred by the Company on account of consumer's violation of the Rules and Regulations. The customer will be advised of these expenses prior to Company rendering service.
- 28.0 MISCELLANEOUS SERVICE CHARGES - The Company charges the following miscellaneous service charges in accordance with the terms stated herein. If both water and wastewater services are provided, only a single charge is appropriate unless circumstances beyond the control of the Company requires multiple actions.
- Transfer Fee - \$35.00 per transfer of existing service.
- Non-Payment Trip Charge -  
     \$40.00- only applicable during normal work hours
- Capacity Reservation Fee - a monthly charge equal to the base charge plus billing charge for the applicable class of service.
- Plan Review and Inspection Fees - The greater of \$500.00 or 1.0% of Construction Cost
- Warranty Expiration Televising (cleaning) -  
     \$.55 per linear foot
- Developer Agreement Administration Fees -  
     not to exceed \$1000.00 per Main Extension Manual
- Labor & Equipment -  
     \$40.00 per 1 man crew per hour  
     65.00 per 2 man crew per hour
- Sewer Tap Locate  
 Other related and similar activities  
     \$25.00 during normal work hours  
     35.00 after hours and weekends
- 28.1 RECLAIMED WATER RATE - \$.40 per 1000 gallons except as otherwise set by contract.

## SERVICE AVAILABILITY POLICY

- 29.0 PURPOSE - The Company has determined that it is necessary to set forth a policy for the availability of sewer capacity which will provide a non-discriminatory and equitable basis upon which to provide service to future customers and plan capital expenditures for facilities expansion.
- 30.0 APPLICABILITY - This policy is applicable throughout the service territory of the Company.
- 31.0 AGREEMENT FOR SERVICE - Service is available from Company only by entering into a Wastewater Service Agreement with the Company and, if the capacity request warrants, a Developer Agreement or both. A standard form Service Agreement or Developer Agreement is available at the Company's office. Such Agreements may be subject to modification by Company to suit the particular circumstances of service to the applicant. Upon execution of a Wastewater Service Agreement or Developer Agreement, accompanied by payment of the appropriate ANC Fees, Capacity Reservation Fees, Connection Fees and other charges as set forth herein, Company will reserve the number of connections paid for and will provide service to those units pursuant to its rules and regulations upon notification by Developer that service is required. A person who owns a lot or plot of land with houses, duplexes, or more and who has one or more sewer connections on this property cannot serve sewer to a buyer of any previously unserved portion of this property. He must report his sale to the Company. If there are two buyers each one buying half of a duplex, each must pay an ANC Fee, Deposit and Connection Fee.
- 32.0 NON-TRANSFERABILITY - A person who has paid an ANC Fee on one location, must pay another ANC Fee for sewer service at a new location. Plant capacity reserved through Developer's payment of ANC Fees cannot be assigned, transferred, leased, encumbered or disposed of in any manner unless, prior to connection, Developer has obtained the written consent of the Company and all applicable rates and charges are transferred or paid for the new lot. Following written notice, Company's consent to an assignment of capacity in connection with a bona fide sale of the property to which the plant capacity reservation relates will not be unreasonably withheld. In no instance shall Developer sell or assign plant capacity for a consideration which is more than the ANC Fee amount actually paid by Developer to reserve the capacity.
- 33.0 LETTERS OF AVAILABILITY - Company may issue Letters Of Availability of sewer service to Developers for use in obtaining zoning changes and development orders necessary for construction on their property. Such letters are not permit letters as referenced in section 4.0 of this Tariff and are not specific reservations of capacity for Developer and do not guarantee that capacity will be available for Developer's project at any later date. Such a reservation can only be made through execution of an agreement with the Company and payment of rates and charges as set forth herein. Such an agreement is required prior to issuing Permit Letters for the purpose of obtaining a concurrency letter or building permit.
- 34.0 SERVICE AVAILABILITY PAYMENTS - In consideration for the provision of sewer service by the Company, Developer shall be required to pay certain costs of making service available, including on-site sewage collection system contributed in cash or in kind; payments to defray in part, or in total, the cost of off-site lines and related facilities, ANC

Fees, Connection Fees, and Capacity Reservation Fees. Default in the payment of the charges set forth herein shall result in a cancellation of reserved capacity and forfeiture of monies previously paid to Company.

35.0 ANC FEES - An Aid-To-New-Construction Fee (ANC Fee) shall be paid for each connection to the Company's system to defray all or a portion of the cost of providing service to the property. The ANC Fee shall be calculated based on an equivalent residential connection ("ERC") which is a factor used to convert a given average daily flow to the equivalent number of residential connections. For this purpose, the average daily flow of one ERC is 250 gallons per day ("gpd"). The number of ERC's contained in a given average daily flow is determined by dividing that average daily flow by 250 gpd.

ANC FEE SCHEDULE

(a) Single Family Residential, Duplex and Triplex:

Meter Size

All \$3,014.00 per unit served

(b) Multi-family and Mixed-Master:

\$2,411.00 per unit served

(c) Assisted Living Facility:

\$3,014.00 per ERC.

The ANC Fee is calculated based on the estimated water capacity at a rate of 100 gpd/bed plus 5 gpd/meal served (resident or staff) divided by 250 gpd to determine the number of ERC's. The number of ERC's is then multiplied by the ANC Fee then in effect.

(c) General Service:

Meter Size	ERC Equivalent	ANC Fee per ERC
3/4"	1	\$ 3,014.00
1"	2.5	7,535.00
1-1/2"	5	15,070.00
2"	8	24,112.00
3"	16	48,224.00
4"	25	75,350.00
6"	50	150,700.00
8"	80	241,120.00

Company reserves the right to increase ANC Fees as it deems necessary in the best interests of the Company, subject to approval of the Lee County Board of County Commissioners. All connections made to the Company's system subsequent to the effective date of the ANC Fee increase shall be subject to the higher charge,

notwithstanding a prior Letter of Availability, Developer Agreement, or the prepayment of ANC Fees at the previous level.

ANC Fees are refundable only in the following cases:

- (1) Governmental agency reduces the number of units, or denies a building permit
- (2) Water meter has not been installed at time of customer's request for refund.

36.0 CONNECTION/METER INSTALLATION FEE - Upon execution of a Wastewater Service Agreement or Developer Agreement, Company may require Developer to pay for costs associated with the tap-in or connection of the Consumer Installation to the collection or transmission system of the Company according to the following schedule:

Customer Connection (tap-in) Charge - Actual Cost

37.0 CAPACITY RESERVATION FEES - Upon execution of a Wastewater Service Agreement or Developer Agreement reserving capacity in the system, Developer or customer shall pay a monthly Capacity Reservation Fee for each unit of capacity reserved equal to the base facility charge per unit then in effect. As active connections are made, the Capacity Reservation Fee obligation shall be proportionately reduced. Failure to make payments as due shall result in a cancellation of the capacity reservation and a forfeiture of all charges previously paid including ANC Fees. Company shall provide 15 days written notice prior to cancellation in order to remedy delinquent payments. Depending on the amount of capacity reserved, Company may require annual prepayments of Capacity Reservation Fees to secure payment. In that event, Developer shall be given credit for the prepayment of capacity reservation fees for that portion of the year during which a customer has connected to the system and begun paying a base facility charge for service. Such credit shall be made at the time of the next year's capacity reservation fee prepayment.

38.0 CONTRIBUTION OF LINES - Developer may be required to construct and contribute to the Company on-site facilities, particularly sewer collection lines, and off-site facilities including transmission mains to connect Company's transmission system in order to provide service to Developer's property. Contribution of such lines is independent of the payment of any charges hereunder. Construction and of such lines shall meet the minimum specifications of the Company.

39.0 OBLIGATIONS OF DEVELOPER - All contributors and developers shall furnish to the Company accurate information regarding matters of engineering, construction of buildings, dwellings and proposed densities. Developer shall advise Company of changes in density factors or consumption requirements during construction of the project, and Developer shall be liable for adjustment in ANC Fees and charges paid or payable.

40.0 MISCELLANEOUS CONSTRUCTION PROVISIONS - Any contractor or similar person doing work for the Company must first show a certificate of insurance acceptable to the Company. In case of a service size change being requested by a Consumer regardless of pre-installation, or after installation, the Company will charge based on actual cost involved. The cost of a change or relocation of a service will be based on actual cost.

- 41.0 SERVICE TO EXISTING SUBDIVISIONS - In the event Company determines to provide service to an existing subdivision served by individual septic systems or package plants in an area other than one which the Company has designated as a Gravity Expansion Area, Company shall determine availability of capacity for that subdivision. The representatives of the subdivision shall provide all information reasonably necessary for Company to make such determination. In the event service is available, the subdivision residents (or someone other than Company) shall be responsible for construction, or the cost of construction, of all on-site and off-site facilities including, but not limited to, lift stations necessary to serve the subdivision. Provision of service by the Company shall further be conditioned upon payment of all applicable rates and charges as set forth herein. Company, in its sole discretion, shall determine whether to accept a subdivision's existing collection system, which may be subject to upgrade at the sole discretion of the Company, or render service pursuant to a master meter or both in the case of a subdivision system owned and maintained by a homeowners association, developer, or other such similar unit.

Should the cost of such future wastewater service expansion programs vary significantly from the general charges contained herein, the Company may institute an additional or lesser charge to affected customers, based upon the Company's actual costs, and may allow the amortization of charges and costs over a reasonable time period, if warranted.

- 42.0 SPECIAL SERVICE CHARGE TO IMPERIAL HARBOR SUBDIVISION - As a result of the abandonment of Harbor Utilities Company, Inc., the Company provides wastewater service to the Imperial Harbor Subdivision. In order to provide such service, the lines, lift stations and appurtenant facilities within Imperial Harbor required substantial upgrading. In addition to the other rates and charges contained in this Tariff, the customers within Imperial Harbor are required to pay a Special Service Charge which is intended to defray the cost of necessary improvements in order to render service to such customers, and which provide a special benefit to those customers. Such customers may pay the Special Services Charge in a lump sum, or amortize the cost over 25 years which charges are set forth below.

Special Service Charge: \$ 1,095.67 per unit  
or  
Monthly Amortization: \$ 7.74 per unit

Any customer electing to pay the amortized monthly charge may request from the Company the outstanding balance due on such Special Service Charge and pay off the charge in full at any time. Customers electing to pay the monthly amortized charge shall be subject to the terms of payment for monthly rates as set forth herein, including being subject to disconnection of service for nonpayment.

- 42.1 SPECIAL SERVICE CHARGE TO FORMER HACIENDA CUSTOMERS - As a result of the abandonment of Hacienda Treatment Plant, Inc. ("Hacienda"), the Company provides wastewater service to former Hacienda customers. In order to provide such service, the former Hacienda customers needed to be interconnected with the Company's wastewater facilities. In addition to the other rates and charges contained in this Tariff, the customers formerly served by Hacienda, as well as future customers who would have been served by Hacienda, are required to pay a Special Service Charge that is intended to defray the cost of necessary interconnection in order to render service to such customers, and which provides a special benefit to those customers. Such customers may pay the

Special Service Charge in a lump sum, or amortize the cost over 20 years as set forth below:

Special Service Charge:     \$ 795 per ERC  
or  
Monthly Amortization:     \$ 5.68 per ERC

Any customer electing to pay the amortized monthly charge may request from the Company the outstanding balance due on such Special Service Charge and pay off the charge in full at any time. Customers electing to pay the monthly amortized charge shall be subject to the terms of payment for monthly rates as set forth herein, including being subject to disconnection of service for nonpayment.

- 43.0 SERVICE TO GRAVITY EXPANSION AREAS - The Company has undertaken a program of constructing local collection and transmission systems to replace septic tanks serving existing residential areas in a program designated as the Gravity Expansion Program. The territory included in the Gravity Expansion Program is on file with the Company. Customers within the Gravity Expansion area may be required to connect to the system when service becomes available following required notice by the Company. In addition to the other rates and charges contained in this Tariff, customers within the Gravity Expansion area are required to pay a charge which is intended to defray the cost of necessary improvements in order to render service to such customers, and which provide a special benefit to those customers. Such customers may pay the Gravity Expansion charge in a lump sum, or amortize the cost up to 30 years which charges are set forth below. In the event a customer elects to amortize the Gravity Expansion charge, the customer shall allow the Company to place a lien on the property to secure repayment.

Gravity Expansion Residential Charge: \$1,717.00 per unit

plus

Gravity Expansion customers are also responsible for payment of the appropriate ANC Fee for their unit which may also be amortized up to 30 years.

- 44.0 QUALITY OF WASTEWATER - No substance other than domestic wastewater will be placed into the sewage system and delivered to the lines of the Company. Should any non-domestic wastes, grease or oils, including, but not limited to, floor wax, paint, chlorides, or salt water be delivered to the lines, the customer will be responsible for payment of the cost and expense required in correcting or repairing any resulting damage to the system or property of third parties.

Developer, or subsequent owners or occupants of the Property, may introduce non-domestic wastes from commercial establishments on the Property only upon prior written approval from Service Company based on Service Company's determination that such non-domestic waste will not harm Utility Facilities. Developer further agrees that no waste waters, fluids, or any substances and materials which contain any hazardous, flammable, toxic and/or industrial constituents, in whole or in part, regardless of the concentrations of said constituents, shall be discharged into Service Company's sanitary sewer collection/transmission system. Service Company shall have the right to sample the Developer's sewage to verify Developer's compliance with this paragraph.

In addition to the preceding paragraphs, and not by way of limitation, in the event Company determines that the property to be served poses a threat of introducing chlorides, salt water, or similar constituents into the collection or transmission system at levels determined by the Company to be harmful to the sewer system, including, but not limited to, the system's ability to provide effluent meeting reuse standards, and its acceptability as an irrigation supply source for vegetation, the Company has the right to decline or discontinue service, or charge a higher rate due to increased treatment costs if applicable, to such property or customer and to require such pretreatment or other measures as are necessary to protect the integrity of Company's system and the ability to serve its members.

- 45.0 REFUNDABLE ADVANCES - Company may require, in addition to the s set forth herein, a refundable advance by a Developer to temporarily defray the cost of off-site extension of sewer mains, pumping stations and other facilities necessary to connect the Developer's property with the then proper point of interconnection with the Company's existing sewer facilities, in excess of the size needed to provide service to the subject property. Costs paid by the Developer over and above the Developer's hydraulic share of the off-site facilities, may be refunded to the Developer in accordance with the terms and conditions of a Refundable Advance Agreement with Company. Company shall not be required to refund to Developer any fees or charges collected from consumers as a result of his contribution toward the cost of constructing the off-site facilities.

At the time the engineer of record certifies the off-site facilities as complete, he will also be requested to provide a determination of the hydraulic capacity of the facilities and the number of connections it is capable of serving based upon the Company's current determination of an equivalent residential connection. On that basis, Company will establish a refundable advance charge per equivalent residential connection and Company will agree to collect and refund same to Developer upon payment of such charges by subsequent customers obtaining service through the off-site facilities. Unless otherwise agreed to by Company, no refundable advance treatment will be available to Developer constructing lines and appurtenant facilities less than six (6) inches in diameter. Company may limit the life of the Refundable Advance Agreement to a term of not more than seven (7) years, after which time a portion of the refund not made to the Developer will be retained by the Company. In no event shall a Developer recover an amount greater than the difference between the capitalized cost of such improvements and the Developer's own hydraulic share of such improvement. The Service Company will not include any interest upon the refund of the Developer's advance.

- 46.0 WASTEWATER REUSE - The Company owns, operates and maintains wastewater treatment facilities, pursuant to operating permits from the Florida Department of Environmental Regulation, which produce treated effluent of a quality suitable for the irrigation of grasses, woodlands and certain vegetation. The Company may make treated effluent available to consumers within the service area of the Company that own large tracts of green areas requiring landscape irrigation ("Users"), based on the Board of Directors determination of the best interests of the Company and its members. Determination of the quantity, price, terms and conditions of the provision of effluent to Users shall be at the sole discretion of the Company, and may be set forth in an Effluent Reuse Agreement entered into by the Company and the User.

User shall be responsible for the design, construction and installation, at User's sole cost and expense subject to the approval and inspection by the Company, of on-site and off-site



utility lines and facilities needed to initially create or thereafter connect into the Company's effluent disposal system. User shall convey ownership to Company of all lines and facilities from authorized treatment facilities to the point of delivery of effluent to User by bill of sale in a form satisfactory to the Company; it being understood that lines and facilities must be sized and constructed to the satisfaction of Company in accordance with the guidelines and specifications of the Company, subject to refundable advance treatment for oversized facilities. Acceptance of said lines and facilities shall be within the sole discretion of the Company.

User shall be responsible for obtaining information and preparing all necessary environmental planning, hydrogeologic monitoring studies and reports reasonably necessary for the permitting, preparation and continued utilization of User's property as a site for effluent reuse. User shall further be required to provide wet weather storage (non-application day) for not less than five (5) days effluent allocation. Wet weather storage capacity is subject to evaluation on a case by case basis and may be increased due to, among other things, changes in regulatory requirements.

User shall be responsible for any and all costs relative to the maintenance of any water management tract constructed upon User's land and User shall be responsible, at its sole cost and expense, for the construction and maintenance of any effluent spray irrigation device or other system which draws from the water management tract. User shall incur the cost of securing licenses and permits from applicable governmental agencies relative to the reuse of the Company's treated effluent upon User's property, including any costs incurred by Company to secure same.

As a prerequisite to the Company's acceptance of effluent discharge and delivery lines, facilities and appurtenances thereof, User shall grant Company, its successors and assigns, all easements and rights of ingress and egress, necessary for the discharge and delivery of effluent upon User's property, including, but not limited to, easements covering lines and facilities. The easements shall allow the Company to own effluent discharge lines and other facilities required for the effluent delivery.

47.0 ALLOCATION OF CAPACITY - It is the policy of the Florida Department of Environmental Protection ("DEP") to reduce the capacity available in Company's water and sewer systems upon issuance of a DEP Collection and/or Distribution System Permit (or its equivalent) to construct an on-site system which will receive treatment capacity from Company. DEP reduces Company's uncommitted capacity by the total number of ERC's which can be served by the on-site system approved in the Permit ("Permit Capacity"). This DEP policy prevents Company from committing the Permit Capacity to other developers and customers, regardless of an immediate need and willingness to pay for such capacity.

In an effort to fairly allocate plant capacity, it is Service Company's policy to require Developer to enter into a Developer Agreement concurrent with Company signing off on Developer's Permit Application, and to require payment of all charges related to the Permit Capacity committed to Developer at that time. This requirement is intended to avoid a situation in which developers who have not paid service availability charges tie up capacity to the exclusion of customers with an immediate need and ability to pay.

BONITA SPRINGS UTILITIES, INC.  
AMENDED AND RESTATED FRANCHISE AGREEMENT  
BY AND BETWEEN THE BONITA SPRINGS UTILITIES, INC.  
AND LEE COUNTY, FLORIDA

A RESOLUTION GRANTING TO THE BONITA SPRINGS UTILITIES, INC., ITS SUCCESSORS AND ASSIGNS, THE EXCLUSIVE RIGHT, PRIVILEGE OR FRANCHISE FOR A PERIOD OF THIRTY YEARS TO CONSTRUCT, MAINTAIN, EQUIP AND OPERATE A WATER SUPPLY, TREATMENT AND DISTRIBUTION SYSTEM AND A SEWER COLLECTION, TREATMENT AND DISPOSAL SYSTEM AND GRANTING THE EXCLUSIVE RIGHT AND PRIVILEGE TO PROVIDE WATER AND SEWER SERVICES TO THE FOLLOWING DESCRIBED PROPERTY IN LEE COUNTY, FLORIDA, TO WIT:

Bonita Springs Utilities, Inc. has, in the past, had numerous legal descriptions for its Franchise Service Territory. The legal descriptions have been revised to provide a single and more simple description and will be provided at a later date as Exhibit "A" to this Amended and Restated Franchise Agreement.

[legal description has been moved to EXHIBIT "A"]

WHEREAS, on February 11, 1970, Lee County did, by Resolution, grant to the Bonita Springs Water System, Inc., an exclusive right, privilege and franchise to construct, maintain, equip, and operate a water and sewer collection, disposal, and distribution system over and in the areas as described in the Resolution granting the exclusive franchise; and,

WHEREAS, on May 2, 1990, the Board of County Commissioners ratified and confirmed their desire to have the Bonita Springs Water System engage in a substantial financing and construction effort in order to provide central sanitary sewer service to the Bonita Springs area; and,

WHEREAS, on November 21, 1990, the Board of County Commissioners adopted an "Amended and Restated Franchise Agreement by and between the Bonita Springs Water System, Inc. and Lee County, Florida" which significantly added to the service territory of the Grantee; and

WHEREAS, BONITA SPRINGS WATER SYSTEM, INC. has subsequently changed its name to BONITA SPRINGS UTILITIES, INC.; and,

WHEREAS, BONITA SPRINGS UTILITIES, INC. has made application to the County Commissioners of Lee County, Florida, to grant, ratify, confirm and restate the Amended Franchise as granted in the Franchise Agreement of May 1, 1996, to provide sewerage and water services within the area in Lee County, Florida, described heretofore; and,

WHEREAS, the laws of Florida authorize the granting of such franchise;

NOW BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA:

1. BONITA SPRINGS UTILITIES, INC., a Florida corporation, hereinafter referred to as the "Grantee", is hereby granted the exclusive right, privilege or franchise to construct, maintain and operate in, under, upon, over and across the present and future streets, roads, terraces, alleys, bridges, easements and other public places located anywhere within the foregoing described franchise area in accordance with established practice with respect to sewerage and water service or services, construction, operation and maintenance of sewerage collection facilities (including pumping stations, gravity water services and all service or services incidental or necessary with respect thereto, to the above described franchise area and all buildings located thereon and the occupants thereof.

2. The Grantee shall possess and exercise the exclusive privileges and authorities herein granted, except as may hereinafter be provided, for the term of thirty (30) years from this date.

3. All work done hereunder, in, under, upon, over and across the present and future streets, avenues, alleys, highways, bridges, easements, and other public places in Lee County, Florida, for the purpose of carrying out the provisions of this exclusive franchise shall be done and performed in a good workmanlike manner, and all excavations or damage by Grantee by reason of such work shall within a reasonable time and as early as practicable after such excavation or damage, be replaced by Grantee in as good a condition as it was at the time of such excavation and damage.

4. In consideration for the granting of this Franchise, the Grantee agrees, (a) to prevent the creation of any obstructions or conditions which are or may become dangerous to the travelling public; (b) to repair any damage or injury to the road or highway by reason of the exercise of the privileges granted herein and to repair the road or highway promptly, restoring it to a condition at least equal to that which existed immediately prior to the infliction of such damage or injury; (c) to hold the Board of County Commissioners and members thereof harmless from the payment of any compensation or damage resulting from the exercise of the

privileges granted herein; (d) to keep the facilities properly insured for the protection of the County and the public; and, (e) Grantee agrees that in the event of widening, repair, or reconstruction of any road, that Grantee shall move or remove such water or sewer lines at no cost to the County, unless specifically otherwise agreed to by and between the parties hereto.

5. The Grantee is authorized and empowered to establish, charge and enforce the initial rates to individual users of the sewerage and water system shown on the rate schedules attached hereto as Exhibit "A"; however, notwithstanding such rate schedules, Grantee is authorized and empowered to establish, amend, revise and enforce from time to time or times to times in the future, different rates or rate schedules reflecting rates lower or higher than those shown on Exhibit "A"; however, any such lower or higher rates or rate schedule so established and enforced from time to time by Grantee shall at all times be reasonable and must have the prior written consent of the Board of County Commissioners of Lee County, Florida, before the said revised rates can be placed into effect.

Grantee may further establish, amend or revise from time to time in the future and enforce rules and regulations for sewerage and water services and covering the sewerage and water services within or on the franchised property; provided, however, all such rules and regulations established by service company from time to time shall at all times be reasonable and subject to the approval of the Board of County Commissioners of Lee County, Florida.

6. All water and sewerage system facilities used, useful or held for use in connection with the sewerage and water services under the terms of this franchise and installed and furnished by the Grantee, shall at all times remain the sole, complete and exclusive property of Grantee and under its exclusive, complete and sole ownership, title control and operation. No person, firm or corporation shall have the right to connect to the facilities of the Grantee or to obtain any sewerage or water services furnished by Grantee under the terms of this franchise except with the consent of the Grantee and upon full compliance with the rules and regulations promulgated from time to time by the Grantee and payment of any contribution in aid of construction (a/k/a aid to new construction fees), connecting charges, fees or rates which may be established or charged by the Grantee under the terms of this franchise.

7. Neither this franchise, nor any of the rights hereunder, may be sold, assigned, or transferred by the Grantee without first obtaining the written consent of the Board of County Commissioners. All assignees shall be bound to the same extent as the original Grantee.

8. The County Commissioners agree to adopt all resolutions and take all actions necessary or suitable, both for the reasonable protection of the rights and property of the Grantee and to enable the Grantee to enforce any of said Grantee's reasonable rules and regulations for the management, operation and control of the sewerage and water system to be provided hereunder and to pass any reasonable resolutions and take any reasonable action that may be necessary or suitable in order to fully confirm to said Grantee the rights herein or hereby granted or intended so to be.

9. In accordance with the provisions of this franchise the Grantee will provide at its cost and expense sewerage and water services to the property described above and to the buildings located thereon and the occupants thereof in a manner to conform with all reasonable requirements of the State of Florida Board of Health and all other public or governmental agencies or bodies having jurisdiction over the Grantee's water service operations. No installations or alterations shall be made by Grantee prior to the plans therefor being submitted to the Board of County Commissioners, or its duly authorized agent, which shall have the right at all times to inspect the facilities installed by Grantee to see that they are constructed according to sound engineering practices.

10. Failure on the part of the Grantee to comply in any substantial respect with the provisions of the franchise shall be grounds for forfeiture of this grant. Provided, however, that no such forfeiture shall be exercised until written notice of such failure to comply has been given to Grantee. Upon receipt of such notice, Grantee shall have ninety (90) days within which to comply or show cause to the Board of County Commissioners its failure so to do.

11. The Board of County Commissioners of Lee County, Florida, shall have the option at any time after this grant to proceed with eminent domain in order to acquire the Grantee's sanitary sewerage and water system if the purchase price for same cannot be agreed upon, should the Grantor elect to pursue acquisition of the Grantee's utility system. Nothing herein contained, however, shall be so construed so as to prevent the Grantee from contesting the issue of public necessity, or otherwise opposing the condemnation of its system.

12. Within thirty (30) days after the first anniversary date of this grant and within thirty (30) days after each such succeeding anniversary date of this grant, Grantee shall pay to the Board of County Commissioners of Lee County, Florida, an amount which is six percent (6%) of Grantee's gross revenues derived from the sale of sewerage and water services to residential and commercial customers within the limits of the area hereinabove described, excluding connection charges for the twelve (12) fiscal months preceding the actual anniversary date. At the time the Grantee pays the amount herein required to be paid, it shall furnish to the

Board of County Commissioners, Lee County, Florida, an audit verified by a competent CPA as to the total gross revenues collected by Grantee. In addition thereto, Grantee's books, records and accounts shall, at all times, remain available to the Board of County Commissioners, Lee County, Florida, for the purpose of verifying the payments made to it under this provision. Provided, however, that in the event the Grantee is a non-profit association or corporation that this provision as to the payment of six percent (6%) of the gross revenues to Lee County shall not apply. It shall be the Grantee's burden to file the necessary instruments and proof to show that it is a non-profit association or corporation in order to be relieved and released from the operation of this paragraph.

13. As a part of the consideration for this franchise, the Grantee agrees that it will construct at its sole cost and expense, all of the buildings, plants, systems and appurtenant facilities necessary, proper or required to furnish a central sanitary sewerage and water system and will extend the required collection lines or other facilities, to and within the franchise area, as, when, and where the same are necessary, and economically feasible, so that the said franchise are and the buildings located thereon and the occupants thereof, will be provided when and as necessary and when economically feasible with sewerage and water services satisfactory to and meeting the approval of all public, governmental and other agencies having supervision, regulation, direction or control of such sewerage system and services rendered in connection therewith.

14. The Grantee shall have the first right to provide sewerage and water services to all parts of the franchise area, but in the event that there is any portion of the franchise area with respect to which the Grantee is not providing such sewerage and water service, then the Board of County Commissioners, after first giving the Grantee a reasonable opportunity in which to provide such services, may grant such right to any other person or firm which is ready, willing and able to provide sewerage and water services to such area.

15. This franchise shall take effect and be in force from the date of its adoption by the Board of County Commissioners of Lee County, Florida, and its acceptance in writing by the Grantee.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2002.

BONITA SPRINGS UTILITIES, INC.

Attest:

\_\_\_\_\_  
Secretary

By: \_\_\_\_\_  
John Mathes  
President

LEE COUNTY, A political subdivision  
of the State of Florida

Attest:

Charlie Green  
Clerk of the Court

By: \_\_\_\_\_  
Deputy Clerk

By: \_\_\_\_\_  
Chairman

# WATER AND WASTEWATER RATE AND CHARGE STUDY

FOR



Bonita Springs  
Utilities, Inc.

May 2002



**Public Resources Management Group, Inc.**  
*Utility, Rate, Financial and Management Consultants*





**Public Resources Management Group, Inc.**

*Utility, Rate, Financial and Management Consultants*

May 29, 2002

PRMG #1139-01

Board of Directors  
Bonita Springs Utilities, Inc.  
Lee County, Florida  
11860 East Terry Street  
Bonita Springs, Florida 34135

Subject: **Water and Wastewater Rate and Charge Study**

Gentlemen:

We have completed our study of water and wastewater rates for the Bonita Springs Utilities, Inc. (BSU) and have summarized the results of our analyses, assumptions, and conclusions in this report which is respectfully submitted for your consideration. This report summarizes the basis for the proposed rates and charges for water and wastewater services that are necessary to meet the expenditure requirements of the utility. The analysis encompassed the five fiscal year period ending September 30, 2002 through 2006.

During the course of the study, it was determined that the proposed rates should meet a number of goals and objectives. The single most important objective was to produce rates which meet the expenditure requirements of the utility system in order to maintain financial sufficiency as well as to continue to fund the expected capital needs of the system. Other objectives considered in the study included:

- Rates based on cost of service principles
- Continue to promote water conservation
- Compliance with rate covenant requirements of the Trust Indenture
- Development of the funding of the capital program for the renewal, replacement, and betterment of utility assets
- Competitiveness with neighboring utilities of utility rates
- Enhancement of revenues by use of other charges

Following this letter, we have provided an executive summary that summarizes the report and outlines our recommendations and conclusions to BSU relative to utility rates. The accompanying report provides additional detail regarding the analysis conducted on behalf of BSU. This rate study also presents the projected operating financial status of the utility as well as analyses regarding compliance with the utility's existing Trust Indenture which authorized the issuance of the outstanding revenue bonds.

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Board of Directors  
Bonita Springs Utilities, Inc.  
Lee County  
May 29, 2002  
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The proposed user fees, miscellaneous service charges, and system ANC fees are based on the total recovery of costs to be incurred by BSU water and wastewater facilities with regard to capacity available to serve new growth. As such, these charges are considered by Public Resources Management Group, Inc. to be reasonable and reflect the cost burden of each respective utility.

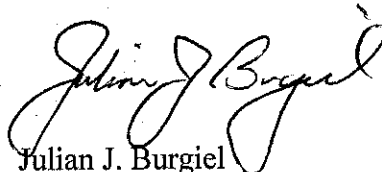
We appreciate the fine cooperation and valuable assistance given to us by BSU and its staff in the completion of the study.

Very truly yours,

**Public Resources Management Group, Inc.**



Robert J. Ori  
President



Julian J. Burgiel  
Managing Consultant

# BONITA SPRINGS UTILITIES, INC.

## WATER AND WASTEWATER RATE AND CHARGE STUDY

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**BONITA SPRINGS UTILITIES, INC.**

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# BONITA SPRINGS UTILITIES, INC.

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# EXECUTIVE SUMMARY AND RECOMMENDATIONS

## EXECUTIVE SUMMARY AND RECOMMENDATIONS

### General

Bonita Springs Utilities, Inc. ("BSU") last performed a comprehensive water and wastewater rate study in 1995. Since the performance of this last rate evaluation, the costs allocable to the water and wastewater (the "System") utility operations have changed, and BSU has identified a significant amount of capital expenditures for the renewal, betterment, upgrade and expansion of the utility system. BSU plans to finance these expenditures, in part, by the issuance of additional utility system indebtedness. As a result of the changes in the expenditure requirements of the utility and under the authority given by BSU to ensure the proper recovery of costs among its utility customers through System rates, Public Resources Management Group, Inc. (PRMG) has been retained to perform a utility rate study and prepare a five (5) year financial projection of BSU's water and wastewater utility system for rate evaluation purposes. Specifically, PRMG has been tasked with analyzing the revenue requirements of both the water and the wastewater aspect of the System; balancing the funding requirements, the conservation goals and the financial objectives of BSU while meeting the incremental service requirements due to growth; and recommending proposed water and wastewater usage fees and other charges which will meet the System's needs over the next several years.

### Existing Rates

The rates and charges for the water and wastewater utility system are established by the BSU Board of Directors and approved by resolution. The following table below provides a summary of the monthly user fees for water and wastewater service:

Summary of Existing Monthly BSU Water and Wastewater Rates			
Customer Classification	Monthly Service Charge	Usage Charge per Unit (Per 1,000 gallons)	
<b>Water Service:</b>			
Single Family Residential, Duplex, and Triplex [*]	\$5.10 per unit	0 - 6,000	\$2.35
		6,100 - 12,000	2.85
		12,100 - 18,000	3.35
		18,100 and above	3.85
Multi-Family and Mixed Master-Master [*]	4.08 per unit	0 - 6,000	\$2.35
		6,100 - 12,000	2.85
		12,100 - 18,000	3.35
		18,100 and above	3.85
Institutional [*]	5.10 per unit	0 - 6,000	\$2.35
		6,100 - 12,000	2.85
		12,100 - 18,000	3.35
		18,100 and above	3.85



**Summary of Existing Monthly BSU Water and Wastewater Rates**

Customer Classification	Monthly Service Charge	Usage Charge per Unit (Per 1,000 gallons)	
<b>Water Service:</b>			
Commercial and All Non-Residential [*]		For Each ERU	
3/4-inch	5.10	0 - 6,000	\$2.35
1-inch	12.75	6,100 - 12,000	2.85
1.5-inch	25.50	12,100 - 18,000	3.35
2-inch	40.80	18,100 and above	3.85
3-inch	81.60		
4-inch	127.50		
6-inch	255.00		

[\*] Each account is charged a monthly administrative fee of \$2.40. However, there is no second charge if wastewater service is also provided.

**Summary of Existing Monthly BSU Water and Wastewater Rates (continued)**

Customer Classification	Monthly Service Charge	Usage Charge per Unit (Per 1,000 gallons)	
<b>Wastewater Service:</b>			
Single Family Residential, Duplex, and Triplex [1] [2]	\$16.35 per unit	All Consumption	\$2.00
Multi-Family and Mixed Master [1]	13.08 per unit	All Consumption	\$2.00
Institutional [1]	16.35 per unit	All Consumption	\$2.00
Commercial and All Non-Residential [1]		All Consumption	\$2.00
3/4-inch	16.35		
1-inch	40.88		
1.5-inch	81.75		
2-inch	130.80		
3-inch	261.60		
4-inch	408.75		
6-inch	817.50		

[1] Each account is charged a monthly administrative fee of \$2.40. However, there is no second charge if water service is also provided.

[2] Capped at 16,000 gallons per month per unit served.

**Net Revenue Requirements From Rates**

The various components of costs associated with the operations, maintenance, financing of the system, renewals, replacements and capital improvements are generally considered the revenue requirements of a non-profit utility system. The development of the net revenue requirements for BSU's utility system is a critical component of the study since rates should be designed to represent the full cost of providing service. To the extent that the estimate of the revenue requirements is not accurate, the proposed rates could over or underrecover the expenditure requirements of the System and therefore impact the utility from a financial standpoint. The

determination of the revenue requirements for the utility system was made in a manner generally consistent with the methods employed for other publicly-owned utilities utilizing revenue bond financing to meet their capital needs.

In our analysis of the rates for water and wastewater service, a five year forecast or projection period was considered. The forecast period for the study was for the fiscal years ending September 30, 2002 through 2006. This five-year forecast period was selected in order to provide BSU information regarding additional rate adjustments that may occur or be required in the future, as well as to assist the utility in the development of financial projections associated with the issuance of anticipated utility revenue bond indebtedness. Based upon the projections of utility expenditures, or revenue requirements, and the estimate of sales revenue as discussed in Section 3, the estimated rate adjustments based on existing rates for the Fiscal Year 2002 and the five year forecast period are shown as follows:

	2002	2003	2004	2005	2006
<b>Water System: [1]</b>					
Net Revenue Requirements from Retail Rates	\$7,373,702	\$8,436,765	\$9,589,006	\$10,818,205	\$11,752,262
Existing Retail Water Rate Revenue [2]	<u>7,124,412</u>	<u>8,151,368</u>	<u>9,264,800</u>	<u>10,452,441</u>	<u>11,752,261</u>
Estimated Revenue Surplus/(Deficiency) [3]	(\$249,291)	(\$285,396)	(\$324,206)	(\$365,764)	\$0
Amount Percent	<u>(3.50%)</u>	<u>(3.50%)</u>	<u>(3.50%)</u>	<u>(3.50%)</u>	<u>0.00%</u>
Percent of Partial Year Rate Revenue [4]	<u>(7.00%)</u>	<u>(7.00%)</u>	<u>(7.00%)</u>	<u>(7.00%)</u>	<u>0.00%</u>

[1] Derived from Table 3-1.

[2] Amounts shown based on rates currently in effect and include effects of rate adjustments in forecast period (i.e., 2002 adjustment included in 2003 revenue).

[3] Reflects annual deficiency for each year assuming prior period adjustments.

[4] For years in which a rate increase is required, the increase is assumed to be effective on July 1 of that fiscal year.

The development of the estimated revenue requirements for the wastewater system is summarized as follows:

	2002	2003	2004	2005	2006
<b>Wastewater System: [1]</b>					
Net Revenue Requirements from Retail Rates	\$7,590,331	\$9,248,021	\$11,192,285	\$13,281,029	\$14,670,593
Existing Retail Wastewater Rate Revenue [2]	<u>7,152,094</u>	<u>8,714,279</u>	<u>10,546,382</u>	<u>12,514,517</u>	<u>14,670,593</u>
Estimated Revenue Surplus/(Deficiency) [3]	(\$438,237)	(\$533,742)	(\$645,903)	(\$766,512)	\$0
Amount Percent	<u>(6.13%)</u>	<u>(6.12%)</u>	<u>(6.12%)</u>	<u>(6.12%)</u>	<u>0.00%</u>
Percent of Partial Year Rate Revenue [4]	<u>(12.25%)</u>	<u>(12.25%)</u>	<u>(12.25%)</u>	<u>(12.25%)</u>	<u>0.00%</u>

[1] Derived from Table 3-2.

[2] Amounts shown based on rates currently in effect and include effects of rate adjustments in forecast period (i.e., 2002 adjustment included in 2003 revenue).

[3] Reflects annual deficiency for each year assuming prior period adjustments.

[4] For years in which a rate increase is required, the increase is assumed to be effective on July 1 of that fiscal year.

As can be seen above (and as discussed more fully in Section 3) for the water and wastewater systems, respectively, it is currently envisioned that each system will need to experience a rate adjustment in Fiscal Year 2002 (effective July 1, 2002) to meet its expected revenue requirements. Additionally, based on the capital improvement funding analysis and debt service requirements, we anticipate that the systems will need further rate adjustments to recognize increased revenue requirements of the Systems. The primary reasons for the rate increases for the two systems include the following:

1. The last true rate review and rate adjustment that the water and wastewater system experienced was performed during the Fiscal Year 1995 which is over six (6) years ago. As a result, the cost of operations of the System due to inflationary allowances and increased regulatory pressure on the cost of treatment have escalated, thus impacting the financial stability of the System.
2. A primary reason for the increases is a direct result of the ongoing capital needs of the water and wastewater system due to: i) continued elimination of septic tanks within the utility service area; ii) the continued need to fund or provide for future water supply; iii) increased regulations and the requirements for System upgrades; iv) the need to meet System growth requirements; and v) meeting environmental concerns and quality issues. In order to fund the capital needs as identified by BSU, it is expected that BSU will need to increase the amount of indebtedness allocable to the systems. Generally when System indebtedness is incurred, there usually is a short-term rate impact to recognize the payments of the fixed costs of the indebtedness that generally precedes the benefits received by the utility customers (i.e., the construction of facilities and a resulting subsequent increase in customers relative to the facility construction).
3. A projected decline from recently experienced levels in the average water use per equivalent residential connection over the forecast period due primarily to increased water conservation efforts of BSU's customer base that affect water use. As a result of these efforts, a reduction in the contribution margin from each water and wastewater customer (based on relative flow) is reduced, thus causing a financial impact on the utility system.

### **Proposed Monthly Rates for Service**

Based on the projections of customers and sales, projected utility expenditures requirements, the allocation of costs to the rate structure attributes (cost of service), and discussions with the staff of BSU, it is proposed that the Board adopt the initial two (2) rate adjustments for the Fiscal Years 2002 and 2003. The proposed monthly rates for water and wastewater service for the two initial years are recommended as follows:

**Summary of Proposed Monthly BSU Water and Wastewater Rates**

Customer Classification	Monthly Service Charge		Usage Charge per Unit (Per 1,000 gallons)		
	FY 2002	FY 2003	FY 2002	FY 2003	
<b>Water Service:</b>					
Single Family Residential, Duplex, and Triplex Per Unit [*]	\$5.50	\$5.90	0 - 6,000	\$2.49	\$2.66
			6,100 - 12,000	3.02	3.23
			12,100 - 18,000	3.55	3.80
			18,100 and above	4.08	4.37
Multi-Family and Mixed Master-Master per Unit [*]	4.40	4.70	0 - 6,000	\$2.49	\$2.66
			6,100 - 12,000	3.02	3.23
			12,100 - 18,000	3.55	3.80
			18,100 and above	4.08	4.37
Institutional per Unit [*]	5.50	5.90	0 - 6,000	\$2.49	\$2.66
			6,100 - 12,000	3.02	3.23
			12,100 - 18,000	3.55	3.80
			18,100 and above	4.08	4.37
<b>Commercial and All Non-Residential [*]</b>			<b>For Each ERU</b>		
3/4-inch	5.50	5.90	0 - 6,000	\$2.49	\$2.66
1-inch	13.75	14.70	6,100 - 12,000	3.02	3.23
1-1/2-inch	27.50	29.45	12,100 - 18,000	3.55	3.80
2-inch	44.00	47.10	18,100 and above	4.08	4.37
3-inch	82.50	88.30			
4-inch	137.50	147.15			
6-inch	275.00	147.15			
8-inch	440.00	470.80			

[\*] Each account will be charged a monthly administrative fee of \$2.75 effective with rates proposed for the Fiscal Year 2002 and will increase to \$2.95 per account effective with rates proposed for the Fiscal Year 2003. However, there is no second charge if wastewater service is also provided.

**Summary of Proposed Monthly BSU Water and Wastewater Rates (continued)**

Customer Classification	Monthly Service Charge		Usage Charge per Unit (Per 1,000 gallons)		
	FY 2002	FY 2003	FY 2002	FY 2003	
<b>Wastewater Service:</b>					
Single Family Residential, Duplex, and Triplex Per Unit [1] [2]	\$18.00	\$20.20	All Consumption	\$2.33	\$2.62
Multi-Family and Mixed Master-Master per Unit [1]	14.40	16.16	All Consumption	2.33	2.62
Institutional per Unit [1]	18.00	20.20	All Consumption	2.33	2.62
<b>Commercial and All Non-Residential [*]</b>			<b>For Each ERU</b>		
3/4-inch	18.00	20.20	All Consumption	\$2.33	\$2.62
1-inch	45.00	50.50			
1-1/2-inch	90.00	101.05			
2-inch	144.00	161.65			
3-inch	270.00	303.10			
4-inch	450.00	505.15			
6-inch	900.00	1,010.25			
8-inch	1,440.00	1,616.40			

[\*] Each account will be charged a monthly administrative fee of \$2.75 effective with rates proposed for the Fiscal Year 2002 and will increase to \$2.95 per account effective with rates proposed for the Fiscal Year 2003. However, there is no second charge if service is also provided.

As can be seen above, the proposed rates for water and wastewater service maintain the same general rate structure as the existing rates. In order to illustrate the effects of the proposed rates, a comparison has been prepared for customers that utilize approximately 5,000 gallons of water and wastewater per month. This usage level represents approximately the median usage level for the single-family residential class.

	Residential Service @ 5,000 gallons [1]		
	Water	Wastewater	Combined
<b>Bonita Springs Utilities, Inc.</b>			
Existing Rates	\$19.25	\$26.35	\$45.60
Proposed Rates – July 1, 2002	20.70	29.65	50.35
July 1, 2003	22.15	33.30	55.45
<b>Other Florida Utilities:</b>			
City of Bradenton	\$18.15	\$23.30	\$41.45
Charlotte County	34.08	35.33	69.41
City of Clearwater	15.64	19.80	35.44
Collier County	19.20	29.10	48.30
Englewood Water District	19.00	31.63	50.63
Florida Water Services – Lehigh – Lee County	28.51	44.97	73.48
City of Fort Myers	14.96	29.81	44.77
Hillsborough County	22.65	35.15	57.80
Lee County			
Existing Rates	19.00	29.75	48.75
Proposed Rates	19.75	31.80	51.55
Manatee County	10.55	25.90	36.45
City of Naples	9.18	21.62	30.80
City of North Port	23.41	42.24	65.65
Pinellas County	13.50	23.50	37.00
City of Punta Gorda	25.25	26.75	52.00
City of Sarasota	19.49	41.17	60.66
Sarasota County	23.62	46.39	70.01
Other of Florida Utilities' Average	<u>\$19.76</u>	<u>\$31.66</u>	<u>\$51.42</u>

[1] Differences in rate levels can be attributable to varying levels in treatment processes (i.e., reverse osmosis versus lime softening) which can exhibit significantly higher costs of operation and, therefore, result in proportionately higher rates for service.

### System Aid-to-New-Construction Fee

BSU currently charges a one-time charge to new customers in the utility service area; the purpose of which is to assign growth-related capital expenditures to those customers generally responsible for such costs. Presently, an ANC fee for capacity utilization of the System is charged for both potable water service and wastewater service. It is proposed that the application of the ANC fees for these types of services be maintained.

The proposed ANC fees (Section 5) for potable water and wastewater service were determined to be \$1,640 per equivalent residential connection (ERC) and \$2,565 per ERC for the water and wastewater systems, respectively. The proposed change for the water system reflects an increase

of \$90 or 5.8% in comparison to the existing water ANC fee while the proposed charge for the wastewater system reflects an increase of \$382 or 17.5%. Based on an analysis of water and wastewater ANC fees, the increases were primarily attributable to the higher estimated capital costs of providing service due to facility expansion and upgrades anticipated during the planning horizon.

The determination of the proposed ANC fees was based on the plant account function (e.g., treatment), existing and incremental plant facilities and available capacity of such facilities to serve new growth, ERC service requirements, and other current data available to PRMG regarding the water and wastewater systems. By designing the ANC fee to recover costs on a prospective basis, an attempt is made to design a charge which will provide for the future expansion of the utility system in an equitable manner.

### **Other Rates and Charges**

#### Rate Covenants of Trust Indenture

The governing Trust Indenture which authorized the issuance of the outstanding Utility System Revenue Bonds, Series 1996 (the "Series 1996 Bonds") mandates certain covenants which must be achieved. Based on the provisions of the Trust Indenture, rates for service must produce i) Net Revenues (Revenues less Operating Expenses as defined in the Trust Indenture) and ANC fees which must be at least 110% of the maximum annual debt service payment in each fiscal year; and ii) Net Revenues which must be at least 110% of the annual debt service projection each fiscal year. The proposed rate adjustments for the water and wastewater system for the study period reflected in the report are anticipated to meet the rate covenants of the Trust Indenture.

#### Miscellaneous Charges

BSU has several charges or fees which are billed to a customer for specific services. These charges provide additional revenue to the utility and serve to reduce the amount of revenues needed to be derived from user fees.

The fees are designed to recover the costs of providing specific services which may be required periodically by a customer (e.g., a request for a turn-on) or as a direct result of customer actions (e.g., returned and check charge). A summary of the existing charges and the recommended fees for these services is summarized below:

Meter Installation (Drop-in) Fees:

	<u>Existing Fees</u>	<u>Proposed Fees</u>
3/4-inch	\$250	\$295
1-inch	400	420
1-1/2-inch	685	690
2-inch	800	900
Above 2-inch	Actual Cost	Actual Cost

Backflow Preventer Installation Service:

	<u>Existing Fees</u>	<u>Proposed Fees</u>
3/4-inch	\$170	\$190
1-inch	210	250
1-1/2-inch	390	435
2-inch	470	500
Above 2-inch	Actual Cost	Actual Cost

Returned Check Charge:

<u>Existing Fee</u>	<u>Proposed Fee</u>
\$20.00 or 5% of Face Amount of Check	\$30.00 per occurrence

Transfer Fees:

<u>Existing Fee</u>	<u>Proposed Fee</u>
\$35.00	\$35.00

Meter Bench Test Fee:

	<u>Existing Fees</u>	<u>Proposed Fees</u>
3/4-inch to 1-inch	\$25.00	\$50.00
Above 1-inch	Actual Cost	Actual Cost

Normal Reconnection Charge:

<u>Existing Fee</u>	<u>Proposed Fee</u>
\$25.00	\$30.00

Violation Reconnection Charge:

	<u>Existing Fees</u>	<u>Proposed Fees</u>
Normal Working Hours	\$30.00	\$40.00
After Hours/Weekends	\$40.00	\$50.00

Usage Reports:

<u>Existing Fee</u>	<u>Proposed Fee</u>
\$25.00 minimum or \$0.15 per meter	\$50.00 minimum or \$0.25 per meter

Non-Payment Trip Charge:

<u>Existing Fee</u>	<u>Proposed Fee</u>
\$30.00	\$40.00

Capacity Reservation Fee (per ERC)[1]:

	<u>Existing Fees</u>	<u>FY 2002 Proposed Fees</u>	<u>FY 2003 Proposed Fees</u>
Water	\$5.10	\$5.50	\$5.90
Wastewater	\$16.35	\$18.00	\$20.20

Plan Review Fee:

<u>Existing Plan Review Fee</u>	<u>Proposed Plan Review / Inspection Fee</u>
\$250.00 plus \$0.03 per linear foot if lines are 3 inches or larger	\$500.00 minimum or 1.0% of construction cost

Inspection Fee:

<u>Existing Inspection Fee</u>	<u>Proposed Fee</u>
\$150.00 plus \$0.05 per linear foot if lines are 3 inches or larger	Included as part of Proposed Plan Review Fee Above

Fire Flow Test:

	<u>Existing Fees</u>	<u>Proposed Fees</u>
Initial Test	\$40.00	\$45.00
Retest	\$25.00	\$45.00

Construction Meter:

	<u>Existing Fees</u>	<u>Proposed Fees</u>
Deposit Amount (2-inch/hydrant meter)	\$250.00	\$1,000.00
Connect/Disconnect Charge	\$25.00	\$30.00
Consumption Charge per 1,000 Gallons	\$3.50	\$3.50

Reclaimed Water Rate:

<u>Existing Rate</u>	<u>Proposed Rate</u>
N/A	\$0.40 per 1,000 gallons

Water Tank Truck Filling Fee:

<u>Existing Fee</u>	<u>Proposed Fee</u>
N/A	\$3.50 per 1,000 gallons



<u>Customer Deposits:</u>	<u>Existing Deposit</u>	<u>FY 2002 Proposed Deposit</u>	<u>FY 2003 Proposed Deposit</u>
<b>Water</b>			
Residential per Unit	\$40.00	No Change	\$45.00
General Service (meter size)			
3/4-inch	\$40.00		\$45.00
1-inch	100.00		112.50
1-1/2-inch	200.00		225.00
2-inch	320.00		360.00
3-inch	640.00		720.00
4-inch	1,000.00		1,125.00
6-inch	2,000.00		2,250.00
8-inch	3,200.00		3,600.00
<b>Wastewater</b>			
Residential per Unit	\$60.00		\$65.00
General Service (meter size)			
3/4-inch	\$60.00	No Change	\$65.00
1-inch	150.00		162.50
1-1/2-inch	300.00		325.00
2-inch	480.00		520.00
3-inch	960.00		1,040.00
4-inch	1,500.00		1,625.00
6-inch	3,000.00		3,250.00
8-inch	4,800.00		5,200.00

## Conclusions and Recommendations

Based on our studies, assumptions, considerations, and analyses as summarized herein, we are of the opinion that:

1. BSU's existing rates for service for the water and wastewater systems are not anticipated to recover the utility system projected revenue requirements for the fiscal years ending September 30, 2002 through 2006.
2. BSU should consider adopting the water and wastewater rates proposed for the Fiscal Year 2002 and 2003 (anticipated to become effective on July 1 of each fiscal year, which will meet the projected revenue requirements of such fiscal year. The revenue requirements include operation and maintenance expenses, the funding of capital improvements, and the payment of debt service associated with the performance of system improvements and the funding of the near term expansion of the utility system.
3. The proposed water and wastewater rates for both utility systems, should be made effective as soon as possible during the Fiscal Years 2002 and 2003. Furthermore, BSU should closely monitor the rates for service since initial projections indicate that subsequent future adjustments may be necessary during the next four fiscal years.

