LEE COUNTY BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY — **BLUE SHEET NO: 20040456-UTL**

1. REQUESTED MOTION:

ACTION REQUESTED:
Conduct Public Hearing on May 11, 2004 at 5:00 p.m. to adopt resolution to approve the schedule of fees increases for the Greater Pine Island Water Association, Inc.

WHY ACTION IS NECESSARY:
A public hearing is required for the purpose of adopting a resolution for increasing franchisee water system rates and charges.

WHAT ACTION ACCOMPLISHES:
Conducting this public hearing will allow consideration of increasing water system rates and charges (capital charge increase) for providing necessary revenue as recommended in the Water Rate Study performed by PRMG, Inc.

2. DEPARTMENTAL CATEGORY: 10 - UTILITIES 5:00 #4
COMMISSION DISTRICT #: 1

3. MEETING DATE: 05-11-2004

4. AGENDA:
___ CONSENT
___ ADMINISTRATIVE
___ APPEALS
_X_ PUBLIC
___ WALK ON
TIME REQUIRED: ____

5. REQUIREMENT/PURPOSE:
(Specify)
___ STATUTE ____
___ ORDINANCE ____
___ ADMIN. CODE ____
_X_ OTHER Public Hearing

6. REQUESTOR OF INFORMATION:
A. COMMISSIONER: ____
B. DEPARTMENT: Lee County-Public Works
C. DIVISION/SECTION: Utilities Division
BY: Rick Diaz, P.E., Utilities Director — DATE: 4/13/04

7. BACKGROUND:

The Lee County Utilities Director received a request from the GPIWA General Manager to increase their rates as recommended in the recent Water Rate Study performed by their rate consultant, PRMG, Inc. (The GPIWA has had a water system franchise from Lee County since February 10, 1965 and is required pursuant to its franchise, to bring all rates, fees and charges to the BOCC for final approval.) Lee County Utilities analyzed the study and found it to provide justification for the increase. This study was then discussed with representatives at the Office of the County Attorney. Upon a meeting with counsel of GPIWA, its General Manager, and the GPIWA President, the procedure for approval as well as customer/member notification requirements were discussed. GPIWA has satisfactorily fulfilled these requirements with little or no opposition to this increase. (The last rates adjustment was approved on January 11, 2000 under BS 19991290, Res. No. 00-01-16 and the previous revisions were on July 17, 1991 under BS 911161, Res. No. 91-07-4.)

On April 27, 2004 the BOCC approved the Petition and authorized staff to schedule a Public Hearing for May 11 at 5:00 p.m.

Attachments: Petition Letter dated 2-23-04
Study Overview by GPIWA
GPIWA Meeting Minutes of 1-27-04
GPIWA Water Rate Study by PRMG, Inc. dated 2-19-2004

MANAGEMENT RECOMMENDATIONS: Adopt Resolution approving requested schedule of fees increases.

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	
for D. Lavender	N/A	N/A		4/14/04	PM 4/14/04	4/14/04	see below	4/15/04	for J. Lavender
Date: 4/13/04	Date:	Date:	Date:	Date:					Date: 4/13/04

10. COMMISSION ACTION:
_____ APPROVED
_____ DENIED
_____ DEFERRED
_____ OTHER

Rec. by CoAtty
Date: 4/13/04
Time: 4:40
Forwarded To: 4/14/04 7:15 PM

RECEIVED BY COUNTY ADMIN: 4/14/04 2:10 pm SC
COUNTY ADMIN FORWARDED TO: 4/15/04 1 pm

ROETZEL & ANDRESS
A LEGAL PROFESSIONAL ASSOCIATION

2320 First Street
Suite 1000
Fort Myers, FL 33901-2904
239.338.4207 Direct
239.337.3850 Main
239.337.0970 Fax
bgrady@ralaw.com

April 9, 2004

David Owen
Assistant County Attorney
P.O. Box 398
Fort Myers, FL 33902

Rick Diaz
Director of Lee County Utilities
1500 Monroe
Fort Myers, FL 33901

[Sent via Facsimile and Mail]

Dear Messers, Owen and Diaz

Re: Public information regarding Greater Pine Island Water Association Inc. Rate Request

Since our meeting of March 24, 2004 GPIWA wanted to advise you of additional steps taken by the Association concerning public outreach to the members regarding pending rate increase. As you know the last rate increase for GPIWA in 1992. Since the increase 12 years ago, it is appropriate to grant the requested rate increase.

In addition to the meetings with the St. James City Civic Association and Matlacha Association and the February article in The Pine Island newspaper The Eagle, the following has occurred:

- The enclosed article appeared in The Eagle March 31 2004 providing
  a) an explanation about the rate increase
  b) advertising that there would be a meeting explaining the rate increase

- April 2nd, the GPIWA General Manager met with the Officers of the Greater Pine Island Civic Association (GPICA) at which time GPICA's concerns were addressed and GPIWA's rate increase was supported.

- April 5th a meeting was held with the Officers, Board Members, and other interested members, 18 in all, of the Matlacha Civic Association (MCA). After detailed discussion GPIWA received total support for the rate increase.

- April 6th the Ft. Myers News-Press front-page article titled "Greater Pine Island Pushes Water Hike" (Sarah Greenhalgh, by-line). The article outlined the need for the rate increase, showed the differences in cost per 4,000 gallons between GPIWA, Island Water, and Gasparilla Island water. Made a special notice of when and where the GPIWA sponsored "Neighborhood Meeting", April 7th ,meeting was being held in a special "IF YOU GO" box, and then proceeded to generally outline why the rate increase was being proposed. It should be noted that this article generated no new telephone calls to GPIWA concerning the rate increase.

- Enclosed is the post card sent to the each of 6,800 members advising of the meetings to discuss the rate increase.

- Since the post cards and the article, there have been only a dozen phone calls inquiring about the rate increase. Nine of the inquires were satisfied by general information relating to their new billing costs. Three calls were referred to the General Manager, and after interaction with the caller, the callers were convinced that the rate increase was either warranted or did not like it but resigned to the need for it.

- At the public information meeting held on Wednesday, April 7, at 2:00 PM and at 7:00PM there were approximately 33 attendees and 13 attendees respectively. Bill Thacher, General Manager described the meetings as positive. Out of 6,800 notices, 46 members total showed up. A total of four initially opposed the increase. After prolonged discussion, two of the members admitted they saw the need for it, and two left still in opposition, but resigned that the increase is coming.

  With over 6,800 members, there has been a quiet reaction to the rate increase. To the extent people have attended meetings or called their questions have been answered and the need for rate increase has been accepted by most.

  We respectfully request that a GPIWA's petition to be scheduled of the item before the Board for review and approval as soon as possible.Your cooperation is appreciated

Very truly yours,

Beverly Grady
For the Firm

Lee County
SOUTHWEST FLORIDA

INTEROFFICE MEMORANDUM
FROM
PUBLIC WORKS
UTILITIES

Date: March 30, 2004

To: David Owen
Chief Assistant County Attorney

From: Rick Diaz, P.E.
Division Director

SUBJECT: RATE STUDY: GREATER PINE ISLAND WATER ASSOCIATION

As agreed, we have analyzed in greater detail the rate study performed by Public Resources Management Group, Inc. (PRMG) for the proposed rate increase for the Greater Pine Island Water Association, Inc. (GPIWA). Mr. Henry Thomas, Vice President of PRMG, included in this analysis present and future costs that the GPIWA has identified in their Capital Improvement Program.

The previous GPIWA rate increase occurred in 1992, and in the past fourteen (14) years no effective increases have been requested. The justification for this increase includes improvements that may become a part of the franchise area dispute between Cape Coral and the GPIWA. Nevertheless, it is the discretion of the GPIWA Board to go forward with these improvements. Based on the estimated costs of these improvements, the Deep Injection Well (DIW) costs and the enlargement and replacement of certain undersized water transmission lines (included in the PRMG report), the justification provided is sufficient to substantiate the GPIWA rate increase.

It is important to note that the manner in which the increase is being applied motivates consumer water conservation. All member/customers using 2000 gallons or less per month will see only a $2.97 increase per month.

We may proceed to bring the matter to the Board for its consideration once the GPIWA has completed its customer survey.

As discussed with Mr. Thomas, the main reason for raising the base rate and the readiness to serve component is the seasonal characteristics of a great number of GPIWA customers/members.

RD:ac

Copy to: Jim Lavender, Public Works
Bill Thacher, GPIWA
Carolyn Andrews, LCU Customer Service
Beverly Grady, Esq., Roetzel & Andress
Henry Thomas, PRMG
Jack Burgiel, PRMG

LEE COUNTY RESOLUTION NO. _____

A RESOLUTION OF LEE COUNTY APPROVING THE PETITION OF THE GREATER PINE ISLAND WATER ASSOCIATION, INC. ("GPIWA") REQUESTING AN INCREASE TO ITS WATER TARIFF WITHIN ITS FRANCHISE AREA OF LEE COUNTY, FLORIDA; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the GREATER PINE ISLAND WATER ASSOCIATION, INC. ("GPIWA") is the present holder of a water franchise in Lee County, granted by Resolution of the Board of County Commissioners in and for Lee County, Florida, on February 10, 1965, and extended on July 17, 1991; and,

WHEREAS, the GPIWA has pursuant to said franchise authority, made application by Petition to the County for an Increase to its Water Tariff, which was submitted to Lee County (Exhibit A, hereto); and,

WHEREAS, the Board of County Commissioners of Lee County, Florida, has set the said Petition for a public hearing on Tuesday, May 11, 2004, at 5:00 p.m., and caused due notice thereof to be published in the Fort Myers News-Press, copies of which said notice are attached hereto; and,

WHEREAS, a public hearing was held on Tuesday, May 11, 2004, in the Board of County Commissioners' Chambers, Fort Myers, Florida, at which time the GPIWA presented evidence and testimony in support of its Petition for an increase to GPIWA's Water Tariff, to include the requested adjustments in the Petition, and all interested parties were permitted to address the Board and to make a statement of record; and,

WHEREAS, the Board, after being fully advised in the premises, makes the following findings and determinations.

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

1. The revised, increased Water Tariff as proposed by the GPIWA in its Petition, is hereby approved and granted.

2. The revised GPIWA Water Tariff, to include the requested increases as set out in its Petition, is hereby approved and shall become effective as of the first billing for water service by the GPIWA for the month of May, 2004.

3. The provisions of this Resolution shall take effect immediately upon its adoption by the Board of County Commissioners at the conclusion of the public hearing.

The foregoing Resolution was offered by Commissioner _____ who moved its adoption. The motion was seconded by Commissioner _____ and, being put to a vote, the vote was as follows:

DOUGLAS ST. CERNY	_____
BOB JANES	_____
RAY JUDAH	_____
ANDREW COY	_____
JOHN E. ALBION	_____

DULY PASSED AND ADOPTED THIS _____ day of _____, 20___.

ATTEST: CHARLIE GREEN
CLERK OF COURTS

By:_____
Deputy Clerk

BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA

By:_____
Chairman

APPROVED AS TO FORM:

By:_____
Office of the County Attorney

LEE COUNTY
NOTICE OF INTENT TO ENACT A COUNTY RESOLUTION

TO WHOM IT MAY CONCERN:

NOTICE IS HEREBY GIVEN that on Tuesday, the 11th day of May, 2004, at 5:00 o'clock, p.m., in the County Commissioners' Meeting Room, Old Lee County Courthouse, 2120 Main Street, Fort Myers, Florida, the Board of County Commissioners of Lee County, Florida, will consider the enactment of a County Resolution pursuant to Chapter 125, Florida Statutes. The title of the proposed County Resolution is as follows:

A RESOLUTION OF LEE COUNTY APPROVING THE PETITION OF THE GREATER PINE ISLAND WATER ASSOCIATION, INC. ("GPIWA") REQUESTING AN INCREASE TO ITS WATER TARIFF WITHIN ITS FRANCHISE AREA OF LEE COUNTY, FLORIDA; PROVIDING FOR AN EFFECTIVE DATE.

1. Copies of this Notice and the proposed Resolution are on file in the Minutes Office of the Clerk of Courts of Lee County. The public may inspect or copy the Resolution during regular business hours at the Office of Public Resources. The Minutes Office and Public Resources are located in the Courthouse Administration Building, 2115 Second Street, Fort Myers, Florida. Public Resources is located on the first floor and the Minutes Office is located on the second floor of the Courthouse Administration Building.

2. Interested parties may appear at the meeting in person or through counsel, and be heard with respect to the adoption of the proposed Resolution.

3. Anyone wishing to appeal the decision(s) made by the Board with respect

to any matter considered at this meeting, will need a record of the proceedings for such appeal, and may need a verbatim record, to include all testimony and evidence upon which the appeal is to be based.

4. The Resolution shall take effect immediately upon its adoption by the Board of County Commissioners at the public hearing.

5. If you have a disability that will require special assistance or accommodations for your attendance at the public hearing, please call the Lee County Division of Public Resources at 335-2269 for information.

PLEASE GOVERN YOURSELF ACCORDINGLY.

The text of this Notice is in conformance with Section 125.66, Florida Statutes (2003), and other relevant sections of Florida law.

BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA

By: _____
Charlie Green, Ex-Officio Clerk
to the Board of County Commissioners
of Lee County, Florida

APPROVED AS TO FORM:

By: _____
Office of the County Attorney

Ad Size: 2 x 5

Publishing Dates: 4/27/04 & 5/4/04

PETITION

Greater
Pine Island
Water Association, Inc.

February 23, 2004

Rick Diaz, PE
Director of Utilities
Lee County
P.O. Box 398
Fort Myers, Fl. 33902-0398

Re : Petition for Water Rate Increase

Dear Mr. Diaz,

The Greater Pine Island Water Association, Inc. (GPIWA) wishes to petition the Lee County Board of County Commissioners for a public hearing to approve the schedule of fees as set within the attached PRMG Water Rate Study (dated February 19, 2004). To that end, I am requesting that you develop a "blue sheet" on our behalf and subsequently schedule the necessary staff reviews and necessary public hearing(s) that will ultimately get our request for a water rate increase before the Lee County Board of County Commissioners for approval.

I have enclosed for your review and dissemination as needed, the following documentation:

- Draft Resolution
- Copy of the PRMG Water Rate Study, 2004
- GPIWA's General Manager's Overview of the Study
- Copy of the January 27, 2004 GPIWA Board Meeting Minutes Approving the Final Water Rate Study and Authorizing the General Manager to Petition Lee County for Approval.

Should you have any questions, or need additional information, please contact me.

Cordially,

William J. Thacher
General Manager
wthacher@pineislandwater.com

FEB 26 2004

5281 Pine Island Rd. Bokeelia, Florida 33922 Phone (941) 283-1071 Fax (941) 283-7792
www.pineislandwater.com

Greater
Pine Island
Water Association, Inc.

February 23, 2004

To: Lee County Board of County Commissioners
and review staff

From: William J. Thacher, General Manager

Re : Petition for Water Rate Increase
Greater Pine Island Water Association, Inc. (GPIWA)

Overview

The last true water rate increase asked for and received by GPIWA was in January 1992. There was a rate adjustment granted by the Board of County Commissioners in January 2000, however, the adjustment GPIWA asked for and received at that time did not enhance the Association's overall annual revenue. The 2000 rate adjustment was only designed to spread the total cost of GPIWA's water production evenly among all classes of Association membership. This request then is the first true request for a water rate increase in eleven[+] years.

The following are the main reasons GPIWA is asking for a water rate increase at this time:

- Inflation – since 1992, inflation has increased the administrative, operational, and maintenance costs to produce and maintain a quality water product to our membership. Since 1992, inflation has added 40% to the cost of water production and distribution.

