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April 2, 2015

Mr. Scott Schlossman Gainesville Regional Utilities PO Box 147051 Station A110 Gainesville, FL 32614-7051

Dear Mr. Schlossman:

Enclosed is the draft water rate study prepared for Gainesville Regional Utilities (GRU) for the test year ending September 30, 2016.

Based on this study, revenue from water rates should increase by \$1,349,616 to meet utility costs for fiscal year 2016. The potential increase is 4.5% of revenue at present rates. Baker Tilly calculated the revenue required using the utility basis with a 4.77% return on utility net investment rate base.

As detailed on page 11, the 4.77% rate of return corresponds to a 5.80% return on equity. In recent decisions, the Florida Public Service Commission authorized returns on equity of 10.5% for investor owned utilities. An equivalent return on equity for Gainesville Regional Utilities is 6.5% GRU's water utility needs the higher return on equity to maintain adequate cash flow and meet debt service obligations.

In addition to the overall rate change, rates need to be adjusted for each customer class to match revenue to the cost of service. Page 24 details proposed rates, and page 30 illustrates rate impacts for a sample of customers.

Please call me at 608 240 2361 or email russ.hissom@bakertilly.com to discuss anything contained in the study. Thank you for the opportunity to work with you on this project. We appreciate the effort GRU staff put into making information available for this study.

Sincerely,

BAKER TILLY VIRCHOW KRAUSE, LLP

Russell A. Hissom, CPA, Partner

Enclosures

Forecasted Water Revenue Requirement, Cost of Service, and Rate Design

> Prepared as of April 2, 2015



GAINESVILLE REGIONAL UTILITIES RATE STUDY

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GAINESVILLE REGIONAL UTILITIES RATE STUDY

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ACCOUNTANTS' COMPILATION REPORT

Gainesville Regional Utilities Gainesville. Florida

We have compiled the accompanying forecasted schedules as identified in the table of contents of the Gainesville Regional Utilities for the years ending September 30, 2015 and 2016, in accordance with applicable guidelines for a compilation of a financial forecast established by the American Institute of Certified Public Accountants.

The accompanying schedules present, to the best of management's knowledge and belief, the results of water operations of the Gainesville Regional Utilities for the forecast period. This report was prepared to help GRU establish water rates and should not be used for any other purposes. It is not intended to be a forecast of financial position, changes in net assets, or cash flows in accordance with generally accepted accounting principles.

As disclosed in the Summary of Significant Accounting Policies, in some instances, these forecasted schedules include departures from generally accepted accounting principles. The effect of those departures has not been determined.

A compilation is limited to presenting, in the form of a forecast, information that is the representation of management and does not include evaluation of the support for the assumptions underlying the forecast. We have not examined the forecast and, accordingly, do not express an opinion or any other form of assurance on the accompanying statements or assumptions. Furthermore, there will usually be differences between the forecast and actual results since some assumptions inevitably will not materialize and unanticipated events and circumstances may occur, and the variations may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

The summarized historical financial information presented with the forecast for comparative purposes was taken from the audited financial statements for the years ended September 30, 2012 through September 30, 2014.

This report is intended solely for the information and use of Gainesville Regional Utility management and is not intended to be, and should not be, used by anyone other than the specified parties.

Madison, Wisconsin April 2, 2015

GAINESVILLE REGIONAL UTILITIES RATE STUDY

EXECUTIVE SUMMARY

INTRODUCTION

The Gainesville Regional Utilities retained Baker Tilly Virchow Krause, LLP (Baker Tilly) to forecast the revenue requirement for fiscal year 2016, analyze cost of service, and design water rates.

Baker Tilly used the utility basis to develop the revenue requirement and used the base - extra capacity approach to analyze the cost of service. The major steps in this analysis are summarized below.

REVENUE REQUIREMENT

Baker Tilly forecasted costs, sales, and revenues for fiscal year 2016. Baker Tilly based the forecast on GRU's budget for fiscal year 2016 and historical trends.

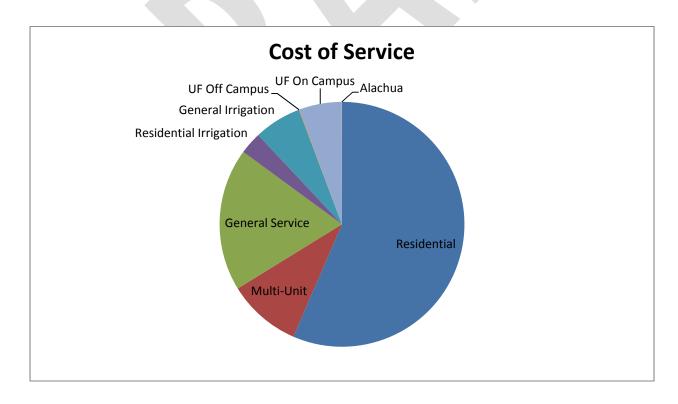
	Forecasted Revenue Requirement			
Revenue from Rates	\$ 29,966,068			
Expenses Operation and Maintenance Depreciation Transfer to the General Fund Transfer to Rate Stabilization Return on Rate Base Less Other Revenues	14,668,927 7,371,900 5,602,213 2,405,994 6,857,499 (5,590,849) 31,315,685			
Rate Change Required	\$ 1,349,616			

EXECUTIVE SUMMARY (cont.)

COST OF SERVICE

After identifying the revenue needed, Baker Tilly allocated responsibility for the revenue to the customer classes. This process is called a cost of service study. Descriptions of the allocators used in the cost of service study can be found in the Summary of Significant Assumptions below. The following table presents the cost of service by class and compares it to present rates.

Customer Class	 ecasted of Service	R	orecasted evenue at rrent Rates		Change Required	Percent Change from Current Rates
Residential Multi-Unit General Service	\$ 17,692,876 3,041,084 5,908,126	\$	16,441,070 2,598,540 6,615,745	\$	1,251,806 442,544 (707,618)	7.61% 17.03% (10.70%)
Residential Irrigation General Irrigation University of Florida –	917,129 1,957,980		795,690 1,719,238		121,439 238,741	15.26% 13.89%
Off Campus University of Florida –	25,315		25,315		0	0%
On Campus Alachua	 1,761,994 11,182	_	1,761,994 8,477	_	2,70 <u>5</u>	0% 31.91%
Total	\$ 31,315,685	\$	29,966,068	<u>\$</u>	1,349,617	4.50%



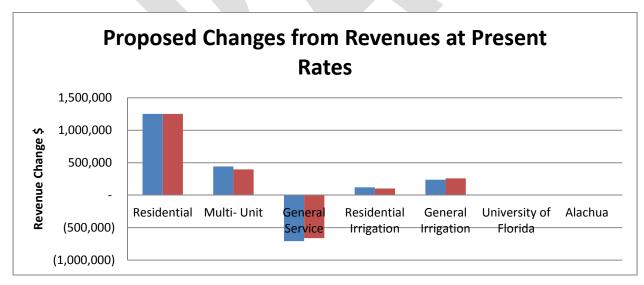
EXECUTIVE SUMMARY (cont.)

RATE DESIGN

The results of the revenue requirement and cost of service indicates that Gainesville should increase rates overall to meet utility costs. Gainesville can also share costs equitably between classes by adjusting rates for specific classes.

We designed rates to match the revenue recovered from each class to the cost of service. The results are summarized below.

Customer Class	C	Cost of Service Change	Pr	oposed Change	Percent Change from Current Rates
Residential Multi-Unit General Service Residential Irrigation General Irrigation University of Florida – Off Campus	\$	1,251,807 442,543 (707,618) 121,439 238,741	\$	1,250,126 397,609 (660,442) 102,246 258,926	7.6% 15.3% (9.98%) 12.85% 15.06%
University of Florida – On Campus Alachua		2,705			<u>-</u>
Overall Change	\$	1,349,616	\$	1,348,465	4.50%



RECOMMENDATIONS

ADJUST RATES

Currently some rate classes are paying less than their share of Gainesville's costs and others are paying more. A realignment of water rates to match cost of service would make rates more equitable.

IMPLEMENT METER SPECIFIC CUSTOMER CHARGES

Gainesville's existing rate structure has one customer charge that applies to all customers. Uniform customer charges are appropriate when customers in different classes are similar, such as single family and multi-unit residential. However, when customers have different meter sizes, customers with smaller meters are paying a disproportionate share of system demand charges and larger meter customers are being subsidized.



SUMMARY OF SIGNIFICANT ASSUMPTIONS

INTRODUCTION

This section discusses the procedures and assumptions used to prepare this water rate study report for Gainesville.

FORECASTED OPERATIONS AND MAINTENANCE EXPENSES

Forecasted expenses were based on Gainesville's water budget for fiscal year 2016 and past trends.

Operations and maintenance expenses for fiscal year 2016 are forecasted to increase from the historical average to reflect inflation of utility costs.

FORECASTED REVENUES

Volume sales recorded in the Gainesville's billing system from October 2013 through September 2014 was multiplied by current Gainesville water rates to recalculate revenues. The recalculated revenue was compared to actual revenues in Gainesville's financial records, and the difference was within three percent.

Baker Tilly forecasted volume sales and customer counts in fiscal year 2016 based on forecasts by GRU management and historical trends.