4. It is recommended BSU consider adopting the proposed water and wastewater ANC fees established at \$1,640 and \$2,565, respectively, per equivalent residential unit.
5. BSU should revisit an analysis of water and wastewater system revenue requirements during the course of Fiscal Year 2003/2004 to ensure rates are adequate to fund the operating and capital expansion needs of the System.
6. BSU should increase the cost of the water meter installation (drop-in) fees/tap-in and backflow preventer installation fees to the following amounts in order to provide consistency in the recovery of costs to the system:

Meter Size	Meter Installation	Backflow Preventer Installation Fee
5/8-inch	\$295.00	\$190.00
3/4-inch	420.00	250.00
1-inch	690.00	435.00
1-1/2-inch	900.00	500.00
Above 2-inch	Actual Cost	Actual Cost

7. BSU should charge \$50.00 for a meter bench test for 3/4-inch to 1-inch service customers. For all other meter sizes, the test should be charged to the customer based on actual cost utilizing standard rates.
8. BSU should charge a fee in those instances where requests for water and/or wastewater service at an existing service location are being transferred from a current owner/tenant to a new owner or tenant. The fee for this type of service is recommended to be maintained at \$35.00 per occurrence.
9. In order to defray the risk of nonpayment, BSU should adopt the proposed water and wastewater customer deposits consistent with the proposed increase in user fees or rates. It is recommended that deposit amounts be maintained at current levels during the course of Fiscal Year 2002 and be increased in Fiscal Year 2003 concurrent with the proposed user fee adjustments recommended in that year (anticipated to become effective on July 1, 2003). The deposits should continue to be based on the type of customer (e.g., residential), meter or service size and level of service request (e.g., water and wastewater service). The recommended deposits are summarized below (reference Section 6):

	Proposes FY 2003 Deposit [1]	
	Water	Wastewater
Residential per Unit	\$45.00	\$65.00
General Service (meter size)		
3/4-inch	\$45.00	\$65.00
1-inch	112.50	162.50
1-1/2-inch	225.00	325.00
2-inch	360.00	1,040.00
3-inch	720.00	1,625.00
4-inch	1,125.00	3,250.00
6-inch	2,250.00	3,250.00
8-inch	3,600.00	5,200.00

[1] Anticipated to become effective concurrent with implementation of proposed FY 2003 user fees on July 1, 2003.

10. It is recommended that the cost for a normal reconnection charge to a customer at their request should be increased to \$30.00. BSU should raise the nonpayment trip charge from the current fee of \$30.00 per occurrence to \$40.00 in order to recover the cost of providing this service. With respect to violation reconnection charges, during normal working hours the fee should be increased to \$40.00 and to the extent that services need to be performed after normal working hours, the rate should be increased to \$50.00.
11. BSU should adopt the proposed general reuse rate for treated effluent from BSU's wastewater treatment facilities of \$0.40 per 1,000 gallons of metered effluent.
12. It is recommended that BSU continue the returned check charge to recover those costs incurred as a result of the check being refused by the bank and returned to the customer for insufficient funds. BSU should adopt a fee of \$30.00 to be charged for each occurrence.
13. It is recommended that BSU revise its current usage report fee which is charged to customers who request meter consumption history reports from the utility from the current level of a \$25.00 minimum or \$0.15 per meter to \$50.00 or \$0.25 per meter.
14. It is recommended that BSU consolidate its existing plan review and inspection fees into one single fee to provide administrative ease as well as to be more consistent with other public utilities in the State of Florida. The plan review/inspection fee should be adjusted to a minimum fee of \$500.00 per request or 1.0% of the construction cost of the plan to be reviewed and inspected.
15. BSU should consider adjusting the existing capacity reservation charges which are charged to these applicants who wish to reserve water and/or wastewater capacity for future connection to the utility system. The purpose of the fee is to defray the cost of water and wastewater system operating costs to the existing customer base, thus dampening monthly usage fees. The rates recommended to become effective concurrent with the implementation of the two (2) user fee adjustments are as follows:

	<u>FY 2002</u>	<u>FY 2003</u>
Water	\$5.50	\$5.90
Wastewater	18.00	20.20

16. BSU should adjust its fees associated with i) the rental of construction/hydrant meters to be held by the utility until they are returned in good condition; ii) the charge to connect/disconnect the meter on behalf of the applicant by BSU; and iii) the consumption charge per thousand gallons for metered water utilized by the applicant during the meter loan period. The schedule of these revised fees are as follows:

Construction Meter:

	<u>Proposed Fees</u>
Deposit Amount (2-inch/hydrant meter)	\$1,000.00
Connect/Disconnect Charge	\$30.00
Consumption Charge per 1,000 Gallons	\$3.50

17. It is recommended that BSU consider adopting the proposed fire flow test fee to recover those costs incurred by the utility in performing periodic fire flow tests for those customers who maintain on-site fire protection facilities. It is proposed that this fee be established at \$45.00 for both initial tests and subsequent retests at the same location.
18. BSU should implement a fee to charge water trucks that visit BSU facilities to fill their water tanks on a regular basis. It is recommended a charge of \$3.50 per thousand gallons of water purchased be adopted.
19. The proposed rates as reflected in the study should be adequate to meet all the rate covenant requirements (e.g., debt service coverage) as defined in the Trust Indenture which authorized the issuance of the outstanding bond indebtedness allocated to the utility system.
20. The proposed rates are slightly higher than those of neighboring utilities, especially at the average usage level for a residential customer of 5,000 gallons. The proposed rates do produce bills which are higher when compared to the average of 16 utilities surveyed, primarily in the southwestern portion of Florida.

**SECTION 1**  
**INTRODUCTION**

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# SECTION 1

## INTRODUCTION

### 1.1 Introduction

Bonita Springs Utilities, Inc. ("BSU") last performed a comprehensive water and wastewater rate study in July of 1999. Since the performance of this last rate evaluation, the costs allocable to the water and wastewater (the "System") utility operations have changed, and BSU has identified a significant amount of capital expenditures for the renewal, betterment, upgrade and expansion of the utility system. BSU plans to finance these expenditures, in part, by the issuance of additional utility system indebtedness. As a result of the changes in the expenditure requirements of the utility and under the authority given by BSU to ensure the proper recovery of costs among its utility customers through System rates, Public Resources Management Group, Inc. (PRMG) has been retained to perform a utility rate study and prepare a five (5) year financial projection of BSU's water and wastewater utility system for rate evaluation purposes. Specifically, PRMG has been tasked with analyzing the revenue requirements of both the water and the wastewater aspect of the System; balancing the funding requirements, the conservation goals and the financial objectives of BSU while meeting the incremental service requirements due to growth; and recommending proposed water and wastewater usage fees and other charges which will meet the System's needs over the next several years.

### 1.2 Scope of Services

In an effort to continually fund the cost of operations and capital improvements necessary to meet the requirements of water and wastewater system growth, regulatory needs, and to provide allowances for utility system replacement and upgrade of system assets, BSU has decided that it would be prudent to review the current System rates. Moreover, BSU has decided that it would be prudent to review the current water and wastewater user fees to ensure adequate cost recovery among the customers of the various utility systems and to update the rates for service as required to promote the cost recovery principles. In addition to the study of user fees for water and wastewater service, BSU has also authorized PRMG to review many of BSU's other fees and charges in order to provide increased revenues to the System. Specifically, a review of System connection or ANC charges was to be conducted to ensure that new development continues to pay their fair share of the cost of prevailing capacity to provide the same level of service currently being enjoyed by existing customers. Also, a review of several charges imposed for specific services which are generally requested by individual customers (turn-on fees, water meter installation, meter test, etc.) was to be performed to determine that the costs of such services were being adequately recovered.

The analyses and associated recommendations reflected in this report are anticipated to serve as the basis for the development and adoption of any proposed rate tariff which will be addressed by the BSU Board of Directors at a public hearing.

### 1.3 Authorization

PRMG has been authorized by the BSU Board of Directors to perform the above analysis as a result of the need to evaluate water and wastewater rate structures designed to provide a reliable and predictable revenue source for the funding of System operations, capital improvements, and debt service.

### 1.4 Existing Rates

The rates and charges for the water and wastewater utility system are established by the BSU Board of Directors and approved by resolution. The following table below provides a summary of the monthly user fees for water and wastewater service:

**Table 1-1  
Summary of Existing Monthly BSU Water and Wastewater Rates**

Customer Classification	Monthly Service Charge	Usage Charge per Unit (Per 1,000 gallons)			
<b>Water Service:</b>					
Single Family Residential, Duplex, and Triplex [*]	\$5.10 per unit	0 - 6,000	\$2.35		
		6,100 - 12,000	2.85		
		12,100 - 18,000	3.35		
		18,100 and above	3.85		
Multi-Family and Mixed Master-Master [*]	4.08 per unit	0 - 6,000	\$2.35		
		6,100 - 12,000	2.85		
		12,100 - 18,000	3.35		
		18,100 and above	3.85		
Institutional [*]	5.10 per unit	0 - 6,000	\$2.35		
		6,100 - 12,000	2.85		
		12,100 - 18,000	3.35		
		18,100 and above	3.85		
Commercial and All Non-Residential [*]	5.10	For Each ERU			
		0 - 6,000	\$2.35		
		6,100 - 12,000	2.85		
		12,100 - 18,000	3.35		
		18,100 and above	3.85		
		3/4-inch	12.75		
		1-inch	25.50		
1-1/2-inch	40.80				
2-inch	81.60				
3-inch	127.50				
4-inch	255.00				
6-inch					

[\*] Each residential service account is charged a monthly administrative fee of \$2.40. However, there is no second charge if wastewater service is also provided.

**Table 1-1  
Summary of Existing Monthly BSU Water and Wastewater Rates (continued)**

Customer Classification	Monthly Service Charge	Usage Charge per Unit (Per 1,000 gallons)	
<b>Wastewater Service:</b>			
Single Family Residential, Duplex, and Triplex [1] [2]	\$16.35 per unit	All Consumption	\$2.00
Multi-Family and Mixed Master [1]	13.08 per unit	All Consumption	\$2.00
Institutional [1]	16.35 per unit	All Consumption	\$2.00
Commercial and All Non-Residential [1]			
3/4-inch	16.35	All Consumption	\$2.00
1-inch	40.88		
1-1/2-inch	81.75		
2-inch	130.80		
3-inch	261.60		
4-inch	408.75		
6-inch	817.50		

[1] Each residential service account shall be charged monthly an administrative fee of \$2.40. However, there is no second charge if water service is also provided.

[2] Capped at 16,000 gallons per month per unit served.

## 1.5 Summary of Report

In addition to Section 1 which describes the services to be performed by PRMG as well as the existing rates currently in effect for water and wastewater utility service, this report has been subdivided into six (6) other sections. The following is a brief discussion of the main sections contained in this report.

Section 2 - Customer Statistics - This section summarizes the recent trends in customer growth and sales and usage relationships based on available information of BSU's water and wastewater system. Also included in this section is a forecast of customers and sales based on recent trends, detailed customer billing information provided by BSU, known development, and potential system interconnections occurring within BSU's utility service area, and other factors.

Section 3 - Net Revenue Requirements - This section provides the basis for the determination of the revenue requirements and the user fees or rates (i.e., expenditures paid from rates). Included in this section is a discussion of the assumptions utilized in the forecast of utility expenditures, rates, revenues, and capital improvement needs. A summary of the projected operating results for each utility system was prepared for the five (5) fiscal year period ended December 31, 2006.

Section 4 - Rate Design and Comparisons - This section provides the basis for the design of the proposed water and wastewater rates or user fees. Included in this section is a discussion of rate setting principles, rate structure objectives, and how the proposed rates for each specific service were designed. This section also summarizes the effects of the proposed rates on the existing utility users of the System as well as the comparability of the proposed rates with rates of BSU's neighboring utility systems and other jurisdictions within the state of Florida.



Section 5 - Development of System ANC Fees - This section provides a discussion of the design of the proposed ANC Fees assigned to new customer growth or capacity requests. Included in this section is a discussion of the basis for such fees, assumptions utilized in the design of the fees, comparisons of the existing and proposed fees, and other factors associated with the application and accounting for such fees.

Section 6 - Miscellaneous Service Charges - Including in this section is a discussion of the evaluation of certain miscellaneous service charges associated with specific customer service requests. This section summarizes the costs incurred for the services, the design of the fees, and a comparison of the existing and proposed fees with other neighboring utilities.

Section 7 - Debt Service Compliance - This section provides detailed discussion regarding the ability to meet the rate and other bond covenant requirements as delineated in the Bond Resolution which authorized the issuance of the outstanding senior lien utility system revenue bonds. This section includes discussion of the ability to meet the debt service coverage requirements and the ability to issue additional senior lien bonds as anticipated by BSU to meet the capital program needs for the future period.

## **1.6 Acknowledgments**

This report was prepared with the fine cooperation and assistance of the BSU staff. PRMG would like to thank the following individuals in particular for their help and hard work during this project: Mr. Fred Partin, General Manager; Ms. Patti Garrett, Finance Director; Ms. Evelyn Ferguson, Member Services Manager; Mr. Patrick C. Jennings, II, P.E., Director of Engineering; Ms. Mary Ritter, Project Administrator; and the entire utility and finance staff of BSU.

**SECTION 2**  
**CUSTOMER STATISTICS**

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## SECTION 2

### CUSTOMER STATISTICS

#### 2.1 General

A major component in the determination of rates for water and wastewater service is the development of a forecast of customers, associated equivalent residential units, and sales (or usage characteristics). This is necessary in order to have a proper matching of the development of rate revenues and the design of rates based on the usage requirements or service demographics of the customers of each respective utility system. This section provides a discussion of the recent historical statistical trends and the forecast of customers, equivalent residential units and sales (usage).

#### 2.2 Water and Wastewater Customer Statistics

During the Fiscal Year 2001, it is estimated that BSU provided retail service to an average of 17,372 water customers and 13,405 wastewater customers. For the purposes of analyzing the customer base and recognizing the mix of customers in BSU's current water and wastewater service areas, it is beneficial to recognize the number of dwelling units or equivalent residential units (ERU) served. An ERU represents the equivalent usage requirements of a single-family customer. Since commercial or multi-family customers are generally served by a larger sized meter than the standard residential customers, it is useful to equate such customers on an equivalent basis to the single-family residential class to present a more consistent amount of the total customer base served. A summary of the total average number of customers and associated ERUs estimated to be served by the water and wastewater system for the Fiscal Year 2001 is summarized below:

	Fiscal Year 2001 (est.)	
	Water System	Wastewater System
Accounts	17,372	13,405
ERUs [*]	26,817	21,950

[\*] Based on number of equivalent dwelling units served (multi-family) and meter equivalents (commercial).

As can be seen above, BSU reports that there are more water customers than wastewater customers when compared. This is due to the fact that BSU provides water service to a larger territory than that of the wastewater system.

BSU currently differentiates its customer base into five major classifications. These customer classifications are single family residential, duplex, and triplex; multi-family and mixed master meter; commercial, irrigation, and institutional. Based on customer data provided by BSU, the reported average number of customers and respective ERUs estimated to be served during the Fiscal Year 2001 for the water and wastewater systems are as follows:

Fiscal Year 2001 (estimated)

	Water				Wastewater			
	Accounts	Percent	ERUs	Percent	Accounts	Percent	ERUs	Percent
Residential Service								
Single family	15,224	87.6	15,224	55.3	11,890	88.7	11,890	52.6
Multi-Family	<u>1,088</u>	<u>6.3</u>	<u>11,245</u>	<u>40.8</u>	<u>932</u>	<u>7.0</u>	<u>10,125</u>	<u>44.8</u>
Total Residential Service	16,312	93.9	26,469	96.1	12,822	95.7	22,015	97.4
Commercial	786	4.5	786	2.9	582	4.3	582	2.6
Irrigation	272	1.6	272	1.0	N/A	N/A	N/A	N/A
Institutional	<u>2</u>	<u>0.0</u>	<u>2</u>	<u>0.0</u>	<u>2</u>	<u>0.0</u>	<u>2</u>	<u>0.0</u>
Total	<u>17,372</u>	<u>100.0</u>	<u>27,529</u>	<u>100.0</u>	<u>13,405</u>	<u>100.0</u>	<u>22,599</u>	<u>100.0</u>

As can be seen above, the residential class represents the predominant class in terms of the number of ERUs served. Over 95% of the customer base is classified as residential, with over 40% of this total considered as multi-family (master metered accounts serving large residential developments such as a condominium complex).

In order to provide additional information regarding the mix and service levels of BSU's utility customers, a summary of the customers by meter size was prepared. For the multi-family class, customers are generally served by larger "master" meters since one service serves several dwelling units. This explains why the number of meters in service (accounts) are less than the number of dwelling units being served by the utility system. The number of average annual retail water customer accounts and residential units served by meter size are summarized below:

Total Estimated Average Annual Water System Accounts – FY 2001

Meter Size	Single Family	Multi-Family [1]		Commercial	Irrigation	Institutional	Total Account	
		Accounts	Units				Amount	Percent
Residential								
Units	15,224	1,088	11,245	0	0	0	16,312	93.9%
3/4-inch	0	0	0	530	186	0	716	4.1%
1-inch	0	0	0	126	41	0	167	1.0%
1-1/2-inch	0	0	0	60	20	0	80	0.5%
2-inch	0	0	0	51	25	0	76	0.4%
3-inch	0	0	0	12	0	0	12	0.1%
4-inch	0	0	0	5	0	2	7	0.0%
6-inch	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>0.0%</u>
Totals	15,224	1,088	11,245	786	272	2	17,372	100.0%

[1] Amounts shown include mixed master meter accounts.

The corresponding customer mix by meter size for the wastewater system for the Fiscal Year 2001 is summarized below:

Total Estimated Average Annual Water System Accounts – FY 2001

Meter Size	Single-Family	Multi-Family [1]		Commercial	Institutional	Total Account	
		Accounts	Units			Amount	Percent
Residential							
Units	11,890	932	10,125	0	0	12,822	93.9%
3/4-inch	0	0	0	360	0	360	4.1%
1-inch	0	0	0	101	0	101	1.0%
1-1/2-inch	0	0	0	56	0	56	0.5%
2-inch	0	0	0	46	0	46	0.4%
3-inch	0	0	0	12	0	12	0.1%
4-inch	0	0	0	5	2	7	0.0%
6-inch	0	0	0	2	0	2	0.0%
Totals	11,890	932	10,125	582	2	13,405	100.0%

[1] Amounts shown include mixed master meter accounts.

### 2.3 Current Customer Usage Profile

As shown earlier in Section 1, BSU's current water rate structure includes several consumption blocks which are priced at different levels to encourage water conservation. As a result, it is necessary to identify usage relationships of the various customer classes relative to the usage blocks in order to properly develop usage rate revenues as well as in the design of proposed rates. Besides the development of the consumption levels, it is also helpful to identify the billing relationships of the customer classes relative to usage levels. This will assist BSU in the evaluation of the rates relative to financial impacts of the customers at various billing or usage levels (e.g., rate impact for residential customers using 6,000 gallons or less).

With respect to the water system, approximately 87.6 percent of the customers are classified by BSU as residential single family. As shown below, about 72.4% of the single-family customer's use is billed for 6,000 gallons or less per month of water service.

Cumulative Number of Residential Single family Bills Rendered (*)		
Consumption Levels	Number of Bills	Cumulative Percent
0 - 6	132,355	72.4%
7 - 12	33,647	90.9%
13 - 18	8,719	95.6%
Above 18	<u>7,971</u>	<u>100.0%</u>

[\*] Based on Bill Frequency information provided by BSU for the twelve (12) month period ended September 2001.

As discussed in Section 1 regarding BSU's existing rates, BSU has adopted an inclining or increasing block water rate structure to promote water conservation. Therefore, in addition to the dispersion of bills between usage blocks, it is helpful to review the total water billed per consumption block. This is needed in order to accurately estimate rate revenues as well as in the design of proposed rates. Based on the bill frequency information provided by BSU, PRMG has developed an estimate of the amount of water used for each consumption rate block for all of the rate classes. Based on this information and with respect particularly to the residential single-

family class, the majority of BSU customer consumption occurs within the first 2 blocks as expected. This is summarized below:

Residential Single family Water System Usage per Block -  
Fiscal Year 2000 [\*]

Consumption Blocks	Amount (000s)	Percent
0 - 6,000 gallons	315,161	37.08%
6,100 - 12,000 gallons	277,321	32.63%
12,100 - 18,000 gallons	127,083	14.95%
Above 18,000 gallons	130,336	15.34%
Totals	<u>849,901</u>	<u>100.0%</u>

[\*] Based on Bill Frequency information provided by BSU for the twelve (12) month period ended September 2001.

As can be seen above, approximately 37.1% of the total water consumption billed is recognized at the 0 to 6,000 gallons usage level. This level would generally be considered as indoor or essential use for a standard residential account which would also be considered as one (1) ERU. It should also be noted that approximately 15.3% of the water consumption is for monthly use in excess of 18,000 gallons which most likely is for ongoing outdoor irrigation thus indicating that a small number of the single family residential customers may be using water excessively on a continuous basis.

#### 2.4 Customer and Sales Forecast

The development of a forecast of future sales or usage and customers is necessary in the evaluation of the adequacy of water and wastewater rate levels and rate structures. The forecast is essential for the determination of revenues from rates, for the escalation of certain water production and wastewater treatment-related expenses, and for the design of rates. For the purpose of this study and in order to assist BSU in financial analyses, a five (5) fiscal year forecast (Fiscal Years 2002 through 2006) was prepared.

Over the recent historical period, the BSU utility service area has experienced significant levels of growth primarily due to the considerable amount of residential or planned unit developments which have provided consistent increases in the number of active customers receiving water and wastewater service for the utility. Based on discussions with BSU staff, it is anticipated that the level of customer growth will be sustained through the term of the projection period as outlined in this report.

With respect to the growth projected for the wastewater system, in addition to the growth in the customer connections associated with new development, incremental customer additions are also anticipated as a result of the utility's wastewater gravity collection system expansion program (the Gravity Expansion Program"). Portions of the BSU utility service area, which currently receives potable water service, do not currently receive wastewater service. As a result of the growth occurring in these non-serviced areas and in order to eliminate the number of septic tanks located within close proximity to nearby surface/tidal waters, the utility has undertaken a systematic wastewater service extension program to reduce the frequency of septic tanks in these

areas. Based on information provided by BSU staff, it is projected that approximately 1,315 new connections will occur during the course of the forecast period. BSU staff estimates that this growth in incremental wastewater customers will occur based on the following schedule:

	Anticipated Connection Date	Number of Connections
Phase 6	2002	190
Phase 7	2005	251
Phase 8	2002-2004	276
Phase 9	2003-2004	358
Other Miscellaneous Areas	2002	<u>240</u>
<b>Total</b>		<u><b>1,315</b></u>

In addition, the City is anticipating purchasing the wastewater collection, treatment and effluent disposal facilities during the course of the forecast period of the Bonita Country Club. Based on information provided by the utility, this small system which primarily provides wastewater service to several hundred residential units is anticipated to be purchased by BSU during the course of Fiscal Year 2004. For purposes of this analysis, the customer base, which comprises of approximately 361 single-family homes, 431 multi-family units and 10 commercial accounts were projected to become retail customers of BSU during the course of Fiscal Year 2002 and have been reflected as additional incremental growth in the determination of customer projections.

Based on the information provided by BSU as it relates to growth trends, usage relationships, incremental customer additions as described above and other factors, the forecast in customer accounts and ERUs for the water and wastewater system are projected. As can be seen in the table below, growth was anticipated to be approximately 7.5% and 8.2% for BSU water and wastewater systems, respectively.

Fiscal Year	Water		Wastewater	
	Accounts	ERUs	Accounts	ERUs
2001(est.)	17,372	26,817	13,405	21,950
2002	18,957	29,126	15,042	24,572
2003	20,510	31,305	16,308	26,731
2004	22,031	33,370	17,754	28,861
2005	23,512	35,288	18,927	30,522
2006	24,986	37,180	19,841	31,904
Average Annual Compound Growth Rate	<u>7.54%</u>	<u>6.75%</u>	<u>8.16%</u>	<u>7.77%</u>

[\*] Amounts shown derived from Tables 2-1 and 2-2.

The following is a summary of the water and sales forecast and corresponding wastewater revenue gallons for the projection period ending September 30, 2006.

Fiscal Year	Water Sales (000s)	Wastewater Revenue Gallons (000s)
2002	1,651,580	1,395,532
2003	1,761,436	1,506,321
2004	1,867,288	1,620,515
2005	1,964,889	1,711,854
2006	2,060,706	1,784,343
Average Annual Compound Growth Rate	<u>5.69%</u>	<u>6.34%</u>

Water sales were projected based on usage trends experienced by each class of customers during the recent historical period and were projected to decrease slightly over time. This was done since drought conditions have existed over recent years and the intent is to anticipate a normalized level of water use prior to these conditions (pre-FY 1999) whereby the sales would therefore be consistent with the type of customer growth being incurred by the system under normal weather conditions.

The forecast of wastewater sales or "revenue gallons" (i.e., metered water consumption which is charged the wastewater flow charge) was projected in the same manner as the water system. For the residential class, there currently exists a residential billing threshold equal to 10,000 gallons per month per unit of metered water service. Based on the average use per account statistics for the multi-family and single-family classes and a review of billing information, it was estimated that approximately 86% of the water sales for those customer classifications which also have sewer service were applied the wastewater flow charge. Finally, for the general service customer classes (commercial customers), the wastewater flow charge is based on all metered water use. BSU does provide wastewater-only service to a select number of customers within the utility service areas. The wastewater sales were based on billing information provided by BSU (as received from the utility providing water service) and was incrementally added to the wastewater sales for those customers which receive both water and wastewater service.

It should be noted that the projection of water sales and associated wastewater revenue gallons do not reflect any adjustments for the effects of price on use (i.e. - price elasticity). As will be discussed in Section 4, Rate Design, rates will be designed to continue to promote water conservation. The estimated effects on water use associated with the increase in price, as well as the continued application of a conservation rate structure, will be accounted for in the design of the rates. Thus, the forecast of sales or flow as shown in Tables 2-1 and 2-2 does not reflect any anticipated impact due to a reduction in water usage as a result of price elasticity adjustments.



**Table 2-1**  
**Bonita Springs Utilities, Inc.**  
**2002 Water and Wastewater Rate and Revenue Sufficiency Study**

**Summary of Historical and Projected Customer Statistics**

Line No.	Description	Fiscal Year Ending December 31,					
		Estimated 2001	2002	2003	Projected 2004 2005 2006		
<b>WATER SYSTEM</b>							
Residential - Single Family, Duplex, and Triplex							
1	Average Annual Accounts	15,224	16,518	17,812	19,106	20,400	21,694
2	Total Billed Sales (000's Gallons)	846,451	918,392	984,990	1,050,812	1,115,858	1,180,127
3	Avg. Monthly Use per Account (Gallons)	4,633	4,633	4,608	4,583	4,558	4,533
Residential - Multi-Family and Mixed Master							
4	Average Annual Accounts	1,088	1,292	1,468	1,620	1,743	1,860
5	Number of Units	11,245	12,316	13,240	14,038	14,684	15,298
6	Total Billed Sales (000's Gallons)	312,303	342,047	365,485	387,513	405,346	422,295
7	Avg. Monthly Use per Account (Gallons)	23,920	22,062	20,747	19,934	19,380	18,920
8	Avg. Monthly Use per Unit (Gallons)	2,314	2,314	2,300	2,300	2,300	2,300
Commercial							
9	Average Annual Accounts	786	852	914	968	1,011	1,053
10	Total Billed Sales (000's Gallons)	234,167	252,154	268,582	283,192	294,522	305,728
11	Avg. Monthly Use per Account (Gallons)	24,827	24,669	24,493	24,385	24,281	24,200
Irrigation							
12	Average Annual Accounts	272	293	314	335	356	377
13	Total Billed Sales (000's Gallons)	120,662	124,054	127,447	130,839	134,232	137,625
14	Avg. Monthly Use per Account (Gallons)	36,967	35,273	33,806	32,524	31,393	30,389
Assisted Living / Institutional							
15	Average Annual Accounts	2	2	2	2	2	2
16	Total Billed Sales (000's Gallons)	14,932	14,932	14,932	14,932	14,932	14,932
17	Avg. Monthly Use per Account (Gallons)	622,158	622,158	622,158	622,158	622,158	622,158
<b>TOTAL WATER SYSTEM</b>							
18	Average Annual Accounts	17,372	18,957	20,510	22,031	23,512	24,986
19	Average Annual Units	27,529	29,981	32,282	34,449	36,453	38,424
20	Average Annual ERC's	26,817	29,126	31,305	33,370	35,288	37,180
21	Total Billed Sales (000's Gallons)	1,528,514	1,651,580	1,761,436	1,867,288	1,964,889	2,060,706
22	Avg. Monthly Use per Account (Gallons)	7,332	7,260	7,157	7,063	6,964	6,873

**Table 2-2**  
**Bonita Springs Utilities, Inc.**  
**2002 Water and Wastewater Rate and Revenue Sufficiency Study**

**Summary of Historical and Projected Customer Statistics**

e	Description	Fiscal Year Ending December 31,					
		Estimated 2001	2002	2003	Projected 2004	2005	2006
<b>WASTEWATER SYSTEM</b>							
	Residential - Single Family, Duplex, and Triplex						
23	Average Annual Accounts	11,890	13,269	14,307	15,547	16,522	17,276
24	Total Revenue Gallons (000's Gallons)	700,796	782,071	839,814	908,868	961,899	1,001,649
25	Avg. Monthly Sales per Account (Gallons)	4,911	4,911	4,891	4,871	4,851	4,831
	Residential - Multi-Family and Mixed Master						
26	Average Annual Accounts	932	1,134	1,308	1,458	1,580	1,696
27	Number of Units	10,125	11,485	12,709	13,652	14,339	14,992
28	Total Revenue Gallons (000's Gallons)	292,488	331,774	366,064	393,226	413,014	431,822
29	Avg. Monthly Sales per Account (Gallons)	26,166	24,392	23,326	22,471	21,782	21,219
30	Avg. Monthly Sales per Unit (Gallons)	2,407	2,407	2,400	2,400	2,400	2,400
	Commercial						
31	Average Annual Accounts	581	637	691	747	822	867
32	Total Revenue Gallons (000's Gallons)	246,412	266,756	285,510	303,489	322,010	335,939
33	Avg. Monthly Sales per Account (Gallons)	35,328	34,884	34,440	33,867	32,635	32,302
	Assisted Living / Institutional						
34	Average Annual Accounts	2	2	2	2	2	2
35	Total Revenue Gallons (000's Gallons)	14,932	14,932	14,932	14,932	14,932	14,932
36	Avg. Monthly Sales per Account (Gallons)	622,158	622,158	622,158	622,158	622,158	622,158
	<b>TOTAL WASTEWATER SYSTEM</b>						
37	Average Annual Accounts	13,405	15,042	16,308	17,754	18,927	19,841
38	Average Annual Units	22,599	25,394	27,709	29,948	31,686	33,137
39	Average Annual ERC's	21,950	24,572	26,731	28,861	30,522	31,904
40	Total Revenue Gallons (000's Gallons)	1,254,627	1,395,532	1,506,321	1,620,515	1,711,854	1,784,343
41	Avg. Monthly Use per Account (Gallons)	7,799	7,731	7,697	7,606	7,537	7,494



**SECTION 3**  
**NET REVENUE REQUIREMENTS**

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## SECTION 3

### NET REVENUE REQUIREMENTS

#### 3.1 General

The various components of costs associated with the operations, maintenance, financing of the system, renewals, replacements and capital improvements are generally considered as the revenue requirements of a publicly operated utility system. The totaling of these cost components, after adjusting for other income, operating revenues, and the use of reserves and fund balances available to the utility, results in the total annual net revenue requirements (generally "a cash flow statement") and represents the amount of revenues required to be collected through user fees or rates. The development of the net revenue requirements for BSU system is a critical component of the study since rates should be designed to recover the full cost of providing service. To the extent that the estimate of the full cost is not accurate, the proposed rates could under-recover the expenditure requirements, which could impact the utility system of BSU from a financial standpoint. The determination of the revenue requirements for the utility system of BSU was made in a manner generally consistent with the methods employed by publicly regulated utilities utilizing bond financing to meet their capital needs. This section provides a discussion of the development of the utility system revenues, expenditure requirements including assumptions utilized in the estimate of such expenditures, and the estimated rate adjustments, if any, necessary to meet such revenue requirements for both the water and wastewater systems on an individual basis.

#### 3.2 Revenue Requirements - General

User fees or rates should be set at a level such that the revenues produced will be sufficient to meet the near future revenue requirements. Thus, it is necessary to estimate or project the various cost components over a reasonable period of time in order to determine the required rate levels. Projections must consider changes in operating practices, new facilities, expected cost increases and other factors that may affect the overall cost of operating, maintaining, and expanding the utility system.

For the purpose of this water and wastewater rate study, a forward-looking study period has been utilized for the determination of the water and wastewater systems projected revenue requirements. An important objective of a projected study period is to establish rates and rate levels that will reflect current costs of providing the service to ensure continuing and adequate service to meet future period requirements. By designing rates and charges in order to provide revenues to match future operating needs and other such requirements, an attempt to maintain the financial integrity of the utility system is accomplished, while continuing to provide the best possible service ultimately to the customer. It was determined that the revenue requirements for this rate study would be predicated on the projected utility costs for the five fiscal year period ending September 30, 2006. A five year forecast of utility operations was prepared in order:

- i) to recognize potential rate phasing or multiple rate adjustment considerations which may be

required to meet projected revenue requirements and capital expenditure needs; and ii) to provide a surety to BSU that the utility rates will be adequate in the future to satisfy the projected debt service and bond covenant requirements associated with revenue bonds anticipated to be outstanding during the five year forecast period by BSU.

### 3.3 Assumptions for Revenue Requirement Development

The development of the estimated revenue requirements for BSU's water and wastewater systems required several assumptions and considerations and the development of certain analyses relative to BSU's utility operations. The Fiscal Year 2002 served as the base or test year for revenue requirement projection purposes. BSU provided PRMG with a copy of the adopted budget for the Fiscal Year 2001 and the proposed budget for the Fiscal Year 2002, which served as the basis of the projection of the revenue requirements for this forecast period. The projected net revenue requirements for the individual water and wastewater systems for the forecast period reflected in this report is summarized on Tables 3-1 and 3-2, respectively.

The projected net revenue requirements for BSU's water system which are estimated to be needed to be recovered from user rates or charges are summarized below:

<u>Water System</u>	<u>Fiscal Year Revenue Requirements - Water System [1]</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Total Operating Expenses	\$5,390,486	\$6,111,191	\$6,865,551	\$7,401,366	\$7,952,535
Other Revenue Requirements:					
Debt Service	1,508,790	2,753,502	2,753,757	3,750,219	3,958,789
Capital Outlay and Departmental					
Capital Items [2]	1,984,945	901,695	917,987	934,687	951,804
Working Capital Transfers to/(from) [3]	<u>(404,000)</u>	<u>(266,500)</u>	<u>104,000</u>	<u>(210,000)</u>	<u>(52,444)</u>
Total Utility Expenditures	8,480,221	9,499,888	10,641,295	11,876,272	12,810,684
Less Revenues from Other Sources:					
Interest Income [4]	104,187	74,716	77,897	101,193	104,613
Other Operating Revenues	<u>1,002,332</u>	<u>988,408</u>	<u>974,393</u>	<u>956,875</u>	<u>953,809</u>
Net Revenue Required from Rates [5]	<u>\$7,373,702</u>	<u>\$8,436,765</u>	<u>\$9,589,006</u>	<u>\$10,818,205</u>	<u>\$11,752,262</u>

[1] Derived from Table 3-1.

[2] Reflects capital requirements funded solely from rate revenues.

[3] Amounts shown reflect the transfer of cash reserves to/(from) the operating reserves (if any) to assist in the phasing of rates of the two systems.

[4] Reflects interest income on unrestricted funds; does not include estimated earnings on the Construction Funds or the ANC Fund, which are assumed to remain in such accounts.

[5] Represents the amount of expenditures estimated to be funded from BSU water rates (user fees).

As can be seen on the above summary, the estimated net revenue requirements for the Water Utility System for the next five years beginning with the Fiscal Year 2002 are anticipated to increase by approximately 59.4% or approximately 12.3% per year on average. The primary reasons for this increase are due to: i) continuing inflationary pressures on operating expenses; ii) incremental increases in staffing and associated utility system operating costs anticipated to be required to operate and maintain the expanding system infrastructure and utility service area; and iii) changes in debt service funded from rates over the forecast period.

The corresponding net revenue requirements estimated for the five year forecast period for the Wastewater System is summarized as follows:

<u>Wastewater System</u>	<u>Fiscal Year Revenue Requirements - Wastewater System [1]</u>				
	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Total Operating Expenses	\$4,748,139	\$5,261,917	\$5,798,292	\$6,411,887	\$7,588,920
Other Revenue Requirements:					
Debt Service	4,759,447	5,741,762	5,791,737	7,122,749	7,936,728
Capital Outlay and Departmental					
Capital Items [2]	1,273,408	1,298,883	1,325,105	1,351,982	1,379,532
Working Capital Transfers to/(from) [3]	<u>(1,031,000)</u>	<u>(1,069,000)</u>	<u>511,500</u>	<u>577,500</u>	<u>(132,401)</u>
Total Utility Expenditures	9,749,994	11,233,502	13,426,634	15,464,118	16,772,779
Less Revenues from Other Sources:					
Interest Income [4]	166,019	96,594	102,796	130,968	139,692
Other Operating Revenues	<u>1,993,644</u>	<u>1,888,946</u>	<u>2,131,552</u>	<u>2,052,121</u>	<u>2,094,895</u>
Net Revenue Required from Rates [5]	<u>\$7,590,331</u>	<u>\$9,248,021</u>	<u>\$11,192,285</u>	<u>\$13,281,029</u>	<u>\$14,670,593</u>

[1] Derived from Table 3-2.

[2] Reflects capital requirements funded solely from rate revenues.

[3] Amounts shown reflect the transfer of cash reserves to/(from) the operating reserves (working capital) to assist in the phasing of rates.

[4] Reflects interest income on unrestricted funds; does not include estimated earnings on the Construction Fund or the Impact Fee Fund, which are assumed to remain in such accounts.

[5] Represents the amount of expenditures estimated to be funded from wastewater rates (user fees).

As can be seen above, the estimated utility expenditures for the wastewater system are anticipated to increase by approximately 93.3% over the next five years beginning with Fiscal Year 2002 or annually about 17.9%. The reasons for the increase in net revenue requirements are: i) projected increases in personnel additions and anticipated incremental increases in other operating costs in order to fund operations of expanding system infrastructure and service area; and ii) an anticipated increase in indebtedness during the forecast period allocable to the wastewater system in order to fund capital improvements for system expansion and replacement. These factors, coupled with continued inflationary pressures on the operating expenses, have resulted in the anticipated rise in system cost requirements.

The development of the projected revenue requirements as shown on Tables 3-1 and 3-2 for the water and wastewater systems, respectively, required certain assumptions and analyses. The major assumptions and analyses included in the development of the projected revenue requirements for the study period are:

1. The Fiscal Year 2002 Adopted Operating and Capital Budget as provided by BSU served as a base line for the expenditure projections and the underlying assumptions therein are reasonable and reflect anticipated operations. Such amounts were incorporated into the projected revenue requirement component of the study, except for adjustments and assumptions as noted hereunder.
2. Projected revenues from current rates and charges for BSU water and wastewater systems have been based on the schedule of rates and charges adopted by the Board of Directors on May 8, 2001, when at that time, the utility restructured its rates applicable to the multi-family

and mixed master-metered class of customers. Such rates were applicable to the customer and sales or usage forecast discussion in Section 2 of this report.

3. The expenditure projections for the Fiscal Year 2002 were allocated between the water and wastewater systems in order to identify the cost of providing service for each individual service area. By allocating costs to each system, rates could then be evaluated and subsequently designed which allow the individual utility systems to be reported on a self-sufficient basis. The allocation of utility expenditures for the Fiscal Year 2002 between the two (2) utility systems was based on the nature of the cost incurrence of such expenditures and is shown in detail on Table 3-3 at the end of this section. The following is a summary of the methodology utilized in the allocation of the operating expenses between the water and wastewater systems.

Expenditure Requirement	Primary Allocation Method	Allocation Percentage	
		Water	Wastewater
<b>BSU Operations:</b>			
Management	Salaries and Wages	57.46%	42.54%
Engineering	Capital Improvement Program	53.35%	46.65%
IT-Engineering	Fixed Assets	35.62%	64.38%
Member Services	Direct-Water	100.00%	0.00%
Fiscal Services	Salaries and Wages	57.46%	42.54%
Superintendent – Operations	Personnel	49.67%	50.33%
Water Plant	Direct-Water	100.00%	0.00%
Wastewater Plant	Direct – Sewer	0.00%	100.00%
Distribution/Collection	Miles of Line	52.31%	47.69%
Utility Maintenance	Fixed Assets	35.62%	64.38%
<b>Indirect Expenses:</b>			
Employee Benefits	Salaries and Wages	57.46%	42.54%
Contractual Services	Salaries and Wages	57.46%	42.54%
Insurance	Salaries and Wages	57.46%	42.54%
Miscellaneous Expenses	Personnel	49.67%	50.33%
Bad Debt Expense	Revenues	50.25%	49.75%
Contingency	Operating Expenses	53.17%	46.83%

As shown on Table 3-3 at the end of this section, the Fiscal Year 2002 utility operational and maintenance expenditures (exclusive of debt service and other non-operating requirements) were allocated between the water and wastewater systems as follows:

	Fiscal Year 2002	
	Water	Wastewater
Amount	\$5,390,486	\$4,748,139
Percent	<u>53.17%</u>	<u>46.83%</u>



4. Projected BSU operating and maintenance expenses allocated to the individual utility systems for the Fiscal Year 2002 were escalated for the remaining four years of the forecast period (through Fiscal Year 2006). The projections are illustrated on Tables 3-4 and 3-5 for the water and wastewater systems, respectively. These projected expenses as illustrated on Tables 3-4 and 3-5 were escalated for the forecast period as follows:
- (a) Projected operational and maintenance expenses for the initial fiscal years were based upon BSU's Proposed Fiscal Year 2002 Utility Budget which reflects the most recent anticipated annual financial projections of the utility at the time of this study. Such amounts were incorporated into the Fiscal Year 2002 component of the study period.
  - (b) Materials and supplies expenses, other contractual services expenses, repair and maintenance expenses, and certain other operating expenses have been projected to increase in general from historical and current budgetary levels at a rate equal to inflation ranging from 1.0% to 5.0% based on the nature of the expenditure. These escalation factors were based on the Implicit Price Deflator forecast prepared by the Congressional Budget Office as contained in The Economic and Budget Outlook dated January 2002. Additionally, these escalators were compared to historical price indices used by many utilities for financial forecasting and rate review purposes. These indices included: i) the gross national product implicit price deflator index which is used by the Florida Public Service Commission in the establishment of price indices for operating costs as required pursuant to Section 367.081(4)(a), Florida Statutes, in the regulation of private or investor-owned utilities; ii) the consumer price index; and iii) indices derived from the *Handy-Whitman Index*, a publication which tracks trends in construction and materials costs.
  - (c) Based on discussions with BSU, the escalation of wages and salaries above Fiscal Year 2002 budgeted amounts was increased by approximately 7.0% annually to reflect increases due to inflation and allowances for salary adjustments such as merit increases and cost of living adjustments. Personnel benefits (i.e., contributions toward retirement, health insurance, FICA, etc.) were projected to remain at the same percentage relationship to total salaries as was reflected in the Fiscal Year 2002 budget based on discussions with BSU.
  - (d) With respect to the projection of variable costs, the cost for purchased power and chemicals for BSU water and wastewater treatment facilities were determined utilizing the cost of the expense for water production and wastewater treatment to BSU's customers as outlined in Adopted Fiscal Year 2002 Budget and was escalated for the forecast period based on an allowance for inflation, which is consistent with recent historical trends, and the projection of flow requirements. The projections of such costs for the BSU wastewater system were performed in a similar manner.
  - (e) A contingency allowance of two percent (2.0%) of total BSU-related operating expenses was recognized in each fiscal year. The allowance has been included in order

to have sufficient funds to meet unknown or unplanned expenditures throughout each fiscal year and to recognize potential changes in revenues due to weather, conservation, and other factors. This allowance increases the revenue requirements of the utility by approximately \$238,200 annually and is included as an operating expense of the system.

5. An allowance for bad debt expense has been made to recognize a certain amount of revenues which will be considered as uncollectible and written off throughout the year. This expenditure item reflects an adjustment to the Fiscal Year 2002 Budget and was projected based on trends incurred by utilities statewide, BSU and discussions with County personnel. A bad debt ratio estimated at 0.50% of sales revenues was subsequently applied to the level of sales revenues projected for the forecast period in the study to estimate the amount of expense to recognize. The adjusted Fiscal Year 2002 revenue requirement recognizing this expense item for the water and wastewater systems is approximately \$71,380.
6. Based on discussions with BSU, we have recognized additional personnel during the course of the forecast period coincident with the capital improvement program, increased service area requirements, and as a result of increased renewals and replacements to the System. As a result of these needs, the cost of personnel services, including employee benefits, reflects an increase in the cost above the projected Fiscal Year 2002 personnel costs to recognize these employee additions. The additional employees which are recognized in the development of the operating expense projections for the forecast period are summarized below:

Department/Description	No. of Employees	Years of Addition	Estimated Annual Salary per Employee [1]
IT-Engineering	3	2003-2005	\$40,000
Member Services	2	2004	27,760
Fiscal Services	3	2003-2006	36,675
Water Plant	5	2003-2004	31,500
Wastewater Plant	9	2003-2006	32,045
Distribution/Collection	8	2003-2006	34,630
Utility Maintenance	4	2003-2006	36,300
Total Anticipated Additions	34		

[1] Amounts shown are in 2002 dollars and do not include incremental benefit costs (i.e., FICA, retirement contributions, health insurance, etc.)

No other personnel additions were assumed during the forecast period other than what is represented in the above referenced table.

7. Based on discussions with BSU staff, it is anticipated that the construction of the new 6.0 mgd reverse osmosis water treatment plant will be completed and available for service by October 2003. Based on discussions with staff, the facility will require additional personnel (Note the five [5] additional water plant personnel recognized in Assumption No. 6 above) in order to operate and monitor the new facilities. In addition to the personnel-related costs, it is also anticipated that approximately \$140,000 in annual incremental operating costs (primarily

chemicals, power, and maintenance-related costs will be incurred). These incremental water treatment facility operating costs were recognized to begin being incurred by the utility effective October 1, 2003.

8. It is also anticipated based on discussions with BSU staff that the 4.0 mgd East Water Reclamation Facility will be completed and ready for operation at the outset of Fiscal Year 2006 in order to provide service to the increasing wastewater system customer base of the utility. In addition to the incremental staffing costs required to staff the facilities, it is estimated that approximately \$330,000 in incremental wastewater treatment plant operating costs will also be incurred concurrent with the on-line date of the facility. Based on information provided by staff, these costs which are primarily associated with sludge disposal, purchased power, maintenance costs, etc., are projected to commence on January 1, 2006.
  
9. In order to provide wastewater service to those areas of the BSU service area where such service is not available, BSU has undertaken the Gravity Expansion Program to extend wastewater collection facilities to the most densely populated areas where such infrastructure does not exist. Customers located within the gravity extension area are required to connect to the newly installed wastewater collection system when service becomes available following notification by BSU and, in turn, pay a charge which is intended to defray the costs of constructing the necessary improvements, (the "Gravity Expansion Charge"). Benefiting homeowners are provided the option of paying the fee in a lump sum of \$1,717 per unit or allowed to amortize the cost up to a thirty (30) year time period. For purposes of this analysis, these revenues, which are considered as an operating revenue of the System were projected taking into account i) the forecast of new customer connections within the Gravity Expansion Area as outlined in Section 2 of this report; ii) estimates of customers opting to amortize the Gravity Expansion Charge versus paying a lump sum payment based on historical relationships; iii) projections of future amortized Gravity Expansion Charges to be paid by customers already connected to the wastewater system in the Gravity Expansion Area; and iv) the current Gravity Expansion Charges in effect, the following charges were estimated:

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Annual Lump Sum Payments	\$361,600	\$233,855	\$372,932	\$247,591	\$157,964
Annual Amortized Payments	<u>714,404</u>	<u>728,433</u>	<u>791,408</u>	<u>819,338</u>	<u>819,338</u>
Total Estimated Revenues	<u>\$1,076,004</u>	<u>\$962,288</u>	<u>\$1,164,340</u>	<u>\$1,066,929</u>	<u>\$977,302</u>

10. In addition to the Gravity Expansion Charges charged within the Gravity Expansion Areas, benefiting customers are also responsible for payment of the appropriate ANC fee to allow BSU to recover the cost of capital associated with wastewater treatment, backbone transmission and effluent disposal of the wastewater system. These specific customers are also allowed to amortize the cost of the ANC fee over a period of up to thirty (30) years (new connections outside the Gravity Expansion Area are required to make an upfront lump sum

payment). As defined in the prevailing Bond Resolution, interest payments on the amortized wastewater ANC fees paid by customers within the Gravity Expansion Area are considered as an operating revenue of the utility system. Based on an analysis of i) anticipated connections to occur within the Gravity Expansion Areas during the forecast period; ii) estimation of customers during the forecast period choosing to amortize the wastewater ANC fee; iii) projections of amortized interest payments to be made by customers previously connected to the wastewater system; and iv) the current schedule of ANC rates in effect, the following wastewater ANC interest revenues were recognized:

<u>Fiscal Year</u>	<u>Estimated Amount</u>
2002	\$427,942
2003	460,030
2004	469,057
2005	509,609
2006	527,592

11. With respect to the determination of water and wastewater ANC fees to be collected by BSU during the course of this analysis (exclusive of interest payments on amortized ANC fees), none of these specific revenue sources have been included in the development of the financial analyses since such amounts are available only for capital projects for new customers growth and expansion and have not been reflected to effectively fund indebtedness. The use of such funds have been recognized to fund the expansion of the System, thus reducing project funding from utility revenues or future debt service costs, etc. which are paid from rates for the water and wastewater systems. Additionally, no funds from the imposition of ANC fees were assumed to be used to offset the payment of any future debt service requirements even through such revenues are considered as a pledged revenue for bond coverage purposes.

For the projected period shown, the amount of ANC fees anticipated to be collected were estimated as follows:

<u>Fiscal Year</u>	<u>ANC Fees</u>		
	<u>Water</u>	<u>Wastewater</u>	<u>Total</u>
2002	\$3,792,788	\$4,734,939	\$8,527,727
2003	3,589,738	4,304,084	7,893,822
2004	3,413,038	4,284,682	7,697,720
2005	3,186,738	3,839,420	7,026,158
2006	3,144,888	3,668,709	6,813,597

12. BSU enjoys the receipt of other operating revenues from miscellaneous charges for specific customer service requests or needs which serve to reduce rate revenue requirements. Examples of the revenues include turn-on and turn-off charges, effluent reuse sales, meter drop-in (installation) and tap-on charges and return check charges. Such amounts were allocated between each utility system based on the specific service for which the revenue was derived and were subsequently escalated for the projection period based on recent historical trends and projected growth of the utility.

13. BSU currently has outstanding as of May 1, 2002 in the principal amount of \$60,635,000 of revenue bond indebtedness that is allocable to the utility system. This consists of three separate issues which include: i) Utility System Revenue Bonds, Series 1996, in the principal amount of \$32,520,000 (the "Series 1996 Bonds"); ii) Utility System Revenue Bonds, Series 2000, in the principal amount of \$13,200,000 (the "Series 2000 Bonds"); and iii) Utility System Refunding Revenue Bonds, Series 2001 (the "Series 2001 Bonds") in the principal amount of \$18,975,000 (collectively, the "Outstanding Bonds"). The debt service requirements shown for the Outstanding Bonds were based on the actual debt service schedules for each issue and are presented on a "gross" basis (i.e., not net of interest earnings on any debt service related funds or accounts) for the purposes of this study. Furthermore, the amounts shown are based on the monthly funding requirements of the various sinking funds as required by the resolution that authorized the bonds (essentially an accrual basis) as opposed to when the debt service requirements are actually paid.

The indebtedness for the Outstanding Bonds is allocable entirely to BSU system and only the revenues generated from BSU operations are pledged towards the payment of this debt. Based on the projects funded from the debt and information provided by BSU, the allocation of the annual debt service requirements between the water and wastewater system and anticipated funding source towards each series of bond is summarized as follows:

	System Allocation	
	Water	Wastewater
Series 1996 Bonds	23.12%	76.88%
Series 2000 Bonds	0.00%	100.00%
Series 2001 Bonds	0.00%	100.00%

14. The utility is currently anticipating the issuance of the Utility System Revenue Bonds, Series 2002A and 2002B (collectively the "Series 2002 Bonds") for the primary purpose of funding capital improvements identified by BSU. The annual debt service payments for the Series 2002 Bonds were derived from the estimated debt service schedules as provided by BSU's Managing Underwriter. The assumptions provided by the Utility's Underwriter with respect to the Series 2002A Bonds include: i) total principal amount of the bonds estimated at approximately \$37,000,000; ii) an assumed average coupon rate ranging from 3.22% to 5.72% (reflect tax-exempt debt issued through the Lee County Industrial Development Authority); iii) a term of thirty (30) years; iv) the purchase of a Reserve Account Guaranty in lieu of cash funding the Reserve Account; and v) the payment of issuance costs associated with the Series 2002A Bonds. It was further assumed that the Series 2002A Bonds would be dated September 1, 2002.

With respect to the Series 2002B Bonds, the assumptions provided by BSU's Managing Underwriter include: i) total principal amount of the bonds estimated at approximately \$25,115,000; ii) an assumed average coupon interest rate ranging from 5.35% to 7.30% (reflect taxable debt issued through the Lee County Industrial Development Authority); iii) a term of thirty (30) years; iv) the purchase of a Reserve Account Guaranty in lieu of cash funding the Reserve Account; and v) the payment of issuance expenses associated with the

Series 2002B Bonds. It was further assumed that the Series 2002B Bonds would be dated September 1, 2001.

15. In addition to the Series 2002 Bonds, it is anticipated during the course of the projection period outlined in this Report and based on discussions with BSU that an additional series of Utility System Revenue Bonds issued on a parity basis to the Series 2002 Bonds payable from the revenues of the utility systems will be issued. A discussion of the assumptions for the issuance of incremental indebtedness is summarized below.

Based on discussions with BSU, it has been assumed that the Utility will issue in the principal amount of \$26,570,000 of Utility System Revenue Bonds, Series 2005 (the "Series 2005 Bonds") on or after January 1, 2005 in order to fund projected improvements to the BSU's water and wastewater system. It has been assumed relative to the issuance of the Series 2005 Bonds that: i) the bonds will be issued for a term of 30 years; ii) the bonds will bear an average coupon or interest rate of 5.80% over the term of the issue; iii) no interest expense will be capitalized from bond proceeds with essentially level debt service payments throughout the bond issue term; iv) a portion of the proceeds of the bonds will be used to purchase a Reserve Account Guaranty in lieu of cash funding the Reserve Account as well as to pay issuance costs associated with the Series 2005 Bonds; and v) the bonds will be insured in order to receive the highest quality rating possible and to reduce the overall interest rates associated with the issue.