- Lack of Growth - GPIWA has not been able to keep up with inflation through the growth of the system. During the period since the last true rate increase, 1992 – 2003, membership growth has sustained a steady 2% annual rate. Development on the island stays low because of concurrency requirements; traffic, lack of evacuation routes, and minimal central sewer service are a few of the concurrency problems impeding growth on the island.

- Infrastructure Aging - GPIWA's water plant was new in 1992. Maintenance costs were low and most equipment was under warranty. As a utility system ages it naturally requires additional maintenance procedures. Maintenance procedures that were once only preventive in nature turn into costly equipment repair maintenance. Past ten years of age, most water plants begin to need major (parts replacement) repair to the equipment. At fifteen years and beyond, equipment replacement begins to become more cost effective than parts replacement. Overall, as the system ages maintenance costs increase.

5281 Pine Island Rd. Bokeelia, Florida 33922 Phone (941) 283-1071 Fax (941) 283-7792
www.pineislandwater.com

- Regulatory costs – Added regulation since 1992 promulgated to ensure water quality and security requirements required on both the federal and state level have added thousands of dollars to the GPIWA operational budget since the September 11th terrorist attacks.

- The need to provide better service, Capital Improvements:

    - Since the early 1960's when GPIWA was formed, infrastructure, primarily water lines, were sized and installed based on five and 10 year growth projections. Unfortunately the limiting factor in what infrastructure was actually put in the ground was the small amount of revenue that was initially available to the Association. Many of the current GPIWA neighborhoods are currently being serviced by waterlines that are becoming undersized as the neighborhood grows out. An effort is currently underway to upgrade these water lines so that adequate pressure and flow remains available. These upgrades will also provide enhanced fire protection as water lines are sized to accommodate fire hydrants.

    - The GPIWA has always been aware of our "off-island" franchise service area, a 6.6 square mile area just to the east of Matlacha and primarily south of Pine Island Road. It now seems that others have also noticed this area. A major grocery chain with a 10 store shopping complex has contacted GPIWA for water service in this area, as has a "super-store", a major housing developer, and the developer of another 450,000 square foot shopping center. It is anticipated many other residential and commercial entities will also develop on the vacant land currently available in our "off-island" franchise area, as the aforementioned developments come on-line.

      The GPIWA has been monitoring this off-island franchise area for several years. The sudden popularity and planned growth in this area does not come as a surprise. In fact, GPIWA has been planning an off-island water storage and re-pump station for some time to service this area. GPIWA is also aware that while domestic water flow to this area is currently adequate, fire flow requirements have been increasing. This is the right time to begin the construction of an off-island storage and re-pump station to stay ahead of increasing off-island water flow and pressure demands before they become problematic.

    - The biggest obstacle to expansion at a reverse osmosis water plant is the brine water (by-product) disposal. GPIWA's brine water disposal system is very close to maximum capacity. After several years of study, it was decided that a deep injection well for future brine water disposal is the best system for future disposal. Unfortunately the cost was prohibitive ($5,000,000 mol). Fortunately, Lee County Utilities was looking for a method to dispose of excess reuse water from their Pine Island Wastewater Plant at the same time. A mutual cost share agreement was struck and the deep well is now affordable to both entities.

The Greater Pine Island Water Association, Inc. understanding the need to properly maintain the existing water system while managing the accelerated growth that is expected to come, has arranged to raise capital through a national bonding agency (Edward Jones Investments). The bond issue under consideration will be for $6.0 million dollars. The money will be spent to pay for GPIWA's share of the deep well construction, used to build off-island water storage tanks and a re-pump station, and used to pay off (refinance) a higher interest loan that was taken out in 1992 to build the current GPIWA water plant. It is anticipated that the annual debt service on the bond issue will be $500,000 (mol).

The rate increase that is being asked for by GPIWA will produce an annual revenue increase of $500,000 (mol). Simply put, the rate increase being asked for will be used to pay for the anticipated debt service on the bonds. What of the other revenue needs listed above? Future system growth stimulated by the money obtained through the bond issue and requested water rate increase will furnish the added revenue needed to maintain GPIWA's future administrative, operational, maintenance, and capital needs.

Understanding the Rate Increase Structure

GPIWA contracted with the Public Resources Management Group, Inc. (PRMG) to produce a Water Rate Study. PRMG is the company Lee County Utilities often uses to project revenue needs for their Utilities Division. GPIWA charged PRMG with the task of performing a study that would produce a rate structure that could produce the additional revenue needed by GPIWA to meet the debt-service on the $6.0 million bond issue GPIWA is going to offer to meet current capital needs. The study, produced by PRMG (dated February 19, 2004), is attached for your information. Some of the salient points within the study include:

- Pages 1-4 Outline the current rate structure.
- Pages 5-6 Give a historical perspective.
- Page 7 Begins a technical explanation for the reason for the rate increase. The actual need in dollars is shown on page 10.
- Page 13 Begins the "Proposed Water Rate Design"
- Page 13 (bottom) In an effort to lessen the burden on low income and retired fixed income users, GPIWA had the cost for the first 2,000 gallons of water use left at the current $2.20 per thousand gallons. The new monthly water use rate does not take effect until 3,000 gallons of water are used.
- Page 14 Outlines the new rate structure.
- Page 18 Highlights why a new capital charge of $1,450 vs. the current $1,165 is needed.
- Page 20 Compares Capital Charges for 11 neighboring utilities including Lee County. Page 20 also begins the Conclusion and Recommendation Section.
- Table 6 (fifth page from back cover) details the cost of an average residential water bill (5/8" meter) under the new rate structure.

- Table 7 (fourth page from back cover) details the cost of an average commercial water bill (2" meter) under the new rate structure.

- Table 8 (third page from back cover) compares monthly residential water bills for GPIWA when compared with 17 neighboring utilities (including Lee County) and the average billing for all utilities in Florida.

Respectfully Submitted,

William J. Thacher, General Manager
Greater Pine Island Water Association, Inc.

REGULAR MEETING
JANUARY 27, 2004

Present: Tom Timothy, President; Leo Amos, Vice President; Priscilla Lewis, Treasurer; Jack Masters, Secretary; David Manion; Dennis Ward; Don Bell; Tom Cleaver; Bill Thacher, General Manager; Gary Gissiner, Assistant General Manager; and Renee' Clark, Recording Secretary.

Absent: Harvey Molitor

Also Present: Chris Collier (EDJ), Mike Yashko, Bill Dubin, PI Eagle, 12 members from Cherry Estates

The meeting was called to order at 3:00 P.M. by President Timothy. The proposed agenda was adopted.

Carol Lutz was honored with a five year longevity award.

Larry Thibodeau acted as spokesman for the Cherry Estates Property Owners Association. The group requested that the Board consider allowing members to place a private meter on the homeowner's side of the GPIWA water meter for the purpose of outside water use that would not be included in the sewer billing. Mr. Thibodeau was under the impression that Lee County would not allow this type of arrangement and he requested the Board consider a possible solution. Exhibit 7

Chris Collier of Edward Jones discussed with the Board the options for bond funding of the deep injection well and other projects. Exhibit 8 Mrs. Lewis moved, seconded by Mr. Bell to approve "Financing Option 1" as the funding mechanism for $6M to include the one year call feature provision. The motion carried unanimously.

Henry Thomas of PRMG was available by phone to discuss the rate study. Exhibit 9 Mr. Amos moved, seconded by Mrs. Lewis to adopt alternative #3 including a $3.00 increase in the base rate, an additional water usage block of 0-2,000, and commercial rates as outlined by PRMG. The motion carried unanimously.

- Mr. Amos moved, seconded by Mr. Masters to adopt the proposed capital charge increase to $1,450.00 per unit. The motion carried unanimously.
- Mr. Ward moved, seconded by Mr. Amos to authorize the General Manager to review the final documents from PRMG and submit to Lee County for approval. The motion carried unanimously.

The minutes of the Regular Meeting of November 25, 2003 were presented and approved. The minutes of the Special Meeting of January 6, 2004 were presented and approved. (No December meeting due to lack of a quorum)

The Treasurer's Reports for November and December were presented and accepted. Exhibit **10** Exhibit **11**

Mike Yashko reported:

1. A request for records was made as per the last meeting with minimal information available at this time. More information is expected in two weeks.
2. Annexation rumors are being monitored in Tallahassee.
3. The Wal-Mart property purchase has not been closed as yet; Publix wants a firm commitment to serve after engineers exchange information; Bonita Bay also wants a firm commitment to serve – a draft commitment was sent, waiting for response.
4. Scallop property – $50,000 construction lien filed by family member of Cason property – can be handled thru escrow.

The Operations Reports for November and December were presented. Exhibit **12** Exhibit **13**

The General Manager's Report was presented. Exhibit **14**
Mr. Thacher reported:

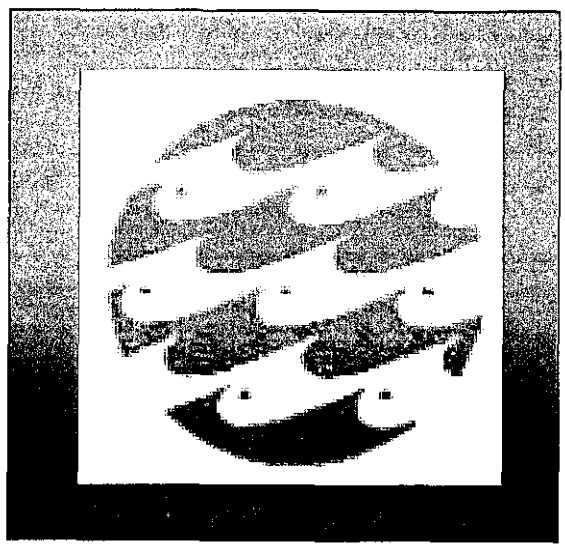
1. End of February should see start of DWI project.
2. Off island pump station – zoning hearing held. County staff recommended approval of special exemption use. Hearing examiner to make decision 3-4 weeks after January 15th hearing, then after 30 day appeal time lapses closing on property can take place.
3. New accounts for 2003 were 190 compared to 141 in 2002 .

Regarding Cherry Estates, the Board requested the Distribution Committee establish options and present to the Board.

There being no further business before the Board, the meeting was adjourned at 5:15 P.M.

Jack Masters, Secretary

GREATER PINE ISLAND WATER ASSOCIATION



WATER RATE STUDY

February 19, 2004

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

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

February 19, 2004

PRMG #1035-04

Greater Pine Island Water Association, Inc.
5281 Pine Island Road
Bokeelia, Florida 33922

Subject: Water System Rate Study

Ladies and Gentlemen:

We have completed a review of the existing water rates and capital charges for the Greater Pine Island Water Association (the "Association" or "GPIWA") and have summarized the results of our analyses, assumptions, and conclusions in this report which is submitted for your consideration. The existing rates for water service have been in effect since April 2000, when at that time the rate study recommended rate structure changes that were intended to be revenue neutral compared to the rates in effect. Prior to the revenue neutral rate adjustment in 2000, the overall rates have not been increased since January 1992. Since the last system-wide rate increase that was implemented nearly twelve years ago, rising costs of operating the water system coupled with expenditures for water system renewals and replacements and expansion-related capital improvement projects identified by GPIWA, have resulted in a need to adjust rates to recover system costs and to satisfy lender requirements associated with the issuance of new debt. As a result of these factors, the Association authorized this review of the rates and capital charges for water service.

In preparing the analysis of the Association's existing water rates and capital charges and the development of the rates proposed herein, we have relied upon, among other things, the Annual Budget for the Water System for the calendar year ended December 31, 2004, detailed customer statistics and data compiled by the Association, financing assumptions associated with the new loan agreement provided by the Association's financial advisor, and other historical and projected data made available by the Association. The projections of the water system operations for the five year forecast period ending December 31, 2008 were based on recent trends regarding system revenue and expenses; and the Association's plans for system expansion, and renewals and replacements; system growth in the customer base of the water system; and anticipated changes in staffing and operations.

Existing Water Rates

The water rates for the Association were adopted and made effective by the Association pursuant to Lee County Resolution No. 00-01-16 (the "Rate Resolution"). The rates for monthly service as delineated in the Rate Resolution were approved by the Association's Board of Directors and by the Lee County Board of County Commissioners on January 11, 2000 and became effective for bills rendered on or after April 1, 2000. The rates which became effective pursuant to the Rate Ordinance were based on a study performed by the Association in order to pay for operating expenditures and needed improvements to the water system infrastructure and to ensure that the rates were fair and equitable to all user classes.

The Association has established that reasonable rates should be charged to the consumers of water service. The rates shall be set in relationship to the costs incurred by the Association in providing service and that reasonable classifications of customers may be established so long as the classifications are not arbitrary or discriminatory and so long as the rates apply similarly to all customers within a class under like conditions.

The Association currently has three major customer designations for utility service that are Residential, Residential Multi-Family and Commercial. The residential class consists of all individually metered single-family residences, while the residential multi-family class includes mobile home/travel trailer parks, multi-family units on master meters (such as duplexes, triplexes, and condominiums). Commercial accounts include non-residential customers such as schools, public buildings, shopping centers, restaurants, plant nurseries, offices, and other businesses.

The water rates currently in effect have a rate structure which includes: i) a minimum monthly charge based on meter size for single family residential and commercial accounts and number of units for master-metered multifamily accounts; and ii) an inverted usage charge to promote water conservation.

The existing rates for water service pursuant to the Rate Resolution by class of customer are as follows:

Existing Water Rates

Residential Water Services	
Monthly Service Base Rate (per account):	
All Meters	$2.18
Monthly Ready-to-Serve Charge (per account):	
Water Meter Size (inches)	
5/8 inch	$5.35
¾ inch	8.05
1 inch	13.40
Usage Charge per 1,000 gallons of water (per account):	
All Meters	
0 – 5,000	2.20
6 – 10,000	2.45
11 – 15,000	3.06
Above 15,000	3.68
Multi-Family Water Services	
Monthly Service Base Rate (per account):	
All Meters	$2.18
Monthly Ready-to-Serve Charge (per unit):	
Water Meter Size	
Duplex/Triplex/MH Park	$2.70
Travel Trailer Parks	1.60
Condominiums	4.80
Usage Charge per 1,000 gallons of water (per unit):	
Water Meter Size	
Duplex/Triplex/MH Park	
0 - 2,000	$2.20
3 -5,000	2.45
6 - 7,000	3.06
Above 7,000	3.68
Travel Trailer Parks	
0 - 1,000	$2.20
2 - 3,000	2.45
4,000	3.06
Above 4,000	3.68
Condominiums	
0 - 4,000	$2.20
5 - 9,000	2.45
10 - 13,000	3.06
Above 13,000	3.68

Existing Water Rates

Commercial Water Services

Monthly Service Base Rate (per account):		
All Meters		$2.18
Monthly Ready-to-Serve Charge (per account):		
Water Meter Size (inches)		
5/8 inch		$5.35
3/4 inch		8.05
1 inch		13.40
1.5 inch		26.75
2 inch		42.80
3 inch		85.60
4 inch		133.75
6 inch		267.50
Usage Charge per 1,000 gallons of water (per account):		
Water Meter Size (inches)		
5/8 inch		
	0 - 15,000	$2.45
	Above 15,000	3.06
3/4 inch		
	0 - 22,000	$2.45
	Above 22,000	3.06
1 inch		
	0 - 37,000	$2.45
	Above 37,000	3.06
1.5 inch		
	0 - 75,000	$2.45
	Above 75,000	3.06
2 inch		
	0 - 120,000	$2.45
	Above 120,000	3.06
3 inch		
	0 - 240,000	$2.45
	Above 240,000	3.06
4 inch		
	0 - 375,000	$2.45
	Above 375,000	3.06
6 inch		
	0 - 750,000	$2.45
	Above 750,000	3.06

Historical and Projected Customer Statistics

During the calendar year 2003, the water system was estimated to provide service to an average of 6,417 customers (accounts). A number of the customers are considered master metered customers and serve multiple dwelling units (i.e., mobile home/travel trailer parks). For purposes of billing the Association's water rates (i.e., the minimum monthly service charge), each individual meter is considered as one customer consistent with the application of the existing rate structure while the monthly readiness to serve charge is applied based on the number of units served behind the master meter.