FORECASTED PLANT ADDITIONS AND RETIREMENTS

Baker Tilly forecasted additions to plant in service for fiscal years 2015 and 2016 based on the revised six year capital budget prepared by GRU management. To forecast retirements, Baker Tilly averaged 2011 through 2014 retirements.

SUMMARY OF SIGNIFICANT ASSUMPTIONS (cont.)

COST FUNCTIONS

Expenses are allocated to the customer classes based on the base-extra capacity allocation model as laid out in *Manual M1: Principles of Water Rates, Fees, and Charges* published by the American Water Works Association. The following table describes the cost functions used in the model and how those functions are allocated to customer classes. Allocator values for each cost function are shown in bold on pages 21 and 22.

Base costs depend on the volume supplied and are independent of the time

at which the water is supplied. Power for pumping and chemicals for treatment are base costs. Base is allocated on total annual sales to each

customer class.

Max Day Extra

Capacity

Max day extra capacity costs are incurred to meet the maximum day demand in excess of average day demand. Mains and pumps are max day costs. Max day is allocated to customer classes by estimated consumption

on the maximum day of the year.

Max Hour Extra Capacity

Max hour extra capacity costs are incurred to meet the maximum hour demand in excess of average hour demand. Elevated storage is a max hour cost because it supports peak demand and fire flow. Max day is allocated to customer classes by estimated consumption during the maximum hour of

the year.

Equivalent Meter

Equivalent meter costs are customer-related costs that depend on the size of the customer. Meters and services are equivalent meter costs. Equivalent meter is allocated to customer classes based on the weighted number of meters.

Billing & Collection

Billing and collection costs are customer-related costs that are independent of customer size. Customer accounting is a billing and collection cost. Billing and collection is allocated to customer classes based on the number of meters in each class.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The statements below are required by the American Institute of Certified Public Accountants for the preparation of a financial forecast in this report.

NATURE OF FORECAST

The financial forecast presents, to the best of the Gainesville management's knowledge and belief, the expected results of water utility operations for the forecast period. Accordingly, the forecast reflects its judgment as of March 2, 2015, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material.

REVENUE RECOGNITION

Water revenues are recorded for service rendered based on meter readings, with billings made to customers monthly.

EXPENSES

Historical operation and maintenance expenses and the forecasted fiscal year 2016 expenses are reported on an accrual basis.

PLANT

Additions to and replacement of utility plant are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of property replaced, retired, or otherwise disposed of is deducted from plant accounts.

DEPRECIATION

Depreciation is computed using straight-line rates applied to the average plant investment balances



REVENUE REQUIREMENT FORECAST

Gainesville Regional Utilities Water Rate Study Report

Forecasted Revenue Requirement Summary

	 Forecasted 2016
Revenue	
Revenue from Rates	\$ 29,966,068
Other Revenue - Connection Charges	896,835
Other Revenue - Surcharges	2,287,128
Other Revenue - Interest Income	165,317
Other Revenue - BABs Subsidy	894,598
Other Revenue - Service Charges	1,282,995
Other Revenue - Rate Stabilization	(2,405,994)
Other Revenue - Shands/Innovation Square	63,975
Total Revenue	33,150,923
Expenses	
Operations and Maintenance	14,668,927
Depreciation	7,371,900
Transfer to the General Fund	5,602,213
Net Income	\$ 5,507,883
Net Investment Rate Base	
Plant in Service	\$ 246,993,059
Materials and Supplies	787,152
Accumulated Depreciation	(103,995,001)
Total Rate Base	143,785,209
Forecasted Return on Rate Base (Net Income above)	5,507,883
Target Return on Rate Base	 6,857,499
Rate Increase Required	\$ 1,349,616

Gainesville Regional Utilities Water Rate Study Report Cash Flow Forecast

	Forecasted 2016 at	Forecasted 2016
	Present Rates	with Rate Change
Sources of Cash		
Revenue from Rates	29,966,068	31,314,636
Other Revenue - Connection Charges	896,835	896,835
Other Revenue - Surcharges	2,287,128	2,287,128
Other Revenue - Interest Income	165,317	165,317
Other Revenue - BABs Subsidy	894,598	894,598
Other Revenue - Service Charges	1,282,995	1,282,995
Other Revenue - Rate Stabilization	(2,405,994)	(2,405,994)
Other Revenue - Shands/Innovation Square	63,975	63,975
Total Sources of Cash	33,150,923	34,499,490
Uses of Cash Operations and Maintenance	14,668,927	14,668,927
Debt Service	6,629,883	6,629,883
Utility Plant Improvement Fund	7,599,516	7,599,516
Transfer to the General Fund Total Uses of Cash	5,602,213 34,500,539	5,602,213 34,500,539
	, ,	, ,
Net Cash Flow	\$ (1,349,616)	\$ (1,049)
Rate increase		<u>4.07%</u>

Gainesville Regional Utilities

Water Rate Study Report

Rate of Return and Capital Structure

	Forecasted 2016 Cash Basis Capital Costs	Forecasted 2016 Utility Basis Capital Costs		
Debt Service	\$ 6,629,883	-		
Utility Plant Improvement Fund Depreciation	7,599,516	7,371,900		
	14,229,399	7,371,900		
Required Return on Rate Base		6,857,499		
Total Capital Costs	14,229,399	14,229,399		
Rate Base		143,785,209		
Rate of Return Required for Return of \$6,857	7,499	4.77%		

		Percent of Capital					
	 Amount	Structure	Return	Return			
Long-term debt	\$ 128,861,357	62.71%	4.15%	2.60%			
Equity	 76,640,303	<u>37.29%</u>	5.81%	<u>2.17%</u>			
Total	\$ 205,501,660	100.00%		4.77%			

Gainesville Regional Utilities Water Rate Study Report Forecasted Operations and Maintenance Expenses

	Actual 2013	Actual 2014	Budgeted 2015	Forecasted 2016
Source of Supply Expenses				
Operations and Labor	\$ -	\$ -	\$ -	\$ -
Purchased Power	1,909,672	2,069,900	2,559,981	2,559,981
Materials Exp	127,785	168,743	133,000	134,600
Contract Serv	-	-	-	64,652
Misc	19,944	24,753	26,000	26,000
Total Supply Expenses	2,057,400	2,263,397	2,718,981	2,785,233
Water Treatment Expenses				
Operations and Labor	1,492,190	1,401,289	1,627,608	1,622,547
Chemicals	1,427,339	1,468,166	1,615,000	1,663,700
Materials	176,419	161,379	216,049	218,052
Contract Serv	69,551	70,049	65,000	65,000
Rent Expense	37,085	102,192	40,000	40,000
Purchased Power	-	-	-	-
Misc expense	(41,742)	(32,928)	2,300	2,300
Regulatory Exp	-	-	120	100
Total Treatment Expenses	3,160,841	3,170,147	3,566,077	3,611,699
Transmission and Distribution Exp	penses			
Operations and Labor	1,615,832	1,848,544	1,982,482	2,023,831
Maint and Labor	-	-	-	-
Materials	194,152	349,684	220,600	220,400
Contract Services - Mtc	, <u>-</u>	-	, -	, -
Contract Services - Op	11,306	8,807	-	-
Rent Expense	15,761	14,206	-	-
Insurance	40	224	535	535
Misc Expense - Mtc	374,460	404,644	275,000	283,250
Misc Expense - Op	, <u>-</u>	-	, <u>-</u>	, -
Total Transmission and				
Distribution Expenses	2,211,550	2,626,109	2,478,617	2,528,016
A Laterature - E				
Administrative Expenses				
Customer Accounts	1,325,830	1,403,169	1,323,090	1,357,568
Sales Expense	73,436	45,022	115,758	122,946
Other A&G	4,386,828	3,907,123	4,346,809	4,263,465
Total Administrative				
Expenses	5,786,095	5,355,314	5,785,657	5,743,979
Total Operations and				
Maintenance	<u>\$ 13,215,886</u>	<u>\$ 13,414,967</u>	<u>\$ 14,549,332</u>	<u>\$ 14,668,927</u>

Gainesville Regional Utilities Water Rate Study Report

Revenue Forecast for 2016 at Present Rates

	Resid	lential	Multi-Unit F	Residential	Non-Re	sidential	Residentia	I Irrigation	Non-Resider	ntial Irrigation	University	of Florida	City of	Alachua	To	tal
Volume Charge Authorized Rates	Units	Revenue	Units	Revenue	Units	Revenue	Units	Revenue	Units	Revenue	Units	Revenue	Units	Revenue	Units	Revenue
Single Family Residential First 6,000 gallons \$2.35 /000 gal Next 14,000 gallons \$3.75 /000 gal Over 20,000 gallons \$6.00 /000 gal	2,798,013 559,603 139,901	6,575,330 2,098,510 839,404													2,798,013 559,603 139,901	6,575,330 2,098,510 839,404
Multi Unit Residential \$3.05 /000 gal			803,839	2,451,708											803,839	2,451,708
Non-Residential \$3.85 /000 gal					1,577,579	6,073,681									1,577,579	6,073,681
Residential Irrigation First 15,000 gallons \$3.75 /000 gal Over 15,000 gallons \$6.00 /000 gal							119,492 26,230	448,096 157,380							119,492 26,230	448,096 157,380
Non-Residential Irrigation \$4.55 /000 gal									346,943	1,578,589					346,943	1,578,589
University of Florida On-campus facilities \$2.22 /000 gal Off-campus facilities \$2.64 /000 gal											792,000 8,000	1,758,240 21,120			792,000 8,000	1,758,240 21,120
City of Alachua \$1.62 /000 gal													4,960	8,035	4,960	8,035
Volume Subtotal	3,497,516	9,513,243	803,839	2,451,708	1,577,579	6,073,681	145,722	605,476	346,943	1,578,589	800,000	1,779,360	4,960	8,035	7,176,559	22,010,092
Customer Charge	Billings	Revenue	Billings	Revenue	Billings	Revenue	Billings	Revenue	Billings	Revenue	Billings	Revenue	Billings	Revenue	Billings	Revenue
All customers 9.20 /Mnth	753,025	6,927,826	15,960	146,832	58,920	542,064	20,675	190,214	15,288	140,650	864	7,949	48	442	864,780	7,955,976
Customer Subtotal	753,025	6,927,826	15,960	146,832	58,920	542,064	20,675	190,214	15,288	140,650	864	7,949	48	442	864,780	7,955,976
Total 2016 Revenues		16,441,070	,	2,598,540		6,615,745		795,690		1,719,238		1,787,309		8,477		29,966,068