16. The capital outlay expenditures for departmental furniture, fixtures, equipment, vehicles, and other related items were recognized as an additional capital requirement which is funded from System rates. These capital expenditures were based on recent expenditure trends and discussions with BSU staff.
17. Investment income on funds and accounts created by the Bond Resolution have been estimated utilizing average annual interest rates ranging from 2.90 percent to 3.50 percent. The interest rates have been applied to estimated balances in the debt service Sinking Funds, Debt Service Reserve Account, and the Revenue (operating) Fund. We have also assumed that any interest earnings on the Water and Wastewater ANC Funds and the Construction Funds, if any, will be deposited in the respective funds and not be available for operating expense or debt service requirements. For the forecast period, the earnings by specific fund or account for the System are summarized below:

	Fiscal Year Ending September 30,				
	2002	2003	2004	2005	2006
Revenue (Operating) Fund	\$151,542	\$109,719	\$111,261	\$137,022	\$140,219
Bond Sinking Funds	45,445	61,591	69,432	95,138	104,086
Bond Debt Service Reserve Fund [1]	<u>73,219</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Earnings Recognized	270,216	171,310	180,693	232,161	244,304
ANC Fund [2]	<u>47,621</u>	<u>50,673</u>	<u>66,622</u>	<u>68,323</u>	<u>89,572</u>
Total Earnings	<u>\$317,837</u>	<u>\$221,983</u>	<u>\$247,315</u>	<u>\$300,484</u>	<u>\$328,876</u>

[1] Reflects release of Debt Service Reserve Funds of the Series 1996 and 2000 Bonds in order to supplement funding of Utility's Capital Improvement Program.

[2] For purposes of this analysis, assumed earnings on the ANC Fund restricted to such funds until time of use during forecast period.

18. The capital improvement program for the water and wastewater system was based on: i) the Fiscal Year 2002 Proposed Capital Budget; ii) information provided by the County regarding the status of current and anticipated projects; and iii) the County's most recent Five Year Capital Improvement Plan. Table 3-6 at the end of this Report provides a detailed listing of the capital projects for the water and wastewater system for the forecast period. Included in the capital improvement program is the use of the R&R Fund to fund recurring capital projects (i.e., essentially the betterment or replacement of assets). The recognition of this revenue requirement is necessary in order to allow the County a funding mechanism to continue to provide high quality service (i.e., maintain same level of service) to its customers as the utility system ages.

	Fiscal Year Ending December 31 [1]				
	2002	2003	2004	2005	2006
<b>Capital Projects:</b>					
Water System					
Capital Projects	\$19,209,877	\$27,151,695	\$6,517,987	\$9,034,687	\$12,701,804
Wastewater System					
Capital Projects	<u>19,228,273</u>	<u>3,398,883</u>	<u>17,450,105</u>	<u>25,451,982</u>	<u>3,279,532</u>
Total System Capital Projects	\$38,438,160	\$30,550,578	\$23,968,092	\$34,486,669	\$15,981,336

	Fiscal Year Ending December 31 [1]				
	2002	2003	2004	2005	2006
<b>Funding Sources:</b>					
Operating Reserves	\$113,833	\$ 0	\$ 0	\$ 0	\$ 0
ANC Fees	11,243,477	5,062,820	10,025,000	5,027,768	7,734,412
Series 2002A Bonds	15,047,054	5,125,000	9,850,000	7,068,201	0
Series 2002B Bonds	8,775,442	14,462,180	1,850,000	350,000	0
Series 2005 Bond	0	0	0	19,754,032	5,915,588
Released Debt Service Reserve Funds	0	3,700,000	0	0	0
Rate Revenue	<u>3,258,354</u>	<u>2,200,578</u>	<u>2,243,092</u>	<u>2,286,669</u>	<u>2,331,336</u>
Total Funding Sources	\$38,438,160	\$30,550,578	\$23,968,092	\$34,486,669	\$15,981,336

[1] Amounts shown reflect when funding projected to be required and may be different from when funds are actually expended through project completion.

### 3.4 Adequacy of Existing Utility Retail Rate Revenue

Based on the forecast of sales of the water system and the assumptions and considerations set forth with respect to the determination of the system expenditures, the existing rate revenue of the water system in the forecast period as detailed on Table 3-1 is anticipated to be as follows:

	2002	2003	2004	2005	2006
<b>Water System: [1]</b>					
Net Revenue Requirements from Retail Rates	\$7,373,702	\$8,436,765	\$9,589,006	\$10,818,205	\$11,752,262
Existing Retail Water Rate Revenue [2]	<u>7,124,412</u>	<u>8,151,368</u>	<u>9,264,800</u>	<u>10,452,441</u>	<u>11,752,261</u>
Estimated Revenue Surplus/(Deficiency) [3]	(\$249,291)	(\$285,396)	(\$324,206)	(\$365,764)	\$ 0
Amount Percent	<u>(3.50%)</u>	<u>(3.50%)</u>	<u>(3.50%)</u>	<u>(3.50%)</u>	<u>0.00%</u>
Percent of Partial Year Rate Revenue [4]	<u>(7.00%)</u>	<u>(7.00%)</u>	<u>(7.00%)</u>	<u>(7.00%)</u>	<u>0.00%</u>

[1] Derived from Table 3-1.

[2] Amounts shown based on rates currently in effect and include effects of rate adjustments in forecast period (i.e., 2002 adjustment included in 2003 revenue).

[3] Reflects annual deficiency for each year assuming prior period adjustments.

[4] For years in which a rate increase is required, the increase is assumed to be effective on July 1 of that fiscal year.

The development of the estimated revenue requirements for the wastewater system is shown in detail on Table 3-2 for each fiscal year summarized as follows:

	2002	2003	2004	2005	2006
<b>Wastewater System: [1]</b>					
Net Revenue Requirements from Retail Rates	\$7,590,331	\$9,248,021	\$11,192,285	\$13,281,029	\$14,670,593
Existing Retail Wastewater Rate Revenue [2]	<u>7,152,094</u>	<u>8,714,279</u>	<u>10,546,382</u>	<u>12,514,517</u>	<u>14,670,593</u>
Estimated Revenue Surplus/(Deficiency) [3]	(\$438,237)	(\$533,742)	(\$645,903)	(\$766,512)	\$ 0
Amount Percent	<u>(6.13%)</u>	<u>(6.12%)</u>	<u>(6.12%)</u>	<u>(6.12%)</u>	<u>0.00%</u>
Percent of Partial Year Rate Revenue [4]	<u>(12.25%)</u>	<u>(12.25%)</u>	<u>(12.25%)</u>	<u>(12.25%)</u>	<u>0.00%</u>

[1] Derived from Table 3-2.

[2] Amounts shown based on rates currently in effect and include effects of rate adjustments in forecast period (i.e., 2002 adjustment included in 2003 revenue).

[3] Reflects annual deficiency for each year assuming prior period adjustments.

[4] For years in which a rate increase is required, the increase is assumed to be effective on July 1 of that fiscal year.



Table 3-1  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Development of Net Revenue Requirements for the Water System

Line No.	Description	Fiscal Year Ending December 31,				
		2002	2003	2004	2005	2006
<b>Operating Expenses:</b>						
1	Management	\$441,667	\$464,718	\$492,624	\$516,867	\$542,432
2	Engineering	477,165	500,061	524,296	549,958	577,140
3	IT - Engineering	183,971	208,749	236,208	266,606	281,550
4	Member Services	662,590	708,267	819,776	874,494	932,283
5	Fiscal Services	362,178	400,308	442,434	463,124	512,622
6	Super - Operations	82,821	87,340	92,142	97,247	102,675
7	Water Plant	1,385,780	1,683,307	1,914,954	2,041,497	2,173,179
8	Distribution / Collections	672,884	759,413	874,240	977,220	1,065,761
9	Utility Maintenance	360,348	395,048	432,526	472,267	515,340
10	Indirect Expenses	761,082	903,983	1,036,350	1,142,086	1,249,552
11	<b>Total Operating Expenses</b>	<b>5,390,486</b>	<b>6,111,191</b>	<b>6,865,551</b>	<b>7,401,366</b>	<b>7,952,535</b>
<b>Other Revenue Requirements:</b>						
<u>Debt Service</u>						
12	Series 1996 Bonds	619,724	619,745	620,000	619,549	619,320
13	Series 2000 Bonds	0	0	0	0	0
14	Series 2001 Bonds	0	0	0	0	0
15	Series 2002A Tax Exempt Wastewater Bonds	144,176	346,022	346,022	354,376	397,444
16	Series 2002B Taxable Fixed Bonds	744,890	1,787,736	1,787,736	1,820,006	1,985,738
17	Series 2005 Bonds	0	0	0	956,287	956,287
18	Additional Bonds	0	0	0	0	0
19	<b>Total Debt Service</b>	<b>1,508,790</b>	<b>2,753,502</b>	<b>2,753,757</b>	<b>3,750,219</b>	<b>3,958,789</b>
<b>Other Miscellaneous Revenue Requirements:</b>						
20	Transfer to Operating Reserve	0	0	104,000	0	0
Departmental Capital and Capital Improvements Funded						
21	From Rate Revenues	1,984,945	901,695	917,987	934,687	951,804
22	Renewal and Replacement Fund Transfer	0	0	0	0	0
23	<b>Total Other Miscellaneous Revenue Requirements</b>	<b>1,984,945</b>	<b>901,695</b>	<b>1,021,987</b>	<b>934,687</b>	<b>951,804</b>
24	<b>Gross Revenue Requirements</b>	<b>8,884,221</b>	<b>9,766,388</b>	<b>10,641,296</b>	<b>12,086,273</b>	<b>12,863,128</b>
<b>Less Other Income and Funds from Other Sources:</b>						
25	Interest Earnings	104,187	74,716	77,897	101,193	104,613
26	Surcharges - Water	86,691	86,691	86,691	86,691	86,691
27	Reconnection Fees	28,000	28,000	28,000	28,000	28,000
28	Water Transfer Fee	102,550	102,550	102,550	102,550	102,550
29	Plan Review Fees - Water	36,600	36,600	36,600	36,600	36,600
30	Capacity Reservation Fees - Water	50,000	50,000	50,000	50,000	50,000
31	Water Connection Fees	389,139	381,332	373,475	363,653	361,934
32	Metered Sales to Construction Customers	48,467	47,494	46,516	45,292	45,078
33	Backflow Preventor Charges	256,453	251,308	246,130	239,657	238,524
34	Other Fees	4,432	4,432	4,432	4,432	4,432
35	Transfer From Operating Reserve	404,000	266,500	0	210,000	52,444
36	<b>Total Other Income</b>	<b>1,510,519</b>	<b>1,329,624</b>	<b>1,052,290</b>	<b>1,268,068</b>	<b>1,110,866</b>
37	<b>Total Net Revenue Requirements</b>	<b>7,373,702</b>	<b>8,436,765</b>	<b>9,589,006</b>	<b>10,818,205</b>	<b>11,752,262</b>
38	Revenue from Existing Retail Rates	7,124,412	7,618,228	8,092,187	8,532,362	8,965,918
39	Prior Year Rate Adjustment	0	533,140	1,172,612	1,920,079	2,786,343
40	<b>Total Applicable Rate Revenue</b>	<b>7,124,412</b>	<b>8,151,368</b>	<b>9,264,800</b>	<b>10,452,441</b>	<b>11,752,261</b>
<b>Retail Revenue Surplus/ (Deficiency)</b>						
41	Amount	(249,291)	(285,396)	(324,206)	(365,764)	0
42	<b>% Rate Increase</b>	<b>(3.50%)</b>	<b>(3.50%)</b>	<b>(3.50%)</b>	<b>(3.50%)</b>	<b>0.00%</b>
43	<b>Percent of Partial Year Rate Revenue</b>	<b>(7.00%)</b>	<b>(7.00%)</b>	<b>(7.00%)</b>	<b>(7.00%)</b>	<b>0.00%</b>
44	<b>Percent to be Recovered</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>50%</b>	<b>100%</b>

**Table 3-2**  
**Bonita Springs Utilities, Inc.**  
**Water and Wastewater System**

**Development of Net Revenue Requirements for the Wastewater System**

Line No.	Description	Fiscal Year Ending December 31,				
		2002	2003	2004	2005	2006
<b>Operating Expenses:</b>						
1	Management	\$341,789	\$354,096	\$373,746	\$395,309	\$428,999
2	Engineering	417,225	437,245	458,437	480,875	504,642
3	IT - Engineering	332,565	377,355	426,993	481,945	508,959
4	Member Services	0	0	0	0	0
5	Fiscal Services	268,087	296,311	327,493	342,807	379,446
6	Super - Operations	83,909	88,487	93,353	98,525	104,025
7	Wastewater Plant	1,431,405	1,594,913	1,730,092	1,932,913	2,640,586
8	Distribution / Collections	613,556	694,664	803,299	898,555	977,751
9	Utility Maintenance	681,402	749,228	822,214	898,006	978,345
10	Indirect Expenses	578,201	669,617	762,666	882,953	1,066,167
11	Total Operating Expenses	4,748,139	5,261,917	5,798,292	6,411,887	7,588,920
<b>Other Revenue Requirements:</b>						
Debt Service						
12	Series 1996 Bonds	2,060,253	2,060,322	2,061,171	2,059,672	2,058,909
13	Series 2000 Bonds	1,083,642	1,084,095	1,084,054	1,086,173	1,083,810
14	Series 2001 Bonds	914,271	914,271	963,438	1,330,687	1,938,308
15	Series 2002A Tax Exempt Wastewater Bonds	701,281	1,683,073	1,683,073	1,723,712	1,933,195
16	Series 2002B Taxable Fixed Bonds	0	0	0	0	0
17	Series 2005 Bonds	0	0	0	922,506	922,506
18	Additional Bonds	0	0	0	0	0
19	Total Debt Service	4,759,447	5,741,762	5,791,737	7,122,749	7,936,728
<b>Other Miscellaneous Revenue Requirements:</b>						
20	Transfer to Operating Reserve	0	0	511,500	577,500	0
Departmental Capital and Capital Improvements Funded						
21	From Rate Revenues	1,273,408	1,298,883	1,325,105	1,351,982	1,379,532
22	Renewal and Replacement Fund Transfer	0	0	0	0	0
23	Total Other Miscellaneous Revenue Requirements	1,273,408	1,298,883	1,836,605	1,929,482	1,379,532
24	Gross Revenue Requirements	10,780,994	12,302,561	13,426,633	15,464,118	16,905,179
<b>Less Other Income and Funds from Other Sources:</b>						
25	Interest Earnings	166,019	96,594	102,796	130,968	139,692
26	Surcharges - Wastewater	1,536,044	1,431,346	1,673,951	1,594,521	1,504,894
27	Plan Review Fees - Wastewater	94,600	94,600	94,600	94,600	94,600
28	Capacity Reservation Fees - Wastewater	95,000	95,000	95,000	95,000	95,000
29	Inspection Fees - Wastewater	28,000	28,000	28,000	28,000	28,000
30	Wastewater Collection Fee	90,000	90,000	90,000	90,000	90,000
31	Effluent Reuse	150,000	150,000	150,000	150,000	150,000
32	Other Fees	0	0	0	0	0
33	Transfer From Operating Reserve	1,031,000	1,069,000	0	0	132,401
34	Total Other Income	3,190,663	3,054,540	2,234,348	2,183,089	2,234,587
35	Total Net Revenue Requirements	7,590,331	9,248,021	11,192,285	13,281,029	14,670,593
36	Revenue from Existing Retail Rates	7,152,094	7,762,947	8,369,759	8,847,933	9,240,366
37	Prior Year Rate Adjustment	0	951,333	2,176,623	3,666,584	5,430,227
38	Total Applicable Rate Revenue	7,152,094	8,714,279	10,546,382	12,514,517	14,670,593
<b>Retail Revenue Surplus/ (Deficiency)</b>						
39	Amount	(438,237)	(533,742)	(645,903)	(766,512)	0
40	% Rate Increase	(6.13%)	(6.12%)	(6.12%)	(6.12%)	0.00%
41	Percent of Partial Year Rate Revenue	(12.25%)	(12.25%)	(12.25%)	(12.25%)	0.00%
42	Percent to be Recovered	50%	50%	50%	50%	100%

Table 3-3  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Allocation of Utility Operating Expenses to Individual Systems

line no.	Description	Adopted Budget 2001	Adopted Budget 2002	Adjustments	As Adjusted 2002	Basis	Percent Allocation		Allocation	
							Water	Wastewater	Water	Wastewater
<b>OPERATING EXPENSES:</b>										
<b>Management</b>										
1	Salaries	\$162,900	\$170,200	\$0	\$170,200	Salary	57.46%	42.54%	\$97,804	\$72,396
2	Additional Personnel Salaries	0	0	0	0	Salary	57.46%	42.54%	0	0
3	Purchased Power	3,900	4,100	0	4,100	Salary	57.46%	42.54%	2,356	1,744
Supplies:										
4	Board of Director Supplies	18,000	16,000	0	16,000	Salary	57.46%	42.54%	9,194	6,806
5	Computer Supplies	0	500	0	500	Salary	57.46%	42.54%	287	213
6	Materials and Supplies	2,400	1,000	0	1,000	Salary	57.46%	42.54%	575	425
7	Office Supplies	4,800	8,000	0	8,000	Salary	57.46%	42.54%	4,597	3,403
Contractual Services - Other:										
8	Building Maintenance	10,000	2,750	0	2,750	Salary	57.46%	42.54%	1,580	1,170
9	Equipment Maintenance and Repair	2,500	1,000	0	1,000	Salary	57.46%	42.54%	575	425
10	Miscellaneous - Contractual	0	2,000	0	2,000	Salary	57.46%	42.54%	1,149	851
11	Office Equipment Maintenance	0	1,000	0	1,000	Salary	57.46%	42.54%	575	425
12	Professional Services	0	225,000	0	225,000	Salary	57.46%	42.54%	129,295	95,705
13	Public Relations	137,500	100,000	0	100,000	Salary	57.46%	42.54%	57,464	42,536
14	Rental of Equipment	500	1,000	0	1,000	Salary	57.46%	42.54%	575	425
Transportation Expenses:										
15	Gas and Oil	2,000	2,200	0	2,200	Salary	57.46%	42.54%	1,264	936
16	Vehicle Licenses	100	100	0	100	Salary	57.46%	42.54%	57	43
17	Vehicle Maintenance and Repair	1,000	1,000	0	1,000	Salary	57.46%	42.54%	575	425
Miscellaneous:										
18	Advertising	0	2,000	0	2,000	Salary	57.46%	42.54%	1,149	851
19	Air / Taxi / Car Rental	0	500	0	500	Salary	57.46%	42.54%	287	213
20	Board Balloting	0	7,000	0	7,000	Salary	57.46%	42.54%	4,023	2,977
21	Cable	1,600	190	0	190	Salary	57.46%	42.54%	109	81
22	Donations / Dues / Subscriptions	2,000	5,000	0	5,000	Salary	57.46%	42.54%	2,873	2,127
23	Educations / Seminars	13,000	9,000	0	9,000	Salary	57.46%	42.54%	5,172	3,828
24	Employee Recognition	0	6,000	0	6,000	Salary	57.46%	42.54%	3,448	2,552
25	Food	1,200	1,000	0	1,000	Salary	57.46%	42.54%	575	425
26	Lodging	0	1,000	0	1,000	Salary	57.46%	42.54%	575	425
27	Mileage	0	1,000	0	1,000	Salary	57.46%	42.54%	575	425
28	Phone / Communications	3,000	3,620	0	3,620	Salary	57.46%	42.54%	2,080	1,540
29	Postage	0	6,000	0	6,000	Salary	57.46%	42.54%	3,448	2,552
30	Safety Equipment	0	500	0	500	Salary	57.46%	42.54%	287	213
31	Travel and Business Expenses	6,000	6,000	0	6,000	Salary	57.46%	42.54%	3,448	2,552
32	Utilities	1,000	0	0	0	Salary	57.46%	42.54%	0	0
33	Contingency (2.0% of Expenses)	0	0	198,797	198,797	Expenses	53.17%	46.83%	105,696	93,101
34	<b>Total Management</b>	<b>\$373,400</b>	<b>\$584,660</b>	<b>\$198,797</b>	<b>\$783,457</b>				<b>\$441,667</b>	<b>\$341,789</b>
<b>Engineering</b>										
35	Salaries	\$528,000	\$455,200	\$0	\$455,200	CIP	53.35%	46.65%	\$242,853	\$212,347
36	Additional Personnel Salaries	0	0	0	0	CIP	53.35%	46.65%	0	0
37	Purchased Power	7,500	21,000	0	21,000	CIP	53.35%	46.65%	11,204	9,796
Supplies:										
38	Computer Supplies	32,600	2,400	0	2,400	CIP	53.35%	46.65%	1,280	1,120
39	Electrical / Electronics	0	3,000	0	3,000	CIP	53.35%	46.65%	1,601	1,399
40	Materials and Supplies	3,000	0	0	0	CIP	53.35%	46.65%	0	0
41	Office Supplies	17,000	19,000	0	19,000	CIP	53.35%	46.65%	10,137	8,863
42	Contractual Services - Engineering	30,000	0	0	0	CIP	53.35%	46.65%	0	0
Contractual Services - Other:										
43	Building Expense	4,000	0	0	0	CIP	53.35%	46.65%	0	0
44	Building Maintenance	1,000	1,500	0	1,500	CIP	53.35%	46.65%	800	700
45	Equipment Maintenance and Repair	0	500	0	500	CIP	53.35%	46.65%	267	233
46	General Information Systems	180,000	0	0	0	CIP	53.35%	46.65%	0	0
47	Hardware Maintenance - Information Technology	7,009	0	0	0	CIP	53.35%	46.65%	0	0
48	Miscellaneous - Contractual	0	1,500	0	1,500	CIP	53.35%	46.65%	800	700
49	Office Equipment Maintenance	0	900	0	900	CIP	53.35%	46.65%	480	420
50	Professional Services	0	315,000	0	315,000	CIP	53.35%	46.65%	168,055	146,945
51	Professional Services - Information Technology	26,600	0	0	0	CIP	53.35%	46.65%	0	0
52	Public Relations	1,000	0	0	0	CIP	53.35%	46.65%	0	0
53	Software Maintenance - Information Technology	42,326	0	0	0	CIP	53.35%	46.65%	0	0
54	Temporary Services	25,000	5,000	0	5,000	CIP	53.35%	46.65%	2,668	2,332
55	Testing	0	2,000	0	2,000	CIP	53.35%	46.65%	1,067	933
56	Training - Information Technology	21,800	0	0	0	CIP	53.35%	46.65%	0	0
57	Rental of Equipment	1,000	700	0	700	CIP	53.35%	46.65%	373	327
Transportation Expenses:										
58	Gas and Oil	5,000	7,000	0	7,000	CIP	53.35%	46.65%	3,735	3,265
59	Vehicle Allowance	4,800	4,800	0	4,800	CIP	53.35%	46.65%	2,561	2,239
60	Vehicle Licenses	0	400	0	400	CIP	53.35%	46.65%	213	187
61	Vehicle Maintenance and Repair	8,400	6,000	0	6,000	CIP	53.35%	46.65%	3,201	2,799

Table 3-3  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Allocation of Utility Operating Expenses to Individual Systems

no.	Description				Basis	Percent Allocation		Allocation		
		Adopted Budget 2001	Adopted Budget 2002	Adjustments		As Adjusted 2002	Water	Wastewater	Water	Wastewater
	Miscellaneous:									
62	Advertising	2,500	200	0	200	CIP	53.35%	46.65%	107	93
63	Air / Taxi / Car Rental	0	500	0	500	CIP	53.35%	46.65%	267	233
64	Boots	0	500	0	500	CIP	53.35%	46.65%	267	233
65	Cable	0	190	0	190	CIP	53.35%	46.65%	101	89
66	Donations / Dues / Subscriptions	4,000	2,000	0	2,000	CIP	53.35%	46.65%	1,067	933
67	Education / Seminars / Training	12,000	12,000	0	12,000	CIP	53.35%	46.65%	6,402	5,598
68	Food	500	2,000	0	2,000	CIP	53.35%	46.65%	1,067	933
69	Lodging	0	2,000	0	2,000	CIP	53.35%	46.65%	1,067	933
70	Mileage	500	600	0	600	CIP	53.35%	46.65%	320	280
71	Miscellaneous Expense	1,000	2,000	0	2,000	CIP	53.35%	46.65%	1,067	933
72	Phone / Communications	6,000	16,000	0	16,000	CIP	53.35%	46.65%	8,536	7,464
73	Physicals	0	200	0	200	CIP	53.35%	46.65%	107	93
74	Postage	7,000	8,000	0	8,000	CIP	53.35%	46.65%	4,268	3,732
75	Record Easements	7,000	0	0	0	CIP	53.35%	46.65%	0	0
76	Safety Equipment	0	300	0	300	CIP	53.35%	46.65%	160	140
77	Subscriptions / Manuals - Information Technology	1,000	0	0	0	CIP	53.35%	46.65%	0	0
78	Travel and Business Expenses	0	2,000	0	2,000	CIP	53.35%	46.65%	1,067	933
79	Utilities	1,000	0	0	0	CIP	53.35%	46.65%	0	0
80	<b>Total Engineering</b>	<b>\$988,535</b>	<b>\$894,390</b>	<b>\$0</b>	<b>\$894,390</b>				<b>\$477,165</b>	<b>\$417,225</b>
	<b>IT - Engineering</b>									
81	Salaries	\$0	\$195,026	\$0	\$195,026	Assets	35.62%	64.38%	\$69,461	\$125,565
82	Additional Personnel Salaries	0	0	0	0	Assets	35.62%	64.38%	0	0
83	Purchased Power	0	6,300	0	6,300	Assets	35.62%	64.38%	2,244	4,056
	Supplies:									
84	Computer Hardware / Software	0	12,480	0	12,480	Assets	35.62%	64.38%	4,445	8,035
85	Computer Supplies	0	26,400	0	26,400	Assets	35.62%	64.38%	9,403	16,997
	Contractual Services - Other:									
86	Hardware Maintenance - Information Technology	0	30,240	0	30,240	Assets	35.62%	64.38%	10,770	19,470
87	Professional Services - Information Technology	0	18,600	0	18,600	Assets	35.62%	64.38%	6,625	11,975
88	Software Maintenance - Information Technology	0	172,890	0	172,890	Assets	35.62%	64.38%	61,577	111,313
	Miscellaneous:									
89	Education / Seminars / Training	0	43,200	0	43,200	Assets	35.62%	64.38%	15,386	27,814
90	Phone / Communications	0	10,500	0	10,500	Assets	35.62%	64.38%	3,740	6,760
91	Subscriptions / Manuals - Information Technology	0	900	0	900	Assets	35.62%	64.38%	321	579
92	<b>Total IT - Engineering</b>	<b>\$0</b>	<b>\$516,536</b>	<b>\$0</b>	<b>\$516,536</b>				<b>\$183,971</b>	<b>\$332,565</b>
	<b>Member Services</b>									
93	Salaries	\$242,322	\$340,200	\$0	\$340,200	Direct-W	100.00%	0.00%	\$340,200	\$0
94	Additional Personnel Salaries	0	0	0	0	Direct-W	100.00%	0.00%	0	0
95	Purchased Power	3,900	4,500	0	4,500	Direct-W	100.00%	0.00%	4,500	0
	Supplies:									
96	Computer Supplies	0	9,400	0	9,400	Direct-W	100.00%	0.00%	9,400	0
97	Materials and Supplies	2,500	28,000	0	28,000	Direct-W	100.00%	0.00%	28,000	0
98	Office Supplies	15,000	15,000	0	15,000	Direct-W	100.00%	0.00%	15,000	0
	Contractual Services - Other:									
99	Building Maintenance	10,000	5,000	0	5,000	Direct-W	100.00%	0.00%	5,000	0
100	Contractual - Lockbox	0	26,000	0	26,000	Direct-W	100.00%	0.00%	26,000	0
101	Equipment Maintenance and Repair	25,000	12,500	0	12,500	Direct-W	100.00%	0.00%	12,500	0
102	Miscellaneous - Contractual	0	30,000	0	30,000	Direct-W	100.00%	0.00%	30,000	0
103	Office Equipment Maintenance	500	2,250	0	2,250	Direct-W	100.00%	0.00%	2,250	0
104	Professional Services	0	1,500	0	1,500	Direct-W	100.00%	0.00%	1,500	0
105	Public Relations	10,000	0	0	0	Direct-W	100.00%	0.00%	0	0
106	Temporary Services	15,000	2,000	0	2,000	Direct-W	100.00%	0.00%	2,000	0
107	Rental of Equipment	1,000	500	0	500	Direct-W	100.00%	0.00%	500	0
	Transportation Expenses:									
108	Gas and Oil	1,000	600	0	600	Direct-W	100.00%	0.00%	600	0
109	Vehicle Licenses	0	100	0	100	Direct-W	100.00%	0.00%	100	0
110	Vehicle Maintenance and Repair	500	1,500	0	1,500	Direct-W	100.00%	0.00%	1,500	0
	Miscellaneous:									
111	Advertising	0	150	0	150	Direct-W	100.00%	0.00%	150	0
112	Air / Taxi / Car Rental	0	2,000	0	2,000	Direct-W	100.00%	0.00%	2,000	0
113	Cable	0	190	0	190	Direct-W	100.00%	0.00%	190	0
114	Donations / Dues / Subscriptions	0	200	0	200	Direct-W	100.00%	0.00%	200	0
115	Education / Seminars	3,000	5,000	0	5,000	Direct-W	100.00%	0.00%	5,000	0
116	Employee Recognition	0	0	0	0	Direct-W	100.00%	0.00%	0	0
117	Food	1,200	1,000	0	1,000	Direct-W	100.00%	0.00%	1,000	0
118	Lodging	0	1,000	0	1,000	Direct-W	100.00%	0.00%	1,000	0
119	Mileage	0	200	0	200	Direct-W	100.00%	0.00%	200	0
120	Petty Cash Adjustments	100	100	0	100	Direct-W	100.00%	0.00%	100	0
121	Phone / Communications	8,000	10,000	0	10,000	Direct-W	100.00%	0.00%	10,000	0
122	Physicals	500	1,000	0	1,000	Direct-W	100.00%	0.00%	1,000	0
123	Postage	0	95,000	0	95,000	Direct-W	100.00%	0.00%	95,000	0
124	Recording of Liens	0	67,000	0	67,000	Direct-W	100.00%	0.00%	67,000	0
125	Safety Equipment	0	500	0	500	Direct-W	100.00%	0.00%	500	0
126	Travel and Business Expenses	0	200	0	200	Direct-W	100.00%	0.00%	200	0
127	Utilities	1,000	0	0	0	Direct-W	100.00%	0.00%	0	0
128	<b>Total Member Services</b>	<b>\$340,522</b>	<b>\$662,590</b>	<b>\$0</b>	<b>\$662,590</b>				<b>\$662,590</b>	<b>\$0</b>

Table 3-3  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Allocation of Utility Operating Expenses to Individual Systems

Line No.	Description	Adopted Budget 2001	Adopted Budget 2002	Adjustments	As Adjusted 2002	Basis	Percent Allocation		Allocation	
							Water	Wastewater	Water	Wastewater
<b>Fiscal Services</b>										
129	Salaries	\$306,101	\$245,000	\$0	\$245,000	Salary	57.46%	42.54%	\$140,788	\$104,212
130	Additional Personnel Salaries	0	0	0	0	Salary	57.46%	42.54%	0	0
131	Purchased Power	7,500	6,300	0	6,300	Salary	57.46%	42.54%	3,620	2,680
Supplies:										
132	Computer Supplies	0	2,000	0	2,000	Salary	57.46%	42.54%	1,149	851
133	Materials and Supplies	2,000	2,000	0	2,000	Salary	57.46%	42.54%	1,149	851
134	Office Supplies	10,000	11,500	0	11,500	Salary	57.46%	42.54%	6,608	4,892
135	Contractual Services - Lockbox	26,000	0	0	0	Salary	57.46%	42.54%	0	0
Contractual Services - Other:										
136	Accounting	0	38,000	0	38,000	Salary	57.46%	42.54%	21,836	16,164
137	Building Maintenance	0	2,000	0	2,000	Salary	57.46%	42.54%	1,149	851
138	Equipment Maintenance and Repair (includes General Plant Maintenance)	25,000	1,500	0	1,500	Salary	57.46%	42.54%	862	638
139	General	55,000	0	0	0	Salary	57.46%	42.54%	0	0
140	Miscellaneous	1,000	2,000	0	2,000	Salary	57.46%	42.54%	1,149	851
141	Office Equipment Maintenance	1,000	1,200	0	1,200	Salary	57.46%	42.54%	690	510
142	Professional Service / Inv. and S.W. Fees	30,000	213,500	0	213,500	Salary	57.46%	42.54%	122,687	90,813
143	Temporary Services	3,000	1,000	0	1,000	Salary	57.46%	42.54%	575	425
144	Rental / Lease of Mail Equipment	2,000	1,500	0	1,500	Salary	57.46%	42.54%	862	638
Transportation Expenses:										
145	Gas and Oil	450	250	0	250	Salary	57.46%	42.54%	144	106
146	Vehicle Allowance	0	4,800	0	4,800	Salary	57.46%	42.54%	2,758	2,042
147	Vehicle Maintenance and Repair	600	650	0	650	Salary	57.46%	42.54%	374	276
Miscellaneous:										
148	Advertising	2,000	500	0	500	Salary	57.46%	42.54%	287	213
149	Air / Taxi / Car - Rental	2,400	1,500	0	1,500	Salary	57.46%	42.54%	862	638
150	Cable	0	190	0	190	Salary	57.46%	42.54%	109	81
151	Donations / Dues / Subscriptions	2,000	1,000	0	1,000	Salary	57.46%	42.54%	575	425
152	Education / Training (Great Plains)	4,000	4,000	0	4,000	Salary	57.46%	42.54%	2,299	1,701
153	Employee Recognition	100	0	0	0	Salary	57.46%	42.54%	0	0
154	Food	350	1,000	0	1,000	Salary	57.46%	42.54%	575	425
155	Investment Account Service Charge	0	25,000	0	25,000	Salary	57.46%	42.54%	14,366	10,634
156	Lodging	1,520	1,500	0	1,500	Salary	57.46%	42.54%	862	638
157	Mileage	320	450	0	450	Salary	57.46%	42.54%	259	191
158	Phone / Communications	2,880	4,000	0	4,000	Salary	57.46%	42.54%	2,299	1,701
159	Physicals	200	400	0	400	Salary	57.46%	42.54%	230	170
160	Postage	76,000	6,300	0	6,300	Salary	57.46%	42.54%	3,620	2,680
161	Regulatory Communications	500	500	0	500	Salary	57.46%	42.54%	287	213
162	Safety Equipment	0	225	0	225	Salary	57.46%	42.54%	129	96
163	Service Charges	29,300	50,000	0	50,000	Salary	57.46%	42.54%	28,732	21,268
164	Travel and Business Expenses	0	500	0	500	Salary	57.46%	42.54%	287	213
165	Utilities	600	0	0	0	Salary	57.46%	42.54%	0	0
166	<b>Total Fiscal Services</b>	<b>\$591,821</b>	<b>\$630,265</b>	<b>\$0</b>	<b>\$630,265</b>	<b>Salary</b>			<b>\$362,178</b>	<b>\$268,087</b>
<b>Super - Operations</b>										
167	Salaries	\$96,000	\$108,000	\$0	\$108,000	Personnel	49.67%	50.33%	\$53,648	\$54,352
168	Additional Personnel Salaries	0	0	0	0	Personnel	49.67%	50.33%	0	0
169	Purchased Power	8,000	6,300	0	6,300	Personnel	49.67%	50.33%	3,129	3,171
Supplies:										
170	Computer Supplies	0	300	0	300	Personnel	49.67%	50.33%	149	151
171	Electrical / Electronics Supplies	500	500	0	500	Personnel	49.67%	50.33%	248	252
172	Lab / Testing Supplies	0	0	0	0	Personnel	49.67%	50.33%	0	0
173	Materials and Supplies	1,000	1,000	0	1,000	Personnel	49.67%	50.33%	497	503
174	Office Supplies	8,000	6,000	0	6,000	Personnel	49.67%	50.33%	2,980	3,020
175	Professional Services	5,000	5,000	0	5,000	Personnel	49.67%	50.33%	2,484	2,516
Contractual Services - Other:										
176	Building Maintenance	1,000	1,000	0	1,000	Personnel	49.67%	50.33%	497	503
177	Miscellaneous	5,000	20,000	0	20,000	Personnel	49.67%	50.33%	9,935	10,065
178	Office Equipment Maintenance	0	250	0	250	Personnel	49.67%	50.33%	124	126
179	Rental of Equipment	1,000	1,000	0	1,000	Personnel	49.67%	50.33%	497	503
Transportation Expenses:										
180	Gas and Oil	1,500	2,100	0	2,100	Personnel	49.67%	50.33%	1,043	1,057
181	Vehicle Licenses	4,000	100	0	100	Personnel	49.67%	50.33%	50	50
182	Vehicle Maintenance and Repair	1,500	1,500	0	1,500	Personnel	49.67%	50.33%	745	755
Miscellaneous:										
183	Advertising	0	200	0	200	Personnel	49.67%	50.33%	99	101
184	Cable	0	190	0	190	Personnel	49.67%	50.33%	94	96
185	Donations / Dues / Subscriptions	1,000	3,000	0	3,000	Personnel	49.67%	50.33%	1,490	1,510
186	Education / Seminars	2,000	2,000	0	2,000	Personnel	49.67%	50.33%	993	1,007
187	Employee Recognition	4,600	0	0	0	Personnel	49.67%	50.33%	0	0
188	Food	500	1,000	0	1,000	Personnel	49.67%	50.33%	497	503
189	Hazardous Material Contribution	35,000	0	0	0	Personnel	49.67%	50.33%	0	0
190	Lodging	500	500	0	500	Personnel	49.67%	50.33%	248	252
191	Miscellaneous Expense	1,000	1,000	0	1,000	Personnel	49.67%	50.33%	497	503
192	Phone / Communications	7,000	3,135	0	3,135	Personnel	49.67%	50.33%	1,557	1,578
193	Postage	500	1,155	0	1,155	Personnel	49.67%	50.33%	574	581
194	Safety Equipment	1,000	1,000	0	1,000	Personnel	49.67%	50.33%	497	503
195	Travel and Business Expenses	500	500	0	500	Personnel	49.67%	50.33%	248	252
196	Utilities	500	0	0	0	Personnel	49.67%	50.33%	0	0
197	<b>Total Super - Operations</b>	<b>\$186,600</b>	<b>\$166,730</b>	<b>\$0</b>	<b>\$166,730</b>				<b>\$82,821</b>	<b>\$83,909</b>

Table 3-3  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Allocation of Utility Operating Expenses to Individual Systems

Line	Description	Adopted Budget 2001	Adopted Budget 2002	Adjustments	As Adjusted 2002	Basis	Percent Allocation		Allocation	
							Water	Wastewater	Water	Wastewater
<b>Water Plant</b>										
18	Salaries	\$415,000	\$450,000	\$0	\$450,000	Direct-W	100.00%	0.00%	\$450,000	\$0
19	Additional Personnel Salaries	0	0	0	0	Direct-W	100.00%	0.00%	0	0
10	Lime Sludge Disposal	60,000	60,000	0	60,000	Direct-W	100.00%	0.00%	60,000	0
11	Purchased Power	229,000	284,160	0	284,160	Direct-W	100.00%	0.00%	284,160	0
12	Fuel for Power Production	12,000	5,000	0	5,000	Direct-W	100.00%	0.00%	5,000	0
Chemicals:										
13	Ammonia	19,200	22,000	0	22,000	Direct-W	100.00%	0.00%	22,000	0
14	Carbon Dioxide	39,000	45,000	0	45,000	Direct-W	100.00%	0.00%	45,000	0
15	Chlorine	36,500	42,000	0	42,000	Direct-W	100.00%	0.00%	42,000	0
16	High Test Hypochlorite	0	1,500	0	1,500	Direct-W	100.00%	0.00%	1,500	0
17	Lime (Calcium Oxide)	192,000	200,000	0	200,000	Direct-W	100.00%	0.00%	200,000	0
18	Other Chemicals	1,800	1,500	0	1,500	Direct-W	100.00%	0.00%	1,500	0
19	Polymer	9,600	9,000	0	9,000	Direct-W	100.00%	0.00%	9,000	0
10	Polyphosphate (Includes Aqua Mag)	15,000	18,000	0	18,000	Direct-W	100.00%	0.00%	18,000	0
Supplies:										
11	Computer Supplies	0	400	0	400	Direct-W	100.00%	0.00%	400	0
12	Electrical / Electronics Supplies	30,300	20,000	0	20,000	Direct-W	100.00%	0.00%	20,000	0
13	Lab / Testing Supplies	8,775	10,000	0	10,000	Direct-W	100.00%	0.00%	10,000	0
14	Materials and Supplies	32,650	30,000	0	30,000	Direct-W	100.00%	0.00%	30,000	0
15	Office Supplies	1,100	2,400	0	2,400	Direct-W	100.00%	0.00%	2,400	0
16	Contractual Services - Engineering	2,000	2,000	0	2,000	Direct-W	100.00%	0.00%	2,000	0
17	Contractual Services - Testing	39,750	0	0	0					
Contractual Services - Other:										
18	Building Maintenance	5,400	5,000	0	5,000	Direct-W	100.00%	0.00%	5,000	0
19	Environmental Consulting	0	3,000	0	3,000	Direct-W	100.00%	0.00%	3,000	0
20	Equipment Maintenance and Repair	20,000	50,000	0	50,000	Direct-W	100.00%	0.00%	50,000	0
21	Miscellaneous	13,200	15,000	0	15,000	Direct-W	100.00%	0.00%	15,000	0
22	Office Equipment Maintenance	0	200	0	200	Direct-W	100.00%	0.00%	200	0
23	Professional Services	20,000	10,000	0	10,000	Direct-W	100.00%	0.00%	10,000	0
24	Tanks Maintenance and Repair	25,800	22,000	0	22,000	Direct-W	100.00%	0.00%	22,000	0
25	Temporary Services	1,100	500	0	500	Direct-W	100.00%	0.00%	500	0
26	Testing	0	30,000	0	30,000	Direct-W	100.00%	0.00%	30,000	0
27	Rental of Equipment	5,000	10,500	0	10,500	Direct-W	100.00%	0.00%	10,500	0
Transportation Expenses:										
28	Gas and Oil	1,975	2,500	0	2,500	Direct-W	100.00%	0.00%	2,500	0
29	Vehicle Licenses	0	80	0	80	Direct-W	100.00%	0.00%	80	0
30	Vehicle Maintenance and Repair	3,856	3,500	0	3,500	Direct-W	100.00%	0.00%	3,500	0
Miscellaneous:										
31	Advertising	0	1,000	0	1,000	Direct-W	100.00%	0.00%	1,000	0
32	Boots	1,050	1,500	0	1,500	Direct-W	100.00%	0.00%	1,500	0
33	Cable	0	190	0	190	Direct-W	100.00%	0.00%	190	0
34	Donations / Dues / Subscriptions	1,080	1,000	0	1,000	Direct-W	100.00%	0.00%	1,000	0
35	Education / Seminars	8,000	12,000	0	12,000	Direct-W	100.00%	0.00%	12,000	0
36	Food	550	600	0	600	Direct-W	100.00%	0.00%	600	0
37	Lodging	2,200	2,000	0	2,000	Direct-W	100.00%	0.00%	2,000	0
38	Mileage	0	250	0	250	Direct-W	100.00%	0.00%	250	0
39	Miscellaneous Expenses	0	500	0	500	Direct-W	100.00%	0.00%	500	0
40	Phone / Communications	10,800	6,000	0	6,000	Direct-W	100.00%	0.00%	6,000	0
41	Postage	100	1,200	0	1,200	Direct-W	100.00%	0.00%	1,200	0
42	Safety Equipment / Physicals	2,200	2,300	0	2,300	Direct-W	100.00%	0.00%	2,300	0
43	Travel and Business Expenses	2,200	2,000	0	2,000	Direct-W	100.00%	0.00%	2,000	0
44	Utilities	1,100	0	0	0	Direct-W	100.00%	0.00%	0	0
145	<b>Total Water Plant</b>	<b>\$1,269,286</b>	<b>\$1,385,780</b>	<b>\$0</b>	<b>\$1,385,780</b>				<b>\$1,385,780</b>	<b>\$0</b>
<b>Wastewater Plant</b>										
146	Salaries	\$315,000	\$362,500	\$0	\$362,500	Direct-S	0.00%	100.00%	\$0	\$362,500
147	Additional Personnel Salaries	0	0	0	0	Direct-S	0.00%	100.00%	0	0
148	Lime Sludge Disposal	120,000	150,000	0	150,000	Direct-S	0.00%	100.00%	0	150,000
149	Purchased Power	180,000	250,000	0	250,000	Direct-S	0.00%	100.00%	0	250,000
150	Fuel for Power Production	7,500	20,000	0	20,000	Direct-S	0.00%	100.00%	0	20,000
Chemicals:										
251	Caustic Soda	7,000	15,000	0	15,000	Direct-S	0.00%	100.00%	0	15,000
252	Chlorine	16,000	0	0	0	Direct-S	0.00%	100.00%	0	0
253	High Test Hypochlorite	17,000	30,000	0	30,000	Direct-S	0.00%	100.00%	0	30,000
254	Hydrogen Peroxide	0	225,000	0	225,000	Direct-S	0.00%	100.00%	0	225,000
255	Lime (Calcium Hydroxide)	8,000	40,000	0	40,000	Direct-S	0.00%	100.00%	0	40,000
256	Other Chemicals	0	50,000	0	50,000	Direct-S	0.00%	100.00%	0	50,000
257	Polymer	20,000	50,000	0	50,000	Direct-S	0.00%	100.00%	0	50,000
258	Sulfuric Acid	7,000	10,000	0	10,000	Direct-S	0.00%	100.00%	0	10,000
Supplies:										
259	Computer Supplies	0	500	0	500	Direct-S	0.00%	100.00%	0	500
260	Electrical / Electronics Supplies	3,500	9,000	0	9,000	Direct-S	0.00%	100.00%	0	9,000
261	Lab / Testing Supplies	4,000	8,000	0	8,000	Direct-S	0.00%	100.00%	0	8,000
262	Materials and Supplies	21,000	60,000	0	60,000	Direct-S	0.00%	100.00%	0	60,000
263	Office Supplies	1,500	3,500	0	3,500	Direct-S	0.00%	100.00%	0	3,500
264	Contractual Services - Engineering	15,000	7,500	0	7,500	Direct-S	0.00%	100.00%	0	7,500
265	Contractual Services - Testing	15,500	50,000	0	50,000	Direct-S	0.00%	100.00%	0	50,000

Allocation of Utility Operating Expenses to Individual Systems

Line No.	Description	Adopted Budget 2001	Adopted Budget 2002	Adjustments	As Adjusted 2002	Basis	Percent Allocation		Allocation	
							Water	Wastewater	Water	Wastewater
<b>Contractual Services - Other:</b>										
266	Building Maintenance	2,000	2,000	0	2,000	Direct-S	0.00%	100.00%	0	2,000
267	Contract Cleaning	1,350	1,200	0	1,200	Direct-S	0.00%	100.00%	0	1,200
268	Environmental Consulting	15,000	7,500	0	7,500	Direct-S	0.00%	100.00%	0	7,500
269	Equipment Maintenance and Repair	10,000	15,000	0	15,000	Direct-S	0.00%	100.00%	0	15,000
270	Grounds Maintenance	1,500	1,000	0	1,000	Direct-S	0.00%	100.00%	0	1,000
271	Miscellaneous	2,500	20,000	0	20,000	Direct-S	0.00%	100.00%	0	20,000
272	Professional Services	10,000	5,000	0	5,000	Direct-S	0.00%	100.00%	0	5,000
273	Rental of Equipment	2,500	4,000	0	4,000	Direct-S	0.00%	100.00%	0	4,000
<b>Transportation Expenses:</b>										
274	Gas and Oil	1,500	3,500	0	3,500	Direct-S	0.00%	100.00%	0	3,500
275	Vehicle Licenses	0	100	0	100	Direct-S	0.00%	100.00%	0	100
276	Vehicle Maintenance and Repair	2,000	3,000	0	3,000	Direct-S	0.00%	100.00%	0	3,000
<b>Miscellaneous:</b>										
277	Advertising	0	500	0	500	Direct-S	0.00%	100.00%	0	500
278	Boots	1,120	1,500	0	1,500	Direct-S	0.00%	100.00%	0	1,500
279	Cable	0	650	0	650	Direct-S	0.00%	100.00%	0	650
280	Donations / Dues / Subscriptions	1,200	3,500	0	3,500	Direct-S	0.00%	100.00%	0	3,500
281	Education / Seminars	8,000	5,000	0	5,000	Direct-S	0.00%	100.00%	0	5,000
282	Food	1,250	1,500	0	1,500	Direct-S	0.00%	100.00%	0	1,500
283	Garbage	0	3,000	0	3,000	Direct-S	0.00%	100.00%	0	3,000
284	Lodging	1,250	1,000	0	1,000	Direct-S	0.00%	100.00%	0	1,000
285	Miscellaneous Expenses	0	1,000	0	1,000	Direct-S	0.00%	100.00%	0	1,000
286	Phone / Communications	4,000	6,255	0	6,255	Direct-S	0.00%	100.00%	0	6,255
287	Physicals	0	600	0	600	Direct-S	0.00%	100.00%	0	600
288	Postage	0	100	0	100	Direct-S	0.00%	100.00%	0	100
289	Safety Equipment	2,200	2,500	0	2,500	Direct-S	0.00%	100.00%	0	2,500
290	Travel and Business Expense	1,250	1,000	0	1,000	Direct-S	0.00%	100.00%	0	1,000
291	Utilities	2,750	0	0	0	Direct-S	0.00%	100.00%	0	0
292	<b>Total Wastewater Plant</b>	<b>\$829,370</b>	<b>\$1,431,405</b>	<b>\$0</b>	<b>\$1,431,405</b>				<b>\$0</b>	<b>\$1,431,405</b>
<b>Distribution / Collections</b>										
293	Salaries	\$530,000	\$575,000	\$0	\$575,000	Linear Feet of Lines	52.31%	47.69%	\$300,759	\$274,241
294	Additional Personnel Salaries	0	0	0	0	Linear Feet of Lines	52.31%	47.69%	0	0
295	Purchased Power	8,000	6,300	0	6,300	Linear Feet of Lines	52.31%	47.69%	3,295	3,005
<b>Supplies:</b>										
296	Computer Supplies	0	500	0	500	Linear Feet of Lines	52.31%	47.69%	262	238
297	Electrical / Electronics Supplies	0	2,000	0	2,000	Linear Feet of Lines	52.31%	47.69%	1,046	954
298	Lab / Testing Supplies	0	1,000	0	1,000	Linear Feet of Lines	52.31%	47.69%	523	477
299	Materials and Supplies	20,000	25,000	0	25,000	Linear Feet of Lines	52.31%	47.69%	13,076	11,924
300	Office Supplies	1,500	3,850	0	3,850	Linear Feet of Lines	52.31%	47.69%	2,014	1,836
301	Contractual Services - Testing	0	8,000	0	8,000	Linear Feet of Lines	52.31%	47.69%	4,184	3,816
<b>Contractual Services - Other:</b>										
302	Building Maintenance	1,000	1,000	0	1,000	Linear Feet of Lines	52.31%	47.69%	523	477
303	Directional Borings	40,000	40,000	0	40,000	Linear Feet of Lines	52.31%	47.69%	20,922	19,078
304	Equipment Maintenance and Repair	10,000	12,000	0	12,000	Linear Feet of Lines	52.31%	47.69%	6,277	5,723
305	Locates / FL State 1-Call	5,000	5,000	0	5,000	Linear Feet of Lines	52.31%	47.69%	2,615	2,385
306	Miscellaneous	5,000	10,000	0	10,000	Linear Feet of Lines	52.31%	47.69%	5,231	4,769
307	Office Equipment Maintenance	0	1,000	0	1,000	Linear Feet of Lines	52.31%	47.69%	523	477
308	Professional Services	0	5,000	0	5,000	Linear Feet of Lines	52.31%	47.69%	2,615	2,385
309	Utility, Road, Customers Property Repairs	20,000	25,000	0	25,000	Linear Feet of Lines	52.31%	47.69%	13,076	11,924
310	Rental of Equipment	5,000	5,000	0	5,000	Linear Feet of Lines	52.31%	47.69%	2,615	2,385
311	Rental of Building / Real Property	0	35,000	0	35,000	Linear Feet of Lines	52.31%	47.69%	18,307	16,693
<b>Transportation Expenses:</b>										
312	Gas and Oil	30,000	30,000	0	30,000	Linear Feet of Lines	52.31%	47.69%	15,692	14,308
313	Vehicle Licenses	0	1,200	0	1,200	Linear Feet of Lines	52.31%	47.69%	628	572
314	Vehicle Maintenance and Repair	35,000	35,000	0	35,000	Linear Feet of Lines	52.31%	47.69%	18,307	16,693
<b>Miscellaneous:</b>										
315	Advertising	0	1,000	0	1,000	Linear Feet of Lines	52.31%	47.69%	523	477
316	Boots	2,500	3,200	0	3,200	Linear Feet of Lines	52.31%	47.69%	1,674	1,526
317	Cable	0	190	0	190	Linear Feet of Lines	52.31%	47.69%	99	91
318	Collection Repairs	15,000	15,000	0	15,000	Linear Feet of Lines	52.31%	47.69%	7,846	7,154
319	Distribution Repairs	120,000	150,000	0	150,000	Linear Feet of Lines	52.31%	47.69%	78,459	71,541
320	Donations / Dues / Subscriptions	1,600	500	0	500	Linear Feet of Lines	52.31%	47.69%	262	238
321	Education / Seminars	17,000	10,000	0	10,000	Linear Feet of Lines	52.31%	47.69%	5,231	4,769
322	Food	2,000	1,500	0	1,500	Linear Feet of Lines	52.31%	47.69%	785	715
323	Line Relocation	10,000	10,000	0	10,000	Linear Feet of Lines	52.31%	47.69%	5,231	4,769
324	Lodging	1,000	2,000	0	2,000	Linear Feet of Lines	52.31%	47.69%	1,046	954
325	Meter Installations	150,000	250,000	0	250,000	Linear Feet of Lines	52.31%	47.69%	130,765	119,235
326	Phone / Communications	5,000	10,000	0	10,000	Linear Feet of Lines	52.31%	47.69%	5,231	4,769
327	Physicals	1,000	1,500	0	1,500	Linear Feet of Lines	52.31%	47.69%	785	715
328	Postage	0	1,200	0	1,200	Linear Feet of Lines	52.31%	47.69%	628	572
329	Safety Equipment	3,000	3,000	0	3,000	Linear Feet of Lines	52.31%	47.69%	1,569	1,431
330	Travel and Business Expense	500	500	0	500	Linear Feet of Lines	52.31%	47.69%	262	238
331	Utilities	1,650	0	0	0	Linear Feet of Lines	52.31%	47.69%	0	0
332	<b>Total Distribution / Collections</b>	<b>\$1,040,750</b>	<b>\$1,286,440</b>	<b>\$0</b>	<b>\$1,286,440</b>				<b>\$672,884</b>	<b>\$613,556</b>