As mentioned previously, the Association currently differentiates its customer base into the residential, residential multi-family and commercial classes. Based on historical customer data provided by the Association, the estimated average annual number of customers served during the calendar year 2003 for the water system was as follows:

	Calendar Year 2003	
	Water System	
	Accounts	Percent
Residential Service		
Single-Family	5,951	92.8
Multi-Family [2]	220	3.4
Total Residential Service	6,171	96.2
Commercial	246	3.8
Totals	6,417	100.0

[2] Includes condominiums, duplexes, triplexes, and mobile home/travel trailer parks.

As can be seen above, the residential class represents the predominant class in terms of the numbers of customers served. Specifically, approximately 96 percent of the customer base is classified as residential with 92.8% of the accounts being single family residential.

Table 1 at the end of this Report provides a summary of the recent historical customers and consumption for the water system. As shown below, the Association's water sales have increased at an average annual growth rate of about 1.6%.

Calendar Year	Sales (000s of gallons)
2000	414,512
2001	431,578
2002	428,163
2003	434,517
Average Annual Compound Growth Rate	1.6%

With respect to water sales, a general increase in consumption has occurred which has been assumed to be primarily due to steady growth in customers. Over the historical period reviewed in the study, the average monthly usage per account has been fairly consistent averaging 5667 gallons per customer in 2002 and 5643 in 2003.

The customer forecast was derived based on the historical growth trends and discussions with the Association about opportunities for future system expansion due to new development. The development of a forecast of future water production requirements, sales, usage and customers is necessary in the evaluation of the adequacy of water rate levels and rate structures. The forecast is essential for the determination of revenues from rates, for the escalation of certain water production expenses, and for the design of rates. For the purpose of this study and in order to assist the Association in evaluating the water system's financial condition, a five (5) calendar year forecast (Calendar Years 2004 through 2008) was prepared.

Table 1 also provides a summary of the forecasted number of customers served, associated sales projections, and water production needs. Based on the historical relationships in residential accounts, discussions with the Association, and other factors, the forecasted average growth in accounts for the water utility system was assumed to be approximately 1.8% annually. Water sales were projected based on usage levels experienced by the Association over the past four years.

In order to estimate water production requirements for the water system, an allowance for losses and unaccounted for water was added to the total sales forecast to determine the estimated production needs. The allowance for losses or unaccounted for water, sometimes called unbilled water, is due to a varicty of factors including water used in hydrant line flushing, water used for firefighting, slow registering meters which understate water use, and losses due to leaks. The forecast of the unaccounted for water was based on a historical loss factor of 12.00% which is within the margin of losses considered as good performance by the American Water Works Association.

The forecast of account sales and production requirements is summarized below:

Calendar Year	Average Annual Number of Accounts	Sales (000s of gallons)	Production (000s of gallons)
2004	6,538	440,926	501,052
2005	6,659	447,335	508,335
2006	6,780	453,734	515,618
2007	6,901	460,153	522,901
2008	7,022	466,562	530,184
Average Annual Compound Growth Rate	1.8%	1.4%	1.4%

Revenue Requirements

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 publicly owned utility system. The totaling of these cost components, after adjusting for other income and other operating revenues available to the utility, results in the total annual net revenue requirements to be recovered from rates. The determination of the revenue requirements for the utility system of the Association was made in a manner generally consistent with the methods employed for other cooperatively-owned utilities. This section provides a discussion of the development of the system revenues, expenditure requirements including assumptions used to project such expenditures, and the estimated rate adjustments necessary to meet such revenue requirements for the water system.

For the purpose of this water rate study, a forward looking study period has been utilized for the determination of the water system's revenue requirements. An important objective of a projected study period is to establish rates and rate levels that will reflect the projected costs of providing service to ensure continuing and adequate service to meet the near future financial obligations of the system. Designing rates and charges to provide revenues that match future operating needs and other such requirements is an attempt to maintain the financial integrity of the utility system. It was determined that the revenue requirements for this rate study would be predicated on the utility costs for the five calendar year period ending December 31, 2004 through 2008.

The development of the estimated revenue requirements for the Association's water system required a number of assumptions about the Association's future utility operations. The calendar year 2004 served as the base or test year for revenue requirement projection purposes. The Association provided PRMG with a copy of the adopted budget for the calendar year 2004 which, after certain adjustments to reflect anticipated changes and assumptions for ratemaking considerations, served as the basis for the projection of the revenue requirements of the study period. The projected net revenue requirements for the water system are found on Table 2.

The projected calendar year net revenue requirements for the water system are summarized below:

	2004	2005	2006	2007	2008
Water System					
Operating Expenses	$1,721,182	$1,840,185	$1,968,159	$2,139,611	$2,284,163
Debt Service	497,830	494,530	500,730	494,850	497,710
Capital Improvements Funded from Revenues	190,900	244,900	297,500	327,600	410,000
Gross Revenue Requirements	2,409,912	2,579,615	2,766,749	2,962,091	3,191,873
Less Revenues from Other Sources					
Interest Income	47,148	44,498	37,398	31,748	33,748
Other Operating Revenues	237,571	239,252	241,053	242,944	244,929
Net Revenue Required from Rates	$2,125,193	$2,295,615	$2,488,298	$2,687,369	$2,913,196

As can be seen in the above summary, the estimated operating expenses for the water system for the next five years beginning with the calendar year 2004 are anticipated to increase by approximately 33% or approximately 7.3% per year on average. The primary reasons for this increase are due to assumptions regarding anticipated inflation and labor-related cost increases including additional staff as set forth in the Association's New Employee Plan.

The major assumptions and analyses included in the development of the projected revenue requirements for the study period are:

1. The calendar year 2004 budget as provided by the Association served as the baseline for the expenditure projections and reflects anticipated operations. Such amounts were incorporated into the calendar year 2004 component of the financial forecast.

2. Based on discussions with the Association, wages and salaries beyond calendar year 2004 budgeted amounts were increased by 6.0% annually to reflect allowances for salary adjustments such as promotions, merit increases and cost of living adjustments. Employee benefits (i.e., contributions toward retirement, FICA, etc.) and unemployment taxes were projected to remain at the same percentage relationship to total salaries as was reflected in the calendar year 2004 budget based on discussions with the Association. Health insurance costs are assumed to increase 20% per year in the near term based on recent experience. Based on discussions with the Association's staff, an increase in labor costs has been reflected to include funding for two new employees (i.e., one in 2006 and one in 2007).

3. Operating supplies and expenses, chemicals, and maintenance and repairs have been escalated annually at approximately 5.0% to account for the combined effects of inflation and growth in customers.

4. Utilities expense has been escalated at approximately 4.5% per year to reflect growth in water sales and inflation.

5. With respect to the water system, all other operating expenses were escalated for the forecast period based on an annual allowance of 3.0% for inflation (except as otherwise noted herein).

6. The Association currently has outstanding indebtedness consisting of loan agreement #23T0109 with the National Bank for Cooperatives (COBANK). Projected debt service payments for calendar years 2004 through 2008 are based a new debt issue to refinance this loan and provide additional capital for funding the deep well injection system and the off-island pump station to provide for system expansion to serve new developments such as Bonita Bay and Sandlewood. The debt service assumed in the financial forecast is based on a loan of $4,520,000 paid over thirty years at five percent interest as provided by the Association's Financial Advisor.

7. Interest income has been recognized as an available revenue source to fund the expenditure needs of the system. For the forecast period, interest income was based on estimated balances in interest bearing accounts. Interest earnings are assumed to be 2% annually based on recent earnings levels.

8. The Association collects revenues from various miscellaneous charges for specific customer requests or needs which serve to reduce rate revenue requirements. Examples of the miscellaneous charges include meter installation charges, late payment charges, deferred service charges, parts and repair sales, administrative fees, membership fees, aid in construction, and other miscellaneous income. These miscellaneous charges were estimated for the calendar year based on a historical analysis of such revenues incurred by the System, a review of the amounts budgeted for the current calendar year, and system growth for the utility. For the forecast period, it was assumed that such charges for administrative fees, meter installation fees, deferred service charges, parts and repair sales, membership fees, and aid in construction would remain relatively constant based on budgeted calendar year 2004 levels. Late payment charges and miscellaneous income are projected to increase at a similar rate to that of growth in revenues.

9. Revenues from existing retail rates for the water utility system as shown in Table 3 for the forecasted period were based on rates currently in effect and the customer sales forecast presented on Table 1, which was predicated on recent historical trends and relationships derived from detailed customer billing records provided by the Association.

10. For the purposes of this analysis, the funds available from Capital Charges have not been included in the analysis of revenue requirements on Table 2. These amounts are available only for capital projects for new customer growth and expansion. It should be noted that the use of such funds has been recognized to fund growth related capital projects, thus reducing projects funded from utility revenues or future debt service costs that are paid from rates for the water system. The use of these funds for the capital projects has the effect of dampening monthly service charges since such projects do not need to be funded from rate revenues. The table below provides the capital projects and forecasted costs for the calendar year 2004 through 2008 period as included in the Association's Capital Improvements Program.

Based on the forecast of sales for the water system and the assumptions and considerations set forth with respect to the determination of the system expenditures, the existing rate revenue surplus/(deficiency) of the water system in the forecast period is anticipated to be as follows as summarized from Table 2:

	2004	2005	2006	2007	2008
Water System					
Net Revenue Requirements from Rates	$2,125,193	$2,295,864	$2,488,298	$2,687,369	$2,913,196
Water Rate Revenue [1]	1,736,873	2,335,662	2,585,648	2,811,192	3,047,926
Estimated Revenue Surplus/(Deficiency)					
Amount	($388,321)	$39,798	$97,350	$123,823	$134,729
Percent	(22.4%)				

[1] Revenues for the 2005 through 2008 include the effect of the 22.4% rate increase in 2004.

As can be seen above, based on projected revenue requirements, the Association's current water rates are not sufficient to meet the water system's revenue requirements over the next five years. A system-wide rate adjustment of 22.4% is required in 2004 to satisfy the Association's anticipated financial obligations over the next five years.

Annual Rate Index

Based on the financial forecast a system-wide rate increase of 22.4% should be adequate over the next several years; however, the financial forecast was based on a number of assumptions about the pace of new development and the escalation in operating costs that may vary substantially from the projections herein. In order to respond to such issues the Board of Directors of the

Greater Pine Island Water Association recommends to the Lee County Board of County Commissioners (BOCC) that the Association's Board of Director's be given the discretion to increase rates annually without further BOCC review based on an annual rate index adjustment not to exceed 3%. Should an increase greater than 3% be required the Association would continue to file such changes for review with the BOCC. The ability to index water rates annually should also help alleviate the potential for future rate shocks as it allows for small annual adjustments to keep pace with cost inflation and its detrimental effects on the Association's operating margins

Rate Design

Rate design represents that portion of the rate study whereby the rates and charges for each customer classification are established in such a manner that the total revenue requirements of the system will be recovered in an equitable manner consistent with regulatory guidelines, overall revenue stability, historical rate form and the policies of the Association.

The rate levels and rate structures, to the extent possible and practical, should meet the following water utility rate criteria for service provided by cooperatively-owned utilities:

- Water rates should be based on a rate policy that calls for the lowest possible prices consistent with customer requirements of providing service.
- Water rates should be simple and understandable.
- Water rates should be equitable among customers, taking into consideration the cost of service.
- Water rates and policies should be designed to recognize the current capital funding needs of the System.
- Water rates should be designed to encourage the most efficient use of the Association's utility plant and discourage unnecessary or wasteful use of service.
- Water rates should comply with applicable orders and requirements of state and federal regulatory authorities, if any, that may have jurisdiction (i.e., water rates should comply with policies and mandates of the Southwest Florida Water Management District).

Water Conservation Rate Criteria

A major emphasis of the Southwest Florida Water Management District ("SWFWMD") deals with the conservation of water. The SWFWMD has adopted water conservation program

policies or mandates in order to reduce water consumption and peak demands. There are several types of water conservation programs available to utilities, including retrofit programs, development of wastewater effluent reuse programs, public education and awareness programs, and the design of conservation promoting utility rates. Cost/benefit studies of the various water conservation measures have consistently shown that the implementation of rates that send a conservation-oriented price signal is a cost-effective method of promoting water conservation. The Association implemented conservation rates in conjunction with the previous rate study and those rates, which were implemented in 2000, are currently in effect.

Classification of Water Costs

In order to properly design rates (i.e., on a cost of service basis), it is necessary to allocate revenue requirements to various rate structure classifications. These classifications include fixed or capacity-related costs, variable or volume-related costs, and customer-related costs. The Association's revenue requirements have been allocated into these three categories on the following criteria:

Variable costs include expenses such as chemicals, utilities, and other costs that vary substantially or directly with water usage.

Customer costs relate to the number and type of customers, such as customer accounting, billing, collection, and meter-related expenses.

Fixed costs include costs required to maintain the water system in a state of readiness to serve the total combined demand of the customers. Capacity costs include operating and maintenance expenses, capital requirements, and other costs that generally do not vary substantially with the amount of water usage.

The water system's fixed costs are further broken down into base capacity costs and extra capacity costs through application of a base/extra capacity allocation factor. This factor is based on an analysis of the Association's average daily demand for water to its peak day demand for water. For the Association's calendar year 2000 to 2002 period, this factor is approximately 66% based on data reported in the monthly operating reports. Based on these allocation factors fixed costs are allocated to base capacity at 66%, and the remainder, 34%, is allocated to extra capacity. Base capacity costs therefore represent the costs associated with meeting the average demand of the system, and extra capacity costs represent costs associated with meeting the peak demand of the system.

For the purposes of proposed rate design: i) customer costs are collected through the monthly customer charge based on the number of bills rendered; ii) the calculated volume charge recovers the variable-related costs and the base capacity fixed costs based on the number of gallons sold; and iii) the readiness to serve charge recovers the extra capacity costs based on the annual number of equivalent billing units. The minimum monthly bill is based on the sum of the customer charge and the readiness to serve charge. The number of equivalent billing units used

to develop the customer and readiness to serve charges is calculated by weighting commercial units by relative meter size and residential units (single family versus multifamily units) by their relative average use compared to the average single-family 5/8" meter customer.

As summarized below from Table 4, the allocation of costs to the rate components for rate design purposes were determined as follows:

	Calendar Year 2004 Water
Usage Charge:	
Capacity-Related	$ 952,159
Variable-Related	267,216
Total Usage Charge	1,219,375
Customer Service Costs	234,898
Readiness to Serve Costs	670,920
Total Net Revenue Requirements	$ 2,125,193

Water Rate Classifications

The proposed rate classifications remain the same as those currently in effect and include residential single-family, residential multi-family, and commercial. The residential single-family class includes detached single-family houses only and rates vary only if a larger than standard 5/8" meter is requested. The proposed residential multi-family is divided into three subclasses: duplex/triplex/mobile home, travel trailer, and condominium. Each of these categories now has a distinct monthly base charge for the first unit (sum of the customer charge and the readiness to serve charge per unit), as well as a readiness to serve charge for each additional unit. The proposed commercial class includes businesses, schools, offices, and all other customers other than residential. Readiness to serve charges for the commercial class vary by meter size.