Gainesville Regional Utilities

Water Rate Study Report
Forecasted Utility Plant in Service

			FY 2015 Forecasted		Forecasted	FY 2016 F	orecasted		
Account		Actual Balance						Forecasted	Test Year
Number	Account Description	9/30/2014	Additions	Retirements	Balance 9/30/2015	Additions	Retirements	Balance 9/30/2016	Average Balance
310	Land & Land Rights	\$ 1,933,756	\$ 27,594	\$ -	\$ 1,961,350	\$ 27,940	\$ -	\$ 1,989,290	\$ 1,975,320
Source of	of Supply								
311	Generation-Structure&Impr	681,666	-	-	681,666	-	-	681,666	681,666
318	Source of Supply-Wells &	3,016,142		-	3,016,142	-	-	3,016,142	3,016,142
326	Source of Supply-Supply M	1,290,054		(6,958)	1,297,012	-	(6,958)	1,303,970	1,300,491
	Total Source of Supply Plant	4,987,862	-	(6,958)	4,994,820		(6,958)	5,001,779	4,998,299
Pumping		= 400 400			= 400 400			= 400 400	
329	Structures and Improvement	5,103,128			5,103,128	-	(== 00=)	5,103,128	5,103,128
333 334	Electric Pumping Equipment	10,402,233		(76,295)		-	(76,295)	10,554,823	10,516,676
334	Pumping Plt-Diesel Pumping	2,219,704			2,219,704			2,219,704	2,219,704
	Total Pumping Plant	17,725,064	-	(76,295)	17,801,360	-	(76,295)	17,877,655	17,839,507
Water T	reatment Plant								
337	Land & Land Rights-Ttrmnt	56.644	_		56.644	_		56.644	56.644
338	Structures and Improvemen	14,020,168		(127,647)	,-	2,276,325	(127,647)	17,730,427	16,528,441
339	Treatment Plant Equipment	11,865,538		(183,723)	12,679,321	1,883,166	(183,723)	14,378,764	13,529,042
	Total Water Treatment Plant	25,942,350				4,159,491	(311,370)	32,165,836	30,114,128
	Total Tratol Troutmont Flant	20,0 12,000	2,170,110	(011,010)	20,002,120	1,100,101	(011,010)	02,100,000	00,111,120
Transmi	ssion and Distribution Plant								
374	Land and Land Rights	892,759	-	-	892,759	-	-	892,759	892,759
375	Distr Structures&limprovs	23,691	-	-	23,691	-	-	23,691	23,691
376	Distribution Plant-Reserv	2,441,777	125,426	-	2,567,203	-	-	2,567,203	2,567,203
377	Mains	111,787,799		(132,153)		2,891,727	(132,153)	118,778,358	117,398,571
378	Fire or Force Mains	4,157,660		(85,730)		62,927	(85,730)	4,111,839	4,123,241
379	Services	14,871,693		(38,984)		1,184,410	(38,984)	17,143,636	16,570,923
380	Meters	12,396,777		(256,819)		934,130	(256,819)	13,758,119	13,419,464
381	Backflow Preventers	3,646,033		(10,330)		25,171	(10,330)	3,675,630	3,668,209
382	Hydrants	10,069,189	313,566	(21,756)	10,360,999	346,100	(21,756)	10,685,342	10,523,170
	Total Transmission and	400 007 070	0.000.070	(5.45.770)	400 707 004	E 444 400	(5.45.770)	474 000 577	400 407 004
	Distribution Plant	160,287,378	6,996,278	(545,772)	166,737,884	5,444,466	(545,772)	171,636,577	169,187,231
General	Plant								
389	Land and Land Rights	692,258	_	_	692,258	_	_	692,258	692,258
390	Structures&Improvements	13,648,843		_	13,988,579	165,645	_	14,154,224	14,071,402
391	Office Furniture & Equipm	2,073,484		-	2,125,095	25,164	-	2,150,260	2,137,678
391.1	Computers and Electronics	1,588,825	39,548	(4,672)	1,623,701	19,227	(4,672)	1,647,600	1,635,651
392	Transportation Equipment	972,937	24,218	(38,565)	958,590	11,351	(38,565)	1,008,506	983,548
394	Tools Shop &Garage Equip	157,557		(7,459)	154,020	1,824	(7,459)	148,385	151,202
395	Laboratory&Testing Equip	74,641		-	76,499	906	-	77,405	76,952
396	Power Operated Equipment	2,936,863		(124,622)	2,885,344	34,167	(124,622)	2,794,888	2,840,116
397	Communication Equipment	55,437				635	(3,218)	57,452	55,526
398	Miscellaneous Equipment	229,415		(4,499)	230,627	2,731	(4,499)	237,856	234,241
	Total General Plant	22,430,261	541,086	(183,034)	22,788,313	261,649	(183,034)	22,968,835	22,878,574
	Total Plant In Service	\$ 233,306,671	o S \$9.741.104	ca \$ _(1,123,430)	d \$umm242,346,146	A\$counting Policies	\$ (1,123,430)	\$ 251,639,971	\$ 246,993,059

Gainesville Regional Utilities Water Rate Study Report Forecasted Depreciation Expense

				2015		2015		2016		2016
Account		Depreciatio	D	epreciable	D	epreciation	D	epreciable	D	epreciation
Number	Account Description	n Rates		Balance		Expense		Balance		Expense
310	Land & Land Rights	0.00%	\$	1,947,553	\$	-	\$	1,975,320	\$	-
Source of										
311	Generation-Structure&Impr	3.67%		681,666		24,985		681,666		24,985
318	Source of Supply-Wells &	4.14%		3,016,142		124,719		3,016,142		124,719
326	Source of Supply-Supply M	1.37%		1,293,533		17,755		1,300,491		17,851
	Total Source of Supply Plant			4,991,341		167,459		4,998,299		167,555
Pumping F	Plant									
329	Structures and Improvement	2.21%		5,103,128		112,567		5,103,128		112,567
333	Electric Pumping Equipment	6.37%		10,440,380		665,217		10,516,676		670,078
334	Pumping Plt-Diesel Pumping	6.24%		2,219,704		138,536		2,219,704		138,536
	Total Pumping Plant			17,763,212		916,320		17,839,507		921,181
Water Tre	atment Plant									
337	Land & Land Rights-Ttrmnt	0.00%		56,644		_		56,644		_
338	Structures and Improvemen	2.11%		14,673,311		310,170		16,528,441		349,384
339	Treatment Plant Equipment	3.62%		12,272,429		443,903		13,529,042		489,356
	Total Water Treatment Plant			27,002,385		754,073		30,114,128		838,740
Transmiss	ion and Distribution Plant									
374	Land and Land Rights	0.00%		892,759		_		892,759		_
375	Distr Structures&limprovs	3.33%		23,691		789		23,691		789
376	Distribution Plant-Reserv	1.85%		2,504,490		46,277		2,567,203		47,435
377	Mains	2.57%	1	13,903,292		2,930,875	1	17,398,571		3,020,812
378	Fire or Force Mains	1.62%		4,146,151		67,178		4,123,241		66,806
379	Services	2.62%		15,434,951		404,849		16,570,923		434,645
380	Meters	6.31%		12,738,793		804,346		13,419,464		847,325
381	Backflow Preventers	2.64%		3,653,411		96,325		3,668,209		96,715
382	Hydrants Total Transmission and	2.28%		10,215,094		233,371		10,523,170		240,409
	Distribution Plant		1	63,512,631		4,584,010	1	69,187,231		4,754,936
	Distribution Flame			00,012,001		1,00 1,0 10		00,107,201		1,701,000
General P	lant									
389	Land and Land Rights	0.00%		692,258		-		692,258		-
390	Structures&Improvements	0.22%		13,818,711		30,586		14,071,402		31,145
391	Office Furniture & Equipm	7.07%		2,099,290		148,450		2,137,678		151,164
391.1	Computers and Electronics	9.90%		1,606,263		159,020		1,635,651		161,929
392	Transportation Equipment	9.00%		965,764		86,919		983,548		88,519
394	Tools Shop &Garage Equip	6.13%		155,789		9,542		151,202		9,261
395 396	Laboratory&Testing Equip Power Operated Equipment	6.25% 7.92%		75,570 2,911,103		4,723 230,462		76,952 2,840,116		4,810 224,843
397	Communication Equipment	6.25%		54,518		3,407		55,526		3,470
398	Miscellaneous Equipment	6.13%		230,021		14,089		234,241		14,347
	Total General Plant			22,609,287		687,198		22,878,574		689,488
Total Dep	reciation Expense		\$ 2	237,826,409	\$	7,109,060	<u>\$ 2</u>	46,993,059	\$	7,371,900