Table 3-3  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Allocation of Utility Operating Expenses to Individual Systems

Line No.	Description	Adopted Budget				Basis	Percent Allocation		Allocation	
		2001	2002	Adjustments	As Adjusted 2002		Water	Wastewater	Water	Wastewater
<b>Utility Maintenance</b>										
33	Salaries	\$325,000	\$325,000	\$0	\$325,000	Assets	35.62%	64.38%	\$115,753	\$209,247
34	Additional Personnel Salaries	0	0	0	0	Assets	35.62%	64.38%	0	0
35	Purchased Power	130,000	171,550	0	171,550	Assets	35.62%	64.38%	61,100	110,450
36	Fuel for Power Production	3,000	6,500	0	6,500	Assets	35.62%	64.38%	2,315	4,185
Chemicals:										
37	Bioxide	0	50,000	0	50,000	Assets	35.62%	64.38%	17,808	32,192
38	Caustic Soda	4,000	3,000	0	3,000	Assets	35.62%	64.38%	1,068	1,932
39	Chlorine	150,000	0	0	0	Assets	35.62%	64.38%	0	0
40	Degreaser	0	2,500	0	2,500	Assets	35.62%	64.38%	890	1,610
41	High Test Hypochlorite	12,000	13,000	0	13,000	Assets	35.62%	64.38%	4,630	8,370
42	Other Chemicals	4,000	2,000	0	2,000	Assets	35.62%	64.38%	712	1,288
Supplies:										
43	Computer Supplies	0	400	0	400	Assets	35.62%	64.38%	142	258
44	Electrical / Electronics Supplies	35,000	35,000	0	35,000	Assets	35.62%	64.38%	12,466	22,534
45	Materials and Supplies	92,000	70,000	0	70,000	Assets	35.62%	64.38%	24,931	45,069
46	Office Supplies	4,000	4,000	0	4,000	Assets	35.62%	64.38%	1,425	2,575
47	Telemetry Supplies	15,000	20,000	0	20,000	Assets	35.62%	64.38%	7,123	12,877
Contractual Services - Other:										
48	Building Maintenance	12,000	20,000	0	20,000	Assets	35.62%	64.38%	7,123	12,877
49	Contract Cleaning	27,000	24,000	0	24,000	Assets	35.62%	64.38%	8,548	15,452
50	Equipment Maintenance and Repair	50,000	30,000	0	30,000	Assets	35.62%	64.38%	10,685	19,315
51	Garbage	15,000	30,000	0	30,000	Assets	35.62%	64.38%	10,685	19,315
52	Grounds Maintenance	30,000	35,000	0	35,000	Assets	35.62%	64.38%	12,466	22,534
53	Miscellaneous Including FCC License	25,000	25,000	0	25,000	Assets	35.62%	64.38%	8,904	16,096
54	Office Equipment Maintenance	0	200	0	200	Assets	35.62%	64.38%	71	129
55	Pest Control	3,437	6,000	0	6,000	Assets	35.62%	64.38%	2,137	3,863
56	Professional Services	0	2,000	0	2,000	Assets	35.62%	64.38%	712	1,288
57	Utility, Road, Customers Property Repairs	2,000	2,000	0	2,000	Assets	35.62%	64.38%	712	1,288
58	Rental of Equipment	3,000	3,000	0	3,000	Assets	35.62%	64.38%	1,068	1,932
59	Rental of Building / Real Property	0	35,000	0	35,000	Assets	35.62%	64.38%	12,466	22,534
Transportation Expenses:										
60	Gas and Oil	16,000	20,000	0	20,000	Assets	35.62%	64.38%	7,123	12,877
61	Vehicle Licenses	0	1,600	0	1,600	Assets	35.62%	64.38%	570	1,030
62	Vehicle Maintenance and Repair	16,200	25,000	0	25,000	Assets	35.62%	64.38%	8,904	16,096
Miscellaneous:										
63	Advertising	0	200	0	200	Assets	35.62%	64.38%	71	129
64	Boots	1,050	1,170	0	1,170	Assets	35.62%	64.38%	417	753
65	Cable	0	190	0	190	Assets	35.62%	64.38%	68	122
66	Donations / Dues / Subscriptions	2,500	500	0	500	Assets	35.62%	64.38%	178	322
67	Education / Seminars	8,000	5,000	0	5,000	Assets	35.62%	64.38%	1,781	3,219
68	Food	2,000	1,000	0	1,000	Assets	35.62%	64.38%	356	644
69	Lodging	3,000	1,500	0	1,500	Assets	35.62%	64.38%	534	966
70	Miscellaneous Expenses	0	120	0	120	Assets	35.62%	64.38%	43	77
71	Phone / Communications	9,000	6,720	0	6,720	Assets	35.62%	64.38%	2,393	4,327
72	Physicals	0	400	0	400	Assets	35.62%	64.38%	142	258
73	Postage	0	1,200	0	1,200	Assets	35.62%	64.38%	427	773
74	Safety Equipment	2,200	6,000	0	6,000	Assets	35.62%	64.38%	2,137	3,863
75	Travel and Business Expense	18,200	1,000	0	1,000	Assets	35.62%	64.38%	356	644
76	Uniforms	25,000	25,000	0	25,000	Assets	35.62%	64.38%	8,904	16,096
77	Utilities	20,000	0	0	0	Assets	35.62%	64.38%	0	0
78	WW Collection Repairs	30,000	30,000	0	30,000	Direct-S	0.00%	100.00%	0	30,000
79	<b>Total Utility Maintenance</b>	<b>\$1,094,587</b>	<b>\$1,041,750</b>	<b>\$0</b>	<b>\$1,041,750</b>				<b>\$360,348</b>	<b>\$681,402</b>
<b>Indirect Expenses</b>										
Employee Benefits:										
80	Cafeteria Administration	\$5,000	\$5,000	\$0	\$5,000	Salary	57.46%	42.54%	\$2,873	\$2,127
81	Employee Pension Fund	285,000	310,000	0	310,000	Salary	57.46%	42.54%	178,140	131,860
82	Federal Unemployment	6,000	5,000	0	5,000	Salary	57.46%	42.54%	2,873	2,127
83	FICA / Medicare Expenses	175,000	175,000	0	175,000	Salary	57.46%	42.54%	100,563	74,437
84	Group Insurance	333,000	466,000	0	466,000	Salary	57.46%	42.54%	267,784	198,216
85	Pension Program Fees	15,000	15,000	0	15,000	Salary	57.46%	42.54%	8,620	6,380
86	State Unemployment	1,500	1,500	0	1,500	Salary	57.46%	42.54%	862	638
87	Additional Personnel Benefits	0	0	0	0	Input	0.00%	0.00%	0	0
88	Contractual Services - Legal	460,000	0	0	0	Salary	57.46%	42.54%	0	0
Contractual Services - Other:										
89	Contract Payroll	9,000	10,500	0	10,500	Salary	57.46%	42.54%	6,034	4,466
90	Miscellaneous	1,100	0	0	0	Salary	57.46%	42.54%	0	0
Insurance:										
91	Insurance - General Liability	85,000	95,200	0	95,200	Salary	57.46%	42.54%	54,706	40,494
92	Insurance - Other	40,000	60,000	0	60,000	Salary	57.46%	42.54%	34,479	25,521
93	Insurance - Vehicle	35,000	25,000	0	25,000	Salary	57.46%	42.54%	14,366	10,634
94	Insurance - Workman's Compensation	59,000	59,500	0	59,500	Salary	57.46%	42.54%	34,191	25,309
Miscellaneous:										
95	Advertising Expenses (New Hires)	5,000	0	0	0	Personnel	49.67%	50.33%	0	0
96	Bad Debt Expenses (0.5% of Projected Revenue)	170,000	75,000	(3,617)	71,383	Revenue	49.90%	50.10%	35,622	35,760
97	Donations Dues / Subscriptions	0	1,000	0	1,000	Personnel	49.67%	50.33%	497	503
98	Employee Recognition	0	7,200	0	7,200	Personnel	49.67%	50.33%	3,577	3,623
99	Food	0	1,000	0	1,000	Personnel	49.67%	50.33%	497	503
400	Miscellaneous Expenses	0	5,000	0	5,000	Personnel	49.67%	50.33%	2,484	2,516
401	Real Estate / Property / Intangible Taxes	0	25,000	0	25,000	Personnel	49.67%	50.33%	12,418	12,582
402	Safety Equipment	0	1,000	0	1,000	Personnel	49.67%	50.33%	497	503
403	<b>Total Indirect Expenses</b>	<b>\$1,684,600</b>	<b>\$1,342,900</b>	<b>(\$3,617)</b>	<b>\$1,339,283</b>				<b>\$761,082</b>	<b>\$578,201</b>
404	<b>TOTAL OPERATING EXPENSES</b>	<b>\$8,399,471</b>	<b>\$9,943,446</b>	<b>\$195,179</b>	<b>\$10,138,625</b>				<b>\$5,390,486</b>	<b>\$4,748,139</b>



Table 3-4  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Water System Operating Expenses

Fiscal Year Ending December 31,

line no.	Description	Escalation Reference	Adjusted Budget 2002	2003	2004	2005	2006
<b>OPERATING EXPENSES - WATER</b>							
<b>Management</b>							
1	Salaries	Labor	\$97,804	\$104,651	\$111,976	\$119,815	\$128,202
2	Additional Personnel Salaries	Input	0	0	0	0	0
3	Purchased Power	InflationCPI	2,356	2,415	2,475	2,537	2,601
Supplies:							
4	Board of Director Supplies	InflationCPI	9,194	9,424	9,660	9,901	10,149
5	Computer Supplies	InflationCPI	287	295	302	309	317
6	Materials and Supplies	InflationCPI	575	589	604	619	634
7	Office Supplies	InflationCPI	4,597	4,712	4,830	4,951	5,074
Contractual Services - Other:							
8	Building Maintenance	Repair	1,580	1,659	1,742	1,829	1,921
9	Equipment Maintenance and Repair	Repair	575	603	634	665	698
10	Miscellaneous - Contractual	InflationCPI	1,149	1,178	1,207	1,238	1,269
11	Office Equipment Maintenance	Repair	575	603	634	665	698
12	Professional Services	Legal	129,295	132,657	136,106	139,644	143,275
13	Public Relations	InflationCPI	57,464	58,901	60,374	61,883	63,430
14	Rental of Equipment	InflationCPI	575	589	604	619	634
Transportation Expenses:							
15	Gas and Oil	InflationCPI	1,264	1,296	1,328	1,361	1,395
16	Vehicle Licenses	InflationCPI	57	59	60	62	63
17	Vehicle Maintenance and Repair	Repair	575	603	634	665	698
Miscellaneous:							
18	Advertising	InflationCPI	1,149	1,178	1,207	1,238	1,269
19	Air / Taxi / Car Rental	InflationCPI	287	295	302	309	317
20	Board Balloting	InflationCPI	4,023	4,123	4,226	4,332	4,440
21	Cable	InflationCPI	109	112	115	118	121
22	Donations / Dues / Subscriptions	InflationCPI	2,873	2,945	3,019	3,094	3,171
23	Educations / Seminars	InflationCPI	5,172	5,301	5,434	5,569	5,709
24	Employee Recognition	InflationCPI	3,448	3,534	3,622	3,713	3,806
25	Food	InflationCPI	575	589	604	619	634
26	Lodging	InflationCPI	575	589	604	619	634
27	Mileage	InflationCPI	575	589	604	619	634
28	Phone / Communications	InflationCPI	2,080	2,132	2,186	2,240	2,296
29	Postage	InflationCPI	3,448	3,534	3,622	3,713	3,806
30	Safety Equipment	InflationCPI	287	295	302	309	317
31	Travel and Business Expenses	InflationCPI	3,448	3,534	3,622	3,713	3,806
32	Utilities	InflationCPI	0	0	0	0	0
33	Contingency (2.0% of Expenses)	Input	105,696	115,734	129,987	139,897	150,411
34	<b>Total Management</b>		<b>\$441,667</b>	<b>\$464,718</b>	<b>\$492,624</b>	<b>\$516,867</b>	<b>\$542,432</b>
<b>Engineering</b>							
35	Salaries	Labor	\$242,853	\$259,853	\$278,042	\$297,505	\$318,331
36	Additional Personnel Salaries	Input	0	0	0	0	0
37	Purchased Power	InflationCPI	11,204	11,484	11,771	12,065	12,367
Supplies:							
38	Computer Supplies	InflationCPI	1,280	1,312	1,345	1,379	1,413
39	Electrical / Electronics	InflationCPI	1,601	1,641	1,682	1,724	1,767
40	Materials and Supplies	InflationCPI	0	0	0	0	0
41	Office Supplies	InflationCPI	10,137	10,390	10,650	10,916	11,189
42	Contractual Services - Engineering	InflationCPI	0	0	0	0	0
Contractual Services - Other:							
43	Building Expense	InflationCPI	0	0	0	0	0
44	Building Maintenance	Repair	800	840	882	926	973
45	Equipment Maintenance and Repair	Repair	267	280	294	309	324
46	General Information Systems	InflationCPI	0	0	0	0	0
47	Hardware Maintenance - Information Technology	Repair	0	0	0	0	0
48	Miscellaneous - Contractual	InflationCPI	800	820	841	862	883
49	Office Equipment Maintenance	Repair	480	504	529	556	584
50	Professional Services	InflationCPI	168,055	172,257	176,563	180,977	185,501
51	Professional Services - Information Technology	InflationCPI	0	0	0	0	0
52	Public Relations	InflationCPI	0	0	0	0	0
53	Software Maintenance - Information Technology	Repair	0	0	0	0	0
54	Temporary Services	InflationCPI	2,668	2,734	2,803	2,873	2,944
55	Testing	InflationCPI	1,067	1,094	1,121	1,149	1,178
56	Training - Information Technology	InflationCPI	0	0	0	0	0
57	Rental of Equipment	InflationCPI	373	383	392	402	412
Transportation Expenses:							
58	Gas and Oil	InflationCPI	3,735	3,828	3,924	4,022	4,122
59	Vehicle Allowance	InflationCPI	2,561	2,625	2,690	2,758	2,827
60	Vehicle Licenses	InflationCPI	213	219	224	230	236
61	Vehicle Maintenance and Repair	InflationCPI	3,201	3,281	3,363	3,447	3,533
Miscellaneous:							
62	Advertising	InflationCPI	107	109	112	115	118
63	Air / Taxi / Car Rental	InflationCPI	267	273	280	287	294
64	Boots	InflationCPI	267	273	280	287	294
65	Cable	InflationCPI	101	104	106	109	112

Table 3-4  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Water System Operating Expenses

Line No.	Description	Escalation Reference	Fiscal Year Ending December 31,				
			Adjusted Budget 2002	2003	2004	2005	2006
66	Donations / Dues / Subscriptions	InflationCPI	1,067	1,094	1,121	1,149	1,178
67	Education / Seminars / Training	InflationCPI	6,402	6,562	6,726	6,894	7,067
68	Food	InflationCPI	1,067	1,094	1,121	1,149	1,178
69	Lodging	InflationCPI	1,067	1,094	1,121	1,149	1,178
70	Mileage	InflationCPI	320	328	336	345	353
71	Miscellaneous Expense	InflationCPI	1,067	1,094	1,121	1,149	1,178
72	Phone / Communications	InflationCPI	8,536	8,750	8,968	9,192	9,422
73	Physicals	InflationCPI	107	109	112	115	118
74	Postage	InflationCPI	4,268	4,375	4,484	4,596	4,711
75	Record Easements	InflationCPI	0	0	0	0	0
76	Safety Equipment	InflationCPI	160	164	168	172	177
77	Subscriptions / Manuals - Information Technology	InflationCPI	0	0	0	0	0
78	Travel and Business Expenses	InflationCPI	1,067	1,094	1,121	1,149	1,178
79	Utilities	InflationCPI	0	0	0	0	0
80	<b>Total Engineering</b>		<b>\$477,165</b>	<b>\$500,061</b>	<b>\$524,296</b>	<b>\$549,958</b>	<b>\$577,140</b>
<b>IT - Engineering</b>							
81	Salaries	Labor	\$69,461	\$74,323	\$79,526	\$85,093	\$91,049
82	Additional Personnel Salaries	Input	0	15,244	32,622	52,358	56,023
83	Purchased Power	InflationCPI	2,244	2,300	2,357	2,416	2,477
Supplies:							
84	Computer Hardware / Software	InflationCPI	4,445	4,556	4,670	4,787	4,906
85	Computer Supplies	InflationCPI	9,403	9,638	9,879	10,126	10,379
Contractual Services - Other:							
86	Hardware Maintenance - Information Technology	Repair	10,770	11,309	11,874	12,468	13,091
87	Professional Services - Information Technology	InflationCPI	6,625	6,790	6,960	7,134	7,312
88	Software Maintenance - Information Technology	Repair	61,577	64,656	67,889	71,283	74,847
Miscellaneous:							
89	Education / Seminars / Training	InflationCPI	15,386	15,771	16,165	16,569	16,984
90	Phone / Communications	InflationCPI	3,740	3,833	3,929	4,027	4,128
91	Subscriptions / Manuals - Information Technology	InflationCPI	321	329	337	345	354
92	<b>Total IT - Engineering</b>		<b>\$183,971</b>	<b>\$208,749</b>	<b>\$236,208</b>	<b>\$266,606</b>	<b>\$281,550</b>
<b>Member Services</b>							
93	Salaries	Labor	\$340,200	\$364,014	\$389,495	\$416,760	\$445,933
94	Additional Personnel Salaries	Input	0	0	63,566	68,016	72,777
95	Purchased Power	InflationCPI	4,500	4,613	4,728	4,846	4,967
Supplies:							
96	Computer Supplies	InflationCPI	9,400	9,635	9,876	10,123	10,376
97	Materials and Supplies	InflationCPI	28,000	28,700	29,418	30,153	30,907
98	Office Supplies	InflationCPI	15,000	15,375	15,759	16,153	16,557
Contractual Services - Other:							
99	Building Maintenance	Repair	5,000	5,250	5,513	5,788	6,078
100	Contractual - Lockbox	InflationCPI	26,000	26,650	27,316	27,999	28,699
101	Equipment Maintenance and Repair	Repair	12,500	13,125	13,781	14,470	15,194
102	Miscellaneous - Contractual	InflationCPI	30,000	30,750	31,519	32,307	33,114
103	Office Equipment Maintenance	Repair	2,250	2,363	2,481	2,605	2,735
104	Professional Services	InflationCPI	1,500	1,538	1,576	1,615	1,656
105	Public Relations	InflationCPI	0	0	0	0	0
106	Temporary Services	InflationCPI	2,000	2,050	2,101	2,154	2,208
107	Rental of Equipment	InflationCPI	500	513	525	538	552
Transportation Expenses:							
108	Gas and Oil	InflationCPI	600	615	630	646	662
109	Vehicle Licenses	InflationCPI	100	103	105	108	110
110	Vehicle Maintenance and Repair	Repair	1,500	1,575	1,654	1,736	1,823
Miscellaneous:							
111	Advertising	InflationCPI	150	154	158	162	166
112	Air / Taxi / Car Rental	InflationCPI	2,000	2,050	2,101	2,154	2,208
113	Cable	InflationCPI	190	195	200	205	210
114	Donations / Dues / Subscriptions	InflationCPI	200	205	210	215	221
115	Education / Seminars	InflationCPI	5,000	5,125	5,253	5,384	5,519
116	Employee Recognition	InflationCPI	0	0	0	0	0
117	Food	InflationCPI	1,000	1,025	1,051	1,077	1,104
118	Lodging	InflationCPI	1,000	1,025	1,051	1,077	1,104
119	Mileage	InflationCPI	200	205	210	215	221
120	Petty Cash Adjustments	InflationCPI	100	103	105	108	110
121	Phone / Communications	InflationCPI	10,000	10,250	10,506	10,769	11,038
122	Physicals	InflationCPI	1,000	1,025	1,051	1,077	1,104
123	Postage	Cust-Water	95,000	105,158	115,585	126,245	137,316
124	Recording of Liens	Cust-Water	67,000	74,164	81,518	89,036	96,844
125	Safety Equipment	InflationCPI	500	513	525	538	552
126	Travel and Business Expenses	InflationCPI	200	205	210	215	221
127	Utilities	InflationCPI	0	0	0	0	0
128	<b>Total Member Services</b>		<b>\$662,590</b>	<b>\$708,267</b>	<b>\$819,776</b>	<b>\$874,494</b>	<b>\$932,283</b>

**Table 3-4**  
**Bonita Springs Utilities, Inc.**  
**Water and Wastewater System**

**Five-Year Projection of Water System Operating Expenses**

Line No.	Description	Escalation Reference	Fiscal Year Ending December 31,				
			Adjusted Budget 2002	2003	2004	2005	2006
<b>Fiscal Services</b>							
129	Salaries	Labor	\$140,788	\$150,643	\$161,188	\$172,471	\$184,544
130	Additional Personnel Salaries	Input	0	22,550	48,256	51,634	82,873
131	Purchased Power	InflationCPI	3,620	3,711	3,804	3,899	3,996
Supplies:							
132	Computer Supplies	InflationCPI	1,149	1,178	1,207	1,238	1,269
133	Materials and Supplies	InflationCPI	1,149	1,178	1,207	1,238	1,269
134	Office Supplies	InflationCPI	6,608	6,774	6,943	7,117	7,294
135	Contractual Services - Lockbox	InflationCPI	0	0	0	0	0
Contractual Services - Other:							
136	Accounting	InflationCPI	21,836	22,382	22,942	23,516	24,103
137	Building Maintenance	Repair	1,149	1,207	1,267	1,330	1,397
138	Equipment Maintenance and Repair (includes General Plant Maintenance)	Repair	862	905	950	998	1,048
139	General	InflationCPI	0	0	0	0	0
140	Miscellaneous	InflationCPI	1,149	1,178	1,207	1,238	1,269
141	Office Equipment Maintenance	Repair	690	724	760	798	838
142	Professional Service / Inv. and S.W. Fees	Legal	122,687	125,876	129,149	132,507	135,952
143	Temporary Services	InflationCPI	575	589	604	619	634
144	Rental / Lease of Mail Equipment	InflationCPI	862	884	906	928	951
Transportation Expenses:							
145	Gas and Oil	InflationCPI	144	147	151	155	159
146	Vehicle Allowance	InflationCPI	2,758	2,827	2,898	2,970	3,045
147	Vehicle Maintenance and Repair	InflationCPI	374	383	392	402	412
Miscellaneous:							
148	Advertising	InflationCPI	287	295	302	309	317
149	Air / Taxi / Car - Rental	InflationCPI	862	884	906	928	951
150	Cable	InflationCPI	109	112	115	118	121
151	Donations / Dues / Subscriptions	InflationCPI	575	589	604	619	634
152	Education / Training (Great Plains)	InflationCPI	2,299	2,356	2,415	2,475	2,537
153	Employee Recognition	InflationCPI	0	0	0	0	0
154	Food	InflationCPI	575	589	604	619	634
155	Investment Account Service Charge	InflationCPI	14,366	14,725	15,093	15,471	15,857
156	Lodging	InflationCPI	862	884	906	928	951
157	Mileage	InflationCPI	259	265	272	278	285
158	Phone / Communications	InflationCPI	2,299	2,356	2,415	2,475	2,537
159	Physicals	InflationCPI	230	236	241	248	254
160	Postage	InflationCPI	3,620	3,711	3,804	3,899	3,996
161	Regulatory Communications	InflationCPI	287	295	302	309	317
162	Safety Equipment	InflationCPI	129	133	136	139	143
163	Service Charges	InflationCPI	28,732	29,451	30,187	30,941	31,715
164	Travel and Business Expenses	InflationCPI	287	295	302	309	317
165	Utilities	InflationCPI	0	0	0	0	0
166	<b>Total Fiscal Services</b>		<b>\$362,178</b>	<b>\$400,308</b>	<b>\$442,434</b>	<b>\$463,124</b>	<b>\$512,622</b>
<b>Super - Operations</b>							
167	Salaries	Labor	\$53,648	\$57,403	\$61,421	\$65,721	\$70,321
168	Additional Personnel Salaries	Input	0	0	0	0	0
169	Purchased Power	InflationCPI	3,129	3,208	3,288	3,370	3,454
Supplies:							
170	Computer Supplies	InflationCPI	149	153	157	160	164
171	Electrical / Electronics Supplies	InflationCPI	248	255	261	267	274
172	Lab / Testing Supplies	InflationCPI	0	0	0	0	0
173	Materials and Supplies	InflationCPI	497	509	522	535	548
174	Office Supplies	InflationCPI	2,980	3,055	3,131	3,210	3,290
175	Professional Services	InflationCPI	2,484	2,546	2,609	2,675	2,742
Contractual Services - Other:							
176	Building Maintenance	Repair	497	522	548	575	604
177	Miscellaneous	InflationCPI	9,935	10,183	10,438	10,699	10,966
178	Office Equipment Maintenance	Repair	124	130	137	144	151
179	Rental of Equipment	InflationCPI	497	509	522	535	548
Transportation Expenses:							
180	Gas and Oil	InflationCPI	1,043	1,069	1,096	1,123	1,151
181	Vehicle Licenses	InflationCPI	50	51	52	53	55
182	Vehicle Maintenance and Repair	Repair	745	782	821	863	906

Table 3-4  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Water System Operating Expenses

Line No.	Description	Escalation Reference	Fiscal Year Ending December 31,				
			Adjusted Budget 2002	2003	2004	2005	2006
<b>Miscellaneous:</b>							
183	Advertising	InflationCPI	99	102	104	107	110
184	Cable	InflationCPI	94	97	99	102	104
185	Donations / Dues / Subscriptions	InflationCPI	1,490	1,527	1,566	1,605	1,645
186	Education / Seminars	InflationCPI	993	1,018	1,044	1,070	1,097
187	Employee Recognition	InflationCPI	0	0	0	0	0
188	Food	InflationCPI	497	509	522	535	548
189	Hazardous Material Contribution	InflationCPI	0	0	0	0	0
190	Lodging	InflationCPI	248	255	261	267	274
191	Miscellaneous Expense	InflationCPI	497	509	522	535	548
192	Phone / Communications	InflationCPI	1,557	1,596	1,636	1,677	1,719
193	Postage	InflationCPI	574	588	603	618	633
194	Safety Equipment	InflationCPI	497	509	522	535	548
195	Travel and Business Expenses	InflationCPI	248	255	261	267	274
196	Utilities	InflationCPI	0	0	0	0	0
197	<b>Total Super - Operations</b>		<u>\$82,821</u>	<u>\$87,340</u>	<u>\$92,142</u>	<u>\$97,247</u>	<u>\$102,675</u>
<b>Water Plant</b>							
198	Salaries	Labor	\$450,000	\$481,500	\$515,205	\$551,269	\$589,858
199	Additional Personnel Salaries	Input	0	134,844	180,354	192,979	206,488
200	Lime Sludge Disposal	TotWatProd	60,000	65,491	71,064	76,200	81,439
201	Purchased Power	TotWatProd	284,160	340,165	456,558	489,553	523,217
202	Fuel for Power Production	TotWatProd	5,000	5,458	5,922	6,350	6,787
<b>Chemicals:</b>							
203	Ammonia	TotWatProd	22,000	25,960	27,355	29,332	31,349
204	Carbon Dioxide	TotWatProd	45,000	53,099	55,952	59,995	64,121
205	Chlorine	TotWatProd	42,000	49,561	52,223	55,997	59,847
206	High Test Hypochlorite	TotWatProd	1,500	1,769	1,865	1,999	2,137
207	Lime (Calcium Oxide)	TotWatProd	200,000	236,003	248,680	266,651	284,987
208	Other Chemicals	TotWatProd	1,500	1,769	1,865	1,999	2,137
209	Polymer	TotWatProd	9,000	10,619	11,190	11,998	12,823
210	Polyphosphate (Includes Aqua Mag)	TotWatProd	18,000	21,240	22,381	23,999	25,649
<b>Supplies:</b>							
211	Computer Supplies	InflationCPI	400	410	420	431	442
212	Electrical / Electronics Supplies	InflationCPI	20,000	20,500	21,013	21,538	22,076
213	Lab / Testing Supplies	InflationCPI	10,000	10,250	10,506	10,769	11,038
214	Materials and Supplies	InflationCPI	30,000	30,750	31,519	32,307	33,114
215	Office Supplies	InflationCPI	2,400	2,460	2,522	2,585	2,649
216	Contractual Services - Engineering	InflationCPI	2,000	2,050	2,101	2,154	2,208
217	Contractual Services - Testing	InflationCPI	0	0	0	0	0
<b>Contractual Services - Other:</b>							
218	Building Maintenance	Repair	5,000	5,250	5,513	5,788	6,078
219	Environmental Consulting	InflationCPI	3,000	3,075	3,152	3,231	3,311
220	Equipment Maintenance and Repair	Repair	50,000	52,500	55,125	57,881	60,775
221	Miscellaneous	InflationCPI	15,000	15,375	15,759	16,153	16,557
222	Office Equipment Maintenance	Repair	200	210	221	232	243
223	Professional Services	InflationCPI	10,000	10,250	10,506	10,769	11,038
224	Tanks Maintenance and Repair	Repair	22,000	23,100	24,255	25,468	26,741
225	Temporary Services	InflationCPI	500	513	525	538	552
226	Testing	InflationCPI	30,000	30,750	31,519	32,307	33,114
227	Rental of Equipment	InflationCPI	10,500	10,763	11,032	11,307	11,590
<b>Transportation Expenses:</b>							
228	Gas and Oil	InflationCPI	2,500	2,563	2,627	2,692	2,760
229	Vehicle Licenses	InflationCPI	80	82	84	86	88
230	Vehicle Maintenance and Repair	Repair	3,500	3,675	3,859	4,052	4,254
<b>Miscellaneous:</b>							
231	Advertising	InflationCPI	1,000	1,025	1,051	1,077	1,104
232	Boots	InflationCPI	1,500	1,538	1,576	1,615	1,656
233	Cable	InflationCPI	190	195	200	205	210
234	Donations / Dues / Subscriptions	InflationCPI	1,000	1,025	1,051	1,077	1,104
235	Education / Seminars	InflationCPI	12,000	12,300	12,608	12,923	13,246
236	Food	InflationCPI	600	615	630	646	662
237	Lodging	InflationCPI	2,000	2,050	2,101	2,154	2,208
238	Mileage	InflationCPI	250	256	263	269	276
239	Miscellaneous Expenses	InflationCPI	500	513	525	538	552
240	Phone / Communications	InflationCPI	6,000	6,150	6,304	6,461	6,623
241	Postage	InflationCPI	1,200	1,230	1,261	1,292	1,325
242	Safety Equipment / Physicals	InflationCPI	2,300	2,358	2,416	2,477	2,539
243	Travel and Business Expenses	InflationCPI	2,000	2,050	2,101	2,154	2,208
244	Utilities	InflationCPI	0	0	0	0	0
245	<b>Total Water Plant</b>		<u>\$1,385,780</u>	<u>\$1,683,307</u>	<u>\$1,914,954</u>	<u>\$2,041,497</u>	<u>\$2,173,179</u>

Table 3-4  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Water System Operating Expenses

Line No.	Description	Escalation Reference	Fiscal Year Ending December 31,				
			Adjusted Budget 2002	2003	2004	2005	2006
<b>Distribution / Collections</b>							
246	Salaries	Labor	\$300,759	\$321,812	\$344,339	\$368,442	\$394,233
247	Additional Personnel Salaries	Input	0	38,765	103,696	155,338	189,957
248	Purchased Power	InflationCPI	3,295	3,378	3,462	3,549	3,637
Supplies:							
249	Computer Supplies	InflationCPI	262	268	275	282	289
250	Electrical / Electronics Supplies	InflationCPI	1,046	1,072	1,099	1,127	1,155
251	Lab / Testing Supplies	InflationCPI	523	536	550	563	577
252	Materials and Supplies	InflationCPI	13,076	13,403	13,738	14,082	14,434
253	Office Supplies	InflationCPI	2,014	2,064	2,116	2,169	2,223
254	Contractual Services - Testing	InflationCPI	4,184	4,289	4,396	4,506	4,619
Contractual Services - Other:							
255	Building Maintenance	Repair	523	549	577	606	636
256	Directional Borings	InflationCPI	20,922	21,445	21,982	22,531	23,094
257	Equipment Maintenance and Repair	Repair	6,277	6,591	6,920	7,266	7,629
258	Locates / FL State I-Call	InflationCPI	2,615	2,681	2,748	2,816	2,887
259	Miscellaneous	InflationCPI	5,231	5,361	5,495	5,633	5,774
260	Office Equipment Maintenance	InflationCPI	523	536	550	563	577
261	Professional Services	InflationCPI	2,615	2,681	2,748	2,816	2,887
262	Utility, Road, Customers Property Repairs	Repair	13,076	13,730	14,417	15,138	15,895
263	Rental of Equipment	InflationCPI	2,615	2,681	2,748	2,816	2,887
264	Rental of Building / Real Property	InflationCPI	18,307	18,765	19,234	19,715	20,208
Transportation Expenses:							
265	Gas and Oil	InflationCPI	15,692	16,084	16,486	16,898	17,321
266	Vehicle Licenses	InflationCPI	628	643	659	676	693
267	Vehicle Maintenance and Repair	Repair	18,307	19,222	20,184	21,193	22,252
Miscellaneous:							
268	Advertising	InflationCPI	523	536	550	563	577
269	Boots	InflationCPI	1,674	1,716	1,759	1,802	1,848
270	Cable	InflationCPI	99	102	104	107	110
271	Collection Repairs	TotWatProd	7,846	8,564	9,293	9,964	10,649
272	Distribution Repairs	TotWatProd	78,459	85,639	92,926	99,642	106,494
273	Donations / Dues / Subscriptions	InflationCPI	262	268	275	282	289
274	Education / Seminars	InflationCPI	5,231	5,361	5,495	5,633	5,774
275	Food	InflationCPI	785	804	824	845	866
276	Line Relocation	InflationCPI	5,231	5,361	5,495	5,633	5,774
277	Lodging	InflationCPI	1,046	1,072	1,099	1,127	1,155
278	Meter Installations	Cust-Water	130,765	144,746	159,099	173,772	189,011
279	Phone / Communications	InflationCPI	5,231	5,361	5,495	5,633	5,774
280	Physicals	InflationCPI	785	804	824	845	866
281	Postage	InflationCPI	628	643	659	676	693
282	Safety Equipment	InflationCPI	1,569	1,608	1,649	1,690	1,732
283	Travel and Business Expense	InflationCPI	262	268	275	282	289
284	Utilities	InflationCPI	0	0	0	0	0
285	<b>Total Distribution / Collections</b>		<b>\$672,884</b>	<b>\$759,413</b>	<b>\$874,240</b>	<b>\$977,220</b>	<b>\$1,065,761</b>
<b>Utility Maintenance</b>							
286	Salaries	Labor	\$115,753	\$123,856	\$132,526	\$141,802	\$151,729
287	Additional Personnel Salaries	Input	0	13,835	29,606	47,518	67,792
288	Purchased Power	TotWatProd	61,100	66,691	72,366	77,596	82,932
289	Fuel for Power Production	TotWatProd	2,315	2,527	2,742	2,940	3,142
Chemicals:							
290	Bioxide	TotWatProd	17,808	19,438	21,092	22,616	24,171
291	Caustic Soda	TotWatProd	1,068	1,166	1,266	1,357	1,450
292	Chlorine	TotWatProd	0	0	0	0	0
293	Degreaser	TotWatProd	890	972	1,055	1,131	1,209
294	High Test Hypochlorite	TotWatProd	4,630	5,054	5,484	5,880	6,285
295	Other Chemicals	TotWatProd	712	778	844	905	967
Supplies:							
296	Computer Supplies	InflationCPI	142	146	150	153	157
297	Electrical / Electronics Supplies	InflationCPI	12,466	12,777	13,097	13,424	13,760
298	Materials and Supplies	InflationCPI	24,931	25,555	26,194	26,848	27,520
299	Office Supplies	InflationCPI	1,425	1,460	1,497	1,534	1,573
300	Telemetry Supplies	InflationCPI	7,123	7,301	7,484	7,671	7,863
Contractual Services - Other:							
301	Building Maintenance	Repair	7,123	7,479	7,853	8,246	8,658
302	Contract Cleaning	InflationCPI	8,548	8,762	8,981	9,205	9,435
303	Equipment Maintenance and Repair	Repair	10,685	11,219	11,780	12,369	12,988
304	Garbage	InflationCPI	10,685	10,952	11,226	11,506	11,794
305	Grounds Maintenance	Repair	12,466	13,089	13,743	14,431	15,152
306	Miscellaneous Including FCC License	InflationCPI	8,904	9,127	9,355	9,589	9,828
307	Office Equipment Maintenance	Repair	71	75	79	82	87
308	Pest Control	InflationCPI	2,137	2,190	2,245	2,301	2,359
309	Professional Services	InflationCPI	712	730	748	767	786
310	Utility, Road, Customers Property Repairs	InflationCPI	712	730	748	767	786
311	Rental of Equipment	InflationCPI	1,068	1,095	1,123	1,151	1,179
312	Rental of Building / Real Property	InflationCPI	12,466	12,777	13,097	13,424	13,760

Table 3-4  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Water System Operating Expenses

Line No.	Description	Escalation Reference	Fiscal Year Ending December 31,				
			Adjusted Budget 2002	2003	2004	2005	2006
<b>Transportation Expenses:</b>							
313	Gas and Oil	InflationCPI	7,123	7,301	7,484	7,671	7,863
314	Vehicle Licenses	InflationCPI	570	584	599	614	629
315	Vehicle Maintenance and Repair	InflationCPI	8,904	9,127	9,355	9,589	9,828
<b>Miscellaneous:</b>							
316	Advertising	InflationCPI	71	73	75	77	79
317	Boats	InflationCPI	417	427	438	449	460
318	Cable	InflationCPI	68	69	71	73	75
319	Donations / Dues / Subscriptions	InflationCPI	178	183	187	192	197
320	Education / Seminars	InflationCPI	1,781	1,825	1,871	1,918	1,966
321	Food	InflationCPI	356	365	374	384	393
322	Lodging	InflationCPI	534	548	561	575	590
323	Miscellaneous Expenses	InflationCPI	43	44	45	46	47
324	Phone / Communications	InflationCPI	2,393	2,453	2,515	2,577	2,642
325	Physicals	InflationCPI	142	146	150	153	157
326	Postage	InflationCPI	427	438	449	460	472
327	Safety Equipment	InflationCPI	2,137	2,190	2,245	2,301	2,359
328	Travel and Business Expense	InflationCPI	356	365	374	384	393
329	Uniforms	InflationCPI	8,904	9,127	9,355	9,589	9,828
330	Utilities	InflationCPI	0	0	0	0	0
331	WW Collection Repairs	InflationCPI	0	0	0	0	0
332	<b>Total Utility Maintenance</b>		<b>\$360,348</b>	<b>\$395,048</b>	<b>\$432,526</b>	<b>\$472,267</b>	<b>\$515,340</b>
<b>Indirect Expenses</b>							
<b>Employee Benefits:</b>							
333	Cafeteria Administration	Labor	\$2,873	\$3,074	\$3,290	\$3,520	\$3,766
334	Employee Pension Fund	Labor	178,140	190,610	203,952	218,229	233,505
335	Federal Unemployment	Labor	2,873	3,074	3,290	3,520	3,766
336	FICA / Medicare Expenses	MedIns	100,563	110,619	121,681	133,849	147,234
337	Group Insurance	MedIns	267,784	294,563	324,019	356,421	392,063
338	Pension Program Fees	Labor	8,620	9,223	9,869	10,559	11,299
339	State Unemployment	Labor	862	922	987	1,056	1,130
340	Additional Personnel Benefits	Labor	0	82,253	149,054	183,921	214,582
341	Contractual Services - Legal	Legal	0	0	0	0	0
<b>Contractual Services - Other:</b>							
342	Contract Payroll	Labor	6,034	6,456	6,908	7,392	7,909
343	Miscellaneous	Labor	0	0	0	0	0
<b>Insurance:</b>							
344	Insurance - General Liability	GenIns	54,706	57,441	60,314	63,329	66,496
345	Insurance - Other	GenIns	34,479	36,203	38,013	39,913	41,909
346	Insurance - Vehicle	GenIns	14,366	15,084	15,839	16,631	17,462
347	Insurance - Workman's Compensation	GenIns	34,191	35,901	37,696	39,581	41,560
<b>Miscellaneous:</b>							
348	Advertising Expenses (New Hires)	InflationCPI	0	0	0	0	0
349	Bad Debt Expenses (0.5% of Projected Revenue)	Input	35,622	38,091	40,461	42,662	44,830
350	Donations Dues / Subscriptions	InflationCPI	497	509	522	535	548
351	Employee Recognition	InflationCPI	3,577	3,666	3,758	3,852	3,948
352	Food	InflationCPI	497	509	522	535	548
353	Miscellaneous Expenses	InflationCPI	2,484	2,546	2,609	2,675	2,742
354	Real Estate / Property / Intangible Taxes	InflationCPI	12,418	12,729	13,047	13,373	13,708
355	Safety Equipment	InflationCPI	497	509	522	535	548
356	<b>Total Indirect Expenses</b>		<b>\$761,082</b>	<b>\$903,983</b>	<b>\$1,036,350</b>	<b>\$1,142,086</b>	<b>\$1,249,552</b>
357	<b>TOTAL OPERATING EXPENSES</b>		<b>\$5,390,486</b>	<b>\$6,111,191</b>	<b>\$6,865,551</b>	<b>\$7,401,366</b>	<b>\$7,952,535</b>

Table 3-5  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Wastewater System Operating Expenses

		Fiscal Year Ending December 31,					
Line No.	Description	Escalation Reference	Adjusted Budget 2002	2003	2004	2005	2006
<b>OPERATING EXPENSES - WASTEWATER</b>							
<b>Management</b>							
1	Salaries	Labor	\$72,396	\$77,463	\$82,886	\$88,688	\$94,896
2	Additional Personnel Salaries	Input	0	0	0	0	0
3	Purchased Power	InflationCPI	1,744	1,788	1,832	1,878	1,925
Supplies:							
4	Board of Director Supplies	InflationCPI	6,806	6,976	7,150	7,329	7,512
5	Computer Supplies	InflationCPI	213	218	223	229	235
6	Materials and Supplies	InflationCPI	425	436	447	458	470
7	Office Supplies	InflationCPI	3,403	3,488	3,575	3,664	3,756
Contractual Services - Other:							
8	Building Maintenance	Repair	1,170	1,228	1,290	1,354	1,422
9	Equipment Maintenance and Repair	Repair	425	447	469	492	517
10	Miscellaneous - Contractual	InflationCPI	851	872	894	916	939
11	Office Equipment Maintenance	Repair	425	447	469	492	517
12	Professional Services	Legal	95,705	98,193	100,746	103,366	106,053
13	Public Relations	InflationCPI	42,536	43,599	44,689	45,806	46,951
14	Rental of Equipment	InflationCPI	425	436	447	458	470
Transportation Expenses:							
15	Gas and Oil	InflationCPI	936	959	983	1,008	1,033
16	Vehicle Licenses	InflationCPI	43	44	45	46	47
17	Vehicle Maintenance and Repair	Repair	425	447	469	492	517
Miscellaneous:							
18	Advertising	InflationCPI	851	872	894	916	939
19	Air / Taxi / Car Rental	InflationCPI	213	218	223	229	235
20	Board Balloting	InflationCPI	2,977	3,052	3,128	3,206	3,287
21	Cable	InflationCPI	81	83	85	87	89
22	Donations / Dues / Subscriptions	InflationCPI	2,127	2,180	2,234	2,290	2,348
23	Educations / Seminars	InflationCPI	3,828	3,924	4,022	4,123	4,226
24	Employee Recognition	InflationCPI	2,552	2,616	2,681	2,748	2,817
25	Food	InflationCPI	425	436	447	458	470
26	Lodging	InflationCPI	425	436	447	458	470
27	Mileage	InflationCPI	425	436	447	458	470
28	Phone / Communications	InflationCPI	1,540	1,578	1,618	1,658	1,700
29	Postage	InflationCPI	2,552	2,616	2,681	2,748	2,817
30	Safety Equipment	InflationCPI	213	218	223	229	235
31	Travel and Business Expenses	InflationCPI	2,552	2,616	2,681	2,748	2,817
32	Utilities	InflationCPI	0	0	0	0	0
33	Contingency (2.0% of Expenses)	Input	93,101	95,776	103,320	116,273	138,823
34	<b>Total Management</b>		<b>\$341,789</b>	<b>\$354,096</b>	<b>\$373,746</b>	<b>\$395,309</b>	<b>\$428,999</b>
<b>Engineering</b>							
35	Salaries	Labor	\$212,347	\$227,211	\$243,116	\$260,134	\$278,344
36	Additional Personnel Salaries	Input	0	0	0	0	0
37	Purchased Power	InflationCPI	9,796	10,041	10,292	10,550	10,813
Supplies:							
38	Computer Supplies	InflationCPI	1,120	1,148	1,176	1,206	1,236
39	Electrical / Electronics	InflationCPI	1,399	1,434	1,470	1,507	1,545
40	Materials and Supplies	InflationCPI	0	0	0	0	0
41	Office Supplies	InflationCPI	8,863	9,085	9,312	9,545	9,783
42	Contractual Services - Engineering	InflationCPI	0	0	0	0	0
Contractual Services - Other:							
43	Building Expense	InflationCPI	0	0	0	0	0
44	Building Maintenance	Repair	700	735	771	810	851
45	Equipment Maintenance and Repair	Repair	233	245	257	270	284
46	General Information Systems	InflationCPI	0	0	0	0	0
47	Hardware Maintenance - Information Technology	Repair	0	0	0	0	0
48	Miscellaneous - Contractual	InflationCPI	700	717	735	754	772
49	Office Equipment Maintenance	Repair	420	441	463	486	510
50	Professional Services	InflationCPI	146,945	150,618	154,384	158,243	162,200
51	Professional Services - Information Technology	InflationCPI	0	0	0	0	0
52	Public Relations	InflationCPI	0	0	0	0	0
53	Software Maintenance - Information Technology	InflationCPI	0	0	0	0	0
54	Temporary Services	InflationCPI	2,332	2,391	2,451	2,512	2,575
55	Testing	InflationCPI	933	956	980	1,005	1,030
56	Training - Information Technology	InflationCPI	0	0	0	0	0
57	Rental of Equipment	InflationCPI	327	335	343	352	360
Transportation Expenses:							
58	Gas and Oil	InflationCPI	3,265	3,347	3,431	3,517	3,604
59	Vehicle Allowance	InflationCPI	2,239	2,295	2,353	2,411	2,472
60	Vehicle Licenses	InflationCPI	187	191	196	201	206
61	Vehicle Maintenance and Repair	InflationCPI	2,799	2,869	2,941	3,014	3,090
Miscellaneous:							
62	Advertising	InflationCPI	93	96	98	100	103
63	Air / Taxi / Car Rental	InflationCPI	233	239	245	251	257
64	Boats	InflationCPI	233	239	245	251	257
65	Cable	InflationCPI	89	91	93	95	98

**Table 3-5**  
**Bonita Springs Utilities, Inc.**  
**Water and Wastewater System**

**Five-Year Projection of Wastewater System Operating Expenses**

Fiscal Year Ending December 31,							
Line No.	Description	Escalation Reference	Adjusted	2003	2004	2005	2006
			Budget 2002				
66	Donations / Dues / Subscriptions	InflationCPI	933	956	980	1,005	1,030
67	Education / Seminars / Training	InflationCPI	5,598	5,738	5,881	6,028	6,179
68	Food	InflationCPI	933	956	980	1,005	1,030
69	Lodging	InflationCPI	933	956	980	1,005	1,030
70	Mileage	InflationCPI	280	287	294	301	309
71	Miscellaneous Expense	InflationCPI	933	956	980	1,005	1,030
72	Phone / Communications	InflationCPI	7,464	7,650	7,842	8,038	8,239
73	Physicals	InflationCPI	93	96	98	100	103
74	Postage	InflationCPI	3,732	3,825	3,921	4,019	4,119
75	Record Easements	InflationCPI	0	0	0	0	0
76	Safety Equipment	InflationCPI	140	143	147	151	154
77	Subscriptions / Manuals - Information Technology	InflationCPI	0	0	0	0	0
78	Travel and Business Expenses	InflationCPI	933	956	980	1,005	1,030
79	Utilities	InflationCPI	0	0	0	0	0
80	<b>Total Engineering</b>		<b>\$417,225</b>	<b>\$437,245</b>	<b>\$458,437</b>	<b>\$480,875</b>	<b>\$504,642</b>
<b>IT - Engineering</b>							
81	Salaries	Labor	\$125,565	\$134,354	\$143,759	\$153,822	\$164,590
82	Additional Personnel Salaries	Input	0	27,556	58,970	94,647	101,272
83	Purchased Power	InflationCPI	4,056	4,158	4,262	4,368	4,477
Supplies:							
84	Computer Hardware / Software	InflationCPI	8,035	8,236	8,442	8,653	8,869
85	Computer Supplies	InflationCPI	16,997	17,422	17,858	18,304	18,762
Contractual Services - Other:							
86	Hardware Maintenance - Information Technology	Repair	19,470	20,443	21,465	22,539	23,665
87	Professional Services - Information Technology	InflationCPI	11,975	12,275	12,582	12,896	13,219
88	Software Maintenance - Information Technology	Repair	111,313	116,879	122,723	128,859	135,302
Miscellaneous:							
89	Education / Seminars / Training	InflationCPI	27,814	28,509	29,222	29,952	30,701
90	Phone / Communications	InflationCPI	6,760	6,929	7,103	7,280	7,462
91	Subscriptions / Manuals - Information Technology	InflationCPI	579	594	609	624	640
92	<b>Total IT - Engineering</b>		<b>\$332,565</b>	<b>\$377,355</b>	<b>\$426,993</b>	<b>\$481,945</b>	<b>\$508,959</b>
<b>Member Services</b>							
93	Salaries	Labor	\$0	\$0	\$0	\$0	\$0
94	Additional Personnel Salaries	Input	0	0	0	0	0
95	Purchased Power	InflationCPI	0	0	0	0	0
Supplies:							
96	Computer Supplies	InflationCPI	0	0	0	0	0
97	Materials and Supplies	InflationCPI	0	0	0	0	0
98	Office Supplies	InflationCPI	0	0	0	0	0
Contractual Services - Other:							
99	Building Maintenance	Repair	0	0	0	0	0
100	Contractual - Lockbox	InflationCPI	0	0	0	0	0
101	Equipment Maintenance and Repair	Repair	0	0	0	0	0
102	Miscellaneous - Contractual	InflationCPI	0	0	0	0	0
103	Office Equipment Maintenance	Repair	0	0	0	0	0
104	Professional Services	InflationCPI	0	0	0	0	0
105	Public Relations	InflationCPI	0	0	0	0	0
106	Temporary Services	InflationCPI	0	0	0	0	0
107	Rental of Equipment	InflationCPI	0	0	0	0	0
Transportation Expenses:							
108	Gas and Oil	InflationCPI	0	0	0	0	0
109	Vehicle Licenses	InflationCPI	0	0	0	0	0
110	Vehicle Maintenance and Repair	Repair	0	0	0	0	0
Miscellaneous:							
111	Advertising	InflationCPI	0	0	0	0	0
112	Air / Taxi / Car Rental	InflationCPI	0	0	0	0	0
113	Cable	InflationCPI	0	0	0	0	0
114	Donations / Dues / Subscriptions	InflationCPI	0	0	0	0	0
115	Education / Seminars	InflationCPI	0	0	0	0	0
116	Employee Recognition	InflationCPI	0	0	0	0	0
117	Food	InflationCPI	0	0	0	0	0
118	Lodging	InflationCPI	0	0	0	0	0
119	Mileage	InflationCPI	0	0	0	0	0
120	Petty Cash Adjustments	InflationCPI	0	0	0	0	0
121	Phone / Communications	InflationCPI	0	0	0	0	0
122	Physicals	InflationCPI	0	0	0	0	0
123	Postage	Cust-Sewer	0	0	0	0	0
124	Recording of Liens	Cust-Sewer	0	0	0	0	0
125	Safety Equipment	InflationCPI	0	0	0	0	0
126	Travel and Business Expenses	InflationCPI	0	0	0	0	0
127	Utilities	InflationCPI	0	0	0	0	0
128	<b>Total Member Services</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>



Table 3-5  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Wastewater System Operating Expenses