Proposed Water Rate Design

The Association's proposed retail water rates include three separate rate structure attributes. These rate structure attributes include: i) a monthly customer charge per account billed; ii) a base facility charge or readiness to serve charge, which is billed monthly regardless of actual water use, and that varies by equivalent single-family residential dwelling unit (ERU) for residential single-family versus multi-family customers and by meter size for general service customers, which, along with the customer charge, serves as the minimum bill; and iii) a usage charge based on metered water usage. The proposed usage charges for the residential single family and multifamily classes include and additional price block that adds a lifeline feature for very low usage to the usage rates. For example, the Association's current residential rates include four price levels based on monthly water usage levels. Under the existing single family rate structure the Association charges $2.20 per thousand gallons consumed for the first 5000 gallons of use per month per month; $2.45 per thousand gallons for the next 5000 gallons used up to 10,000 gallons; $3.06 per thousand gallons for the next 5000 gallons of usage above 10,000 gallons; and $3.68 for all usage above 15,000 gallons per month. Under the new rate structure proposal the first 5000 gallons per month of single-family residential usage is divided into two price levels –a

lower price for the first 2000 gallons of usage and a higher price for the next 3000 gallons of use per month. Master-metered multifamily residential accounts also reflect the additional lifeline price block; however the respective usage levels are adjusted for each classes ERU factor.

The base facility charge is generally considered a service availability or readiness to serve charge. This charge represents those costs that generally do not vary with consumption, but are fixed in relation to capacity needs. The customer charge represents the cost of meter reading, billing and collection.

The usage charge generally consists of all the variable related expenses of the utility in addition to a portion of the fixed costs. As discussed above it is recommended that a five step inverted block structure for the single-family residential and the multi-family classes be implemented. The proposed rate blocks were structured based on the typical use of a single-family residence, which represents the majority of the Association's customers. The proposed volume charges associated with the five block inverted rate structure are intended to provide an incentive or price signal to promote water conservation. As such, the price differentials for each blocks are not cost based per se but rather are based on judgmental factors and experience. The key is to set the differentials at levels significant enough to influent consumer behavior. These judgmental factors are based on discussions with the staff of the South West Florida Water Management District and PRMG's experience developing numerous water conservation rates for other utilities.

For the general service class, the two-step inverted block rate structure currently in effect is maintained for the billing of water use. This recommendation was based on the conclusion that the vast majority of commercial use is essential to the business and therefore by definition is not wasteful.

Based on the rate design parameters and the revenue requirements discussed herein, the proposed rates for water services are shown in Table 5 and summarized below:

Proposed Water Rates

Residential Water Services		
Monthly Service Base Rate (per account):		
All Meters	$3.00	2.18
Monthly Ready-to-Serve Charge (per account):		
Water Meter Size (inches)		5.35
5/8 inch	$7.50	
3/4 inch	11.29	
1 inch	18.79	
Usage Charge per 1,000 gallons of water (per account):		
All Meters		4.40
0 - 2,000	$2.20	
3 - 5,000	2.47	11.93
6 - 10,000	2.75	
11 - 15,000	3.44	
Above 15,000	4.13	

44
14.9
2.97
x12
35.64

Multi-Family Water Services

Monthly Service Base Rate (per account):	
All Meters	$3.00
Monthly Ready-to-Serve Charge (per unit):	
Water Meter Size	
Duplex/Triplex/MH Park	$3.79
Travel Trailer Parks	2.24
Condominiums	6.73

Proposed Water Rates

Usage Charge per 1,000 gallons of water (per unit):	
Water Meter Size	
Duplex/Triplex/MH Park	
0 - 1,000	$2.20
1 - 2,000	2.47
3 -5,000	2.75
6 - 7,000	3.44
Above 7,000	4.13
Travel Trailer Parks	
0 - 1,000	$2.20
1 - 2,000	2.47
2 - 3,000	2.75
4,000	3.44
Above 4,000	4.13
Condominiums	
0 - 2,000	$2.20
2 - 4,000	2.47
5 - 9,000	2.75
10 - 13,000	3.44
Above 13,000	4.13

Commercial Water Services

Monthly Service Base Rate (per account):	
All Meters	$3.00
Monthly Ready-to-Serve Charge (per account):	
Water Meter Size (inches)	
5/8 inch	$7.50
3/4 inch	11.29
1 inch	18.79
1.5 inch	37.50
2 inch	60.00
3 inch	120.00
4 inch	187.50
6 inch	375.00

Proposed Water Rates

Usage Charge per 1,000 gallons of water (per account):

Water Meter Size (inches)		
5/8 inch		
	0 - 15,000	$2.75
	Above 15,000	3.44
3/4 inch		
	0 - 22,000	$2.75
	Above 22,000	3.44
1 inch		
	0 - 37,000	$2.75
	Above 37,000	3.44
1.5 inch		
	0 - 75,000	$2.75
	Above 75,000	3.44
2 inch		
	0 - 120,000	$2.75
	Above 120,000	3.44
3 inch		
	0 - 240,000	$2.75
	Above 240,000	3.44
4 inch		
	0 - 375,000	$2.75
	Above 375,000	3.44
6 inch		
	0 - 750,000	$2.75
	Above 750,000	3.44

Rate Comparisons

Included at the end of this report is a comparison of the Association's existing and proposed water rates for various customers/meter sizes and ranges of usage levels. As illustrated on Table 6, the typical residential single-family 5/8" meter water customer using 6,000 gallons of water per month is anticipated to receive a rate increase of $4.08 (from $20.98 to $25.06) or 4.1% under the proposed rate structure. Alternatively, a 5/8" customer that uses no water in a given month (termed a "zero" bill) would experience an increase of $2.97 (from $7.53 to $10.50 or 39%. The 5/8" residential customer comparison is especially important as this customer type accounts for about 93% of the Association's total bills rendered. Table 7 shows a monthly rate comparison for a commercial customer served by a 2 inch meter. Also, in order to provide additional information to the Association's Board of Directors we have included a comparison of typical monthly residential single family bills with those charged by neighboring utilities in Table 8.

Capital Charge Development

The Association's present water capital charges were also adopted pursuant to the adoption of Resolution No. 00-01-06. The Association charges a capital charge based on an equitable portion of the cost of financing the expansion of the Association's utility system. The current impact fee for an equivalent single-family residential dwelling unit (ERU) pursuant to the Resolution is summarized below:

	Amount
Water System Capital Charge	$1,165.00

An ERU is a unit of measure that 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 of account). The ERU 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 billing the Association's current capital charges, water service ERUs for individual residential and commercial establishments are based on predetermined ERU factors. It is recommended the Association continue this method of ERU determination as it relates to water capital charges.

Existing Capital Facilities

In the determination of the capital charge 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 incremental growth of the utility system in the short term. Based on the rated capacities of the water treatment facilities expressed on an average daily flow (ADF) basis and the existing usage requirements of such facilities, the amount of existing facility available to service new growth was estimated to be as follows:

	Water System
Production/Treatment Facility Capacity (ADF)	2,250,000 gpd
Existing Capacity Utilization (ADF)	1,575,000 gpd
Production/Treatment Capacity Available to Serve New Growth	675,000 gpd

As can be seen above, it has been determined that the water system has approximately 30.0% of existing capacity available to serve new customer growth.

Capital Improvement Program

As with any growing utility, the Association is continually in the process of updating and expanding the water plant facilities to serve increasing demand or capacity requirements. In order to develop a charge that is consistent with the capital related needs of the utility, the cost of the Association's capital improvements program was recognized. Based on data provided by the Association, the improvements scheduled for the next seven years will allow the Association to

provide utility services into the foreseeable future. As outlined in Table 9, $9,428,506 has been reflected in the Association's capital improvement program to meet future capital needs. The capital improvement program deals with system betterments of existing assets, as well as capital expenditures associated with serving new growth. The amount of capital needs associated with serving new growth as reflected in the determination of the capital charge is summarized below:

	Capital Expenditures Allocated to Serve New Growth
Treatment Facilities	$1,534,000
Transmission Facilities	3,091,378
Total	$4,625,378

As summarized above, the Association has identified an extensive amount of capital needs to serve both the existing and future growth of the Association. The costs for distribution facilities, RO Plant membrane replacements, office renovations and renewals and replacements to the RO Plant, or main extensions required for service by the Association have not been included in the determination of the Capital Charges. These capital costs are generally recovered from other rates and charges or contributed from developers during construction, and therefore, should not be included as a component of the capital charge determination.

Design of Water System Capital Charge

As shown on Table 10, the proposed capital charge for the water system is $1,450 per ERU. This represents a fee 24% higher than the current fee for an ERU. As discussed hereafter, the proposed fees are comparable with other utilities.

In the development of the charge, several assumptions were utilized or incorporated in the analysis. The major assumptions utilized in the design of the proposed charge are:

1. The existing water production and treatment facilities have an estimated available capacity margin to serve new growth of approximately 30.0% of the average daily capacity of the facilities based on the firm design capacity of the existing facilities and average daily flow relationships experienced by the Association.

2. All the capital facilities associated with the expansion of the system reflect the most recent project costs as identified in the Association's capital improvement program.

3. No capital facility expansion costs associated with on-site distribution facilities have been included in the calculation since the Association generally requires the developer to contribute such facilities (contribution in aid of construction).

4. The specific projects that have been identified in the Ten Year Capital Improvement Program for 1997 through 2006 and those amounts, which the Greater Pine Island Water Association considers to be attributable to the growth and expansion of the System, are shown below.

	Total Estimated Capital Costs	Capital Costs Allocable to Growth
Administration	$61,200	---
RO Plant Renewal & Replacement and Expansion	$2,173,000	$1,534,000
Transmission/Distribution	$1,976,200	$1,326,200
Center Pump Station	$111,000	$54,000
Deep Well Injection	$2,519,928	$1,711,178
Off-Island Pump Station	$1,711,178	---
Vehicles	$176,000	---
New Office Building	$700,000	---
Total	$9,428,506	$4,571,378

5. An ERU for the water system was assumed to require a capacity of 250 gallons per day consistent with the Association's definition of one ERU as outlined in this report.

Capital Charge Customer Application

As previously mentioned, the application of the water capital charge is based according to predetermined ERU factors assigned to various residential and commercial establishments to reflect such customers estimated capacity requirements. The Capital Charge calculation is based on the proposed capital charge of $1,450.00 per ERU.

For multi-family master-metered residential customers the Capital Charge is based on the number of units served behind the master-meter. The Capital Charge per unit for the various multi-family classes is proposed as follows:

Customer Type	Capital Charge per Unit
Condominium	$1,450
Duplex/Triplex	$1,450
Mobile Home Park	$1,450
Travel Trailer Park	$365

For non-residential customers the Capacity Charge is is based on the meter size. The Capital Charge for these customers is as follows:

Meter Size	Capital Charge
5/8"	$1,450
3/4"	$2,175
1"	$3,625
1-1/2"	$7,250
2"	$11,600
3"	$23,200
4"	$36,250
6"	$72,500

Capital Charge Fee Comparisons

A comparison of the proposed system capital charges with other neighboring water utilities has been prepared to illustrate the relationship of the Association's fees to the other jurisdictions. As can be seen below, the proposed charges are similar in the amount charged for the utilities surveyed.

	Residential Capital Charges (1 ERU)
	Water
Greater Pine Island Water Association	
Existing	$1,165.00
Proposed	$1,450.00
Neighboring Utilities	
Bonita Springs Utilities, Inc.	$1,640.00
City of Bradenton	$959.00
Charlotte County	$1,518.00
Collier County	$2,570.00
City of Fort Myers	$2,023.00
Hillsborough County	$2,570.00
Lee County	$1,140.00
Manatee County	$1,045.00
City of Naples	$870.00
City of Punta Gorda	$2,000.00
Sarasota County	$2,720.00

Conclusions and Recommendations

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

1. The Association's existing rate levels for water service will not be sufficient to meet the projected operating expenses, debt service, and capital funding requirements for the calendar years 2004 through 2008.

2. The Association should consider adopting the proposed rates. Adoption of these rates should allow the Association to meet projected revenue requirements for calendar years 2004 through 2008.

3. The Association should consider petitioning the Lee County Board of County Commissioner's to allow for the application of an annual price indexing of not more than 3% per year without further BOCC review to ensure that the Association can respond the contingencies and maintain operating margins in light of continued cost inflation.

4. It is recommended the Association consider adopting the proposed water capital charges established at $1,450.00 per equivalent residential unit. These capital charges are competitive with similar charges used by neighboring utilities.

5. The proposed rates for water service are competitive when compared to the survey of utilities in the area.

Respectfully Submitted,

Public Resources Management Group, Inc.

Henry L. Thomas
Vice President

Table 1
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Historical and Projected Customer Statistics and Revenue - Water System