Gainesville Regional Utilities Draft Revenue Requirement Report Forecasted Accumulated Depreciation

		FY 2015 Estimated		timated	FY 2016 Forecas			orecasted					
A		۸ مه	ual Dalamas				Forecasted				Forecaste	d	Took Voor
Account	Associat Description		ual Balance /30/2014	Donnosistian		Detinomento	Balance 9/30/2015		Dennesiation	Detinomente	Balance 9/30/2016		Test Year
Number	Account Description	9	/30/2014	Depreciation	_	Retirements	9/30/2015	—	Depreciation	Retirements	9/30/2016)	Average Balance
310	Land & Land Rights	\$	-	\$ -	\$	-	\$	-	\$ -	\$ -	\$	-	\$ -
	of Supply												
311	Generation-Structure&Impr		(425,838)	(24,985)		-	(450,82		(24,985)	-	(475,		(463,315)
318 326	Source of Supply-Wells & Source of Supply-Supply M		(1,075,647) (441,831)	(124,719) (17,755)		6,958	(1,200,36		(124,719) (17,851)	6,958	(1,325, (463,		(1,262,726) (458,074)
320	Total Source of Supply Plant		(1,943,316)	(167,459)	_	6,958	(2,103,81		(167,555)	6,958	(2,264,		(2,184,115)
Dummin	» Dloot												
Pumping 329	Structures and Improvement		(2,220,777)	(112,567)		_	(2,333,34	44)	(112,567)	_	(2,445,	911)	(2,389,628)
333	Electric Pumping Equipment		(4,207,781)	(665,217)		76,295	(4,796,70		(670,078)	76,295	(5,390,		(5,093,594)
334	Pumping Plt-Diesel Pumping		(1,256,663)	(138,536)		<u> </u>	(1,395,19		(138,536)		(1,533,		(1,464,467)
	Total Pumping Plant		(7,685,222)	(916,320)		76,295	(8,525,24	46)	(921,181)	76,295	(9,370,	132)	(8,947,689)
Water T	reatment Plant												
337	Land & Land Rights-Ttrmnt		-	-		-		-	-	-		-	-
338	Structures and Improvemen		(4,532,436)	(310,170)		127,647	(4,714,95	,	(349,384)	127,647	(4,936,	,	(4,825,827)
339	Treatment Plant Equipment		(4,828,163)	(443,903)	_	183,723	(5,088,34		(489,356)	183,723	(5,393,		(5,241,160)
	Total Water Treatment Plant		(9,360,599)	(754,073)		311,370	(9,803,30)2)	(838,740)	311,370	(10,330,	5/3)	(10,066,988)
	ssion and Distribution Plant												
374	Land and Land Rights		-	(=0.0)		-	(0.4.44	-	- (=00)	-	(0=	-	- (0.4.07.4)
375 376	Distr Structures&limprovs Distribution Plant-Reserv		(23,691) (1,659,277)	(789) (46,277)		-	(24,48 (1,705,55		(789) (47,435)	-	(25,: (1,752,:		(24,874) (1,729,271)
376 377	Mains		(50,017,665)	(2,930,875)		132,153	(52,816,38		(3,020,812)	132,153	(55,705,		(54,260,717)
378	Fire or Force Mains	,	(1,083,424)	(67,178)		85,730	(1,064,87		(66,806)	85,730	(1,045,	,	(1,055,410)
379	Services		(6,882,858)	(404,849)		38,984	(7,248,72		(434,645)	38,984	(7,644,	,	(7,446,554)
380	Meters		(6,699,375)	(804,346)		256,819	(7,246,90	,	(847,325)	256,819	(7,837,	,	(7,542,155)
381	Backflow Preventers		(1,640,529)	(96,325)		10,330	(1,726,52		(96,715)	10,330	(1,812,		(1,769,717)
382	Hydrants Total Transmission and	-	(4,106,537)	(233,371)	_	21,756	(4,318,15	<u>52</u>)	(240,409)	21,756	(4,536,	304)	(4,427,478)
	Distribution Plant		(72,113,356)	(4,584,010)		545,772	(76,151,59	94)	(4,754,936)	545,772	(80,360,	758)	(78,256,176)
	Diotribution Fluin	,	(12,110,000)	(1,001,010)		0.10,7.72	(10,101,00	J 1)	(1,701,000)	010,772	(00,000,	00)	(10,200,110)
General	Plant												
389	Land and Land Rights		-	-		-		-	-	-		-	-
390	Structures&Improvements		(534,417)	(30,586)		-	(565,00		(31,145)	-	(596,		(580,576)
391	Office Furniture & Equipm	\$	(527,404)	(148,450)		-	(675,85	,	(151,164)	-	(827,	,	(751,436)
391.1 392	Computers and Electronics Transportation Equipment		(744,889)	(159,020)		4,672 38,565	(899,23 (399,80		(161,929)	4,672	(1,056,		(977,865)
392 394	Tools Shop &Garage Equip		(351,451) (60,236)	(86,919) (9,542)		7,459	(62,31	,	(88,519) (9,261)	38,565 7,459	(449, (64,		(424,781) (63,220)
395	Laboratory&Testing Equip		(38,310)	(4,723)		7,409	(43,03		(4,810)	7,405	(47,		(45,438)
396	Power Operated Equipment		(1,413,083)	(230,462)		124,622	(1,518,92		(224,843)	124,622	(1,619,	,	(1,569,034)
397	Communication Equipment		(33,853)	(3,407)		3,218	(34,04		(3,470)	3,218	(34,		(34,169)
398	Miscellaneous Equipment		(79,002)	(14,089)	_	4,499	(88,59	_	(14,347)	4,499	(98,		(93,516)
	Total General Plant		(3,782,644)	(687,198)		183,034	(4,286,80	J8)	(689,488)	183,034	(4,793,	261)	(4,540,035)
	Total Accumulated Depreciation		(94,885,138)		_		\$ (100,870,76	_			\$ (107,119,	237)	\$ (103,995,001)
		Pleas	e Refer to Su	mmary of Significa	nt .	Assumptions an	d Summary of S	Signi	ificant Accounting	Policies			

Gainesville Regional Utilities Water Rate Study Report System Demand Ratios

				2016 Forecasted
1) Average day pumpage (gallons)				21,525,496
2) Maximum day consumption				29,792,000
3) Maximum hour for average day -	(line 1 /24 x 2.5)			2,242,239
Ratios				
Base : Maximum Day Ratio				
Base	21,525,496 29,792,000	. =	72.30%	
Maximum day (1.0-base)		=	27.70%	
Base : Maximum Hour Ratio				
Base	896,900 2,242,239	_ =	40.00%	
Maximum hour (1.0-base)		=	60.00%	

Gainesville Regional Utilities
Water Rate Study Report
Allocation of Operations and Maintenance Expenses to Cost Functions

		Allocation						Allocated Cost						
	_			Demand		Custome	er Costs			Demand		Custome	er Costs	
	Forecasted			Max Hour	Max Hour	Equivalent	Billing &	•		Max Hour	Max Hour	Equivalent	Billing &	
Source of Supply Expenses	2016	Base	Max Day	(System)	(Distribution)	Meters	Collection	Base	Max Day	(System)	(Distribution)	Meters	Collection	
Purchased Power	\$ 2,559,981	1.000	-	-	-	-	-	\$ 2,559,981	\$ -	\$ -	\$ -	\$ -	\$ -	
Materials Exp	134,600	0.723	0.277	-	-	-	-	97,316	37,284	-	-	-	-	
Contract Serv	64,652	0.723	0.277					46,743	17,909					
Misc	26,000	0.723	0.277	-	-	-	-	18,798	7,202	-	-	-	-	
Total Supply Expenses	2,785,233							2,722,838	62,395	-	-	-	-	
Water Treatment Expenses														
Operations and Labor	1,622,547	0.723	0.277	-	-	-	-	1,173,101	449,446	-	-	-	-	
Chemicals	1,663,700	1.000		-	-	-	-	1,663,700	-	-	-	-	-	
Materials	218,052	0.723	0.277	-	-	-	-	157,652	60,400	-	-	-	-	
Contract Serv	65,000	0.723	0.277	-	-	-	-	46,995	18,005	-	-	-	-	
Rent Expense	40,000	0.723	0.277	-	-	-	-	28,920	11,080	-	-	-	-	
Purchased Power	-	0.723	0.277	-	-	-	-	-	-	-	-	-	-	
Misc expense	2,300	0.723	0.277	-	-	-	-	1,663	637	-	-	-	-	
Regulatory Exp	100	0.723	0.277	-	-	-	-	72	28					
Total Treatment	<u> </u>													
Expenses	3,611,699							3,072,103	539,596	-	-	-	-	
Transmission and Distribution	n Expenses													
Operations and Labor	2,023,831	0.510	0.120	0.135	0.135	0.100	_	1,032,154	242,860	273,217	273,217	202,383	_	
Maint and Labor	_,0_0,00.	0.510	0.120	0.135	0.135	0.100	_	-,002,.0.	- 12,000				_	
Materials	220,400	0.510	0.120	0.135	0.135	0.100	_	112,404	26,448	29,754	29,754	22,040	_	
Contract Services - Mtc		0.510	0.120	0.135	0.135	0.100	-	-	,		,	,	-	
Contract Services - Op	_	0.510	0.120	0.135	0.135	0.100	_	-	_	_	-	_	_	
Rent Expense	_	0.510	0.120	0.135	0.135	0.100	_	_	_	-	_	_	_	
Insurance	535	0.510	0.120	0.135	0.135	0.100	-	273	64	72	72	54	-	
Misc Expense - Mtc	283,250	0.510	0.120	0.135	0.135	0.100	_	144,457	33,990	38,239	38,239	28,325	_	
Misc Expense - Op		0.510	0.120	0.135	0.135	0.100	_	-	-	-	-	,	_	
Total Transmission and									-				-	
Distribution Expenses	2,528,016							1,289,288	303,362	341,282	341,282	252,802	-	
Administrative Expenses														
Customer Accounts	1,357,568	-	-	-	-	-	1.000	-	_	-	-	-	1,357,568	
Sales Expense	122,946	_	-	_	_	-	1.000	_	_	-	_	_	122,946	
Other A&G	4,263,465	0.350	0.150	0.100	0.100	0.150	0.150	1,492,211	639,520	426,347	426,347	639,520	639,520	
Total Administrative														
Expenses	5,743,979							1,492,211	639,520	426,347	426,347	639,520	2,120,034	
T.10														
Total Operations and Maintenance	\$14,668,927							\$ 8,576,440	\$ 1,544,873	\$ 767,629	\$ 767,629	\$ 892,322	\$ 2,120,034	
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Gainesville Regional Utilities Water Pate Study Peport