Line No.	Description	Escalation Reference	Fiscal Year Ending December 31,				
			Adjusted Budget 2002	2003	2004	2005	2006
<b>Fiscal Services</b>							
129	Salaries	Labor	\$104,212	\$111,507	\$119,312	\$127,664	\$136,601
130	Additional Personnel Salaries	Input	0	16,691	35,720	38,220	61,343
131	Purchased Power	InflationCPI	2,680	2,747	2,815	2,886	2,958
Supplies:							
132	Computer Supplies	InflationCPI	851	872	894	916	939
133	Materials and Supplies	InflationCPI	851	872	894	916	939
134	Office Supplies	InflationCPI	4,892	5,014	5,139	5,268	5,399
135	Contractual Services - Lockbox	InflationCPI	0	0	0	0	0
Contractual Services - Other:							
136	Accounting	InflationCPI	16,164	16,568	16,982	17,406	17,841
137	Building Maintenance	Repair	851	893	938	985	1,034
138	Equipment Maintenance and Repair (includes General Plant Maintenance)	Repair	638	670	703	739	776
139	General	InflationCPI	0	0	0	0	0
140	Miscellaneous	InflationCPI	851	872	894	916	939
141	Office Equipment Maintenance	Repair	510	536	563	591	620
142	Professional Service / Inv. and S.W. Fees	Legal	90,813	93,175	95,597	98,083	100,633
143	Temporary Services	InflationCPI	425	436	447	458	470
144	Rental / Lease of Mail Equipment	InflationCPI	638	654	670	687	704
Transportation Expenses:							
145	Gas and Oil	InflationCPI	106	109	112	115	117
146	Vehicle Allowance	InflationCPI	2,042	2,093	2,145	2,199	2,254
147	Vehicle Maintenance and Repair	InflationCPI	276	283	290	298	305
Miscellaneous:							
148	Advertising	InflationCPI	213	218	223	229	235
149	Air / Taxi / Car - Rental	InflationCPI	638	654	670	687	704
150	Cable	InflationCPI	81	83	85	87	89
151	Donations / Dues / Subscriptions	InflationCPI	425	436	447	458	470
152	Education / Training (Great Plains)	InflationCPI	1,701	1,744	1,788	1,832	1,878
153	Employee Recognition	InflationCPI	0	0	0	0	0
154	Food	InflationCPI	425	436	447	458	470
155	Investment Account Service Charge	InflationCPI	10,634	10,900	11,172	11,452	11,738
156	Lodging	InflationCPI	638	654	670	687	704
157	Mileage	InflationCPI	191	196	201	206	211
158	Phone / Communications	InflationCPI	1,701	1,744	1,788	1,832	1,878
159	Physicals	InflationCPI	170	174	179	183	188
160	Postage	InflationCPI	2,680	2,747	2,815	2,886	2,958
161	Regulatory Communications	InflationCPI	213	218	223	229	235
162	Safety Equipment	InflationCPI	96	98	101	103	106
163	Service Charges	InflationCPI	21,268	21,799	22,344	22,903	23,476
164	Travel and Business Expenses	InflationCPI	213	218	223	229	235
165	Utilities	InflationCPI	0	0	0	0	0
166	<b>Total Fiscal Services</b>		<b>\$268,087</b>	<b>\$296,311</b>	<b>\$327,493</b>	<b>\$342,807</b>	<b>\$379,446</b>
<b>Super - Operations</b>							
167	Salaries	Labor	\$54,352	\$58,157	\$62,228	\$66,584	\$71,245
168	Additional Personnel Salaries	Input	0	0	0	0	0
169	Purchased Power	InflationCPI	3,171	3,250	3,331	3,414	3,500
Supplies:							
170	Computer Supplies	InflationCPI	151	155	159	163	167
171	Electrical / Electronics Supplies	InflationCPI	252	258	264	271	278
172	Lab / Testing Supplies	InflationCPI	0	0	0	0	0
173	Materials and Supplies	InflationCPI	503	516	529	542	556
174	Office Supplies	InflationCPI	3,020	3,095	3,172	3,252	3,333
175	Professional Services	InflationCPI	2,516	2,579	2,644	2,710	2,778
Contractual Services - Other:							
176	Building Maintenance	Repair	503	528	555	583	612
177	Miscellaneous	InflationCPI	10,065	10,317	10,575	10,839	11,110
178	Office Equipment Maintenance	Repair	126	132	139	146	153
179	Rental of Equipment	InflationCPI	503	516	529	542	556
Transportation Expenses:							
180	Gas and Oil	InflationCPI	1,057	1,083	1,110	1,138	1,167
181	Vehicle Licenses	InflationCPI	50	52	53	54	56
182	Vehicle Maintenance and Repair	Repair	755	793	832	874	918

Table 3-5  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Wastewater System Operating Expenses

Fiscal Year Ending December 31,

Line No.	Description	Escalation Reference	Adjusted Budget 2002	2003	2004	2005	2006
<b>Miscellaneous:</b>							
183	Advertising	InflationCPI	101	103	106	108	111
184	Cable	InflationCPI	96	98	100	103	106
185	Donations / Dues / Subscriptions	InflationCPI	1,510	1,548	1,586	1,626	1,667
186	Education / Seminars	InflationCPI	1,007	1,032	1,057	1,084	1,111
187	Employee Recognition	InflationCPI	0	0	0	0	0
188	Food	InflationCPI	503	516	529	542	556
189	Hazardous Material Contribution	InflationCPI	0	0	0	0	0
190	Lodging	InflationCPI	252	258	264	271	278
191	Miscellaneous Expense	InflationCPI	503	516	529	542	556
192	Phone / Communications	InflationCPI	1,578	1,617	1,658	1,699	1,742
193	Postage	InflationCPI	581	596	611	626	642
194	Safety Equipment	InflationCPI	503	516	529	542	556
195	Travel and Business Expenses	InflationCPI	252	258	264	271	278
196	Utilities	InflationCPI	0	0	0	0	0
197	<b>Total Super - Operations</b>		<b>\$83,909</b>	<b>\$88,487</b>	<b>\$93,353</b>	<b>\$98,525</b>	<b>\$104,025</b>
<b>Wastewater Plant</b>							
198	Salaries	Labor	\$362,500	\$387,875	\$415,026	\$444,078	\$475,164
199	Additional Personnel Salaries	Input	0	34,288	36,688	117,768	378,036
200	Lime Sludge Disposal	SewerFlow	150,000	167,428	185,142	200,512	304,709
201	Purchased Power	SewerFlow	250,000	279,047	308,570	334,186	507,849
202	Fuel for Power Production	SewerFlow	20,000	22,324	24,686	26,735	28,628
<b>Chemicals:</b>							
203	Caustic Soda	SewerFlow	15,000	16,743	18,514	20,051	23,614
204	Chlorine	SewerFlow	0	0	0	0	0
205	High Test Hypochlorite	SewerFlow	30,000	33,486	37,028	40,102	47,228
206	Hydrogen Peroxide	SewerFlow	225,000	251,142	277,713	300,768	354,207
207	Lime (Calcium Hydroxide)	SewerFlow	40,000	44,647	49,371	53,470	62,970
208	Other Chemicals	SewerFlow	50,000	55,809	61,714	66,837	78,713
209	Polymer	SewerFlow	50,000	55,809	61,714	66,837	78,713
210	Sulfuric Acid	SewerFlow	10,000	11,162	12,343	13,367	15,743
<b>Supplies:</b>							
211	Computer Supplies	InflationCPI	500	513	525	538	552
212	Electrical / Electronics Supplies	InflationCPI	9,000	9,225	9,456	9,692	9,934
213	Lab / Testing Supplies	InflationCPI	8,000	8,200	8,405	8,615	8,831
214	Materials and Supplies	InflationCPI	60,000	61,500	63,038	64,613	66,229
215	Office Supplies	InflationCPI	3,500	3,588	3,677	3,769	3,863
216	Contractual Services - Engineering	InflationCPI	7,500	7,688	7,880	8,077	8,279
217	Contractual Services - Testing	InflationCPI	50,000	51,250	52,531	53,845	55,191
<b>Contractual Services - Other:</b>							
218	Building Maintenance	Repair	2,000	2,100	2,205	2,315	2,431
219	Contract Cleaning	InflationCPI	1,200	1,230	1,261	1,292	1,325
220	Environmental Consulting	InflationCPI	7,500	7,688	7,880	8,077	8,279
221	Equipment Maintenance and Repair	Repair	15,000	15,750	16,538	17,364	18,233
222	Grounds Maintenance	Repair	1,000	1,050	1,103	1,158	1,216
223	Miscellaneous	InflationCPI	20,000	20,500	21,013	21,538	22,076
224	Professional Services	InflationCPI	5,000	5,125	5,253	5,384	5,519
225	Rental of Equipment	InflationCPI	4,000	4,100	4,203	4,308	4,415
<b>Transportation Expenses:</b>							
226	Gas and Oil	InflationCPI	3,500	3,588	3,677	3,769	3,863
227	Vehicle Licenses	InflationCPI	100	103	105	108	110
228	Vehicle Maintenance and Repair	Repair	3,000	3,150	3,308	3,473	3,647
<b>Miscellaneous:</b>							
229	Advertising	InflationCPI	500	513	525	538	552
230	Boots	InflationCPI	1,500	1,538	1,576	1,615	1,656
231	Cable	InflationCPI	650	666	683	700	717
232	Donations / Dues / Subscriptions	InflationCPI	3,500	3,588	3,677	3,769	3,863
233	Education / Seminars	InflationCPI	5,000	5,125	5,253	5,384	5,519
234	Food	InflationCPI	1,500	1,538	1,576	1,615	1,656
235	Garbage	InflationCPI	3,000	3,075	3,152	3,231	3,311
236	Lodging	InflationCPI	1,000	1,025	1,051	1,077	1,104
237	Miscellaneous Expenses	InflationCPI	1,000	1,025	1,051	1,077	1,104
238	Phone / Communications	InflationCPI	6,255	6,411	6,572	6,736	6,904
239	Physicals	InflationCPI	600	615	630	646	662
240	Postage	InflationCPI	100	103	105	108	110
241	Safety Equipment	InflationCPI	2,500	2,563	2,627	2,692	2,760
242	Travel and Business Expense	InflationCPI	1,000	1,025	1,051	1,077	1,104
243	Utilities	InflationCPI	0	0	0	0	0
244	<b>Total Wastewater Plant</b>		<b>\$1,431,405</b>	<b>\$1,594,913</b>	<b>\$1,730,092</b>	<b>\$1,932,913</b>	<b>\$2,640,586</b>

Table 3-5  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Wastewater System Operating Expenses

Line No.	Description	Escalation Reference	Fiscal Year Ending December 31,				
			Adjusted Budget 2002	2003	2004	2005	2006
<b>Distribution / Collections</b>							
245	Salaries	Labor	\$274,241	\$293,438	\$313,979	\$335,957	\$359,474
246	Additional Personnel Salaries	Input	0	35,347	94,554	141,642	173,208
247	Purchased Power	InflationCPI	3,005	3,080	3,157	3,236	3,317
Supplies:							
248	Computer Supplies	InflationCPI	238	244	251	257	263
249	Electrical / Electronics Supplies	InflationCPI	954	978	1,002	1,027	1,053
250	Lab / Testing Supplies	InflationCPI	477	489	501	514	526
251	Materials and Supplies	InflationCPI	11,924	12,222	12,527	12,840	13,161
252	Office Supplies	InflationCPI	1,836	1,882	1,929	1,977	2,027
253	Contractual Services - Testing	InflationCPI	3,816	3,911	4,009	4,109	4,212
Contractual Services - Other:							
254	Building Maintenance	Repair	477	501	526	552	580
255	Directional Borings	InflationCPI	19,078	19,555	20,043	20,545	21,058
256	Equipment Maintenance and Repair	Repair	5,723	6,009	6,310	6,625	6,957
257	Locates / FL State I-Call	InflationCPI	2,385	2,444	2,505	2,568	2,632
258	Miscellaneous	InflationCPI	4,769	4,889	5,011	5,136	5,265
259	Office Equipment Maintenance	InflationCPI	477	489	501	514	526
260	Professional Services	InflationCPI	2,385	2,444	2,505	2,568	2,632
261	Utility, Road, Customers Property Repairs	Repair	11,924	12,520	13,146	13,803	14,493
262	Rental of Equipment	InflationCPI	2,385	2,444	2,505	2,568	2,632
263	Rental of Building / Real Property	InflationCPI	16,693	17,110	17,538	17,976	18,426
Transportation Expenses:							
264	Gas and Oil	InflationCPI	14,308	14,666	15,033	15,408	15,794
265	Vehicle Licenses	InflationCPI	572	587	601	616	632
266	Vehicle Maintenance and Repair	Repair	16,693	17,528	18,404	19,324	20,290
Miscellaneous:							
267	Advertising	InflationCPI	477	489	501	514	526
268	Boots	InflationCPI	1,526	1,564	1,603	1,644	1,685
269	Cable	InflationCPI	91	93	95	98	100
270	Collection Repairs	SewerFlow	7,154	7,985	8,830	9,563	10,240
271	Distribution Repairs	SewerFlow	71,541	79,853	88,302	95,632	102,404
272	Donations / Dues / Subscriptions	InflationCPI	238	244	251	257	263
273	Education / Seminars	InflationCPI	4,769	4,889	5,011	5,136	5,265
274	Food	InflationCPI	715	733	752	770	790
275	Line Relocation	InflationCPI	4,769	4,889	5,011	5,136	5,265
276	Lodging	InflationCPI	954	978	1,002	1,027	1,053
277	Meter Installations	Cust-Sewer	119,235	132,250	147,286	160,694	172,473
278	Phone / Communications	InflationCPI	4,769	4,889	5,011	5,136	5,265
279	Physicals	InflationCPI	715	733	752	770	790
280	Postage	InflationCPI	572	587	601	616	632
281	Safety Equipment	InflationCPI	1,431	1,467	1,503	1,541	1,579
282	Travel and Business Expense	InflationCPI	238	244	251	257	263
283	Utilities	InflationCPI	0	0	0	0	0
284	<b>Total Distribution / Collections</b>		<b>\$613,556</b>	<b>\$694,664</b>	<b>\$803,299</b>	<b>\$898,555</b>	<b>\$977,751</b>
<b>Utility Maintenance</b>							
285	Salaries	Labor	\$209,247	\$223,894	\$239,567	\$256,336	\$274,280
286	Additional Personnel Salaries	Input	0	25,009	53,520	85,899	122,549
287	Purchased Power	SewerFlow	110,450	123,283	136,326	147,644	158,098
288	Fuel for Power Production	SewerFlow	4,185	4,671	5,165	5,594	5,990
Chemicals:							
289	Bioxide	SewerFlow	32,192	35,932	39,734	43,032	46,079
290	Caustic Soda	SewerFlow	1,932	2,156	2,384	2,582	2,765
291	Chlorine	SewerFlow	0	0	0	0	0
292	Degreaser	SewerFlow	1,610	1,797	1,987	2,152	2,304
293	High Test Hypochlorite	SewerFlow	8,370	9,342	10,331	11,188	11,981
294	Other Chemicals	SewerFlow	1,288	1,437	1,589	1,721	1,843
Supplies:							
295	Computer Supplies	InflationCPI	258	264	271	277	284
296	Electrical / Electronics Supplies	InflationCPI	22,534	23,098	23,675	24,267	24,874
297	Materials and Supplies	InflationCPI	45,069	46,195	47,350	48,534	49,747
298	Office Supplies	InflationCPI	2,575	2,640	2,706	2,773	2,843
299	Telemetry Supplies	InflationCPI	12,877	13,199	13,529	13,867	14,214
Contractual Services - Other:							
300	Building Maintenance	Repair	12,877	13,521	14,197	14,906	15,652
301	Contract Cleaning	InflationCPI	15,452	15,838	16,234	16,640	17,056
302	Equipment Maintenance and Repair	Repair	19,315	20,281	21,295	22,360	23,478
303	Garbage	InflationCPI	19,315	19,798	20,293	20,800	21,320
304	Grounds Maintenance	Repair	22,534	23,661	24,844	26,086	27,391
305	Miscellaneous Including FCC License	InflationCPI	16,096	16,498	16,911	17,334	17,767
306	Office Equipment Maintenance	Repair	129	135	142	149	157
307	Pest Control	InflationCPI	3,863	3,960	4,059	4,160	4,264
308	Professional Services	InflationCPI	1,288	1,320	1,353	1,387	1,421
309	Utility, Road, Customers Property Repairs	InflationCPI	1,288	1,320	1,353	1,387	1,421
310	Rental of Equipment	InflationCPI	1,932	1,980	2,029	2,080	2,132
311	Rental of Building / Real Property	InflationCPI	22,534	23,098	23,675	24,267	24,874

Table 3-5  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Projection of Wastewater System Operating Expenses

Line No.	Description	Escalation Reference	Fiscal Year Ending December 31,				
			Adjusted Budget 2002	2003	2004	2005	2006
<b>Transportation Expenses:</b>							
312	Gas and Oil	InflationCPI	12,877	13,199	13,529	13,867	14,214
313	Vehicle Licenses	InflationCPI	1,030	1,056	1,082	1,109	1,137
314	Vehicle Maintenance and Repair	Repair	16,096	16,901	17,746	18,633	19,565
<b>Miscellaneous:</b>							
315	Advertising	InflationCPI	129	132	135	139	142
316	Boots	InflationCPI	753	772	791	811	831
317	Cable	InflationCPI	122	125	129	132	135
318	Donations / Dues / Subscriptions	InflationCPI	322	330	338	347	355
319	Education / Seminars	InflationCPI	3,219	3,300	3,382	3,467	3,553
320	Food	InflationCPI	644	660	676	693	711
321	Lodging	InflationCPI	966	990	1,015	1,040	1,066
322	Miscellaneous Expenses	InflationCPI	77	79	81	83	85
323	Phone / Communications	InflationCPI	4,327	4,435	4,546	4,659	4,776
324	Physicals	InflationCPI	258	264	271	277	284
325	Postage	InflationCPI	773	792	812	832	853
326	Safety Equipment	InflationCPI	3,863	3,960	4,059	4,160	4,264
327	Travel and Business Expense	InflationCPI	644	660	676	693	711
328	Uniforms	InflationCPI	16,096	16,498	16,911	17,334	17,767
329	Utilities	InflationCPI	0	0	0	0	0
330	WW Collection Repairs	InflationCPI	30,000	30,750	31,519	32,307	33,114
331	<b>Total Utility Maintenance</b>		<b>\$681,402</b>	<b>\$749,228</b>	<b>\$822,214</b>	<b>\$898,066</b>	<b>\$978,345</b>
<b>Indirect Expenses</b>							
<b>Employee Benefits:</b>							
332	Cafeteria Administration	Labor	\$2,127	\$2,276	\$2,435	\$2,605	\$2,788
333	Employee Pension Fund	Labor	131,860	141,090	150,967	161,534	172,842
334	Federal Unemployment	Labor	2,127	2,276	2,435	2,605	2,788
335	FICA / Medicare Expenses	MedIns	74,437	81,881	90,069	99,076	108,984
336	Group Insurance	MedIns	198,216	218,037	239,841	263,825	290,208
337	Pension Program Fees	Labor	6,380	6,827	7,305	7,816	8,363
338	State Unemployment	Labor	638	683	730	782	836
339	Additional Personnel Benefits	Labor	0	45,161	88,258	156,760	282,413
340	Contractual Services - Legal	Legal	0	0	0	0	0
<b>Contractual Services - Other:</b>							
341	Contract Payroll	Labor	4,466	4,779	5,113	5,471	5,854
342	Miscellaneous	Labor	0	0	0	0	0
<b>Insurance:</b>							
343	Insurance - General Liability	GenIns	40,494	42,519	44,644	46,877	49,221
344	Insurance - Other	GenIns	25,521	26,797	28,137	29,544	31,021
345	Insurance - Vehicle	GenIns	10,634	11,166	11,724	12,310	12,926
346	Insurance - Workman's Compensation	GenIns	25,309	26,574	27,903	29,298	30,763
<b>Miscellaneous:</b>							
347	Advertising Expenses (New Hires)	InflationCPI	0	0	0	0	0
348	Bad Debt Expenses (0.5% of Projected Revenue)	Input	35,760	38,815	41,849	42,662	44,830
349	Donations Dues / Subscriptions	InflationCPI	503	516	529	542	556
350	Employee Recognition	InflationCPI	3,623	3,714	3,807	3,902	4,000
351	Food	InflationCPI	503	516	529	542	556
352	Miscellaneous Expenses	InflationCPI	2,516	2,579	2,644	2,710	2,778
353	Real Estate / Property / Intangible Taxes	InflationCPI	12,582	12,896	13,219	13,549	13,888
354	Safety Equipment	InflationCPI	503	516	529	542	556
355	<b>Total Indirect Expenses</b>		<b>\$578,201</b>	<b>\$669,617</b>	<b>\$762,666</b>	<b>\$882,953</b>	<b>\$1,066,167</b>
356	<b>TOTAL OPERATING EXPENSES</b>		<b>\$4,748,139</b>	<b>\$5,261,917</b>	<b>\$5,798,292</b>	<b>\$6,411,887</b>	<b>\$7,588,920</b>

**Table 3-6**  
**Bonita Springs Utilities, Inc.**  
**Water and Wastewater System**

**Five-Year Estimated Capital Improvement Program**

Line No.	Department	Description	Escalation Factor	Funding Source	Budgeted 2002	Adjustments	Adjusted 2002	2003	2004	2005	2006	Five-Year Total	
<b>CIP - WATER SYSTEM</b>													
1	Engineering	Bonita Country Club System Purchase - 50%	Input	W-B02TAX	\$0	\$262,650	\$262,650	\$0	\$0	\$0	\$0	\$262,650	
2	Engineering	Bonita Country Club System Upgrades - 50%	Input	W-B02TAX	0	0	0	0	350,000	350,000	0	700,000	
3	Engineering	Bonita Country Club System Upgrades - 50%	Input	W-B05	0	0	0	0	0	350,000	0	350,000	
4	Engineering	Bonita Grande / East Terry Water Main	Input	W-B02EXMPT	1,500,000	0	1,500,000	0	0	0	0	1,500,000	
5	Engineering	Coconut Road Water Replacement	Input	W-ANC	0	3,875	3,875	0	0	0	0	3,875	
6	Engineering	Contingency Projects - 50%	Input	W-REV	250,000	0	250,000	250,000	250,000	250,000	250,000	1,250,000	
7	Engineering	Developer Upgrades - 50%	Input	W-REV	250,000	1,125	251,125	0	0	0	0	251,125	
8	Engineering	Developer Upgrades - 50%	Input	W-ANC	0	0	0	250,000	250,000	250,000	250,000	1,000,000	
9	Engineering	Easement / Lot Acquisition - 50%	Input	W-OM	0	0	0	0	0	0	0	0	
10	Engineering	East Terry Water Main	Input	W-ANC	2,000,000	0	2,000,000	1,500,000	0	0	0	3,500,000	
11	Engineering	East Well Field Pump Replacement	Input	W-OM	0	0	0	0	0	0	0	0	
12	Engineering	Eldorado Acres - 50%	Input	W-REV	150,000	440,304	590,304	0	0	0	0	590,304	
13	Engineering	Engineering Building Expansion - 50%	Input	W-OM	0	8,710	8,710	0	0	0	0	8,710	
14	Engineering	Irrigation Masterplan Update / Consulting	Input	W-OM	50,000	55,123	105,123	0	0	0	0	105,123	
15	Engineering	Keith Canal Irrigation ASR	Input	W-B05	0	0	0	0	0	0	2,650,000	2,650,000	
16	Engineering	Morton Avenue Water Extension	Input	W-ANC	771,972	11,577	783,549	0	0	0	0	783,549	
17	Engineering	Operations Center - 50%	Input	W-ANC	0	0	0	0	1,500,000	0	0	1,500,000	
18	Engineering	Other Equipment - 50%	Input	W-REV	0	0	0	0	0	0	0	0	
19	Engineering	Phase 1 Irrigation Distribution	Input	W-B05	0	0	0	0	0	0	945,510	945,510	
20	Engineering	Phase 1 Irrigation Distribution	Input	W-ANC	0	0	0	0	0	0	2,554,490	2,554,490	
21	Engineering	Phase 1 Irrigation Distribution	Input	W-B05	0	0	0	0	0	0	120,078	120,078	
22	Engineering	Phase 1 Irrigation Distribution	Input	W-ANC	0	0	0	0	0	0	3,379,922	3,379,922	
23	Engineering	Potable ASR Phase 2	Input	W-B05	0	0	0	0	0	0	1,500,000	1,500,000	
24	Engineering	Potable ASR Well and Storage	Input	W-ANC	0	55,974	55,974	0	0	0	0	55,974	
25	Engineering	Replace Imperial River and Spring Creek Crossings - 50%	Input	W-B02TAX	0	0	0	0	1,500,000	0	0	1,500,000	
26	Engineering	Reverse Osmosis Wells and Water Plant	Input	W-B02TAX	8,165,606	347,186	8,512,792	14,462,180	0	0	0	22,974,972	
27	Engineering	Reverse Osmosis Wells and Water Plant	Input	W-DSR	0	0	0	3,700,000	0	0	0	3,700,000	
27	Engineering	Reverse Osmosis Wells and Water Plant	Input	W-ANC	0	0	0	4,825,000	0	0	0	4,825,000	
28	Engineering	Reverse Osmosis Wells and Water Plant	Input	W-ANC	1,834,394	0	1,834,394	1,512,820	3,500,000	0	0	6,847,214	
29	Engineering	San Carlos Estates	Input	W-ANC	0	344,323	344,323	0	0	0	0	344,323	
30	Engineering	Vehicle Purchase - 50%	Input	W-OM	0	0	0	0	0	0	0	0	
31	Engineering	Water Masterplan Update	Input	W-REV	98,000	159,716	257,716	0	0	0	0	257,716	
32	Engineering	Water Storage	Input	W-B05	0	0	0	0	0	0	0	0	
33	Engineering	Water Treatment Plant Expansion Automation	Input	W-ANC	0	463,550	463,550	0	0	0	0	463,550	
34	Engineering	Water Treatment Plant Expansion Construction	Input	W-ANC	1,000,000	0	1,000,000	0	0	0	0	1,000,000	
35	Engineering	Water Treatment Plant Expansion Electric Building	Input	W-OM	0	0	0	0	0	0	0	0	
36	Engineering	Williams Road / Brooks Water Loop	Input	W-ANC	350,000	0	350,000	0	0	0	0	350,000	
37	Management	All Management Projects - 50%	InflationCPI	W-REV	9,500	0	9,500	9,738	9,981	10,230	10,486	49,935	
38	IT - Engineering	All IT - Engineering Projects - 50%	InflationCPI	W-REV	217,750	0	217,750	223,194	228,774	234,493	240,355	1,144,566	
39	Member Services	All Member Services Projects - 50%	InflationCPI	W-REV	16,050	0	16,050	16,451	16,863	17,284	17,716	84,364	
40	Fiscal	All Fiscal Projects - 50%	InflationCPI	W-REV	6,250	0	6,250	6,406	6,566	6,731	6,899	32,832	
41	Super-Operations	All Super-Operations Projects - 50%	InflationCPI	W-REV	77,500	0	77,500	79,438	81,423	83,459	85,545	407,365	
42	Water Plant	All Water Plant Projects	InflationCPI	W-REV	65,000	0	65,000	66,625	68,291	69,998	71,748	341,661	
43	Distribution / Collections	All Distribution / Collections Projects - Water	InflationCPI	W-REV	119,750	0	119,750	122,744	125,812	128,958	132,182	629,445	
44	Utility Maintenance	All Utility Maintenance Projects - Water	InflationCPI	W-REV	124,000	0	124,000	127,100	130,278	133,534	136,873	651,785	
45	<b>Total Water-System Capital Costs</b>					<b>\$17,055,772</b>	<b>\$2,154,115</b>	<b>\$19,209,887</b>	<b>\$27,151,695</b>	<b>\$6,517,987</b>	<b>\$9,034,687</b>	<b>\$12,701,804</b>	<b>\$74,616,061</b>

Table 3-6  
Bonita Springs Utilities, Inc.  
Water and Wastewater System  
Five-Year Estimated Capital Improvement Program

Line No.	Department	Description	Escalation Factor	Funding Source	Budgeted 2002	Adjustments	Adjusted 2002	2003	2004	2005	2006	Five-Year Total
<b>CIP - WASTEWATER SYSTEM</b>												
46	Engineering	Bonita Bay Sewer Retrofit	Input	S-B02EXMPT	\$0	\$141,795	\$141,795	\$0	\$0	\$0	\$0	\$141,795
47	Engineering	Bonita Beach Road / Bonita Grande / Morton Lane Force Main	Input	S-B02EXMPT	3,100,000	123,993	3,223,993	0	0	0	0	3,223,993
48	Engineering	Bonita Beach Road / Bonita Grande / Morton Lane Master Lift Station	Input	S-ANC	270,000	0	270,000	0	0	0	0	270,000
49	Engineering	Bonita Beach Road Force Main	Input	S-ANC	750,000	0	750,000	0	0	0	0	750,000
50	Engineering	Bonita Beach Road Force Main	Input	S-B02EXMPT	0	0	0	300,000	0	0	0	300,000
51	Engineering	Bonita Country Club System Purchase - 50%	Input	S-B02EXMPT	0	262,650	262,650	0	0	0	0	262,650
52	Engineering	Bonita Country Club System Purchase - 50%	Input	S-B02EXMPT	0	0	0	0	350,000	0	0	350,000
53	Engineering	Bonita Country Club System Upgrades - 50%	Input	S-B05	250,000	0	250,000	250,000	250,000	250,000	250,000	1,250,000
54	Engineering	Contingency Projects - 50%	Input	S-ANC	250,000	102,895	352,895	250,000	250,000	250,000	250,000	1,352,895
55	Engineering	Developer Upgrades - 50%	Input	S-OM	0	0	0	0	0	0	0	0
56	Engineering	Easement / Lot Acquisition - 50%	Input	S-B02EXMPT	0	0	0	0	5,000,000	0	0	5,000,000
57	Engineering	East Water Reclamation Facility	Input	S-B05	0	0	0	0	0	7,068,201	0	12,068,201
58	Engineering	East Water Reclamation Facility	Input	S-B05	0	0	0	0	10,404,032	0	0	10,404,032
59	Engineering	East Water Reclamation Facility	Input	S-ANC	420,000	0	420,000	1,500,000	1,000,000	4,527,768	1,300,000	8,747,768
60	Engineering	East Water Reclamation Facility Permitting	Input	S-REV	0	108	108	0	0	0	0	108
61	Engineering	Eldorado Acres - 50%	Input	S-ANC	150,000	441,305	591,305	0	0	0	0	591,305
62	Engineering	Engineering Building Expansion - 50%	Input	S-ANC	0	0	0	0	0	0	0	0
63	Engineering	Force Main Masterplan Update	Input	S-ANC	0	40,519	40,519	0	0	0	0	40,519
64	Engineering	Gravity 2 Survey Easements / Land Acquisition	Input	S-ANC	100,000	47,724	147,724	50,000	25,000	0	0	222,724
65	Engineering	Gravity Expansion 2 Phase 5	Input	S-ANC	0	142,592	142,592	0	0	0	0	142,592
66	Engineering	Gravity Expansion 2 Phase 6	Input	S-ANC	200,000	824,242	1,024,242	0	0	0	0	1,024,242
67	Engineering	Gravity Expansion 2 Phase 7	Input	S-B02EXMPT	0	0	0	0	2,700,000	0	0	2,700,000
68	Engineering	Gravity Expansion 2 Phase 8	Input	S-B02EXMPT	2,700,000	18,563	2,718,563	0	0	0	0	2,718,563
69	Engineering	Gravity Expansion 2 Phase 9	Input	S-B02EXMPT	3,200,000	0	3,200,000	0	0	0	0	3,200,000
70	Engineering	Gravity Expansion 2 Phase 10	Input	S-ANC	0	1,314	1,314	0	0	0	0	1,314
71	Engineering	Imperial Harbor Sewer	Input	S-ANC	0	641,266	641,266	0	0	0	0	641,266
72	Engineering	Operations Center - 50%	Input	S-B05	0	0	0	0	0	1,500,000	0	1,500,000
73	Engineering	Other Equipment - 50%	Input	S-OM	0	0	0	0	0	0	0	0
74	Engineering	Replace Imperial River and Spring Creek Crossings - 50%	Input	S-B02EXMPT	0	0	0	0	1,500,000	0	0	1,500,000
75	Engineering	San Carlos Estates - 50%	Input	S-OM	0	0	0	0	0	0	0	0
76	Engineering	San Carlos Estates Sewer	Input	S-ANC	0	25,953	25,953	0	5,000,000	0	0	5,025,953
77	Engineering	U.S. 41 North / Williams Road Force Main	Input	S-B02EXMPT	450,000	0	450,000	0	0	0	0	450,000
78	Engineering	Vehicle Purchase - 50%	Input	S-OM	0	0	0	0	0	0	0	0
79	Engineering	Water Reclamation Expansion Facility Engineering	Input	S-OM	0	0	0	0	0	0	0	0
80	Engineering	Water Reclamation Facility Effluent Lift Station	Input	S-OM	0	0	0	0	0	0	0	0
81	Engineering	Water Reclamation Facility Expansion Construction	Input	S-OM	0	0	0	0	0	0	0	0
82	Engineering	Water Reclamation Facility Force Main Conversion	Input	S-B02EXMPT	2,050,000	1,500,054	3,550,054	0	0	0	0	3,550,054
83	Management	All Management Projects - 50%	Input	S-OM	0	0	0	0	0	0	0	0
84	IT - Engineering	All IT - Engineering Projects - 50%	InflationCPI	S-REV	9,500	0	9,500	9,738	9,981	10,230	10,486	49,935
85	Member Services	All Member Services Projects - 50%	InflationCPI	S-REV	217,750	0	217,750	223,194	228,774	234,493	240,355	1,144,566
86	Fiscal	All Fiscal Projects - 50%	InflationCPI	S-REV	16,050	0	16,050	16,451	16,863	17,284	17,716	84,364
87	Super-Operations	All Super-Operations Projects - 50%	InflationCPI	S-REV	6,250	0	6,250	6,406	6,566	6,731	6,899	32,852
88	Wastewater Plant	All Wastewater Plant Projects	InflationCPI	S-REV	77,500	0	77,500	79,438	81,423	83,459	85,545	407,365
89	Distribution / Collections	All Distribution / Collections Projects - Wastewater	InflationCPI	S-REV	190,000	0	190,000	194,750	199,619	204,609	209,724	998,702
90	Utility Maintenance	All Utility Maintenance Projects - Wastewater	InflationCPI	S-REV	112,750	0	112,750	115,569	118,458	121,419	124,455	592,651
91		<b>Total Wastewater System Capital Costs</b>			\$14,913,300	\$4,314,973	\$19,228,273	\$3,398,883	\$17,450,105	\$25,451,982	\$3,279,532	\$68,808,774
92		<b>TOTAL WATER AND WASTEWATER CAPITAL COSTS</b>			\$31,969,072	\$6,469,088	\$38,438,160	\$30,550,578	\$23,968,092	\$34,486,669	\$15,981,336	\$143,424,835

Table 3-6  
Bonita Springs Utilities, Inc.  
Water and Wastewater System

Five-Year Estimated Capital Improvement Program

Line No.	Department	Description	Escalation Factor	Funding Source	Budgeted 2002	Adjustments	Adjusted 2002	2003	2004	2005	2006	Five-Year Total
<b>FUNDING SOURCES - WATER AND WASTEWATER</b>												
<b>WATER SYSTEM</b>												
93		Operating and Maintenance Fund - Operating Reserves		W-OM	\$50,000	\$63,833	\$113,833	\$0	\$0	\$0	\$0	\$113,833
94		Rate Revenue		W-REV	1,383,800	601,145	1,984,945	901,695	917,987	934,687	951,804	5,691,119
95		ANC Fees		W-ANC	5,956,566	879,300	6,835,866	3,262,820	3,750,000	250,000	6,184,412	20,282,898
98		Released Debt Service Reserve Funds		W-DSR	0	0	0	3,700,000	0	0	0	3,700,000
99		Bond Proceeds - Series 2002A Tax Exempt Wastewater Bonds		W-B02EXMPT	1,500,000	0	1,500,000	0	0	0	0	1,500,000
100		Bond Proceeds - Series 2002A Taxable Fixed Rate Bonds		W-B02TAX	8,165,606	609,836	8,775,442	14,462,180	1,850,000	350,000	0	25,437,622
101		Bond Proceeds - Series 2005 Bonds		W-B05	0	0	0	0	0	7,500,000	5,565,588	13,065,588
102		<b>Total Water System Funding Sources</b>			\$17,055,772	\$2,154,115	\$19,209,887	\$27,151,695	\$6,517,987	\$9,034,687	\$12,701,804	\$74,616,061
<b>WASTEWATER SYSTEM</b>												
103		Operating and Maintenance Fund - Operating Reserves		S-OM	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
104		Rate Revenue		S-REV	1,273,300	108	1,273,408	1,298,883	1,325,105	1,351,982	1,379,532	6,628,909
105		ANC Fees		S-ANC	2,140,000	2,267,811	4,407,811	1,800,000	6,275,000	4,777,768	1,550,000	18,810,578
108		Released Debt Service Reserve Funds		S-DSR	0	0	0	0	0	0	0	0
109		Bond Proceeds - Series 2002A Tax Exempt Wastewater Bonds		S-B02EXMPT	11,500,000	2,047,054	13,547,054	300,000	9,850,000	7,068,201	0	30,765,255
110		Bond Proceeds - Series 2002A Taxable Fixed Rate Bonds		S-B02TAX	0	0	0	0	0	0	0	0
111		Bond Proceeds - Series 2005 Bonds		S-B05	0	0	0	0	0	12,254,032	350,000	13,604,032
112		<b>Total Wastewater System Funding Sources</b>			\$14,913,300	\$4,314,973	\$19,228,273	\$3,398,883	\$17,450,105	\$25,451,982	\$3,279,532	\$68,808,774
<b>COMBINED</b>												
113		Operating and Maintenance Fund - Operating Reserves			\$50,000	\$63,833	\$113,833	\$0	\$0	\$0	\$0	\$113,833
114		Rate Revenue			2,657,100	601,254	3,258,354	2,200,578	2,243,092	2,286,669	2,311,336	12,320,028
115		ANC Fees			8,096,566	3,147,111	11,243,477	5,062,820	10,025,000	5,027,768	7,734,412	39,093,476
118		Released Debt Service Reserve Funds			0	0	0	3,700,000	0	0	0	3,700,000
119		Bond Proceeds - Series 2002A Tax Exempt Wastewater Bonds			13,000,000	2,047,054	15,047,054	5,125,000	9,850,000	7,068,201	0	37,090,255
120		Bond Proceeds - Series 2002A Taxable Fixed Rate Bonds			8,165,606	609,836	8,775,442	14,462,180	1,850,000	350,000	0	25,437,622
121		Bond Proceeds - Series 2005 Bonds			0	0	0	0	0	19,754,032	5,915,588	25,669,620
122		<b>TOTAL WATER AND WASTEWATER FUNDING SOURCES</b>			\$31,969,072	\$6,469,088	\$38,438,160	\$30,550,578	\$23,968,092	\$34,486,669	\$15,981,336	\$143,424,835

**SECTION 4**  
**RATE DESIGN AND COMPARISONS**

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## SECTION 4

### RATE DESIGN AND COMPARISONS

#### 4.1 General

This section sets forth the proposed rates for water and wastewater service including a discussion of general rate design criteria, issues related to the maintenance of water conservation pricing and the methods used to classify and allocate costs in order to properly design rate structures. The proposed rates are predicated on the rate revenue requirements presented in Section 3 and the customer and sales forecast summarized in Section 2. This section also summarizes typical monthly bill comparisons for the proposed rates versus the existing rates as well as a comparison of the proposed rates with rates of neighboring utility systems. While we believe the proposed rates and subsequent adjustments should be adequate during the study period based on the assumptions and considerations as outlined in this report, as discussed in Section 3, BSU may need to update this study as more up-to-date financial data information is available.

#### 4.2 Proposed Retail Rate Design – General Criteria

Rate design involves the calculation of monthly rates and charges for each customer classification. The goal of this task is to establish a pricing structure to recover the total revenue requirements of the utility system in an equitable manner, consistent with the cost of providing service, regulatory compliance, overall revenue stability, and the fiscal and pricing policies of BSU. The proposed utility rates, to the extent practical, should meet the following criteria for service provided by publicly owned utilities:

- Utility rates should be based on a policy, which calls for the lowest possible prices consistent with the requirements of providing quality service on an ongoing basis.
- Utility rates should be simple and understandable.
- Utility rates should be equitable among customers, taking into consideration the cost of providing service to the various users of the System.
- Utility rate and cost recovery strategies should recognize the current financial needs of the System and when rates were last adjusted and where possible help develop approaches to avoid “rate shock” presently as well as in the future.
- Utility rates should be designed to encourage the most efficient use of BSU's utility plant investment and discourage unnecessary or wasteful use of resources.
- Utility rates should comply with applicable orders and requirements of local, state, and federal regulatory authorities, if any, which may have jurisdiction.

Other considerations, which have an effect on the design of the user fees, include revenue stability, historical rate form, and competitiveness with neighboring utility systems.

In order to make a reasonable determination of the projected revenues from each customer classification; it is beneficial to have a customer bill frequency analysis. The bill frequency analysis summarizes the number of bills rendered at various consumption levels for each customer classification or meter size, and provides a way to analyze the effect of any change in rates.

BSU provided PRMG with customer and sales information by customer classification and service type on a monthly basis for the twelve (12) months ended September 2001. The billing information for the single-family residential, multi-family residential and non-residential classes was used to develop a bill frequency analysis for the System. The bill frequency analysis was then used to develop a projection of detailed billing determinants for each customer class (e.g., number of bills by meter size and water usage statistics) which along with the customer and sales forecast provides the basis for estimating utility rate revenues and the effects of proposed rate changes.

#### **4.3 Classification of Water and Wastewater Costs**

In order to properly design water and wastewater rates it is necessary to allocate costs to the various rate structure components (e.g., monthly service charge and the volumetric or usage charge). The System costs are generally classified into three groups for ratemaking purposes: i) fixed costs including certain production, transmission, distribution and collection operating, maintenance and capital-related costs; ii) variable or flow-related costs such as chemicals for treatment, disposal and pumping costs; and iii) billing and customer service related costs. The utility system revenue requirements are assigned to these three specific cost classifications on the following basis:

1. Fixed Costs - Those costs that are incurred to maintain in a state of readiness-to-serve a water or wastewater system capable of meeting the total combined demands of all customers is classified as fixed or capacity-related costs. Capacity costs include that portion of operating and maintenance expense, capital expenditures, and other costs which are generally fixed and do not vary materially with the quantity of flow or which cannot be designated specifically as a customer or variable cost. Fixed costs are further classified into Base Capacity costs and Extra Capacity costs based on system peak to average demand relationships.
2. Variable Costs - Those costs that vary substantially or directly with flow, including such items as chemicals, utilities, and a portion of operation and maintenance expenses are classified as variable or flow-related costs.
3. Customer Service Costs - Those costs directly related to the number and type of customers, such as customer accounting and billing and meter-related expenses are classified as customer-related costs.

The above three cost components cover the majority of all utility costs. However, there are certain costs that do not fall directly within any of the three categories or are not readily identifiable as associated with a specific customer or customer class. Thus, certain costs must be assigned or allocated by some formula or assignment basis. Other cost categories used in this study were:

Revenue Related - Those costs related to revenue or total projected revenue requirements are allocated to the various costs classifications on the basis of revenues collected or anticipated to be collected. An example of a cost allocated on the basis of revenues is Bad Debt Expense.

Weighted Customer - The costs allocated to the weighted customer category include expenditures which are directly assignable to the customer function but vary according to the capacity or cost of the services. Specific costs allocable to this function include the cost of water meter replacement installations and labor and associated expenditures associated with any other type of physical connections to the water and wastewater systems.

Tables 4-1 and 4-2 set forth the classification of the projected net revenue requirements for the water and wastewater systems, respectively. The fiscal year ending September 30, 2002 served as the basis (test year) for the classification of costs for rate design purposes. As shown on Tables 4-1 and 4-2, the classified costs are summarized as follows:

	Fiscal Year 2002	
	Water [1]	Wastewater [2]
Fixed Costs:		
Base Capacity	\$4,310,415	\$1,888,963
Extra/Peak Capacity	<u>1,733,474</u>	<u>4,382,394</u>
Total Fixed Costs	6,043,889	6,271,358
Customer Costs	599,609	461,483
Variable Costs	604,389	750,902
Weighted Customer Costs	<u>125,816</u>	<u>106,588</u>
Total Net Revenue Requirements	<u>\$7,373,702</u>	<u>\$7,590,331</u>

[1] Derived from Table 4-1.

[2] Derived from Table 4-2.

A detailed summary of the classified revenue requirements for the water and wastewater systems is shown on Tables 4-1 and 4-2, respectively. The following is a synopsis of the classification of the major cost categories.

Utility Management, Fiscal Services, Indirect Expenses: The utility management and fiscal services divisions contain a wide variety of costs incurred in the supervision and management relative to the operation and maintenance of the system. These costs have been functionalized as labor-related and have been classified based upon all classified labor-related operation and maintenance expenses.

Utility and IT Engineering, Utility Maintenance: It was assumed that most of these expenses are incurred in direct proportion to the investment in BSU's utility system plant account balances.

Water Distribution and Wastewater Collection: It was assumed that most of these expenses, with the exception of distribution and collection related electrical, chemical, and waste disposal expenses which were considered as variable-related, are incurred in direct proportion to the investment in specific plant account balances relative to the water distribution and wastewater collection system since this function deals with general engineering functions of the Utility, or is specifically allocated to such services.

Member Services: Billing and collection of revenues and the field and support services component deal with the reading of meters and providing field visits to customers (at a customer request). Such expenses have been apportioned directly to the customer-related and the weighted customer service function as associated with the classification. The customer-related and weighted customer costs include items of expense that relate directly to the number and service types of customers.

Water Plant, Wastewater Plant: These expenses are incurred in the making of water and wastewater treatment available on demand to all customers through the operation and maintenance of various well pumps, water storage and wastewater treatment facilities. This classification does not perform any direct customer-related work and, as such, no expenses are classified as being so. Expenses are allocated between capacity and readiness to serve-related based on the capacity utilization requirements of the Systems (peak to average daily demand flow factors). The projected costs of electric, sludge removal, repair equipment and chemicals are classified as variable-related.

Contingency: This cost has been recognized as being available for any operating expense function and was therefore allocated among the various rate structure classifications based upon all previously classified labor-related and operation and maintenance expenses.

Other Revenue Requirements: Capital funded from revenues, renewal and replacement fund transfers, debt service, and other non-operating transfers were allocated based on plant investment balances as outlined previously in the water distribution/wastewater collection allocated with the addition of all plant-related facilities.

Investment Income: Comprises of water and wastewater system's pro rata share of investment income earned from the Operating Account, Sinking Funds and other utility fund balances, and was classified based on the nature of the fund source, and thereby reduced the net revenue requirements required from rates.

Other Operating Revenue: This component of revenue is comprised of various miscellaneous fees and charges that include delinquent fees, initiation of existing and new services, and returned check charges. As illustrated at the end of this Section in Table 4-1 and 4-2 for BSU water and wastewater system respectively, various items were determined to be predominantly customer- and capacity-related and were classified as such.

#### 4.4 Retail Water System Rate Design

BSU's water rates include three separate rate structure attributes. The three rate structure attributes are: i) a monthly administrative fee applied to each account billed (to recover the costs of meter reading, billing, and other related expense) regardless of the number of dwelling units served; ii) a monthly service charge based on the number of dwelling units served; and iii) a volumetric or flow charge which varies for specific classes of customers. The monthly service charge for the residential class is currently based on the number of dwelling units served whereas the monthly service charge for commercial customers generally varies by meter size (i.e., up to 8 inches) to recognize differences in capacity relationships (or meter equivalence) of the various commercial customers. With the exception of rates developed for individual customers by system usage, this type of structure for the commercial class is common in Florida and is calculated based, in part, on the water demand or capacity of the size of the service. Based on discussions with BSU and the recommendations of PRMG, the existing rate structure is adequate and should not be materially adjusted for purposes of this specific study.

The monthly service charge generally consists of two cost components that include a readiness to serve (service availability) charge and a customer service (administrative) charge. These costs generally do not vary with consumption, but are either fixed in relation to capacity needs or represents a cost of meter reading, billing and collection.

The usage or flow charge generally consists all of the variable related expenses of the utility in addition to a portion of the fixed costs. For the residential class (i.e., single-family and multi-unit customers), it is recommended that the rate structure be maintained which consists of a four block or tiered use structure. The rate blocks for the single-family residential class are structured as follows:

1. The first rate block for the single-family residential class ranges from 0 to 6,000 gallons of metered water use. Based on research information developed by the U.S. Department of Housing and Urban Development, the residential potable indoor water use was assumed to be approximately 65 gallons per day (gpd) per capita. Assuming an average of 2.50 persons per household that approximates the average number of persons per household for the single-family residence, the average demand for indoor water service would be 162 gpd, or approximately 5,000 gallons per month. The 6,000 gallon threshold was assumed for this block since it provides for the essential use of a residence (i.e., indoor use), and also allows for some usage diversity within the class due to recognized differences in family size and other demographic factors. Based on detailed bill frequency data, the first block includes approximately 37% of total single-family water use in BSU's service territory.
2. The second rate block for the residential single-family class was determined to range from 6,000 gallons to 12,000 gallons of metered water usage. This usage block was incorporated to allow for continued discretionary use by a household (e.g., an allowance for some irrigation use), yet provide a price signal to conserve water use. It is estimated that approximately 33% of BSU's single-family water use is included in this usage block.

3. The third usage block for the single-family residential class is ranged in consumption from 12,000 to 18,000 gallons per month. This block allows for additional discretionary use and irrigation yet recognizes the need to present a stronger price signal to conserve water resources. This usage block accounts for approximately 15% of BSU's total water single-family use needs.
4. The final usage block for the single-family residential class is targeted for all consumption in excess of 18,000 gallons per month. This accounts for approximately 15% of BSU's total water use needs and is attributable, primarily to outdoor irrigation (excessive use target).

With respect to the multi-unit customers, it is recommended that the monthly base charge be based on an equivalent residential unit factor to recognize the capacity or demand relationships between the respective residential customer classifications. The following equivalent unit factors are recommended.

Residential Classification	ERU Factor
Single-Family	1.00
Multi-Family / Mixed Master Meter	0.80

For the general service class, the usage requirements can significantly vary by meter size and customer type. Additionally, the contribution to the peak demand of the system generally is not as significant for this class as compared to the residential class. In order to recognize the various usage needs of the non-residential customers in relation to their service needs, it is proposed that the usage blocks continue to vary by meter size. Therefore, the four usage block charges as discussed above for the residential class be adjusted to reflect the application of equivalent meter factors based on service capacity for the larger meter sizes. Thus, the rates are consistent in terms of residential equivalents and capacity needs. The residential equivalents utilized in the derivation of the various threshold levels for the various commercial meter sizes were based on the meter equivalent factors developed from meter capacity information provided by the AWWA.

Based on the customer forecast discussed in Section 2, the net revenue requirements of the water system as presented in Section 3, and the rate structure changes discussed above, the proposed rates for the water system were determined as follows:

	Water System		
	Monthly Service Charge		
	Volumetric Charge	Customer	Readiness to Service
Net Revenue Requirements <sup>[1]</sup>	\$4,914,804	\$1,859,290	\$599,609
Less Estimated Revenue Collected through July 2002	<u>2,374,322</u>	<u>898,215</u>	<u>289,669</u>
Adjusted Net Revenue Requirements	\$2,540,482	\$961,075	\$309,940
Annualized Billing Units	1,651,580	227,482	227,482
Less Units Billed through July 2002	<u>(825,790)</u>	<u>(113,741)</u>	<u>(113,741)</u>
Adjusted Number of Annual Billing Units [2]			
1,000s of Gallons	825,790		
Bills/Units		113,741	113,741
Equivalent Number of Billing Units [3]	1,020,891	174,754	113,741
Unit Charge Per Equivalent Unit	<u>\$2.4885</u>	<u>\$5.4996</u>	<u>\$2.7250</u>

[1] Based on an analysis of revenue requirements shown on Table 4-1.

[2] Derived from Table 2-1.

[3] Billing units adjusted to reflect rate differentials due to meter equivalency (i.e., ERCs per meter); and cost allocations due to conservation blocks.

Based on the rate parameters and the per equivalent unit charges shown above and recognizing allowances for rate rounding, the proposed rates for monthly water services for Fiscal Years 2002 and 2003 (assumed to be effective each July 1) are summarized as follows:

Residential Service:

	Monthly Service Charge (Per Dwelling Unit)		Consumption Charge (per unit) (Per 1,000 Gallons)		
	FY 2002	FY 2003	Range	FY 2002	FY 2003
	Single-family/Duplex / Triplex Dwelling Unit [1]	\$5.50	\$5.90	1 to 6,000	\$2.49
Multiple-family / Mixed Master Dwelling Unit [1]	\$4.40	\$4.70	6,001 to 12,000	3.02	3.23
			12,001 to 18,000	3.55	3.80
			18,001 and over	4.08	4.37

Commercial Service:

Meter Size	Monthly Service Charge [1]		Consumption Charge Per ERC (Per 1,000 Gallons)		
			Range	Amount	
	FY 2002	FY 2003		FY 2002	FY 2003
3/4-inch	\$5.50	\$5.90	1 to 6,000	\$2.49	\$2.66
1-inch	13.75	14.70	6,001 to 12,000	3.02	3.23
1-1/2-inch	27.50	29.45	12,001 to 18,000	3.55	3.80
2-inch	44.00	47.10	18,001 and over	4.08	4.37
3-inch	82.50	88.30			
4-inch	137.50	147.15			
6-inch	275.00	294.25			
8-inch	440.00	470.80			

[1] A monthly administrative fee of \$2.75 in Fiscal Year 2002 for each account (meter) shall be charged in addition to the rates identified above. Fee will increase to \$2.95 per account effective with recommended Fiscal Year 2003 rate adjustment assumed to become effective on July 1, 2003.

#### 4.5 Retail Wastewater System Rate Design

The existing rates for the retail customers of the wastewater system have the same type of structure as previously discussed for the water system which promotes consistency among the two systems. The existing wastewater rates include: i) a monthly administrative fee applied to each account billed regardless of the number of dwelling units served (if customer is not concurrently a water customer of BSU); ii) a monthly service availability charge applied to the number of dwelling units served per account; iii) a constant usage or flow charge; and iv) for the residential class, a maximum billing threshold (maximum consumption charge). The application of a maximum billing threshold for the residential class is a policy implemented by several utilities in the state to recognize that not all of the water used by a residential customer is returned to the wastewater system. The non-residential class generally does not have a billing threshold since: i) major irrigation needs, if any, are generally serviced through a separate irrigation meter; and ii) the amount of impervious surface or non-irrigatable area is generally high so the primary use of metered water is for indoor usage needs and assumed to be returned to the wastewater system.

The design of the proposed wastewater rates was performed in a manner similar to the water system. The proposed rate structure for the wastewater system should be designed on a consistent basis as the proposed water rates. Therefore, the rate structure includes i) a base monthly charge per dwelling unit (residential class) or meter size (general service class); ii) a monthly administrative fee applied to each account billed; and iii) a volume charge based on metered water use. The monthly residential maximum billing threshold for the single-family residential classification is for purposes of this analysis to be maintained at 16,000 gallons. As was previously discussed for the water system, the service availability charge should be fixed based on the size of the water meter. This is consistent with the ratemaking practices of a several of Florida utilities, including the Florida Public Service Commission.



Based on the customer forecast discussed in Section 2, the net revenue requirements of the combined wastewater system as presented in Section 3, and the allocation of costs to the retail class as discussed previously in this section, the proposed retail rates for the wastewater system were determined as follows:

	Wastewater System		
	Volumetric Charge	Monthly Service Charge	
		Customer	Readiness to Service
Net Revenue Requirements <sup>[1]</sup>	\$2,639,865	\$4,488,982	\$461,483
Less Estimated Revenue Collected through July 2002	<u>1,243,725</u>	<u>\$2,114,903</u>	<u>217,419</u>
Adjusted Net Revenue Requirements	\$1,396,140	\$2,374,079	244,064
Annualized Billing Units	1,196,603	180,504	180,504
Less Units Billed through July 2002	<u>(598,302)</u>	<u>(90,252)</u>	<u>(90,252)</u>
Adjusted Number of Annual Billing Units [2]			
1,000s of Gallons	598,301		
Bills/Units		90,252	90,252
Equivalent Number of Billing Units [3]	598,301	145,461	145,461
Unit Charge Per Equivalent Unit	<u>\$2.3336</u>	<u>\$16.3211</u>	<u>\$1.6779</u>

[1] Based on an analysis of revenue requirements shown on Table 4-2.