Line No.	Description	Historical Fiscal Year Ended December 31, 2000	2001	2002	2003	2004	Projected Fiscal Year Ended December 31, 2005	2006	2007	2008
	Residential									
	5/8 inch									
1	Customer Growth	N/A	663	(2,967)	120	120	120	120	120	120
2	No. of Customers	8,103	8,766	5,799 (1)	5,919	6,039	6,159	6,279	6,399	6,519
3	Total Annual Consumption (000s Gal.)	292,498	299,825	303,811	310,037	316,323	322,608	328,894	335,180	341,465
4	Avg. Monthly Consumption (000s Gal.)	24,375	24,985	25,318	25,836	26,360	26,884	27,408	27,932	28,455
5	Avg. Consumption per Customer (Gal.)	3,008	2,850	4,366	4,365	4,365	4,365	4,365	4,365	4,365
	3/4 inch									
6	Customer Growth	N/A	(9)	1	0	0	0	0	0	0
7	No. of Customers	32	23	24	24	24	24	24	24	24
8	Total Annual Consumption (000s Gal.)	1,798	1,883	1,557	1,557	1,557	1,557	1,557	1,557	1,557
9	Avg. Monthly Consumption (000s Gal.)	150	157	130	130	130	130	130	130	130
10	Avg. Consumption per Customer (Gal.)	4,682	6,822	5,406	5,405	5,405	5,405	5,405	5,405	5,405
	1 inch									
11	Customer Growth	N/A	1	1	0	0	0	0	0	0
12	No. of Customers (excluding inactive)	6	7	8	8	8	8	8	8	8
13	Total Annual Consumption (000s Gal.)	604	1,336	1,562	1,562	1,562	1,562	1,562	1,562	1,562
14	Avg. Monthly Consumption (000s Gal.)	50	111	130	130	130	130	130	130	130
15	Avg. Consumption per Customer (Gal.)	8,389	15,905	16,271	16,270	16,270	16,270	16,270	16,270	16,270
	Total Residential									
16	Customer Growth	N/A	655	(2,965)	120	120	120	120	120	120
17	No. of Customers	8,141	8,796	5,831	5,951	6,071	6,191	6,311	6,431	6,551
18	Total Annual Consumption (000s Gal.)	294,900	303,044	306,930	313,156	319,441	325,727	332,013	338,298	344,584
19	Avg. Monthly Consumption (000s Gal.)	24,575	25,254	25,578	26,096	26,620	27,144	27,668	28,192	28,715
20	Avg. Consumption per Customer (Gal.)	3,019	2,871	4,386	4,385	4,385	4,384	4,384	4,384	4,383
	Multi-Family									
	Duplex/Triplex/MH Park									
	Customer Growth	N/A	N/A	N/A	0	0	0	0	0	0
21	No. of Customers	N/A	N/A	166	166	166	166	166	166	166
22	No. of Units	N/A	N/A	846	846	846	846	846	846	846
23	Total Annual Consumption (000s Gal.)	N/A	N/A	32,696	32,700	32,700	32,700	32,700	32,700	32,700
24	Avg. Monthly Consumption (000s Gal.)	N/A	N/A	2,725	2,725	2,725	2,725	2,725	2,725	2,725
25	Avg. Consumption per Unit (Gal.)	N/A	N/A	3,221	3,221	3,221	3,221	3,221	3,221	3,221
	Travel Trailer Parks									
	Customer Growth	N/A	N/A	N/A	0	0	0	0	0	0
26	No. of Customers	N/A	N/A	6	6	6	6	6	6	6
27	No. of Units	N/A	N/A	623	623	623	623	623	623	623
28	Total Annual Consumption (000s Gal.)	N/A	N/A	8,612	8,612	8,612	8,612	8,612	8,612	8,612
29	Avg. Monthly Consumption (000s Gal.)	N/A	N/A	718	718	718	718	718	718	718
30	Avg. Consumption per Unit (Gal.)	N/A	N/A	1,152	1,152	1,152	1,152	1,152	1,152	1,152
	Condominiums									
	Customer Growth	N/A	N/A	N/A	0	0	0	0	0	0
31	No. of Customers	N/A	N/A	48	48	48	48	48	48	48
32	No. of Units	N/A	N/A	267	267	267	267	267	267	267
33	Total Annual Consumption (000s Gal.)	N/A	N/A	13,306	13,306	13,306	13,306	13,306	13,306	13,306
34	Avg. Monthly Consumption (000s Gal.)	N/A	N/A	1,109	1,109	1,109	1,109	1,109	1,109	1,109
35	Avg. Consumption per Unit (Gal.)	N/A	N/A	4,153	4,153	4,153	4,153	4,153	4,153	4,153
	Total Multi-Family									
	Customer Growth	N/A	N/A	N/A	0	0	0	0	0	0
36	No. of Customers	221	221	220	220	220	220	220	220	220
37	No. of Units	N/A	N/A	1,736	1,736	1,736	1,736	1,736	1,736	1,736
38	Total Annual Consumption (000s Gal.)	51,519	54,160	54,614	54,618	54,618	54,618	54,618	54,618	54,618
39	Avg. Monthly Consumption (000s Gal.)	4,293	4,513	4,551	4,552	4,552	4,552	4,552	4,552	4,552
40	Avg. Consumption per Unit (Gal.)	N/A	N/A	2,622	2,622	2,622	2,622	2,622	2,622	2,622

Table 1
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Historical and Projected Customer Statistics and Revenue - Water System

Line No.	Description	Historical Fiscal Year Ended December 31, 2000	2001	2002	2003	Projected Fiscal Year Ended December 31, 2004	2005	2006	2007	2008
	Commercial									
	5/8 inch									
41	Customer Growth	N/A	(2)	(12)	1	1	1	1	1	1
42	No. of Customers	182	180	168	169	170	171	172	173	174
43	Total Annual Consumption (000s Gal.)	20,949	22,060	20,726	20,848	20,971	21,095	21,218	21,341	21,465
44	Avg. Monthly Consumption (000s Gal.)	1,746	1,838	1,727	1,737	1,748	1,758	1,768	1,778	1,789
45	Avg. Consumption per Customer (Gal.)	9,592	10,213	10,281	10,280	10,280	10,280	10,280	10,280	10,280
	3/4 inch									
46	Customer Growth	N/A	2	3	0	0	0	0	0	0
47	No. of Customers	15	17	20	20	20	20	20	20	20
48	Total Annual Consumption (000s Gal.)	3,445	4,558	4,809	4,810	4,810	4,810	4,810	4,810	4,810
49	Avg. Monthly Consumption (000s Gal.)	287	380	401	401	401	401	401	401	401
50	Avg. Consumption per Customer (Gal.)	19,139	22,343	20,038	20,040	20,040	20,040	20,040	20,040	20,040
	1 inch									
51	Customer Growth	N/A	(3)	0	0	0	0	0	0	0
52	No. of Customers	38	35	35	35	35	35	35	35	35
53	Total Annual Consumption (000s Gal.)	14,108	13,408	12,132	12,134	12,134	12,134	12,134	12,134	12,134
54	Avg. Monthly Consumption (000s Gal.)	1,176	1,117	1,011	1,011	1,011	1,011	1,011	1,011	1,011
55	Avg. Consumption per Customer (Gal.)	30,939	31,924	28,886	28,890	28,890	28,890	28,890	28,890	28,890
	1.5 inch									
56	Customer Growth	N/A	(1)	0	0	0	0	0	0	0
57	No. of Customers (excluding inactive)	12	11	11	11	11	11	11	11	11
58	Total Annual Consumption (000s Gal.)	11,579	13,015	8,366	8,366	8,366	8,366	8,366	8,366	8,366
59	Avg. Monthly Consumption (000s Gal.)	965	1,085	697	697	697	697	697	697	697
60	Avg. Consumption per Customer (Gal.)	80,410	98,598	63,379	63,380	63,380	63,380	63,380	63,380	63,380
	2 inch									
61	Customer Growth	N/A	(2)	0	0	0	0	0	0	0
62	No. of Customers (excluding inactive)	9	7	7	7	7	7	7	7	7
63	Total Annual Consumption (000s Gal.)	10,060	9,786	8,366	8,366	8,366	8,366	8,366	8,366	8,366
64	Avg. Monthly Consumption (000s Gal.)	838	816	697	697	697	697	697	697	697
65	Avg. Consumption per Customer (Gal.)	93,148	116,500	99,595	99,595	99,595	99,595	99,595	99,595	99,595
	3 inch									
66	Customer Growth	N/A	0	0	0	0	0	0	0	0
67	No. of Customers (excluding inactive)	3	3	3	3	3	3	3	3	3
68	Total Annual Consumption (000s Gal.)	3,995	8,156	8,598	8,598	8,598	8,598	8,598	8,598	8,598
69	Avg. Monthly Consumption (000s Gal.)	333	680	717	716	716	716	716	716	716
70	Avg. Consumption per Customer (Gal.)	110,972	226,556	238,833	238,830	238,830	238,830	238,830	238,830	238,830
	6 inch									
71	Customer Growth	N/A	0	0	0	0	0	0	0	0
72	No. of Customers (excluding inactive)	1	1	1	1	1	1	1	1	1
73	Total Annual Consumption (000s Gal.)	3,957	3,391	3,622	3,622	3,622	3,622	3,622	3,622	3,622
74	Avg. Monthly Consumption (000s Gal.)	330	283	302	302	302	302	302	302	302
75	Avg. Consumption per Customer (Gal.)	329,750	282,583	301,833	301,830	301,830	301,830	301,830	301,830	301,830
	Total Commercial									
76	Customer Growth	N/A	(6)	(9)	1	1	1	1	1	1
77	No. of Customers	260	254	245	246	247	248	249	250	251
78	Total Annual Consumption (000s Gal.)	68,093	74,374	66,619	66,743	66,867	66,990	67,113	67,237	67,360
79	Avg. Monthly Consumption (000s Gal.)	5,674	6,198	5,552	5,562	5,572	5,582	5,593	5,603	5,613
80	Avg. Consumption per Customer (Gal.)	21,825	24,401	22,660	22,609	22,560	22,510	22,461	22,412	22,364

Table 1
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Historical and Projected Customer Statistics and Revenue - Water System

Line No.	Description	Historical Fiscal Year Ended December 31, 2000	2001	2002	2003	2004	Projected Fiscal Year Ended December 31, 2005	2006	2007	2008
	Total Water System									
	Sales									
89	No. of Customers	8,622	9,271	6,296	6,417	6,538	6,659	6,780	6,901	7,022
90	Total Annual Consumption (000s Gal.)	414,512	431,578	428,163	434,517	440,926	447,335	453,744	460,153	466,562
91	Avg. Monthly Consumption (000s Gal.)	34,543	35,965	35,680	36,210	36,744	37,278	37,812	38,346	38,880
92	Avg. Consumption per Customer (Gal.)	4,006	3,879	5,667	5,643	5,620	5,598	5,577	5,557	5,537
	Production									
93	Annual Thous. Gallons Sold	2,997	2,902	4,239	4,221	4,204	4,187	4,172	4,156	4,142
	Water Loss & Unaccounted for:									
94	Percent	N/A	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
95	Amount (CCF)	N/A	3,479,198	3,623,861	3,832,659	3,729,381	3,787,433	3,645,828	567	565
96	Water Production (000 Gal.)	N/A	3,482,100	3,628,100	3,836,880	3,733,585	3,791,620	3,650,000	4,723	4,706
97	Average Daily Flow (MGD)	N/A	9.54	9.94	10.51	10.23	10.39	10.00	0.01	0.01

Footnote:
(1) Reduced by number of inactive accounts with no water consumption.

Table 2
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Development of Net Revenue Requirements from Rates

Line No.	Description	Fiscal Year Ending December 31, 2004	2005	2006	2007	2008
	Operating Expenses					
1	Operating Expenses	$1,721,182	$1,840,185	$1,968,519	$2,139,611	$2,284,163
2	Total Operating Expenses	$1,721,182	$1,840,185	$1,968,519	$2,139,611	$2,284,163
	Other Revenue Requirements					
	Debt Service					
3	COBANK LOAN	$0	$0	$0	$0	$0
4	PROPOSED LOAN	497,830	494,530	500,730	494,850	497,710
5	Total Debt Service	$497,830	$494,530	$500,730	$494,850	$497,710
6	Capital Funded from Rates	65,900	44,900	22,500	27,600	60,000
	Capital Funded from Renewal & Replacements	125,000	200,000	275,000	300,000	350,000
7	Total Other Revenue Requirements	$190,900	$244,900	$297,500	$327,600	$410,000
8	Gross Revenue Requirements	$2,409,912	$2,579,615	$2,766,749	$2,962,061	$3,191,873
	Less Income and Funds from Other Sources					
9	Other Operating Revenue	$237,571	$239,252	$241,053	$242,944	$244,929
10	Interest Income	47,148	44,498	37,398	31,748	33,748
11	Operating Reserves - (Surplus)/Deficiency	0	0	0	0	0
12	Net Revenue Requirements	$2,125,193	$2,295,864	$2,488,298	$2,687,369	$2,913,196
	Revenue from Existing Rates					
13	Water System Rate Revenue	$1,736,873	$1,890,547	$2,031,934	$2,144,833	$2,257,720
14	Prior Year Rate Adjustment	0	445,116	553,715	666,360	790,206
15	Total Applicable Rate Revenue	$1,736,873	$2,335,662	$2,585,648	$2,811,192	$3,047,926
	Revenue Surplus/(Deficiency)					
16	Amount	($388,321)	$39,798	$97,350	$123,823	$134,729
17	Percent of Rate Revenue	(22.36%)	0.00%	0.00%	0.00%	0.00%
18	Percent of Partial Year Rate Revenue	(22.36%)	(3.00%)	(3.00%)	(3.00%)	(3.00%)
19	Percent to be Recovered	100%	100%	100%	100%	100%

Table 3
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Projected Water Revenue Under Existing Rates

Line No.	Description	Projected Fiscal Year Ending December 31, 2002	2003	2004	2005	2006	2007	2008
	RESIDENTIAL							
	5/8 Inch							
1	Total Annual Consumption (000s Gal.)	303,811	310,037	316,323	322,608	328,894	335,180	341,465
	Block Range							
2	0-5,000	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%	65.8%
3	6-10,000	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%	19.0%
4	11-15,000	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
5	15,000+	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
	Sales By Block							
6	0-5,000	199,849	203,944	208,079	212,214	216,348	220,483	224,618
7	6-10,000	57,647	58,828	60,021	61,214	62,406	63,599	64,792
8	11-15,000	24,620	25,125	25,634	26,143	26,653	27,162	27,671
9	15,000+	21,695	22,140	22,589	23,038	23,487	23,936	24,384
	Block Rates							
10	0-5,000	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20
11	6-10,000	2.45	2.45	2.45	2.45	2.45	2.45	2.45
12	11-15,000	3.06	3.06	3.06	3.06	3.06	3.06	3.06
13	15,000+	3.68	3.68	3.68	3.68	3.68	3.68	3.68
	Volumetric Revenue							
14	0-5,000	$ 439,667	$ 448,677	$ 457,774	$ 466,870	$ 475,966	$ 485,063	$ 494,159
15	6-10,000	141,235	144,130	147,052	149,974	152,896	155,818	158,740
16	11-15,000	75,337	76,881	78,440	79,998	81,557	83,116	84,674
17	15,000+	79,839	81,475	83,127	84,779	86,431	88,083	89,735
18	Total Volumetric Revenue - 5/8" Residential	$ 736,078	$ 751,163	$ 766,393	$ 781,621	$ 796,850	$ 812,079	$ 827,308
	3/4 Inch							
19	Total Annual Consumption (000s Gal.)	1,557	1,557	1,557	1,557	1,557	1,557	1,557
	Block Range							
20	0-5,000	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%	55.6%
21	6-10,000	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%	23.6%
22	11-15,000	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%	10.1%
23	15,000+	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%	10.7%
	Sales By Block							
24	0-5,000	866	866	866	866	866	866	866
25	6-10,000	367	367	367	367	367	367	367
26	11-15,000	157	157	157	157	157	157	157
27	15,000+	167	167	167	167	167	167	167
	Block Rates							
28	0-5,000	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20
29	6-10,000	2.45	2.45	2.45	2.45	2.45	2.45	2.45
30	11-15,000	3.06	3.06	3.06	3.06	3.06	3.06	3.06
31	15,000+	3.68	3.68	3.68	3.68	3.68	3.68	3.68
	Volumetric Revenue							
32	0-5,000	$ 1,905	$ 1,905	$ 1,905	$ 1,905	$ 1,905	$ 1,905	$ 1,905
33	6-10,000	899	899	899	899	899	899	899
34	11-15,000	480	480	480	480	480	480	480
35	15,000+	615	614	614	614	614	614	614
36	Total Volumetric Revenue - 3/4" Residential	$ 3,899	$ 3,898	$ 3,898	$ 3,898	$ 3,898	$ 3,898	$ 3,898
	1 Inch							
37	Total Annual Consumption (000s Gal.)	1,562	1,562	1,562	1,562	1,562	1,562	1,562
	Block Range							
38	0-5,000	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%	20.9%
39	6-10,000	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%	13.5%
40	11-15,000	8.8%	8.8%	8.8%	8.8%	8.8%	8.8%	8.8%
41	15,000+	56.8%	56.8%	56.8%	56.8%	56.8%	56.8%	56.8%
	Sales By Block							
42	0-5,000	326	326	326	326	326	326	326
43	6-10,000	211	211	211	211	211	211	211
44	11-15,000	138	138	138	138	138	138	138
45	15,000+	887	887	887	887	887	887	887
	Block Rates							
46	0-5,000	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20
47	6-10,000	2.45	2.45	2.45	2.45	2.45	2.45	2.45
48	11-15,000	3.06	3.06	3.06	3.06	3.06	3.06	3.06
49	15,000+	3.68	3.68	3.68	3.68	3.68	3.68	3.68
	Volumetric Revenue							
50	0-5,000	$ 717	$ 717	$ 717	$ 717	$ 717	$ 717	$ 717
51	6-10,000	517	517	517	517	517	517	517
52	11-15,000	422	422	422	422	422	422	422
53	15,000+	3,264	3,264	3,264	3,264	3,264	3,264	3,264
54	Total Volumetric Revenue - 1" Residential	$ 4,921	$ 4,920	$ 4,920	$ 4,920	$ 4,920	$ 4,920	$ 4,920
55	Total Annual Volumetric Revenue - Residential	$ 744,898	$ 759,982	$ 775,211	$ 790,440	$ 805,669	$ 820,898	$ 836,126
	Number of Customers							
	Customers by Meter Size							
56	5/8 Inch	5,799	5,919	6,039	6,159	6,279	6,399	6,519
57	3/4 Inch	24	24	24	24	24	24	24
58	1 Inch	8	8	8	8	8	8	8
	Base Charges by Meter Size							
59	5/8 Inch	$ 7.53	$ 7.53	$ 7.53	$ 7.53	$ 7.53	$ 7.53	$ 7.53
60	3/4 Inch	10.23	10.23	10.23	10.23	10.23	10.23	10.23
61	1 Inch	15.58	15.58	15.58	15.58	15.58	15.58	15.58
	Base Charges by Meter Size							
62	5/8 Inch	$ 43,666	$ 44,570	$ 45,474	$ 46,377	$ 47,281	$ 48,184	$ 49,088
63	3/4 Inch	246	246	246	246	246	246	246
64	1 Inch	125	125	125	125	125	125	125
65	Monthly Base Rate Revenue - Residential	$ 44,037	$ 44,940	$ 45,844	$ 46,747	$ 47,651	$ 48,555	$ 49,458
66	Total Annual Base Rate Revenue - Residential	$ 528,440	$ 539,283	$ 550,126	$ 560,969	$ 571,812	$ 582,656	$ 593,499
67	TOTAL REVENUE - Residential	$ 1,273,338	$ 1,299,265	$ 1,325,337	$ 1,351,409	$ 1,377,481	$ 1,403,553	$ 1,429,625
	MULTI-FAMILY (per unit)							