Water Rate Study Report
Allocation of Depreciation Expense to Cost Functions

					Allo	cations					Allocate	ed Costs		
		·			Deman	d	Custome	er Costs			Demand		Custom	er Costs
Account		Forecasted 2016	D	М. Б.	Max Hour	Max Hour	Equivalent	Billing &	Davis	M. B.	Max Hour	Max Hour	Equivalent	Billing &
Number		Depreciation	Base	Max Day	(System)	(Distribution)	Meters	Collection	Base	Max Day	(System)	(Distribution)	Meters	Collection
310	Land & Land Rights	\$ -	0.723	0.277	-	-	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Source of Supply													
311	Generation-Structure&Impr	24,985	0.723	0.277	-	_	-	_	18,064	6,921	_	_	-	_
318	Source of Supply-Wells &	124,719	0.723	0.277	-	-	-	-	90,172	34,547	-	-	-	-
326	Source of Supply-Supply M	17,851	0.723	0.277	-	-	-	-	12,906	4,945	-	-	-	-
	Total Source of Supply													
	Plant	167,555							121,142	46,413	-	-	-	-
	B													
329	Pumping Plant	110 567	0.723	0.077					04 206	24 404				
333	Structures and Improvement Electric Pumping Equipment		0.723	0.277 0.277	_	_	-	_	81,386 484,466	31,181 185,612	-	-	-	-
334	Pumping Plt-Diesel Pumping		0.723	0.277	_	-	-	_	100,162	38,374	_	_	_	_
001	Total Pumping Plant	921,181	0.720	0.277					666,014	255,167				
	rotarr amping riant	321,101							000,014	200,107				
	Water Treatment Plant													
337	Land & Land Rights-Ttrmnt	-	0.723	0.277	-	-	-	-	-	-	-	-	-	-
338	Structures and Improvemen	349,384	0.723	0.277	-	-	-	-	252,605	96,779	-	-	-	-
339	Treatment Plant Equipment	489,356	0.723	0.277	-	-	-	-	353,804	135,552				
	Total Water Treatment	000 740							000 400	000 004				
	Plant	838,740							606,409	232,331	-	-	-	-
	Transmission and Distribution	Plant												
374	Land and Land Rights	_			-	-	-	-	-	-	-	-	-	-
375	Distr Structures&limprovs	789	0.723	0.050	0.227	-	-	-	571	39	179	-	-	-
376	Distribution Plant-Reserv	47,435	0.400	-	0.600	-	-	-	18,974	-	28,461	-	-	-
377	Mains	3,020,812	0.574	0.126	0.060	0.240	-	-	1,733,946	380,622	181,249	724,995	-	-
378	Fire or Force Mains	66,806	0.574	0.126	0.150	0.150	-	-	38,346	8,418	10,021	10,021	-	-
379 380	Services	434,645	-	-	-	-	1.000	-	-	-	-	-	434,645	-
381	Meters Backflow Preventers	847,325 96,715	0.723	0.050	0.227	-	1.000		69,925	4,836	21,954		847,325	-
382	Hydrants	240,409	0.723	0.050	0.11		0.114	_	173,817	12,020	27,286	_	27,286	_
002	Total Transmission and		020	0.000	0		0			,020				
	Distribution Plant	4,754,936							2,035,579	405,935	269,150	735,016	1,309,256	-
	General Plant													
389	Land and Land Rights	-	0.513	0.141	0.040	0.110	0.196	-	45.000	4.000	-		- 0.400	-
390 391	Structures&Improvements Office Furniture & Equipm	31,145 151,164	0.513 0.513	0.141 0.141	0.040 0.040	0.110 0.110	0.196 0.196	-	15,983 77,572	4,380 21,260	1,254 6.088	3,426 16.627	6,102 29.617	-
391.1	Computers and Electronics	161,929	0.513	0.141	0.040	0.110	0.196	-	83,096	22,774	6,522	17,811	31,726	-
392	Transportation Equipment	88,519	0.513	0.141	0.040	0.110	0.196	_	45,425	12,450	3,565	9,736	17,343	_
394	Tools Shop &Garage Equip	9,261	0.513	0.141	0.040	0.110	0.196	-	4,752	1,303	373	1,019	1,814	-
395	Laboratory&Testing Equip	4,810	0.513	0.141	0.040	0.110	0.196	-	2,468	677	194	529	942	-
396	Power Operated Equipment	224,843	0.513	0.141	0.040	0.110	0.196	-	115,380	31,623	9,056	24,731	44,053	-
397	Communication Equipment	3,470	0.513	0.141	0.040	0.110	0.196	-	1,780	488	140	382	680	-
398	Miscellaneous Equipment	14,347	0.513	0.141	0.040	0.110	0.196	-	7,362	2,018	578	1,578	2,811	
	Total General Plant	689,488							353,818	96,973	27,770	75,839	135,088	-
Total De	preciation Expense	\$ 7,371,900							\$3,782,962	\$1,036,819	\$ 296,920	\$ 810,855	\$1,444,344	\$ -

Gainesville Regional Utilities Water Rate Study Report

Summary of Costs by Function

					Demand		Custome	er Costs
Revenue Requirement	Allocation	Forecasted			Max Hour	Max Hour	Equivalent	Billing &
Component	Basis	2016	Base	Max Day	(System)	(Distribution)	Meters	Collection
Operation and Maintenance Expenses Depreciation Return on Rate Base	-	\$14,668,927 7,371,900	\$ 8,576,440 3,782,962	\$ 1,544,873 1,036,819	\$ 767,629 296,920	\$ 767,629 810,855	\$ 892,322 1,444,344	\$ 2,120,034
	-	6,857,499	3,518,992	964,471	276,201	754,275	1,343,560	-
Subtotal		28,898,326	15,878,394	3,546,163	1,340,750	2,332,759	3,680,226	2,120,034
Average Allo	ocation Weighting	100.00%	54.95%	12.27%	4.64%	8.07%	12.74%	7.34%
Transfer to the General								
Fund Other Revenue -	Above Allocation	5,602,213	3,078,177	687,457	259,917	452,227	713,446	410,989
Connection Charges Other Revenue -	Above Allocation	(896,835)	(492,773)	(110,052)	(41,609)	(72,395)	(114,213)	(65,793)
Surcharges Other Revenue - Interest	Above Allocation	(2,287,128)	(1,256,679)	(280,657)	(106,112)	(184,624)	(291,268)	(167,788)
Income Other Revenue - BABs	Above Allocation	(165,317)	(90,835)	(20,286)	(7,670)	(13,345)	(21,053)	(12,128)
Subsidy Other Revenue - Service	Above Allocation	(894,598)	(491,543)	(109,778)	(41,505)	(72,215)	(113,928)	(65,629)
Charges	Above Allocation	(1,282,995)	(704,952)	(157,438)	(59,525)	(103,567)	(163,390)	(94,123)
Other Revenue - Shands/Innovation Square	Above Allocation	(63,975)	(35,152)	(7,851)	(2,968)	(5,164)	(8,147)	(4,693)
Allocated Costs	ADOVE Allocation							
/ modated oosts		<u>\$31,315,685</u>	\$17,206,628	\$ 3,842,802	\$ 1,452,905	\$ 2,527,895	\$ 3,988,078	\$ 2,297,377