[2] Derived from Table 2-2.

[3] Billing units adjusted to reflect rate differentials due to meter equivalency (i.e., ERCs per meter and cost allocations).

Based on the rate parameters and the equivalent unit charges shown above, the proposed rates for wastewater services are summarized as follows:

Residential Service:

	Monthly Service Charge (Per Dwelling Unit)		Consumption Charge (Per 1,000 Gallons Metered Water)	
	FY 2002	FY 2003	FY 2002	FY 2003
	Single-family Dwelling	\$18.00	\$20.20	\$2.33
Multiple-family / Mixed Master Dwelling	14.40	16.15	2.33	2.62
Unmetered Sewer (per ERC)	33.15	37.20	N/A	N/A

Commercial Service:

Meter Size (inches)	Monthly Service Charge [1]		Consumption Charge (Per 1,000 Gallons Metered Water)	
	FY 2002	FY 2003	FY 2002	FY 2003
3/4-inch	\$18.00	\$20.20	\$2.33	\$2.62
1-inch	45.00	50.50		
1-1/2-inch	90.00	101.05		
2-inch	144.00	161.65		
3-inch	270.00	303.10		
4-inch	450.00	505.15		
6-inch	900.00	1,010.25		
8-inch	1,440.00	1,616.40		

[1] A monthly administrative fee of \$2.75 in Fiscal Year 2002 for each account (meter) shall be charged in addition to the rates identified above. Fee will increase to \$2.95 per account effective with recommended Fiscal Year 2003 rate adjustment. No second fee is applied if water service is concurrently provided.

**4.6 Retail Water and Wastewater Rate Comparisons - Neighboring Utilities**

In order to provide BSU with additional information regarding the proposed rate levels, a comparison of BSU's existing and proposed rates for customers served by a 5/8 inch or 3/4 inch meter (representative of the single-family residential class) has been made with charges for similar service of other neighboring utilities. It should be noted that when making comparison for water and wastewater service, several factors have an effect on levels of rates charged. These factors may include:

- 1) Level of treatment required before the distribution of water to the ultimate customer;
- 2) Level of treatment and effluent disposal methods of wastewater service;
- 3) Plant capacity utilization, age, and assistance in construction by federal grants, ANC fees, etc.;
- 4) General Fund and administrative fee transfers made by utility systems which may account for differences in the level of rates charged; and
- 5) Bond Covenants and funding requirements of the rates.

For the utilities included in the rate comparison on Tables 4-3 through 4-5 at the end of this section, no analysis has been made of the above mentioned factors, as they related to the reported water and wastewater rates currently being charged. In order to illustrate the effects of the proposed rates, a comparison has been prepared for customers which use approximately 5,000 gallons of water and wastewater service. This usage level represents approximately the medium usage level for the single family residential class. As can be seen in Tables 4-3 through 4-5, the recommended rates at 5,000 gallons of usage for a 3/4-inch meter size (standard residential rate) are slightly higher with the rates charge by other neighboring utilities in the area.

Table 4-1  
Bonita Springs Utilities, Inc.  
Water System

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Administrative/Customer		Revenue Related	Total	
			Base Capacity	Extra Capacity	Total	Variable	Weighted Customer			Customer
<b>OPERATING EXPENSES - WATER</b>										
<b>Management</b>										
Salaries	\$97,804	WS/W	\$54,647	\$21,977	\$76,624	\$0	\$0	\$21,180	\$0	\$97,804
Additional Personnel Salaries	0	WS/W	0	0	0	0	0	0	0	0
Purchased Power	2,356	WS/W	1,316	529	1,846	0	0	510	0	2,356
Supplies:										
Board of Director Supplies	9,194	WS/W	5,137	2,066	7,203	0	0	1,991	0	9,194
Computer Supplies	287	WS/W	161	65	225	0	0	62	0	287
Materials and Supplies	575	WS/W	321	129	450	0	0	124	0	575
Office Supplies	4,597	WS/W	2,569	1,033	3,602	0	0	996	0	4,597
Contractual Services - Other:										
Building Maintenance	1,580	WS/W	883	355	1,238	0	0	342	0	1,580
Equipment Maintenance and Repair	575	WS/W	321	129	450	0	0	124	0	575
Miscellaneous - Contractual	1,149	WS/W	642	258	900	0	0	249	0	1,149
Office Equipment Maintenance	575	WS/W	321	129	450	0	0	124	0	575
Professional Services	129,295	WS/W	72,242	29,053	101,295	0	0	28,000	0	129,295
Public Relations	57,464	WS/W	32,108	12,912	45,020	0	0	12,444	0	57,464
Rental of Equipment	575	WS/W	321	129	450	0	0	124	0	575
Transportation Expenses:										
Gas and Oil	1,264	WS/W	706	284	990	0	0	274	0	1,264
Vehicle Licenses	57	WS/W	32	13	45	0	0	12	0	57
Vehicle Maintenance and Repair	575	WS/W	321	129	450	0	0	124	0	575
Miscellaneous:										
Advertising	1,149	WS/W	642	258	900	0	0	249	0	1,149
Air / Taxi / Car Rental	287	WS/W	161	65	225	0	0	62	0	287
Board Balloting	4,023	WS/W	2,248	904	3,151	0	0	871	0	4,023
Cable	109	WS/W	61	25	86	0	0	24	0	109
Donations / Dues / Subscriptions	2,873	WS/W	1,605	646	2,251	0	0	622	0	2,873
Educations / Seminars	5,172	WS/W	2,890	1,162	4,052	0	0	1,120	0	5,172
Employee Recognition	3,448	WS/W	1,926	775	2,701	0	0	747	0	3,448
Food	575	WS/W	321	129	450	0	0	124	0	575
Lodging	575	WS/W	321	129	450	0	0	124	0	575
Mileage	575	WS/W	321	129	450	0	0	124	0	575
Phone / Communications	2,080	WS/W	1,162	467	1,630	0	0	450	0	2,080
Postage	3,448	WS/W	1,926	775	2,701	0	0	747	0	3,448
Safety Equipment	287	WS/W	161	65	225	0	0	62	0	287
Travel and Business Expenses	3,448	WS/W	1,926	775	2,701	0	0	747	0	3,448
Utilities	0	WS/W	0	0	0	0	0	0	0	0
Contingency (2.0% of Expenses)	105,696	WCont	50,188	20,184	70,372	12,563	2,615	19,433	712	105,696
<b>Total Management</b>	<b>\$441,667</b>		<b>\$237,909</b>	<b>\$95,677</b>	<b>\$333,587</b>	<b>\$12,563</b>	<b>\$2,615</b>	<b>\$92,190</b>	<b>\$712</b>	<b>\$441,667</b>
<b>Engineering</b>										
Salaries	\$242,853	WPlant	\$173,119	\$69,621	\$242,740	\$0	\$0	\$113	\$0	\$242,853
Additional Personnel Salaries	0	WPlant	0	0	0	0	0	0	0	0
Purchased Power	11,204	WPlant	7,987	3,212	11,198	0	0	5	0	11,204
Supplies:										
Computer Supplies	1,280	WPlant	913	367	1,280	0	0	1	0	1,280
Electrical / Electronics	1,601	WPlant	1,141	459	1,600	0	0	1	0	1,601
Materials and Supplies	0	WPlant	0	0	0	0	0	0	0	0
Office Supplies	10,137	WPlant	7,226	2,906	10,132	0	0	5	0	10,137
Contractual Services - Engineering	0	WPlant	0	0	0	0	0	0	0	0
Contractual Services - Other:										
Building Expense	0	WPlant	0	0	0	0	0	0	0	0
Building Maintenance	800	WPlant	570	229	800	0	0	0	0	800
Equipment Maintenance and Repair	267	WPlant	190	76	267	0	0	0	0	267
General Information Systems	0	WPlant	0	0	0	0	0	0	0	0
Hardware Maintenance - Information Technolog	0	WPlant	0	0	0	0	0	0	0	0
Miscellaneous - Contractual	800	WPlant	570	229	800	0	0	0	0	800
Office Equipment Maintenance	480	WPlant	342	138	480	0	0	0	0	480
Professional Services	168,055	WPlant	119,799	48,178	167,977	0	0	78	0	168,055
Professional Services - Information Technology	0	WPlant	0	0	0	0	0	0	0	0
Public Relations	0	WPlant	0	0	0	0	0	0	0	0
Software Maintenance - Information Technolog	0	WPlant	0	0	0	0	0	0	0	0
Temporary Services	2,668	WPlant	1,902	765	2,666	0	0	1	0	2,668
Testing	1,067	WPlant	761	306	1,067	0	0	0	0	1,067
Training - Information Technology	0	WPlant	0	0	0	0	0	0	0	0
Rental of Equipment	373	WPlant	266	107	373	0	0	0	0	373
Transportation Expenses:										
Gas and Oil	3,735	WPlant	2,662	1,071	3,733	0	0	2	0	3,735
Vehicle Allowance	2,561	WPlant	1,826	734	2,560	0	0	1	0	2,561
Vehicle Licenses	213	WPlant	152	61	213	0	0	0	0	213
Vehicle Maintenance and Repair	3,201	WPlant	2,282	918	3,200	0	0	1	0	3,201
Miscellaneous:										
Advertising	107	WPlant	76	31	107	0	0	0	0	107
Air / Taxi / Car Rental	267	WPlant	190	76	267	0	0	0	0	267
Boots	267	WPlant	190	76	267	0	0	0	0	267
Cable	101	WPlant	72	29	101	0	0	0	0	101
Donations / Dues / Subscriptions	1,067	WPlant	761	306	1,067	0	0	0	0	1,067
Education / Seminars / Training	6,402	WPlant	4,564	1,835	6,399	0	0	3	0	6,402
Food	1,067	WPlant	761	306	1,067	0	0	0	0	1,067

Table 4-1  
 Bonita Springs Utilities, Inc.  
 Water System

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Variable	Administrative/Customer		Revenue Related	Total
			Base Capacity	Extra Capacity	Total		Weighted Customer	Customer		
Lodging	1,067	WPlant	761	306	1,067	0	0	0	0	1,067
Mileage	320	WPlant	228	92	320	0	0	0	0	320
Miscellaneous Expense	1,067	WPlant	761	306	1,067	0	0	0	0	1,067
Phone / Communications	8,536	WPlant	6,085	2,447	8,532	0	0	4	0	8,536
Physicals	107	WPlant	76	31	107	0	0	0	0	107
Postage	4,268	WPlant	3,043	1,224	4,266	0	0	2	0	4,268
Record Easements	0	WPlant	0	0	0	0	0	0	0	0
Safety Equipment	160	WPlant	114	46	160	0	0	0	0	160
Subscriptions / Manuals - Information Technolo	0	WPlant	0	0	0	0	0	0	0	0
Travel and Business Expenses	1,067	WPlant	761	306	1,067	0	0	0	0	1,067
Utilities	0	WPlant	0	0	0	0	0	0	0	0
<b>Total Engineering</b>	<b>\$477,165</b>		<b>\$340,149</b>	<b>\$136,794</b>	<b>\$476,943</b>	<b>\$0</b>	<b>\$0</b>	<b>\$222</b>	<b>\$0</b>	<b>\$477,165</b>
<b>IT - Engineering</b>										
Salaries	\$69,461	WPlant	\$49,516	\$19,913	\$69,429	\$0	\$0	\$32	\$0	\$69,461
Additional Personnel Salaries	0	WPlant	0	0	0	0	0	0	0	0
Purchased Power	2,244	WPlant	1,600	643	2,243	0	0	1	0	2,244
Supplies:										
Computer Hardware / Software	4,445	WPlant	3,169	1,274	4,443	0	0	2	0	4,445
Computer Supplies	9,403	WPlant	6,703	2,696	9,398	0	0	4	0	9,403
Contractual Services - Other:										
Hardware Maintenance - Information Technolog	10,770	WPlant	7,678	3,088	10,765	0	0	5	0	10,770
Professional Services - Information Technology	6,625	WPlant	4,722	1,899	6,622	0	0	3	0	6,625
Software Maintenance - Information Technolog	61,577	WPlant	43,895	17,653	61,548	0	0	29	0	61,577
Miscellaneous:										
Education / Seminars / Training	15,386	WPlant	10,968	4,411	15,379	0	0	7	0	15,386
Phone / Communications	3,740	WPlant	2,666	1,072	3,738	0	0	2	0	3,740
Subscriptions / Manuals - Information Technolo	321	WPlant	229	92	320	0	0	0	0	321
<b>Total IT - Engineering</b>	<b>\$183,971</b>		<b>\$131,145</b>	<b>\$52,741</b>	<b>\$183,886</b>	<b>\$0</b>	<b>\$0</b>	<b>\$85</b>	<b>\$0</b>	<b>\$183,971</b>
<b>Member Services</b>										
Salaries	\$340,200	Cust	\$0	\$0	\$0	\$0	\$0	\$340,200	\$0	\$340,200
Additional Personnel Salaries	0	Cust	0	0	0	0	0	0	0	0
Purchased Power	4,500	Cust	0	0	0	0	0	4,500	0	4,500
Supplies:										
Computer Supplies	9,400	Cust	0	0	0	0	0	9,400	0	9,400
Materials and Supplies	28,000	Cust	0	0	0	0	0	28,000	0	28,000
Office Supplies	15,000	Cust	0	0	0	0	0	15,000	0	15,000
Contractual Services - Other:										
Building Maintenance	5,000	Cust	0	0	0	0	0	5,000	0	5,000
Contractual - Lockbox	26,000	Cust	0	0	0	0	0	26,000	0	26,000
Equipment Maintenance and Repair	12,500	Cust	0	0	0	0	0	12,500	0	12,500
Miscellaneous - Contractual	30,000	Cust	0	0	0	0	0	30,000	0	30,000
Office Equipment Maintenance	2,250	Cust	0	0	0	0	0	2,250	0	2,250
Professional Services	1,500	Cust	0	0	0	0	0	1,500	0	1,500
Public Relations	0	Cust	0	0	0	0	0	0	0	0
Temporary Services	2,000	Cust	0	0	0	0	0	2,000	0	2,000
Rental of Equipment	500	Cust	0	0	0	0	0	500	0	500
Transportation Expenses:										
Gas and Oil	600	Cust	0	0	0	0	0	600	0	600
Vehicle Licenses	100	Cust	0	0	0	0	0	100	0	100
Vehicle Maintenance and Repair	1,500	Cust	0	0	0	0	0	1,500	0	1,500
Miscellaneous:										
Advertising	150	Cust	0	0	0	0	0	150	0	150
Air / Taxi / Car Rental	2,000	Cust	0	0	0	0	0	2,000	0	2,000
Cable	190	Cust	0	0	0	0	0	190	0	190
Donations / Dues / Subscriptions	200	Cust	0	0	0	0	0	200	0	200
Education / Seminars	5,000	Cust	0	0	0	0	0	5,000	0	5,000
Employee Recognition	0	Cust	0	0	0	0	0	0	0	0
Food	1,000	Cust	0	0	0	0	0	1,000	0	1,000
Lodging	1,000	Cust	0	0	0	0	0	1,000	0	1,000
Mileage	200	Cust	0	0	0	0	0	200	0	200
Petty Cash Adjustments	100	Cust	0	0	0	0	0	100	0	100
Phone / Communications	10,000	Cust	0	0	0	0	0	10,000	0	10,000
Physicals	1,000	Cust	0	0	0	0	0	1,000	0	1,000
Postage	95,000	Cust	0	0	0	0	0	95,000	0	95,000
Recording of Liens	67,000	Cust	0	0	0	0	0	67,000	0	67,000
Safety Equipment	500	Cust	0	0	0	0	0	500	0	500
Travel and Business Expenses	200	Cust	0	0	0	0	0	200	0	200
Utilities	0	Cust	0	0	0	0	0	0	0	0
<b>Total Member Services</b>	<b>\$662,590</b>		<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$662,590</b>	<b>\$0</b>	<b>\$662,590</b>
<b>Fiscal Services</b>										
Salaries	\$140,788	WS/W	\$78,664	\$31,635	\$110,299	\$0	\$0	\$30,488	\$0	\$140,788
Additional Personnel Salaries	0	WS/W	0	0	0	0	0	0	0	0
Purchased Power	3,620	WS/W	2,023	813	2,836	0	0	784	0	3,620
Supplies:										
Computer Supplies	1,149	WS/W	642	258	900	0	0	249	0	1,149
Materials and Supplies	1,149	WS/W	642	258	900	0	0	249	0	1,149
Office Supplies	6,608	WS/W	3,692	1,485	5,177	0	0	1,431	0	6,608
Contractual Services - Lockbox	0	WS/W	0	0	0	0	0	0	0	0
Contractual Services - Other:										

**Table 4-1**  
**Bonita Springs Utilities, Inc.**  
**Water System**

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Variable	Administrative/Customer		Revenue Related	Total
			Base Capacity	Extra Capacity	Total		Weighted Customer	Customer		
Accounting	21,836	WS/W	12,201	4,907	17,108	0	0	4,729	0	21,836
Building Maintenance	1,149	WS/W	642	258	900	0	0	249	0	1,149
Equipment Maintenance and Repair (includes General Plant Maintenance)	862	WS/W	482	194	675	0	0	187	0	862
General	0	WS/W	0	0	0	0	0	0	0	0
Miscellaneous	1,149	WS/W	642	258	900	0	0	249	0	1,149
Office Equipment Maintenance	690	WS/W	385	155	540	0	0	149	0	690
Professional Service / Inv. and S.W. Fees	122,687	WS/W	68,550	27,568	96,118	0	0	26,568	0	122,687
Temporary Services	575	WS/W	321	129	450	0	0	124	0	575
Rental / Lease of Mail Equipment	862	WS/W	482	194	675	0	0	187	0	862
Transportation Expenses:										
Gas and Oil	144	WS/W	80	32	113	0	0	31	0	144
Vehicle Allowance	2,758	WS/W	1,541	620	2,161	0	0	597	0	2,758
Vehicle Maintenance and Repair	374	WS/W	209	84	293	0	0	81	0	374
Miscellaneous:										
Advertising	287	WS/W	161	65	225	0	0	62	0	287
Air / Taxi / Car - Rental	862	WS/W	482	194	675	0	0	187	0	862
Cable	109	WS/W	61	25	86	0	0	24	0	109
Donations / Dues / Subscriptions	575	WS/W	321	129	450	0	0	124	0	575
Education / Training (Great Plains)	2,299	WS/W	1,284	516	1,801	0	0	498	0	2,299
Employee Recognition	0	WS/W	0	0	0	0	0	0	0	0
Food	575	WS/W	321	129	450	0	0	124	0	575
Investment Account Service Charge	14,366	WS/W	8,027	3,228	11,255	0	0	3,111	0	14,366
Lodging	862	WS/W	482	194	675	0	0	187	0	862
Mileage	259	WS/W	144	58	203	0	0	56	0	259
Phone / Communications	2,299	WS/W	1,284	516	1,801	0	0	498	0	2,299
Physicals	230	WS/W	128	52	180	0	0	50	0	230
Postage	3,620	WS/W	2,023	813	2,836	0	0	784	0	3,620
Regulatory Communications	287	WS/W	161	65	225	0	0	62	0	287
Safety Equipment	129	WS/W	72	29	101	0	0	28	0	129
Service Charges	28,732	WS/W	16,054	6,456	22,510	0	0	6,222	0	28,732
Travel and Business Expenses	287	WS/W	161	65	225	0	0	62	0	287
Utilities	0	WS/W	0	0	0	0	0	0	0	0
<b>Total Fiscal Services</b>	<b>\$362,178</b>		<b>\$202,364</b>	<b>\$81,383</b>	<b>\$283,746</b>	<b>\$0</b>	<b>\$0</b>	<b>\$78,432</b>	<b>\$0</b>	<b>\$362,178</b>
<b>Super - Operations</b>										
Salaries	\$53,648	WB/E	\$38,261	\$15,387	\$53,648	\$0	\$0	\$0	\$0	\$53,648
Additional Personnel Salaries	0	WB/E	0	0	0	0	0	0	0	0
Purchased Power	3,129	WB/E	2,232	898	3,129	0	0	0	0	3,129
Supplies:										
Computer Supplies	149	WB/E	106	43	149	0	0	0	0	149
Electrical / Electronics Supplies	248	WB/E	177	71	248	0	0	0	0	248
Lab / Testing Supplies	0	WB/E	0	0	0	0	0	0	0	0
Materials and Supplies	497	WB/E	354	142	497	0	0	0	0	497
Office Supplies	2,980	WB/E	2,126	855	2,980	0	0	0	0	2,980
Professional Services	2,484	WB/E	1,771	712	2,484	0	0	0	0	2,484
Contractual Services - Other:										
Building Maintenance	497	WB/E	354	142	497	0	0	0	0	497
Miscellaneous	9,935	WB/E	7,085	2,849	9,935	0	0	0	0	9,935
Office Equipment Maintenance	124	WB/E	89	36	124	0	0	0	0	124
Rental of Equipment	497	WB/E	354	142	497	0	0	0	0	497
Transportation Expenses:										
Gas and Oil	1,043	WB/E	744	299	1,043	0	0	0	0	1,043
Vehicle Licenses	50	WB/E	35	14	50	0	0	0	0	50
Vehicle Maintenance and Repair	745	WB/E	531	214	745	0	0	0	0	745
Miscellaneous:										
Advertising	99	WB/E	71	28	99	0	0	0	0	99
Cable	94	WB/E	67	27	94	0	0	0	0	94
Donations / Dues / Subscriptions	1,490	WB/E	1,063	427	1,490	0	0	0	0	1,490
Education / Seminars	993	WB/E	709	285	993	0	0	0	0	993
Employee Recognition	0	WB/E	0	0	0	0	0	0	0	0
Food	497	WB/E	354	142	497	0	0	0	0	497
Hazardous Material Contribution	0	WB/E	0	0	0	0	0	0	0	0
Lodging	248	WB/E	177	71	248	0	0	0	0	248
Miscellaneous Expense	497	WB/E	354	142	497	0	0	0	0	497
Phone / Communications	1,557	WB/E	1,111	447	1,557	0	0	0	0	1,557
Postage	574	WB/E	409	165	574	0	0	0	0	574
Safety Equipment	497	WB/E	354	142	497	0	0	0	0	497
Travel and Business Expenses	248	WB/E	177	71	248	0	0	0	0	248
Utilities	0	WB/E	0	0	0	0	0	0	0	0
<b>Total Super - Operations</b>	<b>\$82,821</b>		<b>\$59,067</b>	<b>\$23,754</b>	<b>\$82,821</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$82,821</b>

**Table 4-1**  
**Bonita Springs Utilities, Inc.**  
**Water System**

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Variable	Administrative/Customer		Revenue Related	Total
			Base Capacity	Extra Capacity	Total		Weighted Customer	Customer		
<b>Water Plant</b>										\$450,000
Salaries	\$450,000	WB/E	\$320,934	\$129,066	\$450,000	\$0	\$0	\$0	\$0	\$0
Additional Personnel Salaries	0	WB/E	0	0	0	0	0	0	0	0
Lime Sludge Disposal	60,000	WB/E	42,791	17,209	60,000	0	0	0	0	60,000
Purchased Power	284,160	Variable	0	0	0	284,160	0	0	0	284,160
Fuel for Power Production	5,000	Variable	0	0	0	5,000	0	0	0	5,000
Chemicals:										
Ammonia	22,000	Variable	0	0	0	22,000	0	0	0	22,000
Carbon Dioxide	45,000	Variable	0	0	0	45,000	0	0	0	45,000
Chlorine	42,000	Variable	0	0	0	42,000	0	0	0	42,000
High Test Hypochlorite	1,500	Variable	0	0	0	1,500	0	0	0	1,500
Lime (Calcium Oxide)	200,000	Variable	0	0	0	200,000	0	0	0	200,000
Other Chemicals	1,500	Variable	0	0	0	1,500	0	0	0	1,500
Polymer	9,000	Variable	0	0	0	9,000	0	0	0	9,000
Polyphosphate (Includes Aqua Mag)	18,000	Variable	0	0	0	18,000	0	0	0	18,000
Supplies:										
Computer Supplies	400	WB/E	285	115	400	0	0	0	0	400
Electrical / Electronics Supplies	20,000	WB/E	14,264	5,736	20,000	0	0	0	0	20,000
Lab / Testing Supplies	10,000	WB/E	7,132	2,868	10,000	0	0	0	0	10,000
Materials and Supplies	30,000	WB/E	21,396	8,604	30,000	0	0	0	0	30,000
Office Supplies	2,400	WB/E	1,712	688	2,400	0	0	0	0	2,400
Contractual Services - Engineering	2,000	WB/E	1,426	574	2,000	0	0	0	0	2,000
Contractual Services - Testing	0	WB/E	0	0	0	0	0	0	0	0
Contractual Services - Other:										
Building Maintenance	5,000	WB/E	3,566	1,434	5,000	0	0	0	0	5,000
Environmental Consulting	3,000	WB/E	2,140	860	3,000	0	0	0	0	3,000
Equipment Maintenance and Repair	50,000	WB/E	35,659	14,341	50,000	0	0	0	0	50,000
Miscellaneous	15,000	WB/E	10,698	4,302	15,000	0	0	0	0	15,000
Office Equipment Maintenance	200	WB/E	143	57	200	0	0	0	0	200
Professional Services	10,000	WB/E	7,132	2,868	10,000	0	0	0	0	10,000
Tanks Maintenance and Repair	22,000	WB/E	15,690	6,310	22,000	0	0	0	0	22,000
Temporary Services	500	WB/E	357	143	500	0	0	0	0	500
Testing	30,000	WB/E	21,396	8,604	30,000	0	0	0	0	30,000
Rental of Equipment	10,500	WB/E	7,488	3,012	10,500	0	0	0	0	10,500
Transportation Expenses:										
Gas and Oil	2,500	WB/E	1,783	717	2,500	0	0	0	0	2,500
Vehicle Licenses	80	WB/E	57	23	80	0	0	0	0	80
Vehicle Maintenance and Repair	3,500	WB/E	2,496	1,004	3,500	0	0	0	0	3,500
Miscellaneous:										
Advertising	1,000	WB/E	713	287	1,000	0	0	0	0	1,000
Boots	1,500	WB/E	1,070	430	1,500	0	0	0	0	1,500
Cable	190	WB/E	136	54	190	0	0	0	0	190
Donations / Dues / Subscriptions	1,000	WB/E	713	287	1,000	0	0	0	0	1,000
Education / Seminars	12,000	WB/E	8,558	3,442	12,000	0	0	0	0	12,000
Food	600	WB/E	428	172	600	0	0	0	0	600
Lodging	2,000	WB/E	1,426	574	2,000	0	0	0	0	2,000
Mileage	250	WB/E	178	72	250	0	0	0	0	250
Miscellaneous Expenses	500	WB/E	357	143	500	0	0	0	0	500
Phone / Communications	6,000	WB/E	4,279	1,721	6,000	0	0	0	0	6,000
Postage	1,200	WB/E	856	344	1,200	0	0	0	0	1,200
Safety Equipment / Physicals	2,300	WB/E	1,640	660	2,300	0	0	0	0	2,300
Travel and Business Expenses	2,000	WB/E	1,426	574	2,000	0	0	0	0	2,000
Utilities	0	WB/E	0	0	0	0	0	0	0	0
<b>Total Water Plant</b>	<b>\$1,385,780</b>		<b>\$540,324</b>	<b>\$217,296</b>	<b>\$757,620</b>	<b>\$628,160</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,385,780</b>
<b>Distribution / Collections</b>										
Salaries	\$300,759	WT/D	\$214,374	\$86,212	\$300,586	\$0	\$0	\$173	\$0	\$300,759
Additional Personnel Salaries	0	WT/D	0	0	0	0	0	0	0	0
Purchased Power	3,295	WT/D	2,349	945	3,293	0	0	2	0	3,295
Supplies:										
Computer Supplies	262	WT/D	186	75	261	0	0	0	0	262
Electrical / Electronics Supplies	1,046	WT/D	746	300	1,046	0	0	1	0	1,046
Lab / Testing Supplies	523	WT/D	373	150	523	0	0	0	0	523
Materials and Supplies	13,076	WT/D	9,321	3,748	13,069	0	0	8	0	13,076
Office Supplies	2,014	WT/D	1,435	577	2,013	0	0	1	0	2,014
Contractual Services - Testing	4,184	WT/D	2,983	1,199	4,182	0	0	2	0	4,184
Contractual Services - Other:										
Building Maintenance	523	WT/D	373	150	523	0	0	0	0	523
Directional Borings	20,922	WT/D	14,913	5,997	20,910	0	0	12	0	20,922
Equipment Maintenance and Repair	6,277	WT/D	4,474	1,799	6,273	0	0	4	0	6,277
Locates / FL State I-Call	2,615	WT/D	1,864	750	2,614	0	0	2	0	2,615
Miscellaneous	5,231	WT/D	3,728	1,499	5,228	0	0	3	0	5,231
Office Equipment Maintenance	523	WT/D	373	150	523	0	0	0	0	523
Professional Services	2,615	WT/D	1,864	750	2,614	0	0	2	0	2,615
Utility, Road, Customers Property Repairs	13,076	WT/D	9,321	3,748	13,069	0	0	8	0	13,076
Rental of Equipment	2,615	WT/D	1,864	750	2,614	0	0	2	0	2,615
Rental of Building / Real Property	18,307	WT/D	13,049	5,248	18,297	0	0	11	0	18,307
Transportation Expenses:										
Gas and Oil	15,692	WT/D	11,185	4,498	15,683	0	0	9	0	15,692
Vehicle Licenses	628	WT/D	447	180	627	0	0	0	0	628
Vehicle Maintenance and Repair	18,307	WT/D	13,049	5,248	18,297	0	0	11	0	18,307

Table 4-1  
Bonita Springs Utilities, Inc.  
Water System

Classification of Net Revenue Requirements

Description	2002		Fixed			Administrative/Customer		Revenue Related	Total	
	Net Revenue Requirements	Allocation Reference	Base Capacity	Extra Capacity	Total	Variable	Weighted Customer			
Miscellaneous:										
Advertising	523	WT/D	373	150	523	0	0	0	523	
Boots	1,674	WT/D	1,193	480	1,673	0	0	1	1,674	
Cable	99	WT/D	71	28	99	0	0	0	99	
Collection Repairs	7,846	WT/D	5,592	2,249	7,841	0	0	5	7,846	
Distribution Repairs	78,459	WT/D	55,924	22,490	78,414	0	0	45	78,459	
Donations / Dues / Subscriptions	262	WT/D	186	75	261	0	0	0	262	
Education / Seminars	5,231	WT/D	3,728	1,499	5,228	0	0	3	5,231	
Food	785	WT/D	559	225	784	0	0	0	785	
Line Relocation	5,231	WT/D	3,728	1,499	5,228	0	0	3	5,231	
Lodging	1,046	WT/D	746	300	1,046	0	0	1	1,046	
Meter Installations	130,765	WCust	0	0	0	0	130,765	0	130,765	
Phone / Communications	5,231	WT/D	3,728	1,499	5,228	0	0	3	5,231	
Physicals	785	WT/D	559	225	784	0	0	0	785	
Postage	628	WT/D	447	180	627	0	0	0	628	
Safety Equipment	1,569	WT/D	1,118	450	1,568	0	0	1	1,569	
Travel and Business Expense	262	WT/D	186	75	261	0	0	0	262	
Utilities	0	WT/D	0	0	0	0	0	0	0	
<b>Total Distribution / Collections</b>	<b>\$672,884</b>		<b>\$386,410</b>	<b>\$155,398</b>	<b>\$541,808</b>	<b>\$0</b>	<b>\$130,765</b>	<b>\$311</b>	<b>\$0</b>	<b>\$672,884</b>
<b>Utility Maintenance</b>										
Salaries	\$115,753	WPlant	\$82,515	\$33,184	\$115,699	\$0	\$0	\$54	\$0	\$115,753
Additional Personnel Salaries	0	WPlant	0	0	0	0	0	0	0	0
Purchased Power	61,100	WPlant	43,555	17,516	61,071	0	0	28	0	61,100
Fuel for Power Production	2,315	WPlant	1,650	664	2,314	0	0	1	0	2,315
Chemicals:										
Bioxide	17,808	WPlant	12,695	5,105	17,800	0	0	8	0	17,808
Caustic Soda	1,068	WPlant	762	306	1,068	0	0	0	0	1,068
Chlorine	0	WPlant	0	0	0	0	0	0	0	0
Degreaser	890	WPlant	635	255	890	0	0	0	0	890
High Test Hypochlorite	4,630	WPlant	3,301	1,327	4,628	0	0	2	0	4,630
Other Chemicals	712	WPlant	508	204	712	0	0	0	0	712
Supplies:										
Computer Supplies	142	WPlant	102	41	142	0	0	0	0	142
Electrical / Electronics Supplies	12,466	WPlant	8,886	3,574	12,460	0	0	6	0	12,466
Materials and Supplies	24,931	WPlant	17,772	7,147	24,920	0	0	12	0	24,931
Office Supplies	1,425	WPlant	1,016	408	1,424	0	0	1	0	1,425
Telemetry Supplies	7,123	WPlant	5,078	2,042	7,120	0	0	3	0	7,123
Contractual Services - Other:										
Building Maintenance	7,123	WPlant	5,078	2,042	7,120	0	0	3	0	7,123
Contract Cleaning	8,548	WPlant	6,093	2,451	8,544	0	0	4	0	8,548
Equipment Maintenance and Repair	10,685	WPlant	7,617	3,063	10,680	0	0	5	0	10,685
Garbage	10,685	WPlant	7,617	3,063	10,680	0	0	5	0	10,685
Grounds Maintenance	12,466	WPlant	8,886	3,574	12,460	0	0	6	0	12,466
Miscellaneous including FCC License	8,904	WPlant	6,347	2,553	8,900	0	0	4	0	8,904
Office Equipment Maintenance	71	WPlant	51	20	71	0	0	0	0	71
Pest Control	2,137	WPlant	1,523	613	2,136	0	0	1	0	2,137
Professional Services	712	WPlant	508	204	712	0	0	0	0	712
Utility, Road, Customers Property Repairs	712	WPlant	508	204	712	0	0	0	0	712
Rental of Equipment	1,068	WPlant	762	306	1,068	0	0	0	0	1,068
Rental of Building / Real Property	12,466	WPlant	8,886	3,574	12,460	0	0	6	0	12,466
Transportation Expenses:										
Gas and Oil	7,123	WPlant	5,078	2,042	7,120	0	0	3	0	7,123
Vehicle Licenses	570	WPlant	406	163	570	0	0	0	0	570
Vehicle Maintenance and Repair	8,904	WPlant	6,347	2,553	8,900	0	0	4	0	8,904
Miscellaneous:										
Advertising	71	WPlant	51	20	71	0	0	0	0	71
Boots	417	WPlant	297	119	417	0	0	0	0	417
Cable	68	WPlant	48	19	68	0	0	0	0	68
Donations / Dues / Subscriptions	178	WPlant	127	51	178	0	0	0	0	178
Education / Seminars	1,781	WPlant	1,269	511	1,780	0	0	1	0	1,781
Food	356	WPlant	254	102	356	0	0	0	0	356
Lodging	534	WPlant	381	153	534	0	0	0	0	534
Miscellaneous Expenses	43	WPlant	30	12	43	0	0	0	0	43
Phone / Communications	2,393	WPlant	1,706	686	2,392	0	0	1	0	2,393
Physicals	142	WPlant	102	41	142	0	0	0	0	142
Postage	427	WPlant	305	123	427	0	0	0	0	427
Safety Equipment	2,137	WPlant	1,523	613	2,136	0	0	1	0	2,137
Travel and Business Expense	356	WPlant	254	102	356	0	0	0	0	356
Uniforms	8,904	WPlant	6,347	2,553	8,900	0	0	4	0	8,904
Utilities	0	WPlant	0	0	0	0	0	0	0	0
WW Collection Repairs	0	WPlant	0	0	0	0	0	0	0	0
<b>Total Utility Maintenance</b>	<b>\$360,348</b>		<b>\$256,876</b>	<b>\$103,305</b>	<b>\$360,181</b>	<b>\$0</b>	<b>\$0</b>	<b>\$167</b>	<b>\$0</b>	<b>\$360,348</b>

**Table 4-1**  
**Bonita Springs Utilities, Inc.**  
**Water System**

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Variable	Administrative/Customer		Revenue Related	Total
			Base Capacity	Extra Capacity	Total		Weighted Customer	Customer		
<b>Indirect Expenses</b>										
Employee Benefits:										
Cafeteria Administration	\$2,873	WS/W	\$1,605	\$646	\$2,251	\$0	\$0	\$622	\$0	\$2,873
Employee Pension Fund	178,140	WS/W	99,534	40,029	139,563	0	0	38,577	0	178,140
Federal Unemployment	2,873	WS/W	1,605	646	2,251	0	0	622	0	2,873
FICA / Medicare Expenses	100,563	WS/W	56,189	22,597	78,785	0	0	21,777	0	100,563
Group Insurance	267,784	WS/W	149,622	60,172	209,794	0	0	57,990	0	267,784
Pension Program Fees	8,620	WS/W	4,816	1,937	6,753	0	0	1,867	0	8,620
State Unemployment	862	WS/W	482	194	675	0	0	187	0	862
Additional Personnel Benefits	0	WS/W	0	0	0	0	0	0	0	0
Contractual Services - Legal	0	WS/W	0	0	0	0	0	0	0	0
Contractual Services - Other:										
Contract Payroll	6,034	WS/W	3,371	1,356	4,727	0	0	1,307	0	6,034
Miscellaneous	0	WS/W	0	0	0	0	0	0	0	0
Insurance:										
Insurance - General Liability	54,706	WS/W	30,567	12,293	42,859	0	0	11,847	0	54,706
Insurance - Other	34,479	WS/W	19,265	7,747	27,012	0	0	7,467	0	34,479
Insurance - Vehicle	14,366	WS/W	8,027	3,228	11,255	0	0	3,111	0	14,366
Insurance - Workman's Compensation	34,191	WS/W	19,104	7,683	26,787	0	0	7,404	0	34,191
Miscellaneous:										
Advertising Expenses (New Hires)	0	WS/W	0	0	0	0	0	0	0	0
Bad Debt Expenses (0.5% of Projected Revenue)	35,622	Revenue	0	0	0	0	0	0	35,622	35,622
Donations Dues / Subscriptions	497	WS/W	278	112	389	0	0	108	0	497
Employee Recognition	3,577	WS/W	1,998	804	2,802	0	0	775	0	3,577
Food	497	WS/W	278	112	389	0	0	108	0	497
Miscellaneous Expenses	2,484	WS/W	1,388	558	1,946	0	0	538	0	2,484
Real Estate / Property / Intangible Taxes	12,418	WS/W	6,939	2,790	9,729	0	0	2,689	0	12,418
Safety Equipment	497	WS/W	278	112	389	0	0	108	0	497
<b>Total Indirect Expenses</b>	<b>\$761,082</b>		<b>\$405,344</b>	<b>\$163,013</b>	<b>\$568,357</b>	<b>\$0</b>	<b>\$0</b>	<b>\$157,103</b>	<b>\$35,622</b>	<b>\$761,082</b>
<b>Total Water System Operations and Maintenance</b>	<b>\$5,390,486</b>		<b>\$2,559,587</b>	<b>\$1,029,362</b>	<b>\$3,588,948</b>	<b>\$640,723</b>	<b>\$133,380</b>	<b>\$991,100</b>	<b>\$36,335</b>	<b>\$5,390,486</b>
<b>Other Revenue Requirements</b>										
Debt Service										
Series 1996 Bonds	\$619,724	WPlant	\$441,773	\$177,663	\$619,436	\$0	\$0	\$288	\$0	\$619,724
Series 2000 Bonds	0	WPlant	0	0	0	0	0	0	0	0
Series 2001 Bonds	0	WPlant	0	0	0	0	0	0	0	0
Series 2002A Tax-Exempt Wastewater Bonds	144,176	WPlant	102,776	41,332	144,109	0	0	67	0	144,176
Series 2002A Taxable Fixed Bonds	744,890	WPlant	530,998	213,546	744,544	0	0	346	0	744,890
<b>Total Debt Service</b>	<b>\$1,508,790</b>		<b>\$1,075,547</b>	<b>\$432,541</b>	<b>\$1,508,088</b>	<b>\$0</b>	<b>\$0</b>	<b>\$701</b>	<b>\$0</b>	<b>\$1,508,790</b>
Other Miscellaneous Revenue Requirements										
Transfer to Operating Reserve	\$0	Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Departmental Capital and Capital Improvements Funded										
From Rate Revenues	1,984,945	WPlant	1,414,977	569,046	1,984,023	0	0	922	0	1,984,945
Renewal and Replacement Fund Transfer	0	WPlant	0	0	0	0	0	0	0	0
<b>Total Other Miscellaneous Revenue Requirements</b>	<b>\$1,984,945</b>		<b>\$1,414,977</b>	<b>\$569,046</b>	<b>\$1,984,023</b>	<b>\$0</b>	<b>\$0</b>	<b>\$922</b>	<b>\$0</b>	<b>\$1,984,945</b>
<b>GROSS REVENUE REQUIREMENTS</b>	<b>\$8,884,221</b>		<b>\$5,050,110</b>	<b>\$2,030,949</b>	<b>\$7,081,060</b>	<b>\$640,723</b>	<b>\$133,380</b>	<b>\$992,724</b>	<b>\$36,335</b>	<b>\$8,884,221</b>
<b>Less Other Income and Funds from Other Sources:</b>										
Interest	104,187	WInt	\$20,371	\$8,192	\$28,563	\$0	\$0	\$0	\$75,624	\$104,187
Surcharges - Water	86,691	Cust	0	0	0	0	0	86,691	0	86,691
Reconnection Fees	28,000	Cust	0	0	0	0	0	28,000	0	28,000
Water Transfer Fee	102,550	Cust	0	0	0	0	0	102,550	0	102,550
Plan Review Fees - Water	36,600	Cust	0	0	0	0	0	36,600	0	36,600
Capacity Reservation Fees - Water	50,000	Cust	0	0	0	0	0	50,000	0	50,000
Water Connection Fees	389,139	WPlant	277,399	111,559	388,958	0	0	181	0	389,139
Construction Fees	48,467	Cust	0	0	0	0	0	48,467	0	48,467
Backflow Preventor Charges	256,453	WT/D	182,794	73,512	256,306	0	0	147	0	256,453
Other Fees	4,432	Cust	0	0	0	0	0	4,432	0	4,432
Transfer From Operating Reserve	404,000	Revenue	0	0	0	0	0	0	404,000	404,000
<b>Total Income and Funds from Other Sources</b>	<b>1,510,519</b>		<b>480,564</b>	<b>193,263</b>	<b>673,827</b>	<b>0</b>	<b>0</b>	<b>357,068</b>	<b>479,624</b>	<b>1,510,519</b>
<b>Less Revenues from Existing Bulk Rates</b>	<b>0</b>	<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET REVENUE REQUIREMENTS</b>	<b>7,373,702</b>		<b>4,569,547</b>	<b>1,837,686</b>	<b>6,407,233</b>	<b>640,723</b>	<b>133,380</b>	<b>635,656</b>	<b>(443,290)</b>	<b>7,373,702</b>
Allocation of Revenue Related	0		(259,132)	(104,212)	(363,344)	(36,334)	(7,564)	(36,047)	443,290	0
<b>REVISED NET REVENUE REQUIREMENTS</b>	<b>\$7,373,702</b>		<b>\$4,310,415</b>	<b>\$1,733,474</b>	<b>\$6,043,889</b>	<b>\$604,389</b>	<b>\$125,816</b>	<b>\$599,609</b>	<b>\$0</b>	<b>\$7,373,702</b>



Table 4-2  
Bonita Springs Utilities, Inc.  
Wastewater System

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Variable	Administrative/Customer		Revenue Related	Total
			Base Capacity	Extra Capacity	Total		Weighted Customer	Customer		
<b>OPERATING EXPENSES - WASTEWATER</b>										
<b>Management</b>										
Salaries	\$72,396	SS/W	\$20,443	\$47,428	\$67,871	\$0	\$0	\$4,525	\$0	\$72,396
Additional Personnel Salaries	0	SS/W	0	0	0	0	0	0	0	0
Purchased Power	1,744	SS/W	492	1,142	1,635	0	0	109	0	1,744
Supplies:										
Board of Director Supplies	6,806	SS/W	1,922	4,459	6,380	0	0	425	0	6,806
Computer Supplies	213	SS/W	60	139	199	0	0	13	0	213
Materials and Supplies	425	SS/W	120	279	399	0	0	27	0	425
Office Supplies	3,403	SS/W	961	2,229	3,190	0	0	213	0	3,403
Contractual Services - Other:										
Building Maintenance	1,170	SS/W	330	766	1,097	0	0	73	0	1,170
Equipment Maintenance and Repair	425	SS/W	120	279	399	0	0	27	0	425
Miscellaneous - Contractual	851	SS/W	240	557	798	0	0	53	0	851
Office Equipment Maintenance	425	SS/W	120	279	399	0	0	27	0	425
Professional Services	95,705	SS/W	27,025	62,698	89,723	0	0	5,982	0	95,705
Public Relations	42,536	SS/W	12,011	27,866	39,877	0	0	2,659	0	42,536
Rental of Equipment	425	SS/W	120	279	399	0	0	27	0	425
Transportation Expenses:										
Gas and Oil	936	SS/W	264	613	877	0	0	58	0	936
Vehicle Licenses	43	SS/W	12	28	40	0	0	3	0	43
Vehicle Maintenance and Repair	425	SS/W	120	279	399	0	0	27	0	425
Miscellaneous:										
Advertising	851	SS/W	240	557	798	0	0	53	0	851
Air / Taxi / Car Rental	213	SS/W	60	139	199	0	0	13	0	213
Board Balloting	2,977	SS/W	841	1,951	2,791	0	0	186	0	2,977
Cable	81	SS/W	23	53	76	0	0	5	0	81
Donations / Dues / Subscriptions	2,127	SS/W	601	1,393	1,994	0	0	133	0	2,127
Educations / Seminars	3,828	SS/W	1,081	2,508	3,589	0	0	239	0	3,828
Employee Recognition	2,552	SS/W	721	1,672	2,393	0	0	160	0	2,552
Food	425	SS/W	120	279	399	0	0	27	0	425
Lodging	425	SS/W	120	279	399	0	0	27	0	425
Mileage	425	SS/W	120	279	399	0	0	27	0	425
Phone / Communications	1,540	SS/W	435	1,009	1,444	0	0	96	0	1,540
Postage	2,552	SS/W	721	1,672	2,393	0	0	160	0	2,552
Safety Equipment	213	SS/W	60	139	199	0	0	13	0	213
Travel and Business Expenses	2,552	SS/W	721	1,672	2,393	0	0	160	0	2,552
Utilities	0	SS/W	0	0	0	0	0	0	0	0
Contingency (2.0% of Expenses)	93,101	SCont	20,556	47,689	68,245	16,800	2,385	4,956	715	93,101
<b>Total Management</b>	<b>341,789</b>		<b>90,780</b>	<b>210,609</b>	<b>301,389</b>	<b>16,800</b>	<b>2,385</b>	<b>20,500</b>	<b>715</b>	<b>341,789</b>
<b>Engineering</b>										
Salaries	212,347	SPlant	58,211	135,050	193,261	0	0	19,085	0	212,347
Additional Personnel Salaries	0	SPlant	0	0	0	0	0	0	0	0
Purchased Power	9,796	SPlant	2,685	6,230	8,916	0	0	880	0	9,796
Supplies:										
Computer Supplies	1,120	SPlant	307	712	1,019	0	0	101	0	1,120
Electrical / Electronics	1,399	SPlant	384	890	1,274	0	0	126	0	1,399
Materials and Supplies	0	SPlant	0	0	0	0	0	0	0	0
Office Supplies	8,863	SPlant	2,430	5,637	8,067	0	0	797	0	8,863
Contractual Services - Engineering	0	SPlant	0	0	0	0	0	0	0	0
Contractual Services - Other:										
Building Expense	0	SPlant	0	0	0	0	0	0	0	0
Building Maintenance	700	SPlant	192	445	637	0	0	63	0	700
Equipment Maintenance and Repair	233	SPlant	64	148	212	0	0	21	0	233
General Information Systems	0	SPlant	0	0	0	0	0	0	0	0
Hardware Maintenance - Information Technology	0	SPlant	0	0	0	0	0	0	0	0
Miscellaneous - Contractual	700	SPlant	192	445	637	0	0	63	0	700
Office Equipment Maintenance	420	SPlant	115	267	382	0	0	38	0	420
Professional Services	146,945	SPlant	40,282	93,455	133,738	0	0	13,207	0	146,945
Professional Services - Information Technology	0	SPlant	0	0	0	0	0	0	0	0
Public Relations	0	SPlant	0	0	0	0	0	0	0	0
Software Maintenance - Information Technology	0	SPlant	0	0	0	0	0	0	0	0
Temporary Services	2,332	SPlant	639	1,483	2,123	0	0	210	0	2,332
Testing	933	SPlant	256	593	849	0	0	84	0	933
Training - Information Technology	0	SPlant	0	0	0	0	0	0	0	0
Rental of Equipment	327	SPlant	90	208	297	0	0	29	0	327
Transportation Expenses:										
Gas and Oil	3,265	SPlant	895	2,077	2,972	0	0	293	0	3,265
Vehicle Allowance	2,239	SPlant	614	1,424	2,038	0	0	201	0	2,239
Vehicle Licenses	187	SPlant	51	119	170	0	0	17	0	187
Vehicle Maintenance and Repair	2,799	SPlant	767	1,780	2,547	0	0	252	0	2,799
Miscellaneous:										
Advertising	93	SPlant	26	59	85	0	0	8	0	93
Air / Taxi / Car Rental	233	SPlant	64	148	212	0	0	21	0	233
Boots	233	SPlant	64	148	212	0	0	21	0	233
Cable	89	SPlant	24	56	81	0	0	8	0	89
Donations / Dues / Subscriptions	933	SPlant	256	593	849	0	0	84	0	933
Education / Seminars / Training	5,598	SPlant	1,535	3,560	5,095	0	0	503	0	5,598
Food	933	SPlant	256	593	849	0	0	84	0	933
Lodging	933	SPlant	256	593	849	0	0	84	0	933
Mileage	280	SPlant	77	178	255	0	0	25	0	280
Miscellaneous Expense	933	SPlant	256	593	849	0	0	84	0	933

Table 4-2  
Bonita Springs Utilities, Inc.  
Wastewater System

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Administrative/Customer		Revenue Related	Total	
			Base Capacity	Extra Capacity	Total	Variable	Weighted Customer			Customer
Phone / Communications	7,464	SPlant	2,046	4,747	6,793	0	0	671	0	7,464
Physicals	93	SPlant	26	59	85	0	0	8	0	93
Postage	3,732	SPlant	1,023	2,373	3,397	0	0	335	0	3,732
Record Easements	0	SPlant	0	0	0	0	0	0	0	0
Safety Equipment	140	SPlant	38	89	127	0	0	13	0	140
Subscriptions / Manuals - Information Technology	0	SPlant	0	0	0	0	0	0	0	0
Travel and Business Expenses	933	SPlant	256	593	849	0	0	84	0	933
Utilities	0	SPlant	0	0	0	0	0	0	0	0
<b>Total Engineering</b>	<b>417,225</b>		<b>114,375</b>	<b>265,350</b>	<b>379,726</b>	<b>0</b>	<b>0</b>	<b>37,500</b>	<b>0</b>	<b>417,225</b>
<b>IT - Engineering</b>										
Salaries	125,565	SPlant	34,421	79,858	114,279	0	0	11,286	0	125,565
Additional Personnel Salaries	0	SPlant	0	0	0	0	0	0	0	0
Purchased Power	4,056	SPlant	1,112	2,580	3,692	0	0	365	0	4,056
Supplies:										
Computer Hardware / Software	8,035	SPlant	2,203	5,110	7,313	0	0	722	0	8,035
Computer Supplies	16,997	SPlant	4,660	10,810	15,470	0	0	1,528	0	16,997
Contractual Services - Other:										
Hardware Maintenance - Information Technology	19,470	SPlant	5,337	12,382	17,720	0	0	1,750	0	19,470
Professional Services - Information Technology	11,975	SPlant	3,283	7,616	10,899	0	0	1,076	0	11,975
Software Maintenance - Information Technology	111,313	SPlant	30,515	70,794	101,308	0	0	10,005	0	111,313
Miscellaneous:										
Education / Seminars / Training	27,814	SPlant	7,625	17,689	25,314	0	0	2,500	0	27,814
Phone / Communications	6,760	SPlant	1,853	4,299	6,153	0	0	608	0	6,760
Subscriptions / Manuals - Information Technology	579	SPlant	159	369	527	0	0	52	0	579
<b>Total IT - Engineering</b>	<b>332,565</b>		<b>91,167</b>	<b>211,507</b>	<b>302,674</b>	<b>0</b>	<b>0</b>	<b>29,890</b>	<b>0</b>	<b>332,565</b>
<b>Member Services</b>										
Salaries	0	Cust	0	0	0	0	0	0	0	0
Additional Personnel Salaries	0	Cust	0	0	0	0	0	0	0	0
Purchased Power	0	Cust	0	0	0	0	0	0	0	0
Supplies:										
Computer Supplies	0	Cust	0	0	0	0	0	0	0	0
Materials and Supplies	0	Cust	0	0	0	0	0	0	0	0
Office Supplies	0	Cust	0	0	0	0	0	0	0	0
Contractual Services - Other:										
Building Maintenance	0	Cust	0	0	0	0	0	0	0	0
Contractual - Lockbox	0	Cust	0	0	0	0	0	0	0	0
Equipment Maintenance and Repair	0	Cust	0	0	0	0	0	0	0	0
Miscellaneous - Contractual	0	Cust	0	0	0	0	0	0	0	0
Office Equipment Maintenance	0	Cust	0	0	0	0	0	0	0	0
Professional Services	0	Cust	0	0	0	0	0	0	0	0
Public Relations	0	Cust	0	0	0	0	0	0	0	0
Temporary Services	0	Cust	0	0	0	0	0	0	0	0
Rental of Equipment	0	Cust	0	0	0	0	0	0	0	0
Transportation Expenses:										
Gas and Oil	0	Cust	0	0	0	0	0	0	0	0
Vehicle Licenses	0	Cust	0	0	0	0	0	0	0	0
Vehicle Maintenance and Repair	0	Cust	0	0	0	0	0	0	0	0
Miscellaneous:										
Advertising	0	Cust	0	0	0	0	0	0	0	0
Air / Taxi / Car Rental	0	Cust	0	0	0	0	0	0	0	0
Cable	0	Cust	0	0	0	0	0	0	0	0
Donations / Dues / Subscriptions	0	Cust	0	0	0	0	0	0	0	0
Education / Seminars	0	Cust	0	0	0	0	0	0	0	0
Employee Recognition	0	Cust	0	0	0	0	0	0	0	0
Food	0	Cust	0	0	0	0	0	0	0	0
Lodging	0	Cust	0	0	0	0	0	0	0	0
Mileage	0	Cust	0	0	0	0	0	0	0	0
Petty Cash Adjustments	0	Cust	0	0	0	0	0	0	0	0
Phone / Communications	0	Cust	0	0	0	0	0	0	0	0
Physicals	0	Cust	0	0	0	0	0	0	0	0
Postage	0	Cust	0	0	0	0	0	0	0	0
Recording of Liens	0	Cust	0	0	0	0	0	0	0	0
Safety Equipment	0	Cust	0	0	0	0	0	0	0	0
Travel and Business Expenses	0	Cust	0	0	0	0	0	0	0	0
Utilities	0	Cust	0	0	0	0	0	0	0	0
<b>Total Member Services</b>	<b>0</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Fiscal Services</b>										
Salaries	104,212	SS/W	29,427	68,271	97,699	0	0	6,514	0	104,212
Additional Personnel Salaries	0	SS/W	0	0	0	0	0	0	0	0
Purchased Power	2,680	SS/W	757	1,756	2,512	0	0	167	0	2,680
Supplies:										
Computer Supplies	851	SS/W	240	557	798	0	0	53	0	851
Materials and Supplies	851	SS/W	240	557	798	0	0	53	0	851
Office Supplies	4,892	SS/W	1,381	3,205	4,586	0	0	306	0	4,892
Contractual Services - Lockbox	0	SS/W	0	0	0	0	0	0	0	0
Contractual Services - Other:										
Accounting	16,164	SS/W	4,564	10,589	15,153	0	0	1,010	0	16,164
Building Maintenance	851	SS/W	240	557	798	0	0	53	0	851
Equipment Maintenance and Repair (includes General Plant Maintenance)	638	SS/W	180	418	598	0	0	40	0	638
General	0	SS/W	0	0	0	0	0	0	0	0
Miscellaneous	851	SS/W	240	557	798	0	0	53	0	851