Table 3
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Projected Water Revenue Under Existing Rates

Line No.	Description	Projected Fiscal Year Ending December 31, 2002	2003	2004	2005	2006	2007	2008
	Duplex/Triplex/MH Park							
68	Total Annual Consumption (000s Gal.)	32,696	32,700	32,700	32,700	32,700	32,700	32,700
	Block Range							
69	0-2,000	50.6%	50.6%	50.6%	50.6%	50.6%	50.6%	50.6%
70	3-5,000	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%	31.3%
71	6-7,000	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
72	7,000+	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%	7.1%
	Sales By Block							
73	0-2,000	16,558	16,560	16,560	16,560	16,560	16,560	16,560
74	3-5,000	10,225	10,226	10,226	10,226	10,226	10,226	10,226
75	6-7,000	3,590	3,590	3,590	3,590	3,590	3,590	3,590
76	7,000+	2,323	2,323	2,323	2,323	2,323	2,323	2,323
	Block Rates							
77	0-2,000	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20
78	3-5,000	2.45	2.45	2.45	2.45	2.45	2.45	2.45
79	6-7,000	3.06	3.06	3.06	3.06	3.06	3.06	3.06
80	7,000+	3.68	3.68	3.68	3.68	3.68	3.68	3.68
	Volumetric Revenue							
81	0-2,000	$ 36,428	$ 36,432	$ 36,432	$ 36,432	$ 36,432	$ 36,432	$ 36,432
82	3-5,000	25,051	25,054	25,054	25,054	25,054	25,054	25,054
83	6-7,000	10,985	10,987	10,987	10,987	10,987	10,987	10,987
84	7,000+	8,549	8,550	8,550	8,550	8,550	8,550	8,550
85	Total Volumetric Revenue - Duplex/Triplex/MH Park	$ 81,013	$ 81,022	$ 81,022	$ 81,022	$ 81,022	$ 81,022	$ 81,022
	Travel Trailer Park							
86	Total Annual Consumption (000s Gal.)	8,612	8,612	8,612	8,612	8,612	8,612	8,612
	Block Range							
87	0-1,000	72.2%	72.2%	72.2%	72.2%	72.2%	72.2%	72.2%
88	2-3,000	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%	27.5%
89	4,000	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%	0.3%
90	4,000+	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
	Sales By Block							
91	0-1,000	6,217	6,217	6,217	6,217	6,217	6,217	6,217
92	2-3,000	2,365	2,365	2,365	2,365	2,365	2,365	2,365
93	4,000	22	22	22	22	22	22	22
94	4,000+	8	8	8	8	8	8	8
	Block Rates							
95	0-1,000	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20
96	2-3,000	2.45	2.45	2.45	2.45	2.45	2.45	2.45
97	4,000	3.06	3.06	3.06	3.06	3.06	3.06	3.06
98	4,000+	3.68	3.68	3.68	3.68	3.68	3.68	3.68
	Volumetric Revenue							
99	0-1,000	$ 13,677	$ 13,678	$ 13,678	$ 13,678	$ 13,678	$ 13,678	$ 13,678
100	2-3,000	5,794	5,794	5,794	5,794	5,794	5,794	5,794
101	4,000	67	67	67	67	67	67	67
102	4,000+	29	29	29	29	29	29	29
103	Total Volumetric Revenue - TT Park	$ 19,568	$ 19,569	$ 19,569	$ 19,569	$ 19,569	$ 19,569	$ 19,569
	Condominiums							
104	Total Annual Consumption (000s Gal.)	13,306	13,306	13,306	13,306	13,306	13,306	13,306
	Block Range							
105	0-4,000	60.6%	60.6%	60.6%	60.6%	60.6%	60.6%	60.6%
106	5-9,000	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%	25.9%
107	10-13,000	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%	8.1%
108	13,000+	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%	5.3%
	Sales By Block							
109	0-4,000	8,066	8,066	8,066	8,066	8,066	8,066	8,066
110	5-9,000	3,448	3,448	3,448	3,448	3,448	3,448	3,448
111	10-13,000	1,083	1,083	1,083	1,083	1,083	1,083	1,083
112	13,000+	709	709	709	709	709	709	709
	Block Rates							
113	0-4,000	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20	$ 2.20
114	5-9,000	2.45	2.45	2.45	2.45	2.45	2.45	2.45
115	10-13,000	3.06	3.06	3.06	3.06	3.06	3.06	3.06
116	13,000+	3.68	3.68	3.68	3.68	3.68	3.68	3.68
	Volumetric Revenue							
117	0-4,000	$ 17,745	$ 17,745	$ 17,745	$ 17,745	$ 17,745	$ 17,745	$ 17,745
118	5-9,000	8,448	8,448	8,448	8,448	8,448	8,448	8,448
119	10-13,000	3,314	3,314	3,314	3,314	3,314	3,314	3,314
120	13,000+	2,609	2,609	2,609	2,609	2,609	2,609	2,609
121	Total Volumetric Revenue - Condo	$ 32,116	$ 32,116	$ 32,116	$ 32,116	$ 32,116	$ 32,116	$ 32,116
122	Total Volumetric Revenue - Multi-Family	$ 132,697	$ 132,707	$ 132,707	$ 132,707	$ 132,707	$ 132,707	$ 132,707
	Number of Customers							
	Customers by Complex Type							
123	Duplex/Triplex/MH Park	166	166	166	166	166	166	166
124	TT Park	6	6	6	6	6	6	6
125	Condo	48	48	48	48	48	48	48
	Base Rates by Complex Type							
126	Duplex/Triplex/MH Park	$ 2.18	$ 2.18	$ 2.18	$ 2.18	$ 2.18	$ 2.18	$ 2.18
127	TT Park	2.18	2.18	2.18	2.18	2.18	2.18	2.18
128	Condo	2.18	2.18	2.18	2.18	2.18	2.18	2.18
	Rate Revenue by Complex Type							
129	Duplex/Triplex/MH Park	$ 362	$ 362	$ 362	$ 362	$ 362	$ 362	$ 362
130	TT Park	13	13	13	13	13	13	13
131	Condo	105	105	105	105	105	105	105
132	Monthly Base Rate Revenue - Multi-Family	480	480	480	480	480	480	480
133	Total Annual Base Rate Revenue - Multi-Family	$ 5,755	$ 5,755	$ 5,755	$ 5,755	$ 5,755	$ 5,755	$ 5,755
	Number of Units							
	Units by Complex Type							
134	Duplex/Triplex/MH Park	846	846	846	846	846	846	846
135	TT Park	623	623	623	623	623	623	623
136	Condo	267	267	267	267	267	267	267
	Ready-To-Serve Charges by Complex Type							

Table 3
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Projected Water Revenue Under Existing Rates

Line No.	Description	Projected Fiscal Year Ending December 31, 2002	2003	2004	2005	2006	2007	2008
137	Duplex/Triplex/MH Park	$ 2.70	$ 2.70	$ 2.70	$ 2.70	$ 2.70	$ 2.70	$ 2.70
138	TT Park	1.60	1.60	1.60	1.60	1.60	1.60	1.60
139	Condo	4.80	4.80	4.80	4.80	4.80	4.80	4.80
	Charge Revenue by Complex Type							
140	Duplex/Triplex/MH Park	$ 2,284	$ 2,284	$ 2,284	$ 2,284	$ 2,284	$ 2,284	$ 2,284
141	TT Park	997	997	997	997	997	997	997
142	Condo	1,282	1,282	1,282	1,282	1,282	1,282	1,282
143	Monthly Ready-to-Serve Charge Revenue - Multi-Family	4,563	4,563	4,563	4,563	4,563	4,563	4,563
144	Total Annual Ready-to-Serve Charge Revenue - Multi-Fami	$ 54,751	$ 54,751	$ 54,751	$ 54,751	$ 54,751	$ 54,751	$ 54,751
145	TOTAL REVENUE - Multi-Family	$ 193,204	$ 193,214	$ 193,214	$ 193,214	$ 193,214	$ 193,214	$ 193,214
	COMMERCIAL							
	5/8 inch							
146	Total Annual Consumption (000s Gal.)	20,726	20,848	20,971	21,095	21,218	21,341	21,465
	Block Range							
147	0-15,000	61.9%	61.9%	61.9%	61.9%	61.9%	61.9%	61.9%
148	15,000+	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%	38.1%
	Sales By Block							
149	0-15,000	12,820	12,895	12,972	13,048	13,124	13,201	13,277
150	15,000+	7,906	7,952	8,000	8,047	8,094	8,141	8,188
	Block Rates							
151	0-15,000	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45
152	15,000+	3.06	3.06	3.06	3.06	3.06	3.06	3.06
	Volumetric Revenue							
153	0-15,000	$ 31,409	$ 31,594	$ 31,781	$ 31,968	$ 32,154	$ 32,341	$ 32,528
154	15,000+	24,192	24,335	24,479	24,623	24,767	24,911	25,055
155	Total Volumetric Revenue - 5/8 inch	$ 55,601	$ 55,928	$ 56,259	$ 56,590	$ 56,921	$ 57,252	$ 57,583
	3/4 inch							
156	Total Annual Consumption (000s Gal.)	4,809	4,810	4,810	4,810	4,810	4,810	4,810
	Block Range							
157	0-22,000	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%	48.0%
158	22,000+	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%	52.0%
	Sales By Block							
159	0-22,000	2,308	2,308	2,308	2,308	2,308	2,308	2,308
160	22,000+	2,501	2,501	2,501	2,501	2,501	2,501	2,501
	Block Rates							
161	0-22,000	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45
162	22,000+	3.06	3.06	3.06	3.06	3.06	3.06	3.06
	Volumetric Revenue							
163	0-22,000	$ 5,655	$ 5,655	$ 5,655	$ 5,655	$ 5,655	$ 5,655	$ 5,655
164	22,000+	7,653	7,654	7,654	7,654	7,654	7,654	7,654
	Total Volumetric Revenue - 3/4 inch	$ 13,308	$ 13,309	$ 13,309	$ 13,309	$ 13,309	$ 13,309	$ 13,309
165								
	1 inch							
166	Total Annual Consumption (000s Gal.)	12,132	12,134	12,134	12,134	12,134	12,134	12,134
	Block Range							
167	0-37,000	63.5%	63.5%	63.5%	63.5%	63.5%	63.5%	63.5%
168	37,000+	36.5%	36.5%	36.5%	36.5%	36.5%	36.5%	36.5%
	Sales By Block							
169	0-37,000	7,701	7,702	7,702	7,702	7,702	7,702	7,702
170	37,000+	4,431	4,432	4,432	4,432	4,432	4,432	4,432
	Block Rates							
171	0-37,000	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45
172	37,000+	3.06	3.06	3.06	3.06	3.06	3.06	3.06
	Volumetric Revenue							
173	0-37,000	$ 18,867	$ 18,870	$ 18,870	$ 18,870	$ 18,870	$ 18,870	$ 18,870
174	37,000+	13,559	13,561	13,561	13,561	13,561	13,561	13,561
	Total Volumetric Revenue - 1 inch	$ 32,426	$ 32,431	$ 32,431	$ 32,431	$ 32,431	$ 32,431	$ 32,431
175								
	1.5 inch							
176	Total Annual Consumption (000s Gal.)	8,366	8,366	8,366	8,366	8,366	8,366	8,366
	Block Range							
177	0-75,000	65.2%	65.2%	65.2%	65.2%	65.2%	65.2%	65.2%
178	75,000+	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%	34.8%
	Sales By Block							
179	0-75,000	5,457	5,457	5,457	5,457	5,457	5,457	5,457
180	75,000+	2,909	2,909	2,909	2,909	2,909	2,909	2,909
	Block Rates							
181	0-75,000	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45
182	75,000+	3.06	3.06	3.06	3.06	3.06	3.06	3.06
	Volumetric Revenue							
183	0-75,000	$ 13,370	$ 13,370	$ 13,370	$ 13,370	$ 13,370	$ 13,370	$ 13,370
184	75,000+	8,902	8,902	8,902	8,902	8,902	8,902	8,902
	Total Volumetric Revenue - 1.5 inch	$ 22,271	$ 22,272	$ 22,272	$ 22,272	$ 22,272	$ 22,272	$ 22,272
185								
	2 inch							
186	Total Annual Consumption (000s Gal.)	8,366	8,366	8,366	8,366	8,366	8,366	8,366
	Block Range							
187	0-120,000	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%	53.8%
188	120,000+	46.2%	46.2%	46.2%	46.2%	46.2%	46.2%	46.2%
	Sales By Block							
189	0-120,000	4,505	4,505	4,505	4,505	4,505	4,505	4,505
190	120,000+	3,861	3,861	3,861	3,861	3,861	3,861	3,861
	Block Rates							
191	0-120,000	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45
192	120,000+	3.06	3.06	3.06	3.06	3.06	3.06	3.06
	Volumetric Revenue							
193	0-120,000	$ 11,036	$ 11,036	$ 11,036	$ 11,036	$ 11,036	$ 11,036	$ 11,036

Table 3
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Projected Water Revenue Under Existing Rates