Gainesville Regional Utilities Water Rate Study Report Customer Class Allocators

	Annual Volume (1,000	Average Day (1,000		Max Day Extra Capacity	Max Day Volume (1,000		Max Hour Extra Capacity	Max Hour Volume (1,000	Max Hour System	Max Hour Distribution
Customer Class	Gallons)	Gallons)	Percent	Ratio	Gallons)	Percent	Ratio	Gallons)	Percent	Percent
Residential	3,497,516	9,580	48.75% <mark></mark>	1.01	9,676	44.94%	2.00	798	46.54%	51.59%
Multi-Unit	803,839	2,200	11.20% <mark> </mark>	1.01	2,222	10.32%	2.00	183	10.69%	11.85%
General Service	1,577,579	4,320	21.98%	0.85	3,672	17.06%	1.65	297	17.31%	19.19%
Residential Irrigation	145,722	400	2.04%	2.90	1,160	5.39%	4.75	79	4.62%	5.12%
General Irrigation	346,943	950	4.83%	2.90	2,755	12.80%	4.75	188	10.96%	12.15%
UF Off Campus	8,000	20	0.10%	0.93	19	0.09%	1.85	2	0.09%	0.10%
UF On Campus	792,000	2,170	11.04%	0.93	2,018	9.37%	1.85	167	9.75%	0.00%
Alachua	4,960	10	0.05%	0.85	9	0.04%	1.65	1	0.04%	0.00%
Total	7,176,559	19,650	100.00%		21,530	100.00%		1,715	100.00%	100.00%

Noncoincident peak day (1,000 gallons) Coincident peak day (1,000 gallons)

41,180 From above

allons) 25,723 From 2.1 System Ratios

Gainesville Regional Utilities

Water Rate Study Report
Forecasted Meter Counts and Equivalent Meters

		·	Meters		General	Residential	General	UF Off	UF - On
0:	Mataua		Danidantial	N 414: 1 1					
Size	Meters		Residential	Multi-Unit	Service	Irrigation	Irrigation	Campus	Campus
5/8	67,000		60,924	486.41	3,059.74	1,680	835	15	_
3/4	1,825		1,386	98.71	196.33	36	108	<u>-</u>	-
1	1,511		373	262.54	640.34	5	223	4	1
1 1/2	739		59	207.59	400.72	-	67	4	1
2	774		10	228.96	468.17	2	38	11	15
3	123		-	19.33	98.67	-	3	1	1
4	-		-	-	-	-	-	-	-
6	72		-	24.42	38.26	-	-	1	8
8	17		-	2.04	7.77	-	-	2	4
10	5		<u> </u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	5
Total	72,066		62,752	1,330	4,910	1,723	1,274	38	35
	Percent of To	tal	87.10%	1.80%	6.80%	2.40%	1.80%	0.10%	0.00%
			Equivalent Meters	S					
	Equivalent	Equivalent			General	Residential	General	UF Off	UF - On
Size	Meters	Meter Ratio	Residential	Multi-Unit	Service	Irrigation	Irrigation	Campus	Campus
5/8	67,000	1.0	60,924	486	2.060	1,680	835	15	
3/4	2,009	1.0	1,525	109	3,060 216	40	119	15	-
3/4 1	2,115	1.4	522	368	896	7	312	6	1
1 1/2	1,331	1.8	106	374	721	, -	121	7	2
2	2,247	2.9	30	664	1,358	6	110	32	44
3	1,353	11.0	-	213	1,085	-	33	11	11
4	-	14.0	_	-	-	_	-	-	-
6	1,505	21.0	-	513	803	-	-	21	168
8	487	29.0	-	59	225	-	-	58	116
10	200	40.0		<u> </u>	<u> </u>		<u> </u>		200
Total	78,246		63,107	2,785	8,364	1,733	1,530	150	542
	Percent of To	tal	80.60%	3.60%	10.70%	2.20%	2.00%	0.20%	0.70%

Gainesville Regional Utilities Water Rate Study Report Summary Of Costs by Rate Class

					Allocatio	n			
	Forecasted Cost	Res	Multi-Unit	Non Res	Irr - Res	I <u>rr - Non res</u>	UF - off	UF -on	Alachua
Base Max Day Max Hour (System) Max Hour (Distribution) Equivalent Meters Billing & Collection General Fund Transfer Adjustment Cost of Service	\$ 17,206,628 3,842,802 1,452,905 2,527,895 3,988,078 2,297,377 0 31,315,685	0.4875 0.4494 0.4654 0.5159 0.8060 0.8710	0.1120 0.1032 0.1069 0.1185 0.0360 0.0180	0.2198 0.1706 0.1731 0.1919 0.1070 0.0680	0.0204 0.0539 0.0462 0.0512 0.0220 0.0240	0.0483 0.1280 0.1096 0.1215 0.0200 0.0180	0.0010 0.0009 0.0009 0.0010 0.0020 0.0010	0.1104 0.0937 0.0975 0.0000 0.0070 0.0000	0.0005 0.0004 0.0004 0.0000 0.0000 0.0000
					Allocated C	osts			
				General	Residential	General	UF Off	UF On	
	Forecasted Cost	Residential	Multi-Unit	Service	Irrigation	Irrigation	Campus	Campus	Alachua
Base Max Day Max Hour (System) Max Hour (Distribution) Equivalent Meters Billing & Collection General Fund Transfer Adjustment	\$ 17,206,628 3,842,802 1,452,905 2,527,895 3,988,078 2,297,377	\$ 8,388,778 1,726,994 676,189 1,304,193 3,214,390 2,001,014 239,531	\$ 1,926,442 \$ 396,596 \$ 155,283 \$ 299,502 \$ 143,571 \$ 41,353 53,966	\$ 3,782,831 655,400 251,559 485,192 426,724 156,222 102,852	\$ 350,262 207,044 67,054 129,330 87,738 55,137 13,214	\$ 831,873 491,729 159,254 307,159 79,762 41,353 31,159	\$ 17,513 3,320 1,306 2,519 7,976 2,297 (6,249)	\$1,900,172 360,202 141,678 - 27,917 - (434,709)	\$ 8,757 1,517 582 - - 236
Cost of Service Revenue At Present Rates Difference from Cost of Service	31,315,685 29,966,068 \$ 1,349,617	17,551,090 16,441,070 \$ 1,110,020	3,016,713 2,598,540 \$ 418,173	5,860,780 6,615,745 \$ (754,965)	909,779 795,690 \$ 114,089	1,942,289 1,719,238 \$ 223,051	28,682 25,315 \$ 3,367	1,995,260 1,761,994 \$ 233,266	11,092 8,477 \$ 2,615
Percentage Cost of Service		<u>59.92</u> %	<u>10.30</u> %	<u>20.01</u> %	<u>3.11</u> %	<u>6.63</u> %			<u>0.04</u> %
Allocation of UF Cost of Service Diff	\$ (0)	<u>\$ 141,786</u>	\$ 24,371	\$ 47,346	\$ 7,350	\$ 15,691	\$ (3,367)	\$ (233,266)	\$ 90
Allocated Difference of Cost of Service	\$ 1,349,617	\$ 1,251,807	\$ 442,543	\$ (707,618)	\$ 121,439	\$ 238,741	<u>\$ -</u>	<u>\$</u>	\$ 2,705
Percent Difference from Cost of Service	<u>4.50%</u>	<u>7.61%</u>	<u>17.03%</u>	<u>-10.70%</u>	<u>15.26%</u>	<u>13.89%</u>	0.00%	0.00%	<u>31.91%</u>