**Table 4-2  
Bonita Springs Utilities, Inc.  
Wastewater System**

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Variable	Administrative/Customer		Revenue Related	Total
			Base Capacity	Extra Capacity	Total		Weighted Customer	Customer		
Office Equipment Maintenance	510	SS/W	144	334	479	0	0	32	0	510
Professional Service / Inv. and S.W. Fees	90,813	SS/W	25,644	59,494	85,137	0	0	5,676	0	90,813
Temporary Services	425	SS/W	120	279	399	0	0	27	0	425
Rental / Lease of Mail Equipment	638	SS/W	180	418	598	0	0	40	0	638
Transportation Expenses:										
Gas and Oil	106	SS/W	30	70	100	0	0	7	0	106
Vehicle Allowance	2,042	SS/W	577	1,338	1,914	0	0	128	0	2,042
Vehicle Maintenance and Repair	276	SS/W	78	181	259	0	0	17	0	276
Miscellaneous:										
Advertising	213	SS/W	60	139	199	0	0	13	0	213
Air / Taxi / Car - Rental	638	SS/W	180	418	598	0	0	40	0	638
Cable	81	SS/W	23	53	76	0	0	5	0	81
Donations / Dues / Subscriptions	425	SS/W	120	279	399	0	0	27	0	425
Education / Training (Great Plains)	1,701	SS/W	480	1,115	1,595	0	0	106	0	1,701
Employee Recognition	0	SS/W	0	0	0	0	0	0	0	0
Food	425	SS/W	120	279	399	0	0	27	0	425
Investment Account Service Charge	10,634	SS/W	3,003	6,966	9,969	0	0	665	0	10,634
Lodging	638	SS/W	180	418	598	0	0	40	0	638
Mileage	191	SS/W	54	125	179	0	0	12	0	191
Phone / Communications	1,701	SS/W	480	1,115	1,595	0	0	106	0	1,701
Physicals	170	SS/W	48	111	160	0	0	11	0	170
Postage	2,680	SS/W	757	1,756	2,512	0	0	167	0	2,680
Regulatory Communications	213	SS/W	60	139	199	0	0	13	0	213
Safety Equipment	96	SS/W	27	63	90	0	0	6	0	96
Service Charges	21,268	SS/W	6,006	13,933	19,938	0	0	1,329	0	21,268
Travel and Business Expenses	213	SS/W	60	139	199	0	0	13	0	213
Utilities	0	SS/W	0	0	0	0	0	0	0	0
<b>Total Fiscal Services</b>	<b>268,087</b>		<b>75,702</b>	<b>175,628</b>	<b>251,330</b>	<b>0</b>	<b>0</b>	<b>16,756</b>	<b>0</b>	<b>268,087</b>
<b>Super - Operations</b>										
Salaries	54,352	SB/E	16,371	37,981	54,352	0	0	0	0	54,352
Additional Personnel Salaries	0	SB/E	0	0	0	0	0	0	0	0
Purchased Power	3,171	SB/E	955	2,216	3,171	0	0	0	0	3,171
Supplies:										
Computer Supplies	151	SB/E	45	106	151	0	0	0	0	151
Electrical / Electronics Supplies	252	SB/E	76	176	252	0	0	0	0	252
Lab / Testing Supplies	0	SB/E	0	0	0	0	0	0	0	0
Materials and Supplies	503	SB/E	152	352	503	0	0	0	0	503
Office Supplies	3,020	SB/E	910	2,110	3,020	0	0	0	0	3,020
Professional Services	2,516	SB/E	758	1,758	2,516	0	0	0	0	2,516
Contractual Services - Other:										
Building Maintenance	503	SB/E	152	352	503	0	0	0	0	503
Miscellaneous	10,065	SB/E	3,032	7,034	10,065	0	0	0	0	10,065
Office Equipment Maintenance	126	SB/E	38	88	126	0	0	0	0	126
Rental of Equipment	503	SB/E	152	352	503	0	0	0	0	503
Transportation Expenses:										
Gas and Oil	1,057	SB/E	318	739	1,057	0	0	0	0	1,057
Vehicle Licenses	50	SB/E	15	35	50	0	0	0	0	50
Vehicle Maintenance and Repair	755	SB/E	227	528	755	0	0	0	0	755
Miscellaneous:										
Advertising	101	SB/E	30	70	101	0	0	0	0	101
Cable	96	SB/E	29	67	96	0	0	0	0	96
Donations / Dues / Subscriptions	1,510	SB/E	455	1,055	1,510	0	0	0	0	1,510
Education / Seminars	1,007	SB/E	303	703	1,007	0	0	0	0	1,007
Employee Recognition	0	SB/E	0	0	0	0	0	0	0	0
Food	503	SB/E	152	352	503	0	0	0	0	503
Hazardous Material Contribution	0	SB/E	0	0	0	0	0	0	0	0
Lodging	252	SB/E	76	176	252	0	0	0	0	252
Miscellaneous Expense	503	SB/E	152	352	503	0	0	0	0	503
Phone / Communications	1,578	SB/E	475	1,103	1,578	0	0	0	0	1,578
Postage	581	SB/E	175	406	581	0	0	0	0	581
Safety Equipment	503	SB/E	152	352	503	0	0	0	0	503
Travel and Business Expenses	252	SB/E	76	176	252	0	0	0	0	252
Utilities	0	SB/E	0	0	0	0	0	0	0	0
<b>Total Super - Operations</b>	<b>83,909</b>		<b>25,274</b>	<b>58,635</b>	<b>83,909</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>83,909</b>
<b>Wastewater Plant</b>										
Salaries	362,500	SB/E	109,187	253,313	362,500	0	0	0	0	362,500
Additional Personnel Salaries	0	SB/E	0	0	0	0	0	0	0	0

**Table 4-2**  
**Bonita Springs Utilities, Inc.**  
**Wastewater System**

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Administrative/Customer		Revenue Related	Total	
			Base Capacity	Extra Capacity	Total	Variable	Weighted Customer			Customer
Lime Sludge Disposal	150,000	Variable	0	0	0	150,000	0	0	0	150,000
Purchased Power	250,000	Variable	0	0	0	250,000	0	0	0	250,000
Fuel for Power Production	20,000	Variable	0	0	0	20,000	0	0	0	20,000
Chemicals:										
Caustic Soda	15,000	Variable	0	0	0	15,000	0	0	0	15,000
Chlorine	0	Variable	0	0	0	0	0	0	0	0
High Test Hypochlorite	30,000	Variable	0	0	0	30,000	0	0	0	30,000
Hydrogen Peroxide	225,000	Variable	0	0	0	225,000	0	0	0	225,000
Lime (Calcium Hydroxide)	40,000	Variable	0	0	0	40,000	0	0	0	40,000
Other Chemicals	50,000	Variable	0	0	0	50,000	0	0	0	50,000
Polymer	50,000	Variable	0	0	0	50,000	0	0	0	50,000
Sulfuric Acid	10,000	Variable	0	0	0	10,000	0	0	0	10,000
Supplies:										
Computer Supplies	500	SB/E	151	349	500	0	0	0	0	500
Electrical / Electronics Supplies	9,000	SB/E	2,711	6,289	9,000	0	0	0	0	9,000
Lab / Testing Supplies	8,000	SB/E	2,410	5,590	8,000	0	0	0	0	8,000
Materials and Supplies	60,000	SB/E	18,072	41,928	60,000	0	0	0	0	60,000
Office Supplies	3,500	SB/E	1,054	2,446	3,500	0	0	0	0	3,500
Contractual Services - Engineering	7,500	SB/E	2,259	5,241	7,500	0	0	0	0	7,500
Contractual Services - Testing	50,000	SB/E	15,060	34,940	50,000	0	0	0	0	50,000
Contractual Services - Other:										
Building Maintenance	2,000	SB/E	602	1,398	2,000	0	0	0	0	2,000
Contract Cleaning	1,200	SB/E	361	839	1,200	0	0	0	0	1,200
Environmental Consulting	7,500	SB/E	2,259	5,241	7,500	0	0	0	0	7,500
Equipment Maintenance and Repair	15,000	SB/E	4,518	10,482	15,000	0	0	0	0	15,000
Grounds Maintenance	1,000	SB/E	301	699	1,000	0	0	0	0	1,000
Miscellaneous	20,000	SB/E	6,024	13,976	20,000	0	0	0	0	20,000
Professional Services	5,000	SB/E	1,506	3,494	5,000	0	0	0	0	5,000
Rental of Equipment	4,000	SB/E	1,205	2,795	4,000	0	0	0	0	4,000
Transportation Expenses:										
Gas and Oil	3,500	SB/E	1,054	2,446	3,500	0	0	0	0	3,500
Vehicle Licenses	100	SB/E	30	70	100	0	0	0	0	100
Vehicle Maintenance and Repair	3,000	SB/E	904	2,096	3,000	0	0	0	0	3,000
Miscellaneous:										
Advertising	500	SB/E	151	349	500	0	0	0	0	500
Boots	1,500	SB/E	452	1,048	1,500	0	0	0	0	1,500
Cable	650	SB/E	196	454	650	0	0	0	0	650
Donations / Dues / Subscriptions	3,500	SB/E	1,054	2,446	3,500	0	0	0	0	3,500
Education / Seminars	5,000	SB/E	1,506	3,494	5,000	0	0	0	0	5,000
Food	1,500	SB/E	452	1,048	1,500	0	0	0	0	1,500
Garbage	3,000	SB/E	904	2,096	3,000	0	0	0	0	3,000
Lodging	1,000	SB/E	301	699	1,000	0	0	0	0	1,000
Miscellaneous Expenses	1,000	SB/E	301	699	1,000	0	0	0	0	1,000
Phone / Communications	6,255	SB/E	1,884	4,371	6,255	0	0	0	0	6,255
Physicals	600	SB/E	181	419	600	0	0	0	0	600
Postage	100	SB/E	30	70	100	0	0	0	0	100
Safety Equipment	2,500	SB/E	753	1,747	2,500	0	0	0	0	2,500
Travel and Business Expense	1,000	SB/E	301	699	1,000	0	0	0	0	1,000
Utilities	0	SB/E	0	0	0	0	0	0	0	0
<b>Total Wastewater Plant</b>	<b>1,431,405</b>		<b>178,134</b>	<b>413,271</b>	<b>591,405</b>	<b>840,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,431,405</b>
<b>Distribution / Collections</b>										
Salaries	274,241	ST/D	74,104	171,921	246,024	0	0	28,217	0	274,241
Additional Personnel Salaries	0	ST/D	0	0	0	0	0	0	0	0
Purchased Power	3,005	ST/D	812	1,884	2,696	0	0	309	0	3,005
Supplies:										
Computer Supplies	238	ST/D	64	149	214	0	0	25	0	238
Electrical / Electronics Supplies	954	ST/D	258	598	856	0	0	98	0	954
Lab / Testing Supplies	477	ST/D	129	299	428	0	0	49	0	477
Materials and Supplies	11,924	ST/D	3,222	7,475	10,697	0	0	1,227	0	11,924
Office Supplies	1,836	ST/D	496	1,151	1,647	0	0	189	0	1,836
Contractual Services - Testing	3,816	ST/D	1,031	2,392	3,423	0	0	393	0	3,816
Contractual Services - Other:										
Building Maintenance	477	ST/D	129	299	428	0	0	49	0	477
Directional Borings	19,078	ST/D	5,155	11,960	17,115	0	0	1,963	0	19,078
Equipment Maintenance and Repair	5,723	ST/D	1,547	3,588	5,134	0	0	589	0	5,723
Locates / FL State I-Call	2,385	ST/D	644	1,495	2,139	0	0	245	0	2,385
Miscellaneous	4,769	ST/D	1,289	2,990	4,279	0	0	491	0	4,769
Office Equipment Maintenance	477	ST/D	129	299	428	0	0	49	0	477
Professional Services	2,385	ST/D	644	1,495	2,139	0	0	245	0	2,385
Utility, Road, Customers Property Repairs	11,924	ST/D	3,222	7,475	10,697	0	0	1,227	0	11,924
Rental of Equipment	2,385	ST/D	644	1,495	2,139	0	0	245	0	2,385
Rental of Building / Real Property	16,693	ST/D	4,511	10,465	14,975	0	0	1,718	0	16,693
Transportation Expenses:										
Gas and Oil	14,308	ST/D	3,866	8,970	12,836	0	0	1,472	0	14,308
Vehicle Licenses	572	ST/D	155	359	513	0	0	59	0	572
Vehicle Maintenance and Repair	16,693	ST/D	4,511	10,465	14,975	0	0	1,718	0	16,693
Miscellaneous:										
Advertising	477	ST/D	129	299	428	0	0	49	0	477
Boots	1,526	ST/D	412	957	1,369	0	0	157	0	1,526
Cable	91	ST/D	24	57	81	0	0	9	0	91
Collection Repairs	7,154	ST/D	1,933	4,485	6,418	0	0	736	0	7,154
Distribution Repairs	71,541	ST/D	19,331	44,849	64,180	0	0	7,361	0	71,541
Donations / Dues / Subscriptions	238	ST/D	64	149	214	0	0	25	0	238

Table 4-2  
Bonita Springs Utilities, Inc.  
Wastewater System

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Variable	Administrative/Customer		Revenue Related	Total
			Base Capacity	Extra Capacity	Total		Weighted Customer	Customer		
Education / Seminars	4,769	ST/D	1,289	2,990	4,279	0	0	491	0	4,769
Food	715	ST/D	193	448	642	0	0	74	0	715
Line Relocation	4,769	ST/D	1,289	2,990	4,279	0	0	491	0	4,769
Lodging	954	ST/D	258	598	856	0	0	98	0	954
Meter Installations	119,235	WCust	0	0	0	0	119,235	0	0	119,235
Phone / Communications	4,769	ST/D	1,289	2,990	4,279	0	0	491	0	4,769
Physicals	715	ST/D	193	448	642	0	0	74	0	715
Postage	572	ST/D	155	359	513	0	0	59	0	572
Safety Equipment	1,431	ST/D	387	897	1,284	0	0	147	0	1,431
Travel and Business Expense	238	ST/D	64	149	214	0	0	25	0	238
Utilities	0	ST/D	0	0	0	0	0	0	0	0
<b>Total Distribution / Collections</b>	<b>613,556</b>		<b>133,572</b>	<b>309,887</b>	<b>443,460</b>	<b>0</b>	<b>119,235</b>	<b>50,861</b>	<b>0</b>	<b>613,556</b>
<b>Utility Maintenance</b>										
Salaries	209,247	SPlant	57,361	133,079	190,440	0	0	18,807	0	209,247
Additional Personnel Salaries	0	SPlant	0	0	0	0	0	0	0	0
Purchased Power	110,450	SPlant	30,278	70,245	100,523	0	0	9,927	0	110,450
Fuel for Power Production	4,185	SPlant	1,147	2,662	3,809	0	0	376	0	4,185
<b>Chemicals:</b>										
Bioxide	32,192	SPlant	8,825	20,474	29,298	0	0	2,893	0	32,192
Caustic Soda	1,932	SPlant	529	1,228	1,758	0	0	174	0	1,932
Chlorine	0	SPlant	0	0	0	0	0	0	0	0
Degreaser	1,610	SPlant	441	1,024	1,465	0	0	145	0	1,610
High Test Hypochlorite	8,370	SPlant	2,294	5,323	7,618	0	0	752	0	8,370
Other Chemicals	1,288	SPlant	353	819	1,172	0	0	116	0	1,288
<b>Supplies:</b>										
Computer Supplies	258	SPlant	71	164	234	0	0	23	0	258
Electrical / Electronics Supplies	22,534	SPlant	6,177	14,332	20,509	0	0	2,025	0	22,534
Materials and Supplies	45,069	SPlant	12,355	28,663	41,018	0	0	4,051	0	45,069
Office Supplies	2,575	SPlant	706	1,638	2,344	0	0	231	0	2,575
Telemetry Supplies	12,877	SPlant	3,530	8,189	11,719	0	0	1,157	0	12,877
<b>Contractual Services - Other:</b>										
Building Maintenance	12,877	SPlant	3,530	8,189	11,719	0	0	1,157	0	12,877
Contract Cleaning	15,452	SPlant	4,236	9,827	14,063	0	0	1,389	0	15,452
Equipment Maintenance and Repair	19,315	SPlant	5,295	12,284	17,579	0	0	1,736	0	19,315
Garbage	19,315	SPlant	5,295	12,284	17,579	0	0	1,736	0	19,315
Grounds Maintenance	22,534	SPlant	6,177	14,332	20,509	0	0	2,025	0	22,534
Miscellaneous Including FCC License	16,096	SPlant	4,412	10,237	14,649	0	0	1,447	0	16,096
Office Equipment Maintenance	129	SPlant	35	82	117	0	0	12	0	129
Pest Control	3,863	SPlant	1,059	2,457	3,516	0	0	347	0	3,863
Professional Services	1,288	SPlant	353	819	1,172	0	0	116	0	1,288
Utility, Road, Customers Property Repairs	1,288	SPlant	353	819	1,172	0	0	116	0	1,288
Rental of Equipment	1,932	SPlant	529	1,228	1,758	0	0	174	0	1,932
Rental of Building / Real Property	22,534	SPlant	6,177	14,332	20,509	0	0	2,025	0	22,534
<b>Transportation Expenses:</b>										
Gas and Oil	12,877	SPlant	3,530	8,189	11,719	0	0	1,157	0	12,877
Vehicle Licenses	1,030	SPlant	282	655	938	0	0	93	0	1,030
Vehicle Maintenance and Repair	16,096	SPlant	4,412	10,237	14,649	0	0	1,447	0	16,096
<b>Miscellaneous:</b>										
Advertising	129	SPlant	35	82	117	0	0	12	0	129
Boots	753	SPlant	207	479	686	0	0	68	0	753
Cable	122	SPlant	34	78	111	0	0	11	0	122
Donations / Dues / Subscriptions	322	SPlant	88	205	293	0	0	29	0	322
Education / Seminars	3,219	SPlant	882	2,047	2,930	0	0	289	0	3,219
Food	644	SPlant	176	409	586	0	0	58	0	644
Lodging	966	SPlant	265	614	879	0	0	87	0	966
Miscellaneous Expenses	77	SPlant	21	49	70	0	0	7	0	77
Phone / Communications	4,327	SPlant	1,186	2,752	3,938	0	0	389	0	4,327
Physicals	258	SPlant	71	164	234	0	0	23	0	258
Postage	773	SPlant	212	491	703	0	0	69	0	773
Safety Equipment	3,863	SPlant	1,059	2,457	3,516	0	0	347	0	3,863
Travel and Business Expense	644	SPlant	176	409	586	0	0	58	0	644
Uniforms	16,096	SPlant	4,412	10,237	14,649	0	0	1,447	0	16,096
Utilities	0	SPlant	0	0	0	0	0	0	0	0
WW Collection Repairs	30,000	SPlant	8,224	19,080	27,304	0	0	2,696	0	30,000
<b>Total Utility Maintenance</b>	<b>681,402</b>		<b>186,795</b>	<b>433,364</b>	<b>620,158</b>	<b>0</b>	<b>0</b>	<b>61,243</b>	<b>0</b>	<b>681,402</b>
<b>Indirect Expenses</b>										
<b>Employee Benefits:</b>										
Cafeteria Administration	2,127	SS/W	601	1,393	1,994	0	0	133	0	2,127
Employee Pension Fund	131,860	SS/W	37,234	86,384	123,619	0	0	8,242	0	131,860
Federal Unemployment	2,127	SS/W	601	1,393	1,994	0	0	133	0	2,127
FICA / Medicare Expenses	74,437	SS/W	21,019	48,765	69,785	0	0	4,653	0	74,437
Group Insurance	198,216	SS/W	55,972	129,855	185,827	0	0	12,389	0	198,216
Pension Program Fees	6,380	SS/W	1,802	4,180	5,982	0	0	399	0	6,380
State Unemployment	638	SS/W	180	418	598	0	0	40	0	638
Additional Personnel Benefits	0	SS/W	0	0	0	0	0	0	0	0
Contractual Services - Legal	0	SS/W	0	0	0	0	0	0	0	0
<b>Contractual Services - Other:</b>										
Contract Payroll	4,466	SS/W	1,261	2,926	4,187	0	0	279	0	4,466
Miscellaneous	0	SS/W	0	0	0	0	0	0	0	0
<b>Insurance:</b>										
Insurance - General Liability	40,494	SPlant	11,101	25,754	36,854	0	0	3,640	0	40,494
Insurance - Other	25,521	SPlant	6,996	16,231	23,228	0	0	2,294	0	25,521
Insurance - Vehicle	10,634	SPlant	2,915	6,763	9,678	0	0	956	0	10,634

Table 4-2  
Bonita Springs Utilities, Inc.  
Wastewater System

Classification of Net Revenue Requirements

Description	2002 Net Revenue Requirements	Allocation Reference	Fixed			Variable	Administrative/Customer		Revenue Related	Total
			Base Capacity	Extra Capacity	Total		Weighted Customer	Customer		
Insurance - Workman's Compensation	25,309	SS/W	7,147	16,580	23,727	0	0	1,582	0	25,309
Miscellaneous:										
Advertising Expenses (New Hires)	0	SS/W	0	0	0	0	0	0	0	0
Bad Debt Expenses (0.5% of Projected Revenue)	35,760	Revenue	0	0	0	0	0	0	35,760	35,760
Donations Dues / Subscriptions	503	SS/W	142	330	472	0	0	31	0	503
Employee Recognition	3,623	SS/W	1,023	2,374	3,397	0	0	226	0	3,623
Food	503	SS/W	142	330	472	0	0	31	0	503
Miscellaneous Expenses	2,516	SS/W	711	1,648	2,359	0	0	157	0	2,516
Real Estate / Property / Intangible Taxes	12,582	SS/W	3,553	8,242	11,795	0	0	786	0	12,582
Safety Equipment	503	SS/W	142	330	472	0	0	31	0	503
Total Indirect Expenses	578,201		152,541	353,896	506,438	0	0	36,003	35,760	578,201
<b>Total Wastewater System Operating Expenses</b>	<b>\$4,748,139</b>		<b>\$1,048,340</b>	<b>\$2,432,149</b>	<b>\$3,480,490</b>	<b>\$856,800</b>	<b>\$121,620</b>	<b>\$252,754</b>	<b>\$36,476</b>	<b>\$4,748,139</b>
<b>Other Revenue Requirements</b>										
Debt Service										
Series 1996 Bonds	\$2,060,253	SPlant	\$564,783	\$1,310,297	\$1,875,080	\$0	\$0	\$185,173	\$0	\$2,060,253
Series 2000 Bonds	1,083,642	SPlant	297,062	689,184	986,246	0	0	97,396	0	1,083,642
Series 2001 Bonds	914,271	SPlant	250,632	581,466	832,098	0	0	82,173	0	914,271
Series 2002A Tax Exempt Wastewater Bonds	701,281	SPlant	192,244	446,006	638,250	0	0	63,030	0	701,281
Series 2002A Taxable Fixed Bonds	0	SPlant	0	0	0	0	0	0	0	0
Total Debt Service	\$4,759,447		\$1,304,721	\$3,026,953	\$4,331,674	\$0	\$0	\$427,773	\$0	\$4,759,447
Other Miscellaneous Revenue Requirements:										
Transfer to Operating Reserve	\$0	Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Departmental Capital and Capital Improvements Funded	0	SPlant	0	0	0	0	0	0	0	0
From Rate Revenues	1,273,408	SPlant	349,083	809,873	1,158,956	0	0	114,452	0	1,273,408
Renewal and Replacement Fund Transfer	0	SPlant	0	0	0	0	0	0	0	0
Total Other Miscellaneous Revenue Requirements	1,273,408		\$349,083	\$809,873	\$1,158,956	\$0	\$0	\$114,452	\$0	\$1,273,408
<b>GROSS REVENUE REQUIREMENTS</b>	<b>\$10,780,994</b>		<b>\$2,702,145</b>	<b>\$6,268,975</b>	<b>\$8,971,120</b>	<b>\$856,800</b>	<b>\$121,620</b>	<b>\$794,979</b>	<b>\$36,476</b>	<b>\$10,780,994</b>
<b>Less Other Income and Funds from Other Sources:</b>										
Interest	166,019	SInt	\$27,139	\$62,962	\$90,101	\$0	\$0	\$0	\$75,918	\$166,019
Surcharges - Wastewater	1,536,044	SPlant	421,080	976,906	1,397,987	0	0	138,058	0	1,536,044
Plan Review Fees - Wastewater	94,600	ST/D	25,562	59,304	84,866	0	0	9,734	0	94,600
Capacity Reservation Fees - Wastewater	95,000	Cust	0	0	0	0	0	95,000	0	95,000
Inspection Fees - Wastewater	28,000	ST/D	7,566	17,553	25,119	0	0	2,881	0	28,000
Wastewater Collection Fee	90,000	ST/D	24,319	56,421	80,740	0	0	9,260	0	90,000
Effluent Reuse	150,000	SPlant	41,120	95,398	136,518	0	0	13,482	0	150,000
Other Fees	0	Cust	0	0	0	0	0	0	0	0
Transfer From Operating Reserve	1,031,000	Revenue	0	0	0	0	0	0	1,031,000	1,031,000
Total Income and Funds from Other Sources	3,190,663		546,787	1,268,544	1,815,331	0	0	268,414	1,106,918	3,190,663
<b>Less Revenues from Existing Bulk Rates</b>	<b>0</b>	<b>Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET REVENUE REQUIREMENTS</b>	<b>7,590,331</b>		<b>2,155,358</b>	<b>5,000,430</b>	<b>7,155,789</b>	<b>856,800</b>	<b>121,620</b>	<b>526,565</b>	<b>(1,070,442)</b>	<b>7,590,331</b>
Allocation of Revenue Related	0		(266,395)	(618,036)	(884,431)	(105,898)	(15,032)	(65,082)	1,070,442	0
<b>REVISED NET REVENUE REQUIREMENTS</b>	<b>\$7,590,331</b>		<b>\$1,888,963</b>	<b>\$4,382,394</b>	<b>\$6,271,358</b>	<b>\$750,902</b>	<b>\$106,588</b>	<b>\$461,483</b>	<b>\$0</b>	<b>\$7,590,331</b>

**Table 4-3**  
**Bonita Springs Utilities, Inc.**  
**Water and Wastewater System**

**Comparison of Typical Monthly Residential Bills for Water Service [1]**

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	2,000 Gallons	4,000 Gallons	5,000 Gallons	7,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
<b>Bonita Springs Utilities, Inc (2)</b>									
1	Existing Rates	\$7.50	\$12.20	\$16.90	\$19.25	\$24.45	\$33.00	\$48.75	\$66.50
2	Proposed Rate Increase - FY 2002 (7.00 %)	8.25	13.23	18.21	20.70	26.21	35.27	51.96	70.77
3	Proposed Rate Increase - FY 2003 (7.00 %)	8.85	14.17	19.49	22.15	28.04	37.73	55.59	75.73
<b>Lee County</b>									
4	Existing Rates	\$8.10	\$12.46	\$16.82	\$19.00	\$23.86	\$31.90	\$46.80	\$64.70
5	Proposed Rates	8.45	12.97	17.49	19.75	24.79	33.13	48.59	67.15
<b>Collier County</b>									
6	Adopted Rates	12.00	14.88	17.76	19.20	22.80	28.20	40.20	52.20
<b><u>Other Florida Utilities:</u></b>									
7	City of Bradenton	\$8.31	\$11.47	\$15.60	\$18.15	\$23.25	\$30.90	\$43.65	\$56.40
8	Charlotte County	16.38	23.46	30.54	34.08	41.16	51.78	73.88	99.54
9	City of Clearwater	8.64	8.64	12.14	15.64	22.64	33.80	54.60	75.40
10	Englewood Water District	10.00	13.60	17.20	19.00	23.20	35.20	59.20	83.20
11	FL Water Services - Lehigh - Lee County	9.86	17.32	24.78	28.51	35.97	47.16	65.81	84.46
12	City of Fort Myers	3.61	8.15	12.69	14.96	20.52	28.86	45.36	79.41
13	Hillsborough County	9.80	14.94	20.08	22.65	27.79	35.70	49.05	68.65
14	Manatee County	5.45	7.49	9.53	10.55	12.66	15.93	21.38	41.78
15	City of Naples	3.63	5.85	8.07	9.18	11.40	14.73	20.28	25.83
16	City of North Port	9.16	14.86	20.56	23.41	29.11	39.16	57.16	75.16
17	Pinellas County	11.25	11.25	11.25	13.50	18.00	24.75	36.00	47.25
18	City of Punta Gorda	11.65	17.09	22.53	25.25	30.69	38.85	54.50	70.15
19	City of Sarasota	7.59	12.35	17.11	19.49	24.25	31.39	43.29	56.93
20	Sarasota County	13.92	17.48	21.04	23.62	28.78	40.06	69.76	110.76
21	Other Florida Utilities' Average	\$9.23	\$13.14	\$17.37	\$19.86	\$24.96	\$33.45	\$49.57	\$69.64

[1] Unless otherwise noted, amounts shown reflect residential rates in effect March 2002 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

**Table 4-4**  
**Bonita Springs Utilities, Inc.**  
**Water and Wastewater System**

**Comparison of Typical Monthly Residential Bills for Wastewater Service [1]**

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	2,000 Gallons	4,000 Gallons	5,000 Gallons	7,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
<b>Bonita Springs Utilities, Inc (2)</b>									
1	Existing Rates	\$16.35	\$20.35	\$24.35	\$26.35	\$30.35	\$36.35	\$46.35	\$48.35
2	Proposed Rate Increase - FY 2002 (12.25 %)	18.00	22.66	27.32	29.65	34.31	41.30	52.95	55.28
3	Proposed Rate Increase - FY 2003 (12.25 %)	20.21	25.44	30.68	33.30	38.54	46.40	59.50	62.12
<b>Lee County</b>									
4	Existing Rates	\$12.15	\$19.19	\$26.23	\$29.75	\$33.27	\$33.27	\$33.27	\$33.27
5	Proposed Rates	13.35	20.73	28.11	31.80	39.18	46.56	46.56	46.56
<b>Collier County</b>									
6	Adopted Rates	18.00	22.44	26.88	29.10	33.54	40.20	51.30	51.30
<b>Other Florida Utilities:</b>									
7	City of Bradenton	\$13.20	\$15.92	\$20.29	\$23.30	\$29.32	\$38.35	\$53.40	\$68.45
8	Charlotte County	20.83	26.63	32.43	35.33	41.13	49.83	49.83	49.83
9	City of Clearwater	11.88	11.88	15.84	19.80	27.72	39.60	59.40	79.20
10	Englewood Water District	17.63	23.23	28.83	31.63	37.23	45.63	45.63	45.63
11	FL Water Services - Lehigh - Lee County	16.77	28.05	39.33	44.97	50.61	50.61	50.61	50.61
12	City of Fort Myers	5.36	15.14	24.92	29.81	40.11	55.56	55.56	55.56
13	Hillsborough County	14.65	22.85	31.05	35.15	43.35	47.45	47.45	47.45
14	Manatee County	12.50	17.86	23.22	25.90	31.26	39.30	39.84	39.84
15	City of Naples	11.72	15.68	19.64	21.62	25.58	31.52	41.42	51.32
16	City of North Port	21.74	29.94	38.14	42.24	50.44	54.54	54.54	54.54
17	Pinellas County	8.00	14.20	20.40	23.50	29.70	39.00	54.50	57.60
18	City of Punta Gorda	20.70	23.12	25.54	26.75	29.17	32.80	32.80	32.80
19	City of Sarasota	15.65	25.86	36.06	41.17	51.37	66.68	92.19	120.47
20	Sarasota County	14.34	27.16	39.98	46.39	59.21	78.44	78.44	78.44
21	Other Florida Utilities' Average	\$14.64	\$21.25	\$28.26	\$31.97	\$39.01	\$47.81	\$53.97	\$59.41

[1] Unless otherwise noted, amounts shown reflect residential rates in effect March 2002 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.



**Table 4-5**  
**Bonita Springs Utilities, Inc.**  
**Water and Wastewater System**

**Comparison of Typical Monthly Residential Bills for Combined Water and Wastewater Service [1]**

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	2,000 Gallons	4,000 Gallons	5,000 Gallons	7,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
<b>Bonita Springs Utilities, Inc (2)</b>									
1	Existing Rates	\$23.85	\$32.55	\$41.25	\$45.60	\$54.80	\$69.35	\$95.10	\$114.85
2	Proposed Rate Increase - FY 2002	26.25	35.89	45.53	50.35	60.52	76.57	104.91	126.05
3	Proposed Rate Increase - FY 2003	29.06	39.61	50.17	55.45	66.58	84.13	115.09	137.85
<b>Lee County</b>									
4	Existing Rates	\$20.25	\$31.65	\$43.05	\$48.75	\$57.13	\$65.17	\$80.07	\$97.97
5	Proposed Rates	21.80	33.70	45.60	51.55	63.97	79.69	95.15	113.71
<b>Collier County</b>									
6	Adopted Rates	30.00	37.32	44.64	48.30	56.34	68.40	91.50	103.50
<b>Other Florida Utilities:</b>									
7	City of Bradenton	\$21.51	\$27.39	\$35.89	\$41.45	\$52.57	\$69.25	\$97.05	\$124.85
8	Charlotte County	37.21	50.09	62.97	69.41	82.29	101.61	123.71	149.37
9	City of Clearwater	20.52	20.52	27.98	35.44	50.36	73.40	114.00	154.60
10	Englewood Water District	27.63	36.83	46.03	50.63	60.43	80.83	104.83	128.83
11	FL Water Services - Lehigh - Lee County	26.63	45.37	64.11	73.48	86.58	97.77	116.42	135.07
12	City of Fort Myers	8.97	23.29	37.61	44.77	60.63	84.42	100.92	134.97
13	Hillsborough County	24.45	37.79	51.13	57.80	71.14	83.15	96.50	116.10
14	Manatee County	17.95	25.35	32.75	36.45	43.92	55.23	61.22	81.62
15	City of Naples	15.35	21.53	27.71	30.80	36.98	46.25	61.70	77.15
16	City of North Port	30.90	44.80	58.70	65.65	79.55	93.70	111.70	129.70
17	Pinellas County	19.25	25.45	31.65	37.00	47.70	63.75	90.50	104.85
18	City of Punta Gorda	32.35	40.21	48.07	52.00	59.86	71.65	87.30	102.95
19	City of Sarasota	23.24	38.21	53.17	60.66	75.62	98.07	135.48	177.40
20	Sarasota County	28.26	44.64	61.02	70.01	87.99	118.50	148.20	189.20
21	Other Florida Utilities' Average	\$23.87	\$34.39	\$45.63	\$51.82	\$63.97	\$81.26	\$103.54	\$129.05

[1] Unless otherwise noted, amounts shown reflect residential rates in effect March 2002 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

**SECTION 5**  
**DEVELOPMENT OF**  
**AID-TO-NEW-CONSTRUCTION FEES**

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## SECTION 5

### DEVELOPMENT OF AID-TO-NEW-CONSTRUCTION FEES

#### 5.1 General

The Utility has experienced the continued dilemma with regard to the funding of infrastructure requirements associated with new growth. This problem was the result of increased development which occurred and the resultant inability to rapidly generate a sufficient level of funds to meet the new demands for service. One method being used by BSU and others to provide funds for capital needs in the State of Florida is the application of a capital recovery or aid-to-new-construction (ANC) fee to fund a portion of the infrastructure requirements. An ANC fee is a fee imposed on new users of real property to help defray the capital cost of constructing new public facilities necessitated by the impact of new residents. Thus, the purpose of an ANC fee is to assign, to the extent practical, growth-related capital costs to those residents or users responsible for such additional costs. In summary, the ANC fee can be considered to be a new user's contribution to those facilities or capital costs that are required in order to provide a comparable level of service that is being provided to the existing users of the system or a level stated as the goal of a regulated utility system.

The purpose of ANC fees includes the following:

- 1) to fund the capital cost of constructing new facilities necessitated by growth;
- 2) to shift the financial burden of constructing new facilities to the new residents for whose benefit the facilities will be built;
- 3) to maintain or reduce property tax rates while meeting the capital costs associated with growth; and
- 4) to exact connections for public facilities from developments which were platted prior to the establishment of mandatory dedication provisions to ensure payment comparable to that required from new developments.

#### 5.2 ANC Fee Determination

##### 5.2.1 General

In order to accurately determine the ANC fees for water and wastewater systems two issues must be identified: i) the equitable portion of the costs associated with financing the expansion of BSU's utility system; and ii) the available number of equivalent residential connections or units (ERCs) each system can support based on the level of service policies of BSU until capacity is reached.

An ERC is a unit of measure which approximates the average demand of a single-family residential customer or customer receiving service based on certain attributes of the residential unit (e.g., single versus multi-family square footage). The ERC concept defines all types of development and facility uses as either a percentage or a multiple of a single-family residence on the basis of anticipated water use. For the purpose of calculating BSU's current ANC fees, a water service ERC is considered to use 250 gallons per day (GPD) on an average daily basis. Similarly, the wastewater ERC is considered by BSU to use 250 gpd of capacity expressed on an average daily basis also. The fees for the other residential customers (i.e., master-metered, multi-family, assisted living facilities units, etc.) are based on the relationship of the estimated amount of water usage and wastewater flow generated by such developments on an average daily flow basis as compared to the single-family residence (1.0 ERC). The water and wastewater ERC factors reflected in this study for the various residential customer classes relative to the ANC fee rate structure are summarized below:

User Category	Assumed ERC Factor
Single-Family, Duplex and Triplex (per unit)	1.00
Multi-Family and Mixed-Master Meter (per dwelling unit)	0.80
Assisted Living Facility	0.40/bed + .02/meal

The fees for the other services (i.e., commercial) are also based on the estimated amount of water usage and wastewater flow generated by such developments as outlined in BSU's rate tariffs. As defined in the current rate tariffs, ANC fees for the non-residential customer class shall be calculated by dividing the estimated average daily flow which is determined at the time of application for a building permit by the equivalent residential connection factor of 250 gallons per day for both water and wastewater service.

### 5.2.2 Existing Capital Facilities

In the determination of the ANC fee associated with the servicing of future customers, any excess capacity of the existing system available to serve such growth should be considered since this capacity is available to serve the incremental growth of the utility system in the short term. As shown on Table 5-1 at the end of this section and based on: i) the rated capacities of the water production and wastewater treatment facilities expressed on an average daily flow (ADF) basis; ii) projected and committed usage requirements of such facilities; and iii) the calculated net costs of the facilities allocable to the charges, the amount of existing facility costs to be reflected in the charge determination was estimated to be as follows:

	Water System [1]	Wastewater System [1]
Net Production/Treatment Facility Costs	\$30,904,510	\$26,051,335
Estimated Capacity Remaining to Serve Incremental Growth	25.83%	46.78%
Net Treatment Facility Costs Allocable to Fee Determination	<u>\$7,982,828</u>	<u>\$12,186,019</u>

[1] Derived from Table 5-1.

As can be seen above, it has been determined that the water system has approximately 25.8% of capacity available to serve new customer growth. With respect to the wastewater system, it is estimated that the utility has approximately 46.8% of estimated available capacity which is owned by BSU to serve new customer growth.

### 5.2.3 Capital Improvement Program

As with any utility, BSU is continually in the process of updating and expanding the water and wastewater plant facilities to serve increasing demand or capacity requirements. In order to develop a fee which is consistent with the capital related needs of the utility, the cost of the Utility's capital improvements anticipated for the next five (5) fiscal years was recognized. Based on discussions with BSU, the improvements scheduled for the next five (5) years will allow BSU to provide improved utility services for a number of years to come. As outlined in Table 5-2 for the water and wastewater systems, approximately \$102,392,811 has been reflected in the charge determination which will essentially meet BSU's capital needs as well as provide for system renewals and replacements. This deals with system betterments of existing assets which have available capacity for new customers, as well as capital expenditures associated with serving new growth. The amount of capital needs reflected in the determination of the ANC fees is summarized below:

	<u>Total Estimated Capital Expenditures</u>	<u>Amount Reflected in Fee Determination</u>
Water System	\$74,616,061	\$52,130,737
Wastewater System	<u>68,808,774</u>	<u>50,262,074</u>
Total	\$143,424,835	\$102,392,811

As can be seen above, BSU has identified an extensive amount of capital needs to serve both the existing and future growth of BSU. The costs for on-site distribution, collection, or distribution facilities or main extensions required for service have not been included in the determination of the ANC fees. These capital costs (e.g., meters, hydrants, services, etc.) are generally recovered from other charges or contributed from developers during construction, and therefore, should not be included as a component of the ANC fee determination. Additionally, to the extent that the proposed capital costs resulted in the retirement or renewal of a facility (e.g., lift station rehabilitation costs), such costs were not included in the analysis in order to avoid a "double count" of costs.

Costs associated with the expansion of BSU's gravity collection program have also not been reflected in the wastewater ANC fee determination. Based on discussions with City staff, due to the nature of these projects in that they only benefit specific developments once they have been implemented (i.e., do not globally benefit the entire utility system customer base for the receipt of such service) coupled with the fact that the Utility currently charges a separate fee to recover the capital costs associated with this program.

### 5.3 **Design of Water System Aid-To-Construction Fee**

As shown on Table 5-2, the proposed system ANC fee for the water system is \$1,640 per ERC. This represents an increase in the charge of \$90 or 5.8% above the current charge for an ERC assuming utilization of the standard level of service of 250 gpd. The primary reason for the increase is due to the higher estimated capital cost of providing service due to facility expansion and upgrades to existing assets which have unused capacity available to service new growth

which is anticipated during the planning horizon. As discussed hereafter, the proposed charges are comparable with other utilities.

In the development of the fee, several assumptions were utilized or incorporated in the analysis. The major assumptions utilized in the design of the proposed fee are:

1. The existing water production and treatment facilities have an estimated available capacity margin to serve new growth of approximately 25.8% of the average daily capacity of the facilities based on: i) the firm design capacity of the existing facilities; and ii) estimated flow requirements for the Fiscal Year 2002. The analysis is summarized on Table 5-1 herein.
2. All the capital facilities associated with the upgrades and expansion of the system reflect the most recent project costs as identified in the Utility's five (5) year capital improvement program as summarized in Table 5-2 at the end of this section.
3. No capital facility expansion costs associated with major distribution facilities have been included in the calculation since the developer normally contributes such facilities (contribution in aid of construction) as part of BSU's main extension policies.
4. Based on discussions with BSU staff, costs identified in the Five Year Capital Program associated with the construction of the 6.0 mgd-adf R.O. Water Treatment Plant include costs which fund infrastructure that will ultimately serve its final design capacity of 12.0 mgd-adf. For purposes of this analysis and in order to design an equitable fee, the costs associated with constructing the additional 6.0 mgd-adf capacity (approximately \$20 million) and the incremental capacity were reflected in the fee determination.
5. The level of service requirements for an ERC for the water system was assumed to require a capacity of 250 gallons per day (equivalent to a typical individually metered single-family dwelling unit) consistent with the capacity planning and FDEP permitting requirements for Utility (which reflects no change in the current service requirements of Utility's typical residential customer).

As shown on Table 5-3, the analysis was calculated utilizing estimated capital costs for the supply/treatment/transmission system, ERC service requirements, and current data available to PRMG regarding the water system. By designing the ANC fee to recover costs on a prospective basis, an attempt is made to design a fee which will provide funds on an equitable basis in order to meet the future needs of the system. It should be noted that in the event the construction costs, capacity requirements, or utility service area materially change from what was reflected on Table 5-3, the ANC fee may possibly need to be modified.

As shown on Table 5-3, the proposed water ANC fee is recommended to be \$1,640 per ERC of reserved capacity. Based on the capital facilities associated with the determination of the charge, the functional breakdown of the components of the rate are as follows:

Water Production/Treatment	\$1,237.07
Water Transmission	<u>399.87</u>
Total Fee	\$1,636.94
Rounded Fee	<u>\$1,640.00</u>

#### 5.4 Design of Wastewater System Aid-To-Construction Fee

The development of the wastewater system ANC fee for capacity reservation was developed in a similar manner as the water system ANC fee. Specifically, the proposed system ANC fee for system capacity or demand was predicated on the estimated project costs associated with the wastewater treatment plant, transmission and effluent disposal system to serve anticipated growth, and the utilization of existing facilities which have available capacity to serve new or incremental customers. As shown on Table 5-4, the proposed system ANC fee for the wastewater system is \$2,565 per ERC of reserved capacity.

In the development of the charge, several assumptions were utilized in the analysis. The major assumptions reflected in the design of the proposed charges are:

1. Utility's existing wastewater treatment and effluent disposal facilities have an estimated available capacity margin to serve new growth of approximately 46.8% of the average daily capacity of the facilities based on: i) the firm design capacity of the existing facilities; and ii) estimated flow requirements for the Fiscal Year 2002. The analysis is summarized on Table 5-1 herein.
2. All the capital facilities associated with the upgrades and expansion of the system reflect the most recent project costs as identified in BSU's five (5) year capital improvement program as more fully discussed in Section 3.
3. No capital facility expansion costs associated with on-site collection facilities have been included in the system ANC fee calculation since the developer normally contributes such facilities (contribution in aid of construction).
4. Based on discussions with BSU staff, the Five Year Capital Program associated with the construction of the initial 4.0 mgd-adf East Water Reclamation Facility includes costs which fund infrastructure that will ultimately be utilized at its final design capacity of 8.0 mgd-adf which is scheduled to be performed outside the five-year margin. For purposes of this analysis, the costs associated with constructing the incremental 4.0 mgd-adf (approximately \$25 million) and the additional capacity were reflected in the fee determination.
5. The level of service recognized for an ERC for the wastewater system was assumed to require a capacity of 250 gallons per day (equivalent to a typical

individually metered single-family dwelling unit) consistent with the capacity, planning and FDEP permitting requirements for the Utility.

The analysis was calculated utilizing estimated incremental capital costs for the wastewater treatment system, ERC service requirements, and current data available to PRMG regarding the wastewater system. By designing the system ANC fee to recover costs on a prospective basis, an attempt is made to design a fee which will provide funds on an equitable basis in order to meet the future needs of the system. As previously mentioned, in the event the construction or capacity acquisition costs, capacity requirements, or utility service area materially change from what was reflected on Table 5-3, the system ANC fee may possibly need to be modified.

As shown on Table 5-4, the proposed wastewater ANC fee is recommended to be \$2,565 per ERC. Based on the capital facilities associated with the determination of the charge, the functional breakdown of the components of the rate are as follows:

Wastewater Treatment/Effluent Disposal	\$1,603.35
Wastewater Collection/Transmission	<u>961.86</u>
Total Fee	\$2,565.20
Rounded Fee	<u>\$2,565.00</u>

## 5.5 Comparison with Other Utilities

Table 5-5 provides a comparison of the existing and proposed system ANC fees for single family residential connections for BSU relative to the system ANC fees currently imposed by other municipal/governmental water and wastewater systems located in central Florida. It is important to note that the reader must view the comparison with caution as no in-depth analysis has been performed to determine the methods used in the development of the system ANC fees imposed by others, nor has any analysis been made to determine whether 100% of the cost of new facilities is recovered from system ANC fees, or some percentage less than 100% with the balance recovered through the user charges. Additionally, no analysis was conducted as to the rate of capital facilities currently in service or planned for the utility. For example, the costs of wastewater effluent disposal utilizing a deep injection well system generally have a higher capital cost per unit of capacity than percolation ponds.

As shown on Table 5-5, the average water and wastewater system impact fee for the governmental entities selected for this comparison is \$1,384 and \$1,665, respectively, for a single-family residence. Of the surveyed utilities, Sarasota County had the largest water system service availability charge of \$2,720 and Collier County had the largest wastewater system service availability charge of \$2,840. The City of Clearwater had the lowest combined system service availability charge in the group with water being \$480 and wastewater being \$900. The proposed system ANC fee of \$1,640 for water for BSU is slightly higher for the group and the proposed wastewater system ANC fee for BSU of \$2,565 is also higher than the average charge for the group. Overall, the charges proposed in this study appear reasonable and competitive with the sample of neighboring utilities shown in Table 5-5.



**Table 5-1**  
**Bonita Springs Utilities, Inc.**  
**Water and Wastewater System**

**Development of Existing Production/Treatment Facility**  
**Capacity Allocable to Serve Customer Growth**

Line No.	BSU Water System	BSU Wastewater System
	Capacity of System (MGD)[1][2]	
1	8.000	N/A
2	N/A	7.000
3	8.000	7.000
4	5.934	3.726
5	2.066	3.274
6	25.83%	46.78%
Capital Costs of Treatment Facilities [4]		
7	\$25,703,700	\$25,652,162
8	5,200,809	399,173
9	30,904,510	26,051,335
10	\$7,982,828	\$12,186,019

[1] Reflects current design capacity of existing and anticipated facilities based on information provided by Bonita Springs Utilities, Inc. staff. Capacity amounts reflect current capacity at BSU's water withdrawal capacity and anticipated wastewater treatment capacity upon 2.75 MGD expansion to be completed in early 2002 and which is ultimately subject to FDEP approval to permit plant to operate at this design capacity.

[2] Water facilities and wastewater facilities rated on an average daily flow basis and therefore have not been adjusted to reflect daily demand on a maximum daily or three month contiguous basis thereby consistent with fee calculations/determination.

[3] Reflects average daily flow estimated for the fiscal year 2002 consistent with the year of implementation date of the proposed ANC fees and the customer and sales forecast reflected in the Rate Study for the Utility.

[4] Reflects actual capital expenditures to date (as of October 2001) based on a summary of fixed asset records provided by the Utility.

[5] Based on information contained in the Five Year Capital Improvement Program associated with upgrade of, and renewals and replacements of the Utility's Water and Wastewater System.