Line No.	Description	Projected Fiscal Year Ending December 31, 2002	2003	2004	2005	2006	2007	2008
194	120,000+	11,816	11,816	11,816	11,816	11,816	11,816	11,816
195	Total Volumetric Revenue - 2 inch	$ 22,852	$ 22,852	$ 22,852	$ 22,852	$ 22,852	$ 22,852	$ 22,852
	3 Inch							
196	Total Annual Consumption (000s Gal.)	8,598	8,598	8,598	8,598	8,598	8,598	8,598
	Block Range							
197	0-240,000	44.6%	44.6%	44.6%	44.6%	44.6%	44.6%	44.6%
198	240,000+	55.4%	55.4%	55.4%	55.4%	55.4%	55.4%	55.4%
	Sales By Block							
199	0-240,000	3,831	3,831	3,831	3,831	3,831	3,831	3,831
200	240,000+	4,767	4,767	4,767	4,767	4,767	4,767	4,767
	Block Rates							
201	0-240,000	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45
202	240,000+	3.06	3.06	3.06	3.06	3.06	3.06	3.06
	Volumetric Revenue							
203	0-240,000	$ 9,386	$ 9,386	$ 9,386	$ 9,386	$ 9,386	$ 9,386	$ 9,386
204	240,000+	14,587	14,587	14,587	14,587	14,587	14,587	14,587
205	Total Volumetric Revenue - 3 inch	$ 23,973	$ 23,973	$ 23,973	$ 23,973	$ 23,973	$ 23,973	$ 23,973
	6 Inch							
206	Total Annual Consumption (000s Gal.)	3,622	3,622	3,622	3,622	3,622	3,622	3,622
	Block Range							
207	0-750,000	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
208	750,000+	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	Sales By Block							
209	0-750,000	3,622	3,622	3,622	3,622	3,622	3,622	3,622
210	750,000+	0	0	0	0	0	0	0
	Block Rates							
211	0-750,000	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45	$ 2.45
212	750,000+	3.06	3.06	3.06	3.06	3.06	3.06	3.06
	Volumetric Revenue							
213	0-750,000	$ 8,874	$ 8,874	$ 8,874	$ 8,874	$ 8,874	$ 8,874	$ 8,874
214	750,000+	0	0	0	0	0	0	0
215	Total Volumetric Revenue - 6 inch	$ 8,874	$ 8,874	$ 8,874	$ 8,874	$ 8,874	$ 8,874	$ 8,874
	Total Volumetric Revenue - Commercial	$ 179,306	$ 179,639	$ 179,970	$ 180,301	$ 180,632	$ 180,963	$ 181,293
216								
	Number of Customers							
	Customers by Meter Size(3)							
217	5/8 Inch	168	169	170	171	172	173	174
218	3/4 Inch	20	20	20	20	20	20	20
219	1 Inch	35	35	35	35	35	35	35
220	1-1/2 Inch	11	11	11	11	11	11	11
221	2 Inch	7	7	7	7	7	7	7
222	3 Inch	3	3	3	3	3	3	3
223	6 Inch	1	1	1	1	1	1	1
	Base Rates and Ready to Serve Charges by Meter Size							
224	5/8 Inch	$ 7.53	$ 7.53	$ 7.53	$ 7.53	$ 7.53	$ 7.53	$ 7.53
225	3/4 Inch	10.23	10.23	10.23	10.23	10.23	10.23	10.23
226	1 Inch	15.58	15.58	15.58	15.58	15.58	15.58	15.58
227	1-1/2 Inch	28.93	28.93	28.93	28.93	28.93	28.93	28.93
228	2 Inch	44.98	44.98	44.98	44.98	44.98	44.98	44.98
229	3 Inch	87.78	87.78	87.78	87.78	87.78	87.78	87.78
230	6 Inch	269.68	269.68	269.68	269.68	269.68	269.68	269.68
	Base Charges by Meter Size							
231	5/8 Inch	$ 1,265	$ 1,273	$ 1,280	$ 1,288	$ 1,295	$ 1,303	$ 1,310
232	3/4 Inch	205	205	205	205	205	205	205
233	1 Inch	545	545	545	545	545	545	545
234	1-1/2 Inch	318	318	318	318	318	318	318
235	2 Inch	315	315	315	315	315	315	315
236	3 Inch	263	263	263	263	263	263	263
237	6 Inch	270	270	270	270	270	270	270
238	Monthly Base Rate Revenue - Commercial	3,181	3,189	3,196	3,204	3,211	3,219	3,226
239	Total Annual Base Rate Revenue - Commercial	$ 38,172	$ 38,268	$ 38,352	$ 38,448	$ 38,532	$ 38,628	$ 38,712
240	TOTAL REVENUE - Commercial	$ 217,478	$ 217,907	$ 218,322	$ 218,749	$ 219,164	$ 219,591	$ 220,005
	TOTAL PROJECTED WATER REVENUE							
	Total Base Revenue	$ 627,118	$ 638,057	$ 648,984	$ 659,924	$ 670,851	$ 681,790	$ 692,717
241	Total Usage Revenue	$ 1,056,901	$ 1,072,328	$ 1,087,888	$ 1,103,448	$ 1,119,008	$ 1,134,568	$ 1,150,127
242	Total Annual Revenue w/o Growth	$ 1,684,019	$ 1,710,386	$ 1,736,873	$ 1,763,372	$ 1,789,859	$ 1,816,358	$ 1,842,845
243	Additional Growth (4)	0	0	0	127,175	242,075	328,475	414,875
244	Total Annual Revenue	$ 1,684,019	$ 1,710,386	$ 1,736,873	$ 1,890,547	$ 2,031,934	$ 2,144,833	$ 2,257,720
245								

Footnotes

Project	2004	2005	2006	2007	2008
Wal-Mart		$3,625	$14,500	$14,500	$14,500
Publix (9 Out Parcels)		750	5,250	5,250	5,250
Bonita Bay (1,534 units)		118,800	198,000	277,200	356,400
Bonita Bay - Commercial (350,000 ft2)		4,000	17,125	17,125	17,125
Saddlewood (200 units)			7,200	14,400	21,600
	$0	$127,175	$242,075	$328,475	$414,875

Table 4
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Classification of Fiscal Year 2004 Net Revenue Requirements

Line No.	Description	2004 Net Revenue Requirements	Allocation Reference	Fixed				Administrative/Customer		Revenue Related	Total
				Base Capacity	Extra Capacity	Total	Variable	Weighted Customer	Customer		
	OPERATING EXPENSES										
	Personnel										
1	Wages	$671,731	WS/W	$356,511	$185,416	$541,927	$0	$6,351	$123,453	$0	$671,731
2	Employee Benefits	114,765	WS/W	60,910	31,678	92,588	0	1,085	21,092	0	114,765
3	Health Insurance	188,520	WS/W	100,054	$2,037	152,091	0	1,782	34,647	0	188,520
4	Worker's Compensation	36,015	WS/W	19,114	9,941	29,056	0	341	6,619	0	36,015
5	Payroll Taxes	45,675	WS/W	24,241	12,608	36,849	0	432	8,394	0	45,675
6	Total Personnel	$1,056,706		$560,831	$291,680	$852,510	$0	$9,991	$194,205	$0	$1,056,706
	Vehicles & Depreciation										
7	Vehicle Expense	$46,717	WS/W	$24,794	$12,895	$37,689	$0	$442	$8,586	$0	$46,717
8	Depreciation	0	WS/W	0	0	0	0	0	0	0	0
9	Total Vehicles & Depreciation	$46,717		$24,794	$12,895	$37,689	$0	$442	$8,586	$0	$46,717
	Administration										
10	Bank Service Charges	$206	WS/W	$109	$57	$166	$0	$2	$38	$0	$206
11	Office Supplies	2058	WS/W	1,092	568	1,660	0	19	378	0	2,058
12	General Supplies	1544	WS/W	819	426	1,245	0	15	284	0	1,544
13	Janitorial/Cleaning Supplies	2433	WS/W	1,291	672	1,963	0	23	447	0	2,433
14	Coffee	875	WS/W	464	241	706	0	8	161	0	875
15	Equipment	1441	WS/W	765	398	1,162	0	14	265	0	1,441
16	Computers	15435	WS/W	8,192	4,260	12,452	0	146	2,837	0	15,435
17	Annual/Special Meetings	3910	WS/W	2,075	1,079	3,155	0	37	719	0	3,910
18	Travel	1029	WS/W	546	284	830	0	10	189	0	1,029
19	Postage/Printing	10061	WS/W	5,340	2,777	8,117	0	95	1,849	0	10,061
20	Insurance	32400	WS/W	17,196	8,943	26,139	0	306	5,955	0	32,400
21	Interest Expense	0	WS/W	0	0	0	0	0	0	0	0
22	Mortgage Payment	0	WS/W	0	0	0	0	0	0	0	0
23	Loan Expense	2500	WS/W	1,327	690	2,017	0	24	459	0	2,500
24	Auditing	13686	WS/W	7,263	3,778	11,041	0	129	2,515	0	13,686
25	Legal	19551	WS/W	10,376	5,397	15,773	0	185	3,593	0	19,551
26	Customer Billing	15825	WS/W	8,399	4,368	12,767	0	150	2,908	0	15,825
27	Engineering Expense	10290	WS/W	5,461	2,840	8,302	0	97	1,891	0	10,290
28	Miscellaneous Expense	3602	WS/W	1,911	994	2,906	0	34	662	0	3,602
27	Education	3087	WS/W	1,638	852	2,490	0	29	567	0	3,087
29	Operating Supplies & Expense	6498	WS/W	3,449	1,794	5,242	0	61	1,194	0	6,498
30	Cash (over) short	0	WS/W	0	0	0	0	0	0	0	0
31	Permits	10805	WS/W	5,734	2,982	8,717	0	102	1,986	0	10,805
32	Security System	1646	WS/W	874	454	1,328	0	16	303	0	1,646
33	Total Administration	$158,880		$84,323	$43,855	$128,179	$0	$1,502	$29,200	$0	$158,880
	RO Plant										
34	Chemicals	$120,080	Variable	$0	$0	$0	$120,080	$0	$0	$0	$120,080
35	Maintenance & Repairs	87,711	WB/E	57,701	30,010	87,711	0	0	0	0	87,711
36	Laboratory	9,084	WB/E	5,976	3,108	9,084	0	0	0	0	9,084
37	Total RO Plant	$216,876		$63,678	$33,118	$96,795	$120,080	$0	$0	$0	$216,876
	Distribution System										
38	Primary Mains	$23,057	WT/D	$14,454	$7,517	$21,971	$0	$440	$645	$0	$23,057
39	Secondary Mains	23,057	WT/D	14,454	7,517	21,971	0	440	645	0	23,057
40	St. James City Sub-Station	838	WT/D	526	273	799	0	16	23	0	838
41	Bokeelia Sub-Station	419	WT/D	263	137	399	0	8	12	0	419
42	Center Sub-Station	6,603	WT/D	4,139	2,153	6,292	0	126	185	0	6,603
43	Total Distribution System	$53,974		$33,835	$17,597	$51,433	$0	$1,031	$1,511	$0	$53,974
	Miscellaneous										
44	Water Samples	$11,113	WB/E	$7,311	$3,802	$11,113	$0	$0	$0	$0	$11,113
45	Unemployment Taxes	1,785	WS/W	947	493	1,440	0	17	328	0	1,785
46	Communications	15,197	WS/W	8,065	4,195	12,260	0	144	2,793	0	15,197
47	Travel-Directors	206	WS/W	109	57	166	0	2	38	0	206
48	Disposal Service	2,058	WB/E	1,354	704	2,058	0	0	0	0	2,058
49	Utilities	157,671	Variable	0	0	0	157,671	0	0	0	157,671
50	Sewer Feasibility Study	0	WB/E	0	0	0	0	0	0	0	0
51	Special Projects	0	WB/E	0	0	0	0	0	0	0	0
52	Total Miscellaneous	$188,029		$17,787	$9,251	$27,037	$157,671	$163	$3,159	$0	$188,029
53	TOTAL OPERATING EXPENSES	$1,721,182		$785,248	$408,396	$1,193,643	$277,751	$13,128	$236,659	$0	$1,721,182
	OTHER REVENUE REQUIREMENTS										
	Debt Service										
54	COBANK LOAN	$0	WPlant	$0	$0	$0	$0	$0	$0	$0	$0
55	PROPOSED LOAN	497,830	WPlant	319,447	166,140	485,586	0	4,744	7,499	0	497,830
56	Total Debt Service	$497,830		$319,447	$166,140	$485,586	$0	$4,744	$7,499	$0	$497,830
57	Capital Funded from Rates	$65,900	Revenue	$0	$0	$0	$0	$0	$0	$65,900	$65,900
58	Capital Funded from Renewal & Replacements	125,000	Revenue	0	0	0	0	0	0	125,000	125,000
59	TOTAL OTHER REVENUE REQUIREMENTS	$688,730		$319,447	$166,140	$485,586	$0	$4,744	$7,499	$190,900	$688,730
60	GROSS REVENUE REQUIREMENTS	$2,409,912		$1,104,695	$574,535	$1,679,230	$277,751	$17,873	$244,159	$190,900	$2,409,912
	Less Income and Funds from Other Sources										
61	Other Operating Revenue	$237,571	Revenue	$0	$0	$0	$0	$0	$0	$237,571	$237,571
62	Interest Income	47,148	Wtd	6,601	3,433	10,034	0	0	0	37,114	47,148
63	Operating Reserves - (Surplus)/Deficiency	0	Revenue	0	0	0	0	0	0	0	0
64	Total Income and Funds from Other Sources	$284,719		$6,601	$3,433	$10,034	$0	$0	$0	$274,685	$284,719
65	NET REVENUE REQUIREMENTS	$2,125,193		$1,098,094	$571,102	$1,669,196	$277,751	$17,873	$244,159	($83,785)	$2,125,193
66	Allocation of Revenue Related	0		(41,650)	(21,662)	(63,312)	(10,535)	(678)	(9,261)	83,785	0
67	REVISED NET REVENUE REQUIREMENTS	$2,125,193		$1,056,444	$549,441	$1,605,884	$267,216	$17,195	$234,898	$0	$2,125,193

Table 4
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Classification of Net Revenue Requirements

No.	Description	Basis		Fixed: Base Capacity	Fixed: Extra Capacity	Variable	Administrative/Customer: Weighted Customer	Administrative/Customer: Customer	Revenue Related	Total System
1	Direct - Base Capacity	Base	*	1.0000	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000
2	Direct - Extra Capacity	Extra	*	0.0000	1.0000	0.0000	0.0000	0.0000	0.0000	1.0000
3	Direct - Variable	Variable	*	0.0000	0.0000	1.0000	0.0000	0.0000	0.0000	1.0000
4	Direct - Weighted Customers	WCust	*	0.0000	0.0000	0.0000	1.0000	0.0000	0.0000	1.0000
5	Direct - Customers	Cust	*	0.0000	0.0000	0.0000	0.0000	1.0000	0.0000	1.0000
6	Direct - Revenue	Revenue	*	0.0000	0.0000	0.0000	0.0000	0.0000	1.0000	1.0000
7	Water Base/Extra Capacity (Peak Day)	WB/E	*	0.6579	0.3421	0.0000	0.0000	0.0000	0.0000	1.0000
8	Water Salaries and Wages	WS/W	*	0.5307	0.2760	0.0000	0.0095	0.1838	0.0000	1.0000
9	Water Transmission/Distribution	WT/D	*	0.6269	0.3260	0.0000	0.0191	0.0280	0.0000	1.0000
10	Water Operating Interest Income	WInt	*	0.1400	0.0728	0.0000	0.0000	0.0000	0.7872	1.0000
11	Water Plant In Service	WPlant	*	0.6417	0.3337	0.0000	0.0095	0.0151	0.0000	1.0000
12	Water Contingency Allocator	WCont	*	0.4562	0.2373	0.1614	0.0076	0.1375	0.0000	1.0000
13	Water Base/Extra Capacity (Peak Month)	Peak	*	0.7912	0.2088	0.0000	0.0000	0.0000	0.0000	1.0000
14	Water Additional Item	WAdd		0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000