Gainesville Regional Utilities Water Rate Study Report Rate Design

			_		Resid	dential	Mult	- Unit	Genera	I Service	Residentia		General	Irrigation	University	of Florida	Alac	chua
Rate Class		Jnits		Calculated Rates	Current	Coat Boo-	Current	Cont Bos	Current	Cost	Current	Cost	Current	Cost	Current	Cost	Current	Cos Base
Rate Class Single Family Reside		Jnits	Rates	Rates	Current	Cost Based	Current	Cost Based	Current	Based	Current	Based	Current	Based	Current	Based	Current	Base
First 6,000 Gallons		1.000 Gallons	\$2.35	3.20	6.575.330	8.953.641												
Next 14,000 Gallons Over 20,000 Gallons Customer Charge:	559,603 139,901	1,000 Gallons 1,000 Gallons	\$3.75 \$6.00	4.70 7.50	2,098,510 839,404	2,630,132 1,049,255												
5/8 and 3/4 meter 1" meter	747,723 4,472		9.20 9.20	6.69 9.37	6,879,053 41,139	5,005,362 41,907												
1.5" meter 2" meter	706 123		9.20 9.20	12.05 19.41	6,496 1,128	8,507 2,381												
ulti Unit Residentia	803,839	1,000 Gallons	\$3.05	3.45			2,451,708	2,773,244										
Customer Charge: 5/8 and 3/4 meter	7,021		9.20	6.69			64,597	47,002										
" meter .5" meter	3,150 2,491		9.20 9.20	9.37 12.05			28,984 22,918	29,526 30,016										
2" meter	2,748		9.20	19.41			25,277	53,337										
" meter	232		9.20	73.64			2,135	17,084										
6" meter 8" meter	293 24		9.20 9.20	140.58 194.13			2,696 225	41,199 4,741										
eneral Service /olume Charge	1,577,579	1,000 Gallons	\$3.85	3.35					6,073,681	5,284,891								
Customer Charge 5/8 and 3/4 meter	39,073	1,000 Gallons	9.20	6.69					359,470	261,559								
" meter	7,684		9.20	9.37					70,694	72,014								
1.5" meter	4,809		9.20	12.05					44,239	57,941								
2" meter	5,618		9.20 9.20	19.41					51,686	109,064								
8" meter 6" meter	1,184 459		9.20	73.64 140.58					10,893 4,224	87,186 64,541								
3" meter	93		9.20	194.13					858	18,107								
sidential Irrigation																		
First 15,000 Gallons Over 15,000 Gallons	119,492 26,230	1,000 Gallons 1,000 Gallons Customer	\$3.75 \$6.00	4.75 7.30							448,096 157,380	567,588 191,479						
Customer Charge	20,675	Months																
/8 and 3/4 meter	20,592		9.20	6.69							189,446	137,846						
" meter " meter	60 24		9.20 9.20	9.37 19.41							552 221	562 466						
eneral Irrigation olume Charge	346,943	1,000 Gallons Customer	\$4.55	5.35									1,578,589	1,856,143				
Customer Charge 5/8 and 3/4 meter	11,316	Months	9.20	6.69									104.107	75,751				
l" meter	2,676		9.20	9.37									24,619	25,079				
1.5" meter	804		9.20	12.05									7,397	9,688				
2" meter 3" meter	456 36		9.20 9.20	19.41 73.64									4,195 331	8,852 2,651				
niversity of Florida Volume On Campus Customer On	792,000	1,000 Gallons Customer	\$2.22	2.22											1,758,240	1,758,240		
ampus 1" meter 1.5" meter	12 12	Months	9.20 9.20	9.20 9.20											110 110	110 110		
n.5 meter o" meter	180		9.20	9.20											1,656	1,656		
3" meter	12		9.20	9.20											110	110		
6" meter	96		9.20	9.20											883	883		
3" meter 0" meter	48 60		9.20 9.20	9.20 9.20											442 552	442 552		
/olume Off Campus Customer Off	8,000	1,000 Gallons Customer	\$2.64	2.64											21,120	21,120		
ampus 5/8 and 3/4 meter	180	Months	9.20	9.20											1,656	1,656		
" meter	48		9.20	9.20											442	442		
.5" meter 2" meter	48 132		9.20 9.20	9.20 9.20											442 1,214	442 1,214		
3" meter	12		9.20	9.20											110	110		
6" meter	12		9.20	9.20											110	110		
" meter	24		9.20	9.20											221	221		
ty of Alachua Volume Charge	4,960	1,000 Gallons Customer	\$1.62	1.62													8,035	8,0
Customer Charge 1" meter	24	Months	9.20	9.20													221	:
2" meter	12		9.20	9.20													110	1
8" meter	12		9.20	9.20													110	
olume Revenue				=	9,513,244 6,927,815	12,633,028 5,058,157	2,451,708 146.832	2,773,244 222,905	6,073,681 542,064	5,284,891 670,412	605,476 190,219	759,067 138,874	1,578,589 140,649	1,856,143 122,021	1,779,360 8.058	1,779,360 8,058	8,035 441	8,0 4
ustomer Revenue				_	0,327,010	0,000,101	1 10,002	LLL,000	,	0.0,112	,=	100,011		,	-,	-,		

Gainesville Regional Utilities Water Rate Study Report Connection Charges

	Meter Assembly										
Meter Size	Present Rates	Equivalent Ratios	Meter Capacity	Average Consumption							
5/8"	510	536	427	375							
3/4"	580	590	934	459							
1"	700	750	1,468	1,699							
1 1/2"	2,150	965	4,270	3,809							
2"	2,400	1,555	4,270	8,811							
3"	7,770	5,897	-	16,235							
4"	8,760	7,505	-	33,381							
6"	16,050	11,257	-	9,173							
8"	19,050	15,546		155,891							
Forecasted Revenues over 5 Years	2,077,255	2,076,356	2,077,107	2,076,338							

	Meter Only										
Meter Size	Present Rates	Equivalent Ratios	Meter Capacity	Average Consumption							
5/8"	250	280	223	196							
3/4"	330	309	489	240							
1"	450	393	768	889							
1 1/2"	1,590	505	2,234	1,993							
2"	1,810	813	2,234	4,610							
3"	-	3,085	-	8,494							
4"	-	3,927	-	17,465							
6"	-	5,890	-	4,799							
8"		8,134		81,562							
Forecasted Revenues over 5 Years	1,086,810	1,084,912	1,085,368	1,085,657							

		Transmission		
Meter Size	Present Rates	Equivalent Ratios	Meter Capacity	Average Consumption
5/8"	420	539	429	377
3/4"	1,220	593	939	462
1"	1,340	755	1,476	1,708
1 1/2"	3,100	970	4,295	3,831
2"	5,760	1,564	4,295	8,862
3"	\$5,760 or 1.511 per	5,931	-	16,328
4"		7,548	-	33,573
6"	gallon estimated	11,322	-	9,226
8"	average daily flow	15,635		156,786
Forecasted Revenues over 5 Years	2,089,183	2,088,013	2,087,459	2,087,731

	Water Treatment Plant								
Meter Size	Present Rates	Equivalent Ratios	Meter Capacity	Average Consumption					
5/8"	660	862	687	603					
3/4"	1,920	948	1,502	738					
1"	2,180	1,207	2,360	2,731					
1 1/2"	5,000	1,551	6,866	6,124					
2"	9,960	2,500	6,866	14,167					
3"		9,481	-	26,103					
4"	\$9,960 or 2.253 per	12,067	-	53,672					
6"	gallon estimated	18,100	-	14,749					
8"	average daily flow	24,996		250,652					
Forecasted Revenues over 5 Years	3,339,944	3,339,127	3,341,256	3,338,569					

	Total (Meter Assembly, T&D, Treatment)							
Meter Size	Present Rates	Equivalent Ratios	Meter Capacity	Average Consumption				
5/8"	1,590	1,937	1,543	1,355				
3/4"	3,720	2,131	3,375	1,659				
1"	4,220	2,712	5,304	6,138				
1 1/2"	10,250	3,486	15,431	13,764				
2"	18,120	5,619	15,431	31,840				
3"	23,490	21,309	-	58,666				
4"	24,480	27,120	-	120,626				
6"	31,770	40,679	-	33,148				
8"	34,770	56,177		563,329				
Forecasted Revenues over 5 Years	7,506,383	7,503,495	7,505,822	7,502,638				

Gainesville Regional Utilities Water Rate Study Report Connection Charge Projects

Transmission and Distribution Projects							Allocation to	
Recovered in Connection Charges	2,009	2,010	2,011	2,012	2,013	Total	New Customers	Allocated Costs
Pressure Improv Main Ph IV	1,316,983	4,040	4,546			1,325,569	60%	795,341.46
Update System Model	65,108	26,785	7,558	5,715	14,347	119,513	60%	71,707.82
SE 5th St WM					100,222	100,222	60%	60,133.20
Oversizing	94,004	204,636	53,421	57,579	4,541	414,181	100%	414,181.00
NW 3rd PI & 18th St WM Improvements				9,703		9,703	25%	2,425.75
East Gainesville Improvements				48,507	1,837	50,344	25%	12,586.00
Road Improvement Related Projects	21,850	322,258	150,871	111,511	50,809	657,299	25%	164,324.75
NE 19th PI from 9th St to 15th St					67,019	67,019	25%	16,754.75
SE 4th Recons Depot Ave - Williston Rd				14,216	11,929	26,145	25%	6,536.25
Depot Ave Seg 4				57	8,802	8,859	25%	2,214.75
I District*				336,643	393,578	730,221	<u>5.6</u> %	40,892.38
	1,497,945	557,719	216,396	583,931	653,084	3,509,075	Subtotal	1,520,700
							Overhead Rate	21%
							Overhead	319,347
							Total	\$ 1,840,047

Gainesville Regional Utilities Wastewater Rate Study Report Connection Fees Weighted by Equivalent Ratios

							Meter		and		
					Meter Only	Meter	Assembly	Transmission	Distribution		Treatment
Forecasted New		Equivalent	Equivalent	Meter Only	Cost per	Assembly	Cost per	and Distribution	Cost per	Treatment	Cost per
Customers	Additions	Ratios	Units	Cost	Connection	Cost	Connection	System Cost	Connection	System Cost	Connection
5/8 Inch Meter	3,431	1.00	3,431	1,086,810	\$ 280	2,077,255	\$ 536	2,089,183	\$ 539	3,339,944	\$ 862
3/4 Inch Meter	93	1.10	102		309		590		593		948
1 Inch Meter	83	1.40	117		393		750		755		1,207
1 1/2 Inch Meter	45	1.80	82		505		965		970		1,551
2 Inch Meter	49	2.90	143		813		1,555		1,564		2,500
3 Inch Meter	-	11.00	=		3,085		5,897		5,931		9,481
4 Inch Meter	-	14.00	=		3,927		7,505		7,548		12,067
6 Inch Meter	-	21.00	=		5,890		11,257		11,322		18,100
8 Inch Meter		29.00			8,134		15,546		15,635		24,996
Total	3,702		3,875								

Gainesville Regional Utilities Water Rate Study Report Service Charges and Deposits