**Table 5-2**  
**Bozita Springs Utilities, Inc.**  
**Water and Wastewater System**  
**Five-Year Estimated Capital Improvement Program Allocations to AISC For Distribution**

Line No.	Description	Budgeted 2002	Approved 2002	2003	2004	2005	2006	Percent		Amount		Function	Existing Growth	Water 74.17%	Sewer 31.22%	Transmission 46.78%	Total
								Allocable to Growth		Allocable to Growth							
								Existing	Growth	Existing	Growth						
<b>CIP - WATER SYSTEM</b>																	
1	Bozita County Club System Purchase - 50%	\$0	\$0	\$0	\$262,650	\$0	\$262,650	0.00%	100.00%	0.00%	\$0	Transmission	\$0	\$0	\$0	\$0	\$262,650
2	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$50,000	\$50,000	\$0	0.00%	100.00%	0.00%	\$0	Transmission	\$0	\$0	\$0	\$0	\$50,000
3	Bozita County Club System Upgrades - 50%	\$20,000	\$20,000	\$0	\$0	\$0	\$380,000	0.00%	100.00%	0.00%	\$380,000	Transmission	\$0	\$0	\$0	\$0	\$380,000
4	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$14,319	Transmission	\$14,319	\$0	\$0	\$0	\$14,319
5	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$25,000	Transmission	\$25,000	\$0	\$0	\$0	\$25,000
6	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$100,000	Transmission	\$100,000	\$0	\$0	\$0	\$100,000
7	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$90,817	Transmission	\$90,817	\$0	\$0	\$0	\$90,817
8	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$140,969	Transmission	\$140,969	\$0	\$0	\$0	\$140,969
9	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$33,305	Transmission	\$33,305	\$0	\$0	\$0	\$33,305
10	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$57,105	Transmission	\$57,105	\$0	\$0	\$0	\$57,105
11	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$370,847	Transmission	\$370,847	\$0	\$0	\$0	\$370,847
12	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$3,500,000	Transmission	\$3,500,000	\$0	\$0	\$0	\$3,500,000
13	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$90,304	Transmission	\$90,304	\$0	\$0	\$0	\$90,304
14	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$8,710	Transmission	\$8,710	\$0	\$0	\$0	\$8,710
15	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$77,569	Transmission	\$77,569	\$0	\$0	\$0	\$77,569
16	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$271,554	Transmission	\$271,554	\$0	\$0	\$0	\$271,554
17	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$1,231,335	Transmission	\$1,231,335	\$0	\$0	\$0	\$1,231,335
18	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$1,236,665	Transmission	\$1,236,665	\$0	\$0	\$0	\$1,236,665
19	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$783,549	Transmission	\$783,549	\$0	\$0	\$0	\$783,549
20	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$387,459	Transmission	\$387,459	\$0	\$0	\$0	\$387,459
21	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$112,541	Transmission	\$112,541	\$0	\$0	\$0	\$112,541
22	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$244,231	Transmission	\$244,231	\$0	\$0	\$0	\$244,231
23	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$189,649	Transmission	\$189,649	\$0	\$0	\$0	\$189,649
24	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$259,599	Transmission	\$259,599	\$0	\$0	\$0	\$259,599
25	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$719,662	Transmission	\$719,662	\$0	\$0	\$0	\$719,662
26	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$355,150	Transmission	\$355,150	\$0	\$0	\$0	\$355,150
27	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$32,246	Transmission	\$32,246	\$0	\$0	\$0	\$32,246
28	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$1,112,541	Transmission	\$1,112,541	\$0	\$0	\$0	\$1,112,541
29	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$31,696,445	Transmission	\$31,696,445	\$0	\$0	\$0	\$31,696,445
30	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$6,650,741	Transmission	\$6,650,741	\$0	\$0	\$0	\$6,650,741
31	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$44,323	Transmission	\$44,323	\$0	\$0	\$0	\$44,323
32	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$19,146	Transmission	\$19,146	\$0	\$0	\$0	\$19,146
33	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$223,081	Transmission	\$223,081	\$0	\$0	\$0	\$223,081
34	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$774,919	Transmission	\$774,919	\$0	\$0	\$0	\$774,919
35	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$463,359	Transmission	\$463,359	\$0	\$0	\$0	\$463,359
36	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$1,060,000	Transmission	\$1,060,000	\$0	\$0	\$0	\$1,060,000
37	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$350,000	Transmission	\$350,000	\$0	\$0	\$0	\$350,000
38	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$49,933	Transmission	\$49,933	\$0	\$0	\$0	\$49,933
39	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$84,364	Transmission	\$84,364	\$0	\$0	\$0	\$84,364
40	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$32,852	Transmission	\$32,852	\$0	\$0	\$0	\$32,852
41	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$407,365	Transmission	\$407,365	\$0	\$0	\$0	\$407,365
42	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$341,661	Transmission	\$341,661	\$0	\$0	\$0	\$341,661
43	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$629,445	Transmission	\$629,445	\$0	\$0	\$0	\$629,445
44	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$61,785	Transmission	\$61,785	\$0	\$0	\$0	\$61,785
45	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$1,112,541	Transmission	\$1,112,541	\$0	\$0	\$0	\$1,112,541
46	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$31,696,445	Transmission	\$31,696,445	\$0	\$0	\$0	\$31,696,445
47	Bozita County Club System Upgrades - 50%	\$80,000	\$80,000	\$0	\$0	\$0	\$0	25.00%	74.17%	25.00%	\$6,650,741	Transmission	\$6,650,741	\$0	\$0	\$0	\$6,650,741
48	<b>Total Water System Capital Costs</b>	<b>\$17,055,772</b>	<b>\$18,947,237</b>	<b>\$27,151,695</b>	<b>\$9,730,637</b>	<b>\$6,034,687</b>	<b>\$12,701,961</b>	<b>\$22,465,323</b>	<b>\$53,130,317</b>	<b>\$32,465,323</b>	<b>\$53,130,317</b>		<b>\$5,200,809</b>	<b>\$1,621,958</b>	<b>\$13,945,540</b>	<b>\$16,568,739</b>	<b>\$71,274,087</b>
<b>CIP - WASTEWATER SYSTEM</b>																	
49	Bozita Bypass Sewer Retrofit	\$0	\$141,795	\$0	\$0	\$0	\$141,795	46.78%	53.22%	46.78%	\$565,327	Transmission	\$0	\$0	\$0	\$0	\$565,327
50	Bozita Beach Road / Bozita Grande / Monson Lane Force Main	\$1,000,000	\$2,231,993	\$0	\$0	\$0	\$3,231,993	46.78%	53.22%	46.78%	\$1,715,997	Transmission	\$0	\$0	\$0	\$0	\$1,715,997
51	Bozita Beach Road Force Main	\$750,000	\$270,000	\$0	\$0	\$0	\$1,020,000	46.78%	53.22%	46.78%	\$467,973	Transmission	\$0	\$0	\$0	\$0	\$467,973
52	Bozita County Club System Upgrades - 50%	\$0	\$0	\$300,000	\$0	\$0	\$300,000	46.78%	53.22%	46.78%	\$142,592	Transmission	\$0	\$0	\$0	\$0	\$142,592
53	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$350,000	\$0	\$350,000	46.78%	53.22%	46.78%	\$162,500	Transmission	\$0	\$0	\$0	\$0	\$162,500
54	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$50,000	\$0	\$50,000	46.78%	53.22%	46.78%	\$23,000	Transmission	\$0	\$0	\$0	\$0	\$23,000
55	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$250,000	\$0	\$250,000	46.78%	53.22%	46.78%	\$115,228	Transmission	\$0	\$0	\$0	\$0	\$115,228
56	Bozita County Club System Upgrades - 50%	\$250,000	\$250,000	\$0	\$0	\$0	\$500,000	46.78%	53.22%	46.78%	\$230,652	Transmission	\$0	\$0	\$0	\$0	\$230,652
57	Bozita County Club System Upgrades - 50%	\$250,000	\$250,000	\$0	\$0	\$0	\$500,000	46.78%	53.22%	46.78%	\$230,652	Transmission	\$0	\$0	\$0	\$0	\$230,652
58	Bozita County Club System Upgrades - 50%	\$250,000	\$250,000	\$0	\$0	\$0	\$500,000	46.78%	53.22%	46.78%	\$230,652	Transmission	\$0	\$0	\$0	\$0	\$230,652
59	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$0	\$5,000,000	\$5,000,000	46.78%	53.22%	46.78%	\$2,350,000	Transmission	\$0	\$0	\$0	\$0	\$2,350,000
60	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$0	\$18,765,489	\$18,765,489	46.78%	53.22%	46.78%	\$8,545,489	Transmission	\$0	\$0	\$0	\$0	\$8,545,489
61	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$0	\$7,454,511	\$7,454,511	46.78%	53.22%	46.78%	\$3,427,108	Transmission	\$0	\$0	\$0	\$0	\$3,427,108
62	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$0	\$91,305	\$91,305	46.78%	53.22%	46.78%	\$41,305	Transmission	\$0	\$0	\$0	\$0	\$41,305
63	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$0	\$48,519	\$48,519	46.78%	53.22%	46.78%	\$22,274	Transmission	\$0	\$0	\$0	\$0	\$22,274
64	Bozita County Club System Upgrades - 50%	\$0	\$0	\$0	\$0	\$142,592	\$142,592	46.78%	53.22%	46.78%	\$66,288	Transmission	\$0				

Table 8-2  
Beaumont Utilities, Inc.  
Water and Wastewater System  
Five-Year Estimated Capital Improvement Program Allocation to ANC Fee Derivation

Line No.	Description	Budgeted 2007		Adjusted 2007		2003		2004		2005		2006		Five-Year Total		Percent Allocable to Growth		Amount Allocable to Growth		Function Treatment		Transmission Growth		Total	
		2007	2007	2007	2007	2003	2004	2005	2006	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007	2007		2007
85	Water Reclamation Facility Effluent LR Station	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0	0	Transmission	0	0	0	0	
86	Water Reclamation Facility Equipment Conversion	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0	0	Transmission	0	0	0	0	
87	Water Reclamation Facility Main Conversion	2,090,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0	0	Transmission	0	0	0	0	
88	All Management Projects - 50%	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	100.00%	9,500	9,500	0	N/A	0	0	0	0	
89	All IT - Engineering Projects - 50%	217,750	217,750	217,750	217,750	217,750	217,750	217,750	217,750	217,750	217,750	217,750	217,750	217,750	217,750	100.00%	217,750	217,750	0	N/A	0	0	0	0	
90	All Member Services Projects - 50%	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	16,000	100.00%	16,000	16,000	0	N/A	0	0	0	0	
91	All Fiscal Projects - 50%	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	6,250	100.00%	6,250	6,250	0	N/A	0	0	0	0	
92	All Super-Operations Projects - 50%	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	17,500	100.00%	17,500	17,500	0	N/A	0	0	0	0	
93	All Wastewater Plant Projects	190,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0	0	N/A	0	0	0	0	
94	All Distributions / Collection Projects - Wastewater	112,750	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0	0	N/A	0	0	0	0	
95	All Utility Maintenance Projects - Wastewater	391,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0.00%	0	0	0	N/A	0	0	0	0	
96	Total Wastewater System Capital Costs	\$1,913,300	\$4,657,331	\$1,913,300	\$4,657,331	\$1,913,300	\$4,657,331	\$1,913,300	\$4,657,331	\$1,913,300	\$4,657,331	\$1,913,300	\$4,657,331	\$1,913,300	\$4,657,331	100.00%	\$1,913,300	\$4,657,331	0		0	0	0	\$3,560,034	
97	TOTAL WATER AND WASTEWATER CAPITAL COSTS	\$1,969,072	\$5,943,783	\$3,912,850	\$5,943,783	\$3,912,850	\$5,943,783	\$3,912,850	\$5,943,783	\$3,912,850	\$5,943,783	\$3,912,850	\$5,943,783	\$3,912,850	\$5,943,783	100.00%	\$1,969,072	\$5,943,783	0		0	0	0	0	\$3,560,034

(1) These specific projects have not been included in the ANC fee determination since projects are to be reimbursed through the collection of collection fees amounting to approximately \$1.717 per ERC commencing in the specific expansion areas.

**Table 5-3  
Bonita Springs Utilities, Inc.  
Water System**

**Development of Water System ANC Fee**

Line No.	Description	Amount
	Total Estimated Cost of Existing Water Production and Treatment Facilities:	
1	Cost of Existing Facilities [1]	\$30,904,510
2	Existing Plant Capacity (GPD) (ADF) [2]	8,000,000
3	ERU Factor - GPD [3]	250
4	Estimated ERUs to be Served by Existing Facilities	32,000
5	Percent Remaining Capacity of Existing Facilities	25.83%
6	Allocation of Existing Facilities to Incremental Growth	7,982,828
7	Rate per ERU Associated with Existing Facilities	\$965.77
	Total Estimated Cost of Additional Water Production and Treatment Facilities:	
8	Cost of Additional Facilities [4]	\$61,621,998
9	Additional Plant Capacity (GPD) (ADF)	12,000,000
10	ERU Factor - GPD	250
11	Estimated ERUs to be Served by Additional Facilities	48,000
12	Rate per ERU Associated with Additional Facilities	\$1,283.79
13	Rate per ERU of Water Production/Treatment Facilities	\$1,237.07
	Primary Transmission/Distribution System: [5]	
14	Existing Facilities [6]	\$32,476,629
15	Additional Costs Capitalized to Existing Facilities	13,942,540
16	Total Existing Facility Costs [4]	46,419,169
17	Percent Remaining Capacity of Existing Facilities	25.83%
18	Subtotal	11,990,362
19	New Facilities to Aid Growth	10,508,739
20	Subtotal of Costs	22,499,101
21	Estimated Plant Capacity (GPD) (ADF) [7]	14,066,450
22	ERU Factor - GPD	250
23	Estimated ERUs served by Transmission/Distribution Facil.	56,266
24	Rate per ERU of Transmission/Distribution Facilities	\$399.87
25	Total Combined Rate per ERU before Rate Adjustment	\$1,636.94
26	Rate Adjustment	0.00
27	Total Combined Rate per ERU After Rate Adjustment	1,636.94
28	Rounded Rate	\$1,640.00

Footnotes on Page 2 of 2.

**Table 5-3  
Bonita Springs Utilities, Inc.  
Water System**

**Development of Water System ANC Fee**

Footnotes:

- [1] Amounts derived from Table 5-1.
- [2] The existing water production and treatment facilities are limited to an average daily withdrawal limit of 8.0 MGD (exclusive of SWFWMD temporary allowance of 10.0 MGD).
- [3] The ERU factor reflects a daily water demand and was based on the permitting requirements for new connections with the Level of Service requirements reflected in the Utility's Water System Tariff.
- [4] Amounts derived from Table 5-2. Includes approximately \$20,000,000 incremental cost to increase current planned construction capacity of new R.O. Treatment Plant from current Five Year CIP design of 6.0 MGD to ultimate design capacity of 12.0 MGD which is to occur outside current five year horizon.
- [5] Amounts do not include the estimated cost of on-site capital costs such as meters, hydrants, services and local distribution facilities.
- [6] Represents estimated original cost of transmission system fixed assets based on (1) plant asset listing data provided by the Utility.
- [7] Amounts based on the estimated total design capacity of the water production and treatment facilities consistent with the capital program and the Comprehensive Plan requirements that the facilities meet demand requirements for meeting service requirements of the service area based on discussions with the Utility. Such amounts reflect available existing and projected facility capacity consistent with the water treatment plant facilities.

Table 5-4  
Bonita Springs Utilities, Inc.  
Wastewater System

Development of Wastewater System ANC Fee

Line No.	Description	Amount
	Total Estimated Cost of Existing Wastewater Treatment and Effluent Disposal Facilities:	
1	Cost of Existing Facilities [1]	\$26,051,335
2	Existing Plant Capacity (GPD) (ADF) [2]	7,000,000
3	ERU Factor - GPD [3]	250
4	Estimated ERUs to be Served by Existing Facilities	28,000
5	Percent Remaining Capacity of Existing Facilities	46.78%
6	Allocation of Existing Facilities to Incremental Growth	12,186,019
7	Rate per ERU Associated with Existing Facilities	\$930.40
	Total Estimated Cost of Additional Wastewater Treatment and Effluent Disposal Facilities:	
8	Cost of Additional Facilities [4]	\$60,120,989
9	Additional Plant Capacity (GPD) (ADF)	8,000,000
10	ERU Factor - GPD	250
11	Estimated ERUs to be Served by Additional Facilities	32,000
12	Rate per ERU Associated with Additional Facilities	\$1,878.78
13	Rate per ERU of Treatment/Effluent Disposal Facilities	\$1,603.35
	Primary Collection System: [5]	
14	Existing Facilities [6]	\$68,993,027
15	Additional Costs Capitalized to Existing Facilities	12,768,727
16	Subtotal of Existing Facilities [4]	81,761,754
17	Percent Remaining Capacity of Existing Facilities	46.78%
18	Subtotal	38,245,651
19	New Facilities to Aid Growth	5,131,650
20	Subtotal of Costs	43,377,301
21	Estimated Plant Capacity (GPD) (ADF) [7]	11,274,386
22	ERU Factor - GPD	250
23	Estimated ERUs served by Collection Facilities	45,098
24	Rate per ERU of Collection Facilities	\$961.86
25	Total Combined Rate per ERU before Rate Adjustment	\$2,565.20
26	Rate Adjustment	0.00
27	Total Combined Rate per ERU After Rate Adjustment	2,565.20
28	Rounded Rate	\$2,565.00

Footnotes on Page 2 of 2.

**Table 5-4**  
**Bonita Springs Utilities, Inc.**  
**Wastewater System**

**Development of Wastewater System ANC Fee**

Footnotes:

- [1] Amounts derived from Table 5-1.
- [2] The existing wastewater treatment and effluent disposal facilities are designed for an average daily flow of 7.0 MGD. Based on information provided by staff, the facility is undergoing operational tests to ensure facility can be permitted by FDEP to operate at this capacity.
- [3] The ERU factor reflects a daily water demand and was based on the permitting requirements for new connections with the Level of Service requirements reflected in the Utility's Wastewater System Tariff.
- [4] Amounts derived from Table 5-2. Includes approximately \$25,000,000 incremental cost to increase current planned construction capacity of new East Reclamation Facility from current Five Year CIP design of 4.0 MGD to Phase 2 design capacity of 8.0 MGD which is to occur outside current five year horizon.
- [5] Amounts do not include the cost of on-site capital costs such as services and frontage lines or laterals.
- [6] Represents estimated original cost of transmission system fixed assets based on (1) plant asset listing data provided by the Utility.
- [7] Amounts based on the estimated total design and reserved capacity of the wastewater treatment and effluent disposal facilities consistent with the capital program and the Comprehensive Plan requirements that the facilities meet demand requirements for meeting service requirements of the service area based on discussions with the Utility. Such amounts reflect available, existing and projected capacity consistent with the wastewater treatment plant facilities.

**Table 5-5**  
**Bonita Springs Utilities, Inc.**  
**Water and Wastewater System**

**Comparison of ANC Fees for Water and Wastewater Service [1]**

Line No.	Description	Residential 5/8" x 3/4" Meter		
		Water	Wastewater	Combined
<b>Bonita Springs Utilities, Inc (2)</b>				
1	Existing Impact Fees	\$1,550	\$2,183	\$3,733
2	Proposed Impact Fees	1,640	2,565	4,205
<b>Lee County</b>				
3	Existing Impact Fees	\$1,020	\$1,460	\$2,480
4	Proposed Impact Fees	1,140	1,735	2,875
<b>Collier County</b>				
5	Adopted Impact Fees	2,690	2,840	5,530
<b><u>Other Florida Utilities:</u></b>				
6	City of Bradenton	\$959	\$670	\$1,629
7	Charlotte County	1,518	2,570	4,088
8	City of Clearwater	480	900	1,380
9	Englewood Water District	2,267	1,690	3,957
10	FL Water Services - Lehigh - Lee County	2,168	2,546	4,714
11	City of Fort Myers	2,023	1,966	3,989
<b>Hillsborough County</b>				
12	North Service Area	1,335	1,815	3,150
13	Central Service Area	1,245	1,930	3,175
14	South Service Area	1,245	1,930	3,175
15	Manatee County	1,045	1,378	2,423
16	City of Naples	870	1,220	2,090
17	City of North Port	860	1,280	2,140
18	Pinellas County	512	2,060	2,572
19	City of Punta Gorda	2,000	1,500	3,500
20	City of Sarasota	900	1,550	2,450
21	Sarasota County	2,720	1,642	4,362
22	Other Florida Utilities' Average	\$1,384	\$1,665	\$3,050

[1] Unless otherwise noted, amounts shown reflect residential rates in effect March 2002 and are exclusive of taxes or franchise fees, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.



**SECTION 6**  
**MISCELLANEOUS SERVICE CHARGES**

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## SECTION 6

### MISCELLANEOUS SERVICE CHARGES

#### 6.1 General

In addition to charging user fees for water and wastewater service, BSU also charges customers fees for certain specifically requested services or needs. Examples of these fees include water meter installation charges, turn-on fees and plan review fees. Revenues from these charges tend to reduce the level of expenditures funded from user fees. Generally, these fees are designed on a cost recovery basis predicated on the specifics of the services requested. This section discusses the review of the miscellaneous service charges and the design of the proposed fees, where applicable.

#### 6.2 Meter Installation Charges (Installation/Tap-In Fees)

An identifiable service which is provided to the Utility's water customers deals with the connection of a water customer to the water distribution system. Essentially, this fee is designed to recover the cost of physically connecting a customer to BSU's water system. This fee should not be confused with an ANC fee that is charged to new water system customers for their share of the plant capacity associated with water production, treatment, and transmission allocable to such customer. Based on discussions with the staff, BSU charges an installation charge (based on average cost) for connecting to the system, whether the service be a single connection for regular potable water service where it is a tap to the water main and the installation of a service line and a meter or the installation of a backflow preventor device when such customer utilizes dual water systems.

The currently effective rates for the installation or connection charge for BSU are summarized below:

Meter Size	Current Installation/ Drop-In	Backflow Preventor Installation
5/8-inch	\$250.00	\$170.00
3/4-inch	400.00	210.00
1-inch	685.00	390.00
1-1/2-inch	800.00	470.00
2-inch and Above	Actual Cost	Actual Cost

As can be seen above, BSU's charges for installation-related services are based by the size of the meter or service being installed. The fees are generally based on the size of the meter to recognize differences in cost associated with the facility installations with the larger the service size generally having the higher installation cost (whether it be the cost of materials such as meters, or the amount of time generally spent on the installation of the service). In addition, the fee represents the typical cost to connect the facilities to the water distribution system. Therefore, the tap-in portion of the costs should reflect the average cost, recognizing that certain services require additional costs associated with the construction of a "long service" which may

include a bore and jack under a roadway, etc. As can be seen above, the installation charges for meter or service sizes greater than 2" are generally based on the actual time and expense for such facilities. This procedure is used since the cost of such installations can vary quite substantially. This procedure of fee determination is quite common in the utility industry and is recommended to be continued by BSU.

The proposed charges were based on the estimated cost to perform such services based on information provided by BSU, cost of relationships of other utilities, and recognizing the total system revenue requirements for the water system. Thus, the proposed fees are designed to recover the cost of materials (meter, meter box, service lines, etc.), labor and equipment, customer service charges, and administrative overheads. The development of the meter installation and tap-in charges for the primary meter sizes (5/8" to 2") is summarized on Tables 6-1 and 6-2. The recommended fees are summarized below:

Meter Size	Meter Installation/ Drop In	Backflow Preventor Installation
5/8-inch	\$295.00	\$190.00
3/4-inch	420.00	250.00
1-inch	690.00	435.00
1-1/2-inch	900.00	500.00
2 and Above	Actual Cost	Actual Cost

As can be seen above, it is proposed that BSU increase the fees for the meter installation and tap-in charges when compared to the rates that are currently in effect. The primary reason for the recommended fee increases are due solely to the increase cost of labor and materials and inflationary allowances.

### 6.3 Returned Check Charges

Several times during a typical billing month, checks are received by BSU from the utility customer in payment of a bill that are subsequently refused by the bank. As a result, BSU incurs costs or charges from the bank as a result of the check being returned to the customer. BSU's customer base should not bear the increased costs due to the poor payment practices.

This fee covers the cost incurred by BSU for the banking charges incurred, administrative costs (i.e., customer service charges), and provides an incentive allowance to encourage customers not to write or submit improperly funded checks. This fee is very common in the utility industry. It is recommended that the fee currently charged by BSU which is a minimum of \$25.00 or 5% of the face amount of the check, whichever is greater, be revised to a charge of a flat fee of \$30.00 per occurrence.

## 6.4 Customer Requested Meter Testing Fee

Another specific request made by a customer is for the testing of water meters. This service is generally performed by BSU when a customer is dissatisfied with the results of a meter reading or if the customer needs to verify the accuracy of the meter due to operational concerns.

For utilities that charge a meter-testing fee, the fee is generally retained by the Utility only if the test shows that the meter is registering within the acceptable accuracy limits as established by the Utility. If the meter is determined by the Utility to be registering outside the acceptable accuracy limits, the meter test service fee should be refunded and an adjustment be made to the utility billing for the proper amount of water consumption. The cost for providing this service includes customer service and utility personnel, vehicle cost, and administrative support services. Based on data provided by the Utility and its finance department, comparisons of cost compared by other utilities within the State of Florida, and budgetary information for the Fiscal Year 2002, the cost of testing a 5/8" to 1" water meter was estimated as follows:

	<u>Amount</u>
Transmission and Distribution	
Personnel Costs	
Labor	\$14.47
Employee Benefits	4.93
Departmental Overhead	<u>4.09</u>
Subtotal	23.49
Vehicle Costs	<u>15.00</u>
Total Transmission and Distribution	38.49
Customer Service	
Personnel Costs	
Labor	3.44
Employee Benefits	0.44
Departmental Overhead	<u>2.72</u>
Total Personnel Costs	6.60
Utilities Management Allocation	<u>4.79</u>
Total Cost	\$49.88
Rounded Rate	<u>\$50.00</u>

As can be seen above, the estimated cost for a meter test for meter sizes ranging from 5/8" to 1" is approximately \$50.00 per individual test. For test of meters greater than 1", the test may either be done in the field or done at the meter test facilities (on the bench) of BSU and substantially vary in terms of labor and equipment time utilization. Therefore, any tests for a meter in excess of 1" should be based on the actual cost incurred by BSU for such services. In determining actual costs, the following factors should be recognized or included in the determination for billing to the customer:

- Water utility department labor cost plus employee benefits;
- Vehicle and equipment cost;

- Customer service cost;
- An allowance for utility management overhead or burdens equal to 20.59% of the total labor and benefits cost estimated by BSU.

Based on the estimated cost for meter testing services and a comparison of fees charged by other utilities, it is recommended that BSU adopt a fee for meter tests equal to \$50.00 per request for meter sizes of 5/8" through 1" and that such fees should only be retained by BSU to the extent that the meter test proves to be within the acceptable accuracy limits of such meter.

### 6.5 Account Transfer Fee

There are numerous instances where requests for water and wastewater service at an existing service location are being transferred from a current owner/tenant to a new owner or tenant, as properties are being sold or leased to individuals over time. As a result of these occurrences, certain customer service related changes, accounting expenses and general administrative costs are incurred by the Utility. Based on a review of the costs associated with performing these activities, it is recommended that the fee of \$35.00 per transfer of existing service be maintained.

### 6.6 Customer Deposits

To defray the risk of non-payment for utility services until the negligent customer is disconnected, public utilities generally require all utility customers to post a deposit prior to the receipt of service. Generally, this deposit is in the form of cash but may also be in the form of Surety or Performance Bond, Letter of Credit or other instruments guaranteeing payment. BSU currently charges a meter deposit based on the size of the service and class or type of customer served. Generally, the general service or commercial customer class has the highest deposit requirement relative to the other classes since the magnitude of the risk for loss of payment is generally higher for this class of service. Although this class generally has the lowest frequency of bad debts or payment losses, the amount of such loss is generally much higher due to the service requirements when compared to the other classes (i.e., the residential class).

The customer or meter deposits should be based on the level of service risk incurred by BSU associated with the non-payment of a service. The following table summarizes the level of service risk estimated for BSU for service rendered during one billing cycle based on the current billing and collection policies of BSU:

Estimated Time Lag		
Average Month of Service	30.42 days	
Time Period for Payment of Bill After Bill Rendition	19.00 days	(includes weekends)
Notification of Delinquent Payment	7.00 days	(includes weekends)
Assumed Period from Delinquent Notification to Disconnect	<u>7.00 days</u>	(includes weekends)
Total Estimated Period of Risk (Time)	63.42 days	

As can be seen above, the estimated period of risk for a monthly period of utility service is over 60 days. The customer deposit for service should approximate the time period of risk associated with the service or approximately 60 days. It is recommended that an average deposit based on service requirements for the residential class be maintained. Since the deposit is based on the cost for service provided, an average bill concept should be utilized. However, because of the diversity of water use for general service customers within the larger services (i.e., above 2") and to provide BSU with a mechanism to more accurately associate the customer deposit to service requirements, it is further recommended that the deposit for services for the general service class be calculated separately. One manner to more accurately determine the appropriate level of commercial deposits applied to each new applicant would be to gather actual usage patterns of existing BSU utility customer similar to the applicant requesting service. For example, if a new fast food chain restaurant requests service, BSU could research its existing database of customers for related accounts to determine their average month usage pattern. If the typical monthly use were say 50,000 gpm, BSU could then calculate the appropriate deposit assuming a two (2) month average bill requirement.

Currently, single family residential customers which receive service through a 5/8" or 3/4" metered account represent almost all of the single-family customers in such class. Based on detailed bill frequency information as prepared by BSU, the median usage level for bills rendered to this customer classification is approximately 5,000 gallons per month. Based on the median usage for this class and the proposed rates as discussed in Section 4, the average deposit for water service would be calculated as follows:

Monthly Bill Component	Based on FY 2002 Proposed Rates	Based on FY 2003 Proposed Rates
Base/Billing Fee Portion	\$8.25	\$8.85
Volume Charge (*)	<u>12.45</u>	<u>13.30</u>
Subtotal	20.70	22.15
Adjust for Service Risk (x2.0)	41.40	44.30
Rounded Rate	<u>\$40.00</u>	<u>\$45.00</u>

(\*) Based on 5,000 gallons of Monthly Service.

As can be seen above, the monthly deposit for water only service for the single family residential class is recommended to remain at \$40.00 for each new customer or existing customers which are required to update their deposit in Fiscal Year 2002 and effective with the proposed water system rate adjustments in Fiscal Year 2003 be increased to \$45.00.

In addition to the water deposit, BSU also requires a deposit for wastewater service. Since a majority of the water customers receive wastewater services, the charge is billed on the water bill, is based on water consumption, and presently contributes approximately 50% of the utility rate revenue, a deposit for this type of service is justifiable. Based on the billing components utilized in the determination of the water deposit, the corresponding single-family residential deposit for the sewer system (assuming 5,000 gallons of monthly metered water consumption) would be as follows:

Monthly Bill Component	Based on FY 2002 Proposed Rates	Based on FY 2003 Proposed Rates
Base Fee Portion	\$18.00	\$20.20
Volume Charge (*)	<u>11.65</u>	<u>13.10</u>
Subtotal	29.65	33.30
Adjust for Service Risk (x2.0)	59.30	66.60
Rounded Rate	<u>\$60.00</u>	<u>\$65.00</u>

(\*) Based on 5,000 gallons of Monthly Service.

As can be seen above, as was the case with the water system deposit, it is recommended that the wastewater system deposit remain at its current level (\$60.00 per unit or ERC) during Fiscal Year 2002 and increase to \$65.00 per unit or ERC effective with the proposed Fiscal Year 2003 rate adjustments.

Based on the above analysis, the recommended deposit for residential water and wastewater service for new customers requesting service would remain at \$100 in Fiscal Year 2002 (\$40.00 water and \$60.00 sewer deposit) and increase to be \$110 in Fiscal Year 2003 (\$45 water deposit plus \$65 sewer deposit).

The general service deposits are based on the relationship of meter service sizes to the single-family residential equivalent while the multi-family class is established based on the ERC relationships to the single-family class. Since the existing fees do not recognize deposit differentials for higher levels of service and customer class relationships, it is recommended that the existing deposit structure be maintained. For purposes of this study, it is recommended that water and wastewater system customer deposits be maintained at the existing fee levels currently in effect for Fiscal Year 2002. Based on the deposit parameters and the proposed utility service rates to be in effect during Fiscal Year 2003, the deposits for BSU are recommended to be as follows:

FY 2003 Water and Wastewater System (Minimum Deposits)		
Meter Size (Inches)	Water	Wastewater
Residential Service: per Unit or ERC	\$45.00	\$65.00
Commercial and Non-Residential Service:		
3/4-inch	\$45.00	\$65.00
1-inch	112.50	162.50
1-1/2-inch	225.00	325.00
2-inch	360.00	520.00
3-inch	720.00	1,040.00
4-inch	1,125.00	1,625.00
6-inch	2,250.00	3,250.00
8-inch	3,600.00	5,200.00

It is recommended that BSU adopt the proposed deposit revisions that are based on the size of the service and are derived through the estimation of two (2) months equivalent billing for each customer class concurrent with implementation of the proposed rates to become effective during Fiscal Year 2003.

## 6.7 Turn-On and Turn-Off Charges

A common service provided by all utilities is a request for the turn-on and turn-off of utility services. The customer -requested service can occur for a variety of reasons, including:

- initiation of service for a new customer;
- turn-on/off due to customer request due to seasonal occupancy of residence;
- delinquency in the payment of a utility bill; and
- premises visit or special trip by a utility employee.

Based on discussions with BSU and the requirements to perform such service, the estimated cost per individual trip to the account location (for a turn-on, turn-off, and special trip) was determined as follows:

	Normal Reconnect/ Disconnect Charge	For Non Payment	Violation Reconnection Charge	
			Normal	After Hours
<b>Transmission and Distribution</b>				
Personnel Costs				
Labor	\$7.96	\$8.63	\$7.96	\$10.31
Benefits	3.70	4.01	3.70	4.08
Departmental Overhead	<u>5.60</u>	<u>6.07</u>	<u>5.60</u>	<u>6.21</u>
Subtotal	17.26	18.71	17.26	20.60
Vehicle Costs	<u>7.50</u>	<u>11.25</u>	<u>7.50</u>	<u>9.50</u>
Total Transmission and Distribution	24.76	29.96	24.76	30.10
<b>Customer Service</b>				
Personnel Costs				
Labor	3.44	3.44	6.87	10.31
Benefits	<u>0.44</u>	<u>0.44</u>	<u>0.89</u>	<u>1.33</u>
Total Personnel Costs	3.88	3.88	7.76	11.64
Departmental Overhead	<u>2.72</u>	<u>2.72</u>	<u>5.44</u>	<u>6.16</u>
Total Customer Service	6.60	6.60	13.20	17.79
Utilities Management Allocation	<u>1.36</u>	<u>1.36</u>	<u>2.72</u>	<u>2.08</u>
Total Cost	\$32.72	\$37.92	\$40.68	\$49.97
Rounded Rate	<u>\$30.00</u>	<u>\$40.00</u>	<u>\$40.00</u>	<u>\$50.00</u>

In many instances, BSU sends field personnel on special trips to a customer's premise to perform removal of service or reconnection of such service at a customer's request. The current practice of BSU is to charge \$25.00 per trip. Based on the cost of service, it is recommended that the trip charge be increased to \$30.00 per occurrence. With respect to the charge violation reconnection charge during normal working hours based on an estimate of costs as identified above, it is recommended that this fee increase from \$30.00 to \$40.00.



For instances when a customer is turned-off due to non-payment, it is recommended that a higher charge be levied by BSU. BSU currently incurs higher customer service expenses under this situation due to customer identification and accounting of non-paying customers and additional administration due to handling such requests. In this situation, it is recommended that the trip charge or combined charge for a turn-off and turn-on due to non-payment be \$40.00 per occurrence.

In certain circumstances, BSU must send field personnel after normal working hours in order to meet the customer demands or needs for reconnection service. Generally, this request is made by a customer that requests the initiation or turn-on of a service earlier than what can be performed during normal hours and workload allowances. As a result of this service request, BSU incurs higher costs, due primarily to increased labor costs due to higher pay rates and guaranteed hour requirements. For these services and after a review of the costs associated with performing such activities, the rates charged during periods of time other than normal working hours for reconnection services are recommended to be \$50.00 per occurrence.

## **6.8 Plan Review/Inspection Fees**

As part of the development process of BSU's service area, all engineering documents for the construction of water, sanitary sewer and/or effluent reuse systems in BSU's franchised service area shall be submitted for review. As part of the review and construction process, the Engineering Section of BSU incurs the following minimum activities:

1. Pre-design meeting prior to document submittal;
2. Approval of submitted plans;
3. Attendance of Board of Directors meeting for Board Approval;
4. Pre-construction conference and field investigation of existing facilities;
5. Field testing and final inspection of facilities, (including T.V. and Video tape of lines as required);
6. Preparation of Resolution of Acceptance, Land Transfer Forms, and Board acceptance summary documentation (Blue sheet); and
7. Attendance of Board of Directors meeting for acceptance of facilities.

The current review fee charged by BSU is \$250.00 plus \$0.03 per linear foot for lines larger than a 3-inch diameter while the current inspection fee is \$250.00 plus \$0.05 per linear foot for lines larger than a 3-inch diameter.

Based on discussion with BSU, the review of the engineering documents and the field inspection of the facilities is labor intensive and also varies with the size of the construction project. For example, the cost to review and inspect a commercial connection to the System is generally higher than the requirements associated with a single-family dwelling. Therefore, in order to recognize these cost differentials, it is recommended that a fee structure with a minimum cost and a variable component based on the size of the facilities be utilized by BSU. This is consistent with the rate application currently being used by BSU as well as that used by other public utilities within the State of Florida.

Based on discussions with BSU, in order to more accurately recover the costs incurred by BSU to perform such services, a new method of fee application has been recommended. For application purposes, it is recommended that the current plan review and separate inspection fee be combined into a single fee. This method of application is typical in the industry and will provide administrative ease for BSU in the review/inspection process. Based on an analysis of typical costs incurred by BSU in the plan review/inspection process, it has been determined that the fee be based on 1.0% of the construction cost of the plan under review with a minimum charge of \$500.00. The percent to construction cost approach is typical in the industry as it attempts to mirror the scale of review required based on the size of the project. The minimum bill attempts to recover the average cost incurred by BSU to perform this service. This average cost determination is summarized below:

Transmission and Distribution	<u>Amount</u>
Personnel Costs	
Labor	\$331.33
Employee Benefits	<u>115.29</u>
Subtotal	446.62
Departmental Overhead	30.02
Vehicle Costs	<u>20.00</u>
 Total Cost	 \$496.64
Rounded Rate	<u>\$500.00</u>

## 6.9 Reclaimed Water Service Rate

One of BSU's primary method of effluent disposal for wastewater treatment facilities is the use of spray irrigation in the utility service area. BSU and its sole effluent reuse customer have entered into an Agreement for the delivery and of reclaimed effluent reuse water (the "Effluent Reuse Agreement") for such service. The Effluent Reuse Agreement provides for the terms and conditions of service, including the rates to be charged for such service.

Per the Effluent Reuse Agreement, BSU currently allows Bonita Bay Properties to accept the first 3.0 mgd of effluent generated by the wastewater system for use as a source of irrigation water throughout its developments and golf courses. Based on a review of recent historical flow data provided by BSU, this obligation accounts for approximately 82% of the available treated effluent generated by the Utility during the most recent fiscal period. Pursuant to the Effluent Reuse Agreement, the rates can be adjusted based on a review of the rates currently charged by all golf courses in Lee and Collier Counties. A review of these parameters was not part of the scope of the study. BSU may wish to review the ability to adjust these rates based on the parameters outlined in the Effluent Reuse Agreement.

Based on discussions with BSU staff, PRMG was tasked with designing a reclaimed water rate for future application purposes. The purpose of the review was to design an equitable rate to recover those costs incurred by BSU associated with the provision of such service. Based on an analysis of the costs associated with operating and maintaining these facilities that are allocable

to the reuse system, a rate for reclaimed water service was developed. The rate is \$0.40 per 1,000 gallons and was developed as follows:

	FY 2002 Total Allocable System Costs
Variable Operating and Maintenance Costs	\$840,000
(Less) Non-Allowable Operating Costs	<u>(302,300)</u>
Total Allocable System Costs	537,700
Total Estimated Wastewater Treated (000s)	1,354,880
Rate	\$0.3969
Rounded	<u>\$0.40</u>

### 6.10 Capacity Reservation Fee

In addition to the charging of fees for plant capacity, BSU also charges a fee to customers who have paid such fees but not yet physically connected a reserved capacity charge. This charge allows for the recovery of certain fixed operating costs incurred by BSU in order to reserve capacity for future use. Based on the classified costs as discussed in Section 4 – Rate Design, and recognition of the net operating cost of capacity reflected in rates (e.g. – water treatment) for which ANC fees are paid (e.g. – reserved), the proposed rates for the reservation of capacity per ERC to be concurrent with the adoption of the series of two (2) rate adjustments as identified in Section 4 are as follows:

	Rate per ERC [1]	
	FY 2002	FY 2003
Water	\$5.50	\$5.90
Wastewater	18.00	20.20

[1] Rates to become effective concurrent with implementation of water and wastewater rates proposed for FY 2002 and FY 2003 as outlined in this report.

### 6.11 Construction Meter Deposit and Monthly Charges

BSU currently charges fees for customers who utilize potable water accessible through construction/hydrant meters. These customers, primarily building contractors, request BSU to supply them with the 2-inch meter needed to gain access to and measure the usage of the hydrant water. To deter misuse or inadvertent loss of the meter during construction use, it has been determined that the deposit amount be reviewed to ensure adequate cost recovery by BSU in the event the meter is lost or damaged. In addition, it is also recommended BSU modify its rates associated with i) performing the initial meter connect and subsequent disconnect; and ii) water consumption on a per thousand gallon basis actually utilized by the developer who access the potable water system. Based on an analysis of costs associated with i) meters loaned to those entities requesting water service; ii) labor and materials to physically connect/disconnect the customer to the BSU water system; and iii) discussions with BSU staff, the following charges were determined:

	<u>Amount</u>
Meter Deposit	\$1,000.00
Connect/Disconnect Charge	30.00
Consumption Charge per 1,000 Gallons	3.50

### 6.12 Fireflow Test

BSU currently charges a fee to perform periodic fireflow tests on both new and existing customers to ensure proper connection and sufficient water pressure being made available in case of a fire event. In these instances, BSU must send staff to the locations requiring the tests to perform necessary inspections and other required review procedures. The costs for providing these services include primarily utility personnel, vehicle cost and administrative support services. Based on information provided by BSU and an analysis of the costs associated with performing this particular service, it was determined that the fireflow test fee, for both an initial test and subsequent retest at the same location should be \$45.00 (currently \$40.00 for initial test and \$25.00 for retest).

### 6.13 Usage Report Fee

Another specific request made by customers is the generation of water consumption reports for the customer's use. Based on discussions with BSU staff, requests are made on a regular basis for customers to obtain usage histories from the Utility's customer database. Based on information provided by BSU staff, costs primarily associated with customer service, IT personnel involvement, and administrative overhead costs are involved in performing these specific duties. Based on a review of BSU's activities involved in performing a usage report history search and generation of report for the customer's ultimate use, it is recommended the fee be increased from the current level of \$25.00 minimum or \$0.15 per meter to \$50.00 minimum or \$0.25 per meter.

### 6.14 Water Tank Truck Filling Charge

The Utility is visited by water tank trucks which range in size from being able to hold anywhere from several hundred to several thousand gallons of water. These trucks regularly fill up their tanks with potable water and do not pay a set fee for the water they receive. Based on discussions with BSU staff, the rate is recommended to be established at \$3.50 per thousand gallons of water purchased. This is equivalent to the current rate for water as purchased by developers in construction use.

Table 6-1

Bonita Springs Utilities, Inc.  
Water System

Development of the Cost of Meter Installation (Drop-in) Service

Line No.	Description	Standard Service			
		3/4	1	1 1/2	2
	Transmission and Distribution:				
1	Personal Costs				
2	Labor	\$31.84	\$31.84	\$47.76	\$47.76
3	Benefits	14.81	14.81	22.22	22.22
4	Subtotal	<u>46.65</u>	<u>46.65</u>	<u>69.98</u>	<u>69.98</u>
5	Departmental Overhead	22.40	22.40	33.60	33.60
6	Total Personal Costs	<u>69.05</u>	<u>69.05</u>	<u>103.58</u>	<u>103.58</u>
7	Materials				
8	Meter	118.11	241.35	426.21	636.74
9	Other	0.00	0.00	0.00	0.00
10	Subtotal	<u>118.11</u>	<u>241.35</u>	<u>426.21</u>	<u>636.74</u>
11	Equipment Cost	90.00	90.00	135.00	135.00
12	Total Transmissiion and Distribution	<u>277.16</u>	<u>400.40</u>	<u>664.78</u>	<u>875.32</u>
	Customer Service:				
13	Personal Costs				
14	Labor	3.44	3.44	3.44	3.44
15	Benefits	0.44	0.44	0.44	0.44
16	Subtotal	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>	<u>3.88</u>
17	Departmental Overhead	2.72	2.72	2.72	2.72
18	Total Customer Service	<u>6.60</u>	<u>6.60</u>	<u>6.60</u>	<u>6.60</u>
19	Utilities Managment Allocation	10.40	10.40	15.21	15.21
20	Subtotal	<u>294.16</u>	<u>417.40</u>	<u>686.59</u>	<u>897.12</u>
21	Contingency Allowance	0.00	0.00	0.00	0.00
22	Total Meter Installation Cost:	<u>294.16</u>	<u>417.40</u>	<u>686.59</u>	<u>897.12</u>
21	Rounded Rate	<u>\$295.00</u>	<u>\$420.00</u>	<u>\$690.00</u>	<u>\$900.00</u>
22	Existing Rate	<u>\$250.00</u>	<u>\$400.00</u>	<u>\$685.00</u>	<u>\$800.00</u>

Table 6-2

Bonita Springs Utilities, Inc.  
Water System

Development of the Cost of Backflow Preventor Installation Service

Line No.	Description	Standard Service			
		5/8	1	1 1/2	2
Transmission and Distribution:					
1	Personal Costs				
2	Labor	\$23.88	\$23.88	\$39.80	\$39.80
3	Benefits	11.11	11.11	18.52	18.52
4	Subtotal	34.99	34.99	58.31	58.31
5	Departmental Overhead	16.80	16.80	28.00	28.00
6	Total Personal Costs	51.79	51.79	86.32	86.32
7	Materials				
8	Meter	102.70	159.19	292.70	359.45
9	Other	0.00	0.00	0.00	0.00
10	Subtotal	102.70	159.19	292.70	359.45
11	Equipment Cost	22.50	22.50	37.50	37.50
12	Total Transmission and Distribution	176.99	233.47	416.51	483.27
Customer Service:					
13	Personal Costs				
14	Labor	3.44	3.44	3.44	3.44
15	Benefits	0.44	0.44	0.44	0.44
16	Subtotal	3.88	3.88	3.88	3.88
17	Departmental Overhead	2.72	2.72	2.72	2.72
18	Total Customer Service	6.60	6.60	6.60	6.60
19	Utilities Management Allocation	8.00	8.00	12.81	12.81
20	Subtotal	191.59	248.07	435.91	502.67
21	Contingency Allowance	0.00	0.00	0.00	0.00
22	Total Meter Installation Cost:	191.59	248.07	435.91	502.67
21	Rounded Rate	<u>\$190.00</u>	<u>\$250.00</u>	<u>\$435.00</u>	<u>\$500.00</u>
22	Existing Rate	<u>\$170.00</u>	<u>\$210.00</u>	<u>\$390.00</u>	<u>\$470.00</u>

**SECTION 7**  
**DEBT SERVICE COMPLIANCE**

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## SECTION 7

### DEBT SERVICE COMPLIANCE

#### 7.1 General

This section provides a demonstration of the ability of the combined water and wastewater systems to comply with certain bond covenants as defined in the Trust Indenture which authorized the issuance of the System's Senior Lien Parity Bonds (the "Senior Lien Bonds"). The proposed rates as discussed in Section 4 must be sufficient to meet the minimum debt coverage ratios, support the additional bonds test requirements associated with the issuance of senior lien parity bonds, and satisfy the flow of funds dictated for the System in order to maintain financial sufficiency.

#### 7.2 Debt Service Coverage and Covenants

A major consideration in evaluation of BSU's utility rates is the ability of the proposed fees and charges to meet the rate covenants as contained in the Trust Indenture which authorized the issuance of the outstanding Senior Lien Bonds. Generally, these covenants are in the form of: i) certain debt service coverage ratios which must be satisfied; ii) application of funds; and iii) providing no free service.

BSU currently has outstanding approximately \$60,635,000 in the principal amount of senior lien revenue bonds for the System as summarized below:

<u>Issue Description</u>	<u>Principal Amount Outstanding [*]</u>
Series 1996 Bonds	\$32,520,000
Series 2000 Bonds	13,200,000
Series 2001 Bonds	<u>18,975,000</u>
Total	<u>\$60,635,000</u>

[\*] Outstanding as of May 1, 2002.

The above-referenced series of utility revenue bonds have been issued on a parity basis with the Net Revenues of the combined water and wastewater system (collectively, the "System") being pledged towards the payment of such bonds.

Pursuant to the provisions of the Trust Indenture, BSU has covenanted that it will apply for such rates and collect such fees, rates or other charges for the product, services and facilities of its System, and revise the same from time to time, whenever necessary, as will always provide in each Fiscal Year:

...“(1)(A) Net Revenues and ANC Fees, adequate at all times to pay at least one hundred ten percent (110%) of the Maximum Annual Debt Service Requirement for such Fiscal Year on all Outstanding Parity Debt, or (B) Net Revenues adequate at all times to pay at least one hundred ten percent (110%) of the Debt Service Requirement for such Fiscal Year on all Outstanding Parity Debt . . .”



As summarized on Table 7-1, the anticipated revenue for the water and wastewater system, assuming that BSU adopts the proposed water and wastewater rates for the Fiscal Year 2002, including the recommended subsequent rate adjustments, should be adequate for the forecast period presented in this study to meet the rate covenant requirements defined in BSU's Trust Indenture. The projected Debt Service Coverage requirements for the Senior Lien Bonds.

Fiscal Year	Net Revenues and ANC Fees		Net Revenues	
	Estimated Coverage	Required Coverage	Estimated Coverage	Required Coverage
2002	1.70	1.10	1.37	1.10
2003	1.77	1.10	1.17	1.10
2004	1.96	1.10	1.41	1.10
2005	1.78	1.10	1.31	1.10
2006	1.81	1.10	1.25	1.10

As can be seen above, it is anticipated that BSU will meet the 1.10 debt service coverage requirements on both tests during the forecast period for the Senior Lien Bonds allocable to the water and wastewater system. Additionally, no increased revenues which could accrue to the System as a result of any increased customer services fees (recommended in Section 6 of this report) have been recognized due to the uncertainty of the increase or the amount of additional revenues which would be produced. If such increased revenues, if any were reflected, it is anticipated that the debt service coverage ratio would be higher than shown above.

### 7.3 Other Covenants

In addition to the rate covenant as it relates to the Net Revenues and ANC fees of the water and wastewater system meeting a defined coverage ratio, BSU has other covenants with which it must comply. The following is a list of the major covenants in the Trust Indenture which has been considered in this study:

Covenant	Comments
Rate Covenant	BSU has consistently established rates and charges designed so as to always provide a debt service coverage ratio of 110% of the maximum and annual debt service requirements for its Senior Lien Bonds allocable to the water and wastewater system.
No Free Service	BSU has implemented rates and charges designed to charge customers for all water and wastewater service. All customers which receive service from the water and wastewater system are charged for such service.
Establishment of Funds	BSU has established various funds and accounts as required by the Trust Indenture. These include a Revenue Fund, a Sinking Fund, a Renewal and Replacement Fund, and a Reserve Account.
Records and Audits	BSU has retained a recognized public accounting firm to conduct an annual audit as required during the year.
Enforcement of Collections	BSU has a number of written policies and procedures in place which are designed to compel the prompt payment of rates for services rendered, including service termination and delinquent payment procedures.

Covenant	Comments
Operation and Maintenance	BSU has identified a number of capital projects and improvements aimed at renewals, replacements, and upgrades of the water and wastewater system in order to continue to maintain the water and wastewater system in good condition as well as promote efficiency.

**Table 7-1**  
**Bonita Springs Utilities, Inc.**  
**2002 Water and Wastewater Rate and Revenue Sufficiency Study**

**Projected Debt Service Coverage Analysis**

Line No.	Description	Fiscal Year Ending December 31,				
		2002	2003	2004	2005	2006
<b>Gross Operating Revenue:</b>						
1	Gross Sales Revenue - Water	\$7,124,412	\$7,618,228	\$8,092,187	\$8,532,362	\$8,965,918
2	Prior Year Rate Adjustments - Water	249,291	818,536	1,496,818	2,285,843	2,786,343
3	Gross Sales Revenue - Wastewater	7,152,094	7,762,947	8,369,759	8,847,933	9,240,366
4	Prior Year Rate Adjustments - Wastewater	438,237	1,485,075	2,822,526	4,433,096	5,430,227
5	Unrestricted Interest Earned [1]	270,206	171,310	180,693	232,161	244,304
6	Other Income [2]	2,995,976	2,877,354	3,105,945	3,008,997	2,916,304
7	<b>Total Gross Operating Revenue</b>	<b>18,230,215</b>	<b>20,733,449</b>	<b>24,067,929</b>	<b>27,340,391</b>	<b>29,583,462</b>
<b>Operating Expenses:</b>						
8	Management	783,457	818,814	866,370	912,175	971,431
9	Engineering	894,390	937,306	982,733	1,030,833	1,081,782
10	Member Services	662,590	708,267	819,776	874,494	932,283
11	Fiscal Services	630,265	696,619	769,927	805,931	892,067
12	Super - Operations	166,730	175,827	185,495	195,772	206,700
13	Water Plant	1,385,780	1,683,307	1,914,954	2,041,497	2,173,179
14	Wastewater Plant	1,431,405	1,594,913	1,730,092	1,932,913	2,640,586
15	Distribution / Collections	1,286,440	1,454,077	1,677,539	1,875,775	2,043,512
16	Utility Maintenance	1,041,750	1,144,276	1,254,740	1,370,273	1,493,685
17	Indirect Expenses	1,339,283	1,573,600	1,799,016	2,025,039	2,315,719
18	<b>Total Operating Expenses</b>	<b>9,622,089</b>	<b>10,787,004</b>	<b>12,000,642</b>	<b>13,064,703</b>	<b>14,750,945</b>
19	<b>Net Revenue Available for Debt Service Coverage</b>	<b>8,608,126</b>	<b>9,946,445</b>	<b>12,067,287</b>	<b>14,275,688</b>	<b>14,832,517</b>
20	<b>Percent of Total Revenue / Operating Margin</b>	<b>47%</b>	<b>48%</b>	<b>50%</b>	<b>52%</b>	<b>50%</b>
<b>Debt Service Coverage - Test (1) [3]</b>						
<b>Test (A) - 110%</b>						
21	Net Revenue Available for Debt Service Coverage	8,608,126	9,946,445	12,067,287	14,275,688	14,832,517
22	Aid to New Construction (ANC) Fees	8,527,727	7,893,822	7,697,720	7,026,158	6,813,597
23		17,135,853	17,840,267	19,765,006	21,301,846	21,646,114
24	<b>Maximum Annual Debt Service Requirement [4]</b>	<b>10,104,125</b>	<b>10,104,125</b>	<b>10,104,125</b>	<b>11,982,918</b>	<b>11,982,918</b>
25	Calculated Coverage	170%	177%	196%	178%	181%
26	Required Coverage	110%	110%	110%	110%	110%
<b>OR</b>						
<b>Test (B) - 110%</b>						
27	Net Revenue Available for Debt Service Coverage	8,608,126	9,946,445	12,067,287	14,275,688	14,832,517
28	Annual Debt Service Requirement	6,268,236	8,495,264	8,545,494	10,872,968	11,895,517
29	Calculated Coverage	137%	117%	141%	131%	125%
30	Required Coverage	110%	110%	110%	110%	110%

[1] Projected interest on monies held in the Working Capital, Debt Service Sinking, Debt Service Reserve, Capital Account - Series 2002 Bonds, and Capital Account - Series 2005 funds. Interest rates were estimated based on an analysis of current and historical yields on investments with the Florida State Board of Administration.

[2] Includes surcharges, reconnection fees, transfer fees, plan review fees, capacity reservation fees, connection fees, construction fees, backflow preventor charges, inspection fees, collection charges, effluent reuse, and all other miscellaneous revenue.

[3] The Debt Service Coverage tests are defined in the Bond Offering Statements.

[4] Defined in the Bond Resolutions as "the greatest amount of principal, interest, and any mandatory sinking fund payments coming due in any current or future Bond Year..."