CONTINGENCY ALLOCATOR

WATER SYSTEM		Allocator	FY 2004 Total	Base Capacity	Extra Capacity	Variable	Weighted Customer	Customer	Revenue Related
Total O&M		TotOMW	$1,721,182	$785,248	$408,396	$277,751	$13,128	$236,659	$0
	Total		$1,721,182	$785,248	$408,396	$277,751	$13,128	$236,659	$0
	Percent		100.00%	45.62%	23.73%	16.14%	0.76%	13.75%	0.00%

INTEREST INCOME ALLOCATOR:

WATER SYSTEM		Allocator	FY 2004 Total	Base Capacity	Extra Capacity	Variable	Weighted Customer	Customer	Revenue Related
Operating/General Reserve Account		Revenue	$11,858	$0	$0	$0	$0	$0	$11,858
Capital Improvement Fund		Revenue	25,256	0	0	0	0	0	25,256
Capacity Fees		WB/E	0	0	0	0	0	0	0
Debt Service Reserve		WB/E	10,034	6,601	3,433	0	0	0	0
Construction Fund (Future Bonds)		WB/E	0	0	0	0	0	0	0
	Total		$47,148	$6,601	$3,433	$0	$0	$0	$37,114
	Percent		100.00%	14.00%	7.28%	0.00%	0.00%	0.00%	78.72%

SALARIES AND WAGES ALLOCATOR:

WATER SYSTEM			FY 2004 Total	Base Capacity	Extra Capacity	Variable	Weighted Customer	Customer	Revenue Related
Customer Service		Cust	$83,892	$0	$0	$0	$0	$83,892	$0
RO Plant		W B/E	165,380	108,797	56,583	0	0	0	0
Distribution		WT/D	244,432	153,229	79,692	0	4,668	6,842	0
	Total		$493,704	$262,026	$136,276	$0	$4,668	$90,734	$0
	Percent		100.00%	53.07%	27.60%	0.00%	0.95%	18.38%	0.00%

BASE / EXTRA CAPACITY ALLOCATOR:

WATER SYSTEM		Peak Month	Peak Day
	Base Capacity	79.12%	65.79%
	Extra Capacity	20.88%	34.21%

	Water Peak Month	Water Avg Month
2000	49.79	40.71
2001	50.69	40.31
2002	50.15	38.17
Average	50.21	39.73
Max. Month to Avg. Month:		1.26
Base Capacity:		0.79

	Water Peak Day	Water Avg Day
2000	1.71	1.34
2001	1.71	1.33
2002	2.54	1.25
Average	1.99	1.31
Peak Day to Avg. Day:		1.52
Base Capacity:		0.66

TRANSMISSION/DISTRIBUTION ALLOCATOR:

WATER SYSTEM			FY 2002 Asset Total	Base Capacity	Extra Capacity	Variable	Weighted Customer	Customer	Revenue Related
Customer Service Lines		W B/E	$1,147,113	$754,637	$392,476	$0	$0	$0	$0
Water Distribution		W B/E	4,532,954	2,982,040	1,550,914	0	0	0	0
Vehicles-Water		WCust	116,521	0	0	0	116,521	0	0
Field Equipment		W B/E	134,033	88,175	45,858	0	0	0	0
Meters		Cust	170,797	0	0	0	0	170,797	0
	Total		$6,101,418	$3,824,852	$1,989,248	$0	$116,521	$170,797	$0
	Percent		100.00%	62.69%	32.60%	0.00%	1.91%	2.80%	0.00%

PLANT-IN-SERVICE ALLOCATOR:

WATER SYSTEM			FY 2002 Asset Total	Base Capacity	Extra Capacity	Variable	Weighted Customer	Customer	Revenue Related
From T/D Allocator			$6,101,418	$3,824,852	$1,989,248	$0	$116,521	$170,797	$0
Buildings/Land and Improvements		W B/E	1,041,077	684,881	356,196	0	0	0	0
Buildings-Administration		WS/W	39,639	21,038	10,941	0	375	7,285	0
Administration Equipment		WS/W	39,639	21,038	10,941	0	375	7,285	0
RO Plant		W B/E	4,377,637	2,879,863	1,497,774	0	0	0	0
Water Supply/Wells		W B/E	705,952	464,416	241,536	0	0	0	0
	Total		$12,305,362	$7,896,088	$4,106,637	$0	$117,271	$185,367	$0
	Percent		100.00%	64.17%	33.37%	0.00%	0.95%	1.51%	0.00%

Table 5
Greater Pine Island Water Association
2004 Water Rate Study

Rate Schedule of Existing and Proposed Water Rates

	Existing	Proposed
Residential Water Services		
Monthly Service Base Rate (per account):		
All Meters	$2.18	$3.00
Monthly Ready-to-Serve Charge (per account):		
Water Meter Size (inches)		
5/8 inch	$5.35	$7.50
3/4 inch	8.05	11.29
1 inch	13.40	18.79
Usage Charge per 1,000 gallons of water (per account):		
All Meters		
0 - 2,000	$2.20	$2.20
3 - 5,000	2.20	2.47
6 - 10,000	2.45	2.75
11 - 15,000	3.06	3.44
Above 15,000	3.68	4.13
Multi-Family Water Services		
Monthly Service Base Rate (per account):		
All Meters	$2.18	$3.00
Monthly Ready-to-Serve Charge (per unit):		
Water Meter Size		
Duplex/Triplex/MH Park	$2.70	$3.79
Travel Trailer Parks	1.60	2.24
Condominiums	4.80	6.73
Usage Charge per 1,000 gallons of water (per unit):		
Water Meter Size		
Duplex/Triplex/MH Park		
0 - 2,000	$2.20	$2.47
3 -5,000	2.45	2.75
6 - 7,000	3.06	3.44
Above 7,000	3.68	4.13
Travel Trailer Parks		
0 - 1,000	$2.20	$2.47
2 - 3,000	2.45	2.75
4,000	3.06	3.44
Above 4,000	3.68	4.13
Condominiums		
0 - 4,000	$2.20	$2.47
5 - 9,000	2.45	2.75
10 - 13,000	3.06	3.44
Above 13,000	3.68	4.13
Commmercial Water Services		
Monthly Service Base Rate (per account):		
All Meters	$2.18	$3.00
Monthly Ready-to-Serve Charge (per account):		
Water Meter Size (inches)		
5/8 inch	$5.35	$7.50
3/4 inch	8.05	11.29
1 inch	13.40	18.79
1.5 inch	26.75	37.50
2 inch	42.80	60.00
3 inch	85.60	120.00
4 inch	133.75	187.50
6 inch	267.50	375.00
Usage Charge per 1,000 gallons of water (per account):		
Water Meter Size (inches)		
5/8 inch		
0 - 15,000	$2.45	$2.75
Above 15,000	3.06	3.44
3/4 inch		
0 - 22,000	$2.45	$2.75
Above 22,000	3.06	3.44
1 inch		
0 - 37,000	$2.45	$2.75
Above 37,000	3.06	3.44
1.5 inch		
0 - 75,000	$2.45	$2.75
Above 75,000	3.06	3.44
2 inch		
0 - 120,000	$2.45	$2.75
Above 120,000	3.06	3.44
3 inch		
0 - 240,000	$2.45	$2.75
Above 240,000	3.06	3.44
4 inch		
0 - 375,000	$2.45	$2.75
Above 375,000	3.06	3.44
6 inch		
0 - 750,000	$2.45	$2.75
Above 750,000	3.06	3.44

Table 6
Greater Pine Island Water Association
2004 Water Rate Study
Bill Comparison for Proposed Water Rates
Residential 5/8"

Existing Rates		Proposed Rates	
$2.18	Base Rate	$3.00	Base Rate
$5.35	Ready-to-Serve Charge	$7.50	Ready-to-Serve Charge
Rate per kgal per ERC:		Rate per kgal per ERC:	
$2.20	0 - 5	$2.20	0 - 2
$2.45	6 - 10	$2.47	3 - 5
$3.06	11 - 15	$2.75	6 - 10
$3.68	above 15 kgal	$3.44	11 - 15
		$4.13	above 15 kgal

	Existing		Proposed FY 2004		Increase	
Monthly Use (gal)	Total Bill	Avg Rate per Kgal	Total Bill	Avg Rate per Kgal	Total Bill	%
0	$7.53	n/a	$10.50	n/a	$2.97	39%
1,000	9.73	9.73	12.70	12.70	2.97	31%
2,000	11.93	5.97	14.90	7.45	2.97	25%
3,000	14.13	4.71	17.37	5.79	3.24	23%
4,000	16.33	4.08	19.84	4.96	3.51	21%
5,000	18.53	3.71	22.31	4.46	3.78	20%
6,000	20.98	3.50	25.06	4.18	4.08	19%
7,000	23.43	3.35	27.81	3.97	4.38	19%
8,000	25.88	3.24	30.56	3.82	4.68	18%
9,000	28.33	3.15	33.31	3.70	4.98	18%
10,000	30.78	3.08	36.06	3.61	5.28	17%
11,000	33.84	3.08	39.50	3.59	5.66	17%
12,000	36.90	3.08	42.94	3.58	6.04	16%
13,000	39.96	3.07	46.38	3.57	6.42	16%
14,000	43.02	3.07	49.82	3.56	6.80	16%
15,000	46.08	3.07	53.26	3.55	7.18	16%
16,000	49.76	3.11	57.39	3.59	7.63	15%
17,000	53.44	3.14	61.52	3.62	8.08	15%
18,000	57.12	3.17	65.65	3.65	8.53	15%
19,000	60.80	3.20	69.78	3.67	8.98	15%
20,000	64.48	3.22	73.91	3.70	9.43	15%
30,000	101.28	3.38	115.21	3.84	13.93	14%
40,000	138.08	3.45	156.51	3.91	18.43	13%
50,000	174.88	3.50	197.81	3.96	22.93	13%
80,000	285.28	3.57	321.71	4.02	36.43	13%
100,000	358.88	3.59	404.31	4.04	45.43	13%
200,000	726.88	3.63	817.31	4.09	90.43	12%
240,000	874.08	3.64	982.51	4.09	108.43	12%
400,000	1,462.88	3.66	1,643.31	4.11	180.43	12%
500,000	1,830.88	3.66	2,056.31	4.11	225.43	12%
1,000,000	3,670.88	3.67	4,121.31	4.12	450.43	12%

Table 7
Greater Pine Island Water Association
2004 Water Rate Study
Bill Comparison for Proposed Water Rates
Commercial 2"

Existing Rates		Proposed Rates	
$2.18	Base Rate	$3.00	Base Rate
$42.80	Ready-to-Serve	$60.00	Ready-to-Serve
	Rate per kgal per ERC:		Rate per kgal per ERC:
$2.45	0 - 120	$2.75	0 - 120
$3.06	above 120 kgal	$3.44	above 120 kgal

	Existing		Proposed FY 2004		Increase	
Monthly Use (gal)	Total Bill	Avg Rate per Kgal	Total Bill	Avg Rate per Kgal	Total Bill	%
0	$44.98	n/a	$63.00	n/a	$18.02	40%
1,000	47.43	47.43	65.75	65.75	18.32	39%
2,000	49.88	24.94	68.50	34.25	18.62	37%
3,000	52.33	17.44	71.25	23.75	18.92	36%
4,000	54.78	13.70	74.00	18.50	19.22	35%
5,000	57.23	11.45	76.75	15.35	19.52	34%
10,000	69.48	6.95	90.50	9.05	21.02	30%
15,000	81.73	5.45	104.25	6.95	22.52	28%
20,000	93.98	4.70	118.00	5.90	24.02	26%
25,000	106.23	4.25	131.75	5.27	25.52	24%
30,000	118.48	3.95	145.50	4.85	27.02	23%
35,000	130.73	3.74	159.25	4.55	28.52	22%
40,000	142.98	3.57	173.00	4.33	30.02	21%
45,000	155.23	3.45	186.75	4.15	31.52	20%
49,000	165.03	3.37	197.75	4.04	32.72	20%
55,000	179.73	3.27	214.25	3.90	34.52	19%
60,000	191.98	3.20	228.00	3.80	36.02	19%
65,000	204.23	3.14	241.75	3.72	37.52	18%
70,000	216.48	3.09	255.50	3.65	39.02	18%
75,000	228.73	3.05	269.25	3.59	40.52	18%
80,000	240.98	3.01	283.00	3.54	42.02	17%
85,000	253.23	2.98	296.75	3.49	43.52	17%
90,000	265.48	2.95	310.50	3.45	45.02	17%
96,000	280.18	2.92	327.00	3.41	46.82	17%
97,000	282.63	2.91	329.75	3.40	47.12	17%
105,000	302.23	2.88	351.75	3.35	49.52	16%
110,000	314.48	2.86	365.50	3.32	51.02	16%
115,000	326.73	2.84	379.25	3.30	52.52	16%
120,000	338.98	2.82	393.00	3.28	54.02	16%
125,000	354.28	2.83	410.20	3.28	55.92	16%
130,000	369.58	2.84	427.40	3.29	57.82	16%
135,000	384.88	2.85	444.60	3.29	59.72	16%
140,000	400.18	2.86	461.80	3.30	61.62	15%
145,000	415.48	2.87	479.00	3.30	63.52	15%
150,000	430.78	2.87	496.20	3.31	65.42	15%

Table 8
Greater Pine Island Water Association
2004 Water Rate Study
Water 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	8,000 Gallons	10,000 Gallons	15,000 Gallons	30,000 Gallons
	Greater Pine Island Water Association								
1	Existing Rates - Effective January 12, 2000	$7.53	$11.93	$16.33	$18.53	$25.88	$30.78	$46.08	$101.28
2	Proposed Rates FY 2004	10.50	14.90	19.84	22.31	30.56	36.06	53.26	115.21
	Other Florida Utilities:								
3	City of Bradenton	$8.44	$11.64	$15.81	$18.38	$26.09	$31.23	$44.08	$82.63
4	Bonita Springs Utilities, Inc.	8.85	14.17	19.49	22.15	31.27	37.73	55.59	119.43
5	Charlotte County [2]	16.87	24.17	31.47	35.12	46.07	53.37	75.22	156.35
6	Charlotte County	9.90	9.90	13.65	17.40	28.65	36.85	59.10	125.85
7	Collier County	12.30	15.26	18.22	19.70	26.00	30.20	43.70	57.20
8	Englewood Water District	10.00	13.60	17.20	19.00	25.60	35.20	59.20	131.20
9	FGUA - Lehigh System	9.96	17.50	25.04	28.81	40.12	47.66	66.51	123.06
10	City of Fort Myers	4.27	9.65	15.03	17.72	27.59	34.17	53.72	174.47
11	Hillsborough County	11.70	16.40	21.10	23.45	33.95	40.95	58.45	128.95
12	Lee County	8.45	12.97	17.49	19.75	27.57	33.13	48.59	110.45
13	Manatee County	5.85	8.33	10.81	12.05	16.35	19.41	27.06	92.31
14	City of Naples	3.72	6.00	8.28	9.42	12.84	15.12	20.82	39.24
15	City of North Port [2]	9.16	14.86	20.56	23.41	31.96	39.16	57.16	111.16
16	Pinellas County	11.48	11.48	11.48	14.35	22.96	28.70	43.05	86.10
17	City of Punta Gorda	11.65	17.09	22.53	25.25	33.41	38.85	54.50	105.35
18	City of Sarasota	7.90	12.84	17.78	20.25	27.66	32.60	47.68	103.84
19	Sarasota