		Labor	Travel	Labor	Labor	Vehicle	Vehicle	Vehicle		
Description	Current Rate	Hours	Hours	Rate	Cost	Hours	Rate	Cost	Equipment	Total
Water Turn On	30.00	0.50	0.30	29.61	23.69	0.80	20.00	16.00	-	40.00
Collection Agency Transfer Fee	25%									25%
Backflow Test Fee	100.00	1.00	0.30	29.61	38.49	1.30	20.00	26.00	-	64.00
Remote Read (ERT) Meter Installation - Water	100.00	1.25	0.30	29.61	45.90	1.55	20.00	31.00	20.00	97.00
Field Visit	25.00	0.50	0.30	29.61	23.69	0.80	20.00	16.00	-	40.00
Specially Scheduled Meter Reading	20.00	0.25	0.30	18.33	10.08	0.55	20.00	11.00	-	21.00
Meter Reread - Reading Correct	20.00	0.25	0.30	18.33	10.08	0.55	20.00	11.00	-	21.00
Conservation Visit - Customer Failed to Show	20.00	0.50	0.30	29.61	23.69	0.80	20.00	16.00	-	40.00
Delinquent Disconnection - Base Charge	40.00	0.50	0.30	29.61	23.69	0.80	20.00	16.00	-	40.00
Delinquent Disconnection - Water Service Removed										
Adder	30.00	0.50	0.30	29.61	23.69	0.80	20.00	16.00	-	40.00
Delinguent Disconnection - After Hours Adder	40.00	1.70	0.30	29.61	59.22	-	20.00	-	-	59.00
Delinquent Disconnection - Weekend / Holiday Adder	50.00	1.50	0.30	29.61	53.30	-	20.00	-	-	53.00
Customer Requested Temporary Meter Disconnection	20.00	0.50	0.30	29.61	23.69	0.80	20.00	16.00	-	40.00
Unauthorized Service Investigation	65.00	1.25	0.30	29.61	45.90	0.80	20.00	16.00	-	62.00
Installation and Removal of Meter on Fire Hydrant	92.00	1.75	0.30	29.61	60.70	2.05	20.00	41.00	-	102.00
Temporary Hydrant Meter Deposit	1,130.00									1,739.00
Water Meter Removal	125.00	2.00	0.30	29.61	68.10	2.30	20.00	46.00	-	114.00
Temporary Water Meter	92.00	1.75	0.30	29.61	60.70	2.05	20.00	41.00	-	102.00
Meter Testing (5/8 - 2" meters)	various	0.50	0.30	29.61	23.69	0.80	20.00	16.00	-	40.00
Meter Testing (greater than 2" meters)										\$50 + 3rd
	various	0.50	0.30	29.61	23.69	0.80	20.00	16.00	-	party
Remove & Replace Meter	35.00	0.75	0.30	29.61	31.09	1.05	20.00	21.00	-	52.00
Residential Deposit	35.00							45.	00 or twice r	nonthly bill
Returned Payment Fee	Greater of \$20	or 5% of tran	saction amou	unt			Greater of	f \$20 or 5%	of transact	ion amount
Late Payment Fee	Greater of \$1 o	r 1.5% of del	inquent balar	nce			Greater o	f \$1 or 1.5%	6 of delinque	ent balance
Customer Meter Reading Form	1.00								_	1.00
Fire Hydrant Damage	Actual cost									Actual cost
Base Inspection Service Fee	700.00									721.00
Inspection Fee per Linear Foot of Developer Installed										
Distribution Piping	2.25									2.20

		Overhead	Loaded
Assumptions	Pay Rate	Rate	Rate
Labor			
Field Service Rep	21.00	0.41	29.61
Meter Reader	13.00	0.41	18.33
Vehicle			
Pick-Up Truck	20.00		
Bucket Truck	50.00		
Equipment	*		
ERT Meter	\$20 more than	a standard m	neter

Gainesville Regional Utilities Water Rate Study Report

Installation Charges

Meter and Service Installation Charge

Meter and Service Lateral Plant in Service	29,990,386	
Equivalent Units	78,246	
Installation Labor	59.22	2 hours at \$29.61 per hour
Cost per Equivalent Unit	442.50	

	Current Rate	Equivalent Units	Calculated Rate
5/s inch meter with service	510.00	1.00	442.50
3/4 inch meter with service	580.00	1.10	486.75
1 inch meter with service	700.00	1.40	619.50
1½ inch meter with service	2,150.00	1.80	796.50
2 inch meter with service	2,400.00	2.90	1,283.25
3 inch meter with service	7,770.00	11.00	4,867.50
4 inch meter with service	8,760.00	14.00	6,195.00
6 inch meter with service	16,050.00	21.00	9,292.50
8 inch meter with service	19,060.00	29.00	12,832.50
Larger than 8 inch meter with service	Site specific costs	40.00	17,700.00

Meter Only Installation Charge

Meter Plant in Service13,419,464Equivalent Units74,701Installation Labor59.222 hours at \$29.61 per hourCost per Equivalent Unit238.86

	Current Rate	Equivalent Units	Calculated Rate
% inch meter	250.00	1.00	238.86
¾ inch meter	330.00	1.10	262.75
1 inch meter	450.00	1.40	334.40
1½ inch meter	1,590.00	1.80	429.95
2 inch meter	1,810.00	2.90	692.69

Standby Fire Line Installation Charge

Service Lateral Plant in Service 16,570,923
Equivalent Units 78,246
Installation Labor 59.22 2 hours at \$29.61 per hour
Cost per Equivalent Unit 271.00

	Current Rate	Equivalent Units	Calculated Rate
6 inch service	7,300.00	21.00	5,691.00
8 inch service	10,200.00	29.00	7,859.00
Larger than 8 inch service	Site specific costs		Site specific costs

Gainesville Regional Utilities Water Rate Study Report Representative Bills

			voiume	olume Rate	s	M	eter Charge	es	Ivieter	Tota ivieter	l Bill	
		Volume	Bill at	Bill at					•	Charge at		
Customer	Meter Size	(1,000 gallons)	Current Rates	Proposed Rates	Change	Current	Proposed	Change	Current Rates	Proposed Rates	Change	Percent Change
Small Residential	5/8	3	7.05	9.60	2.55	9.20	6.69	(2.51)	16.25	16.29	0.04	0%
Average Residential	5/8	5	11.75	16.00	4.25	9.20	6.69	(2.51)	20.95	22.69	1.74	8%
Large Residential	5/8	15	47.85	61.50	13.65	9.20	6.69	(2.51)	57.05	68.19	11.14	20%
Large Residential	1	15	47.85	61.50	13.65	9.20	9.37	0.17	57.05	70.87	13.82	24%
Large Residential	1.5	15	47.85	61.50	13.65	9.20	12.05	2.85	57.05	73.55	16.50	29%
Large Residential	2	15	47.85	61.50	13.65	9.20	19.41	10.21	57.05	80.91	23.86	42%
Small Multi- Unit	5/8	3	9.15	10.35	1.20	9.20	6.69	(2.51)	18.35	17.04	(1.31)	-7%
Average Multi Unit	5/8	5	15.25	17.25	2.00	9.20	\$6.69	(2.51)	24.45	23.94	(0.51)	-2%
Large Multi Unit	5/8	15	45.75	51.75	6.00	9.20	\$6.69	(2.51)	54.95	58.44	3.49	6%
Large Multi Unit	1	15	45.75	51.75	6.00	9.20	9.37	0.17	54.95	61.12	6.17	11%
Large Multi Unit	2	15	45.75	51.75	6.00	9.20	19.41	10.21	54.95	71.16	16.21	30%
Large Multi Unit	6	15	45.75	51.75	6.00	9.20	140.58	131.38	54.95	192.33	137.38	250%
Large Multi Unit	8	15	45.75	51.75	6.00	9.20	194.13	184.93	54.95	245.88	190.93	347%
Non-Residential	1	13	50.05	43.55	(6.50)	9.20	9.37	0.17	59.25	52.92	(6.33)	-11%
Non-Residential	2	27	103.95	90.45	(13.50)	9.20	19.41	10.21	113.15	109.86	(3.29)	-3%
Non-Residential	6	81	311.85	271.35	(40.50)	9.20	140.58	131.38	321.05	411.93	90.88	28%
Non-Residential	8	81	311.85	271.35	(40.50)	9.20	194.13	184.93	321.05	465.48	144.43	45%
Average Residential Irrigation	5/8	6	22.50	28.50	6.00	9.20	6.69	(2.51)	31.70	35.19	3.49	11%
Large Residential Irrigation	2	18	74.25	93.15	18.90	9.20	19.41	10.21	83.45	112.56	29.11	35%
Average General Irrigation	5/8	6	27.30	32.10	4.80	9.20	6.69	(2.51)	36.50	38.79	2.29	6%
Large General Irrigation	1.5	18	81.90	96.30	14.40	9.20	12.05	2.85	91.10	108.35	17.25	19%
Large General Irrigation	3	18	81.90	96.30	14.40	9.20	73.64	64.44	91.10	169.94	78.84	87%
Average UF On Campus	2	1,200	2,664.00	2,664.00	-	9.20	9.20	-	2,673.20	2,673.20	-	0%
Average UF Off Campus	5/8	18	47.52	47.52	-	9.20	9.20	-	56.72	56.72	-	0%
City of Alachua	1	413	669.06	669.06	-	9.20	9.20	-	678.26	678.26	-	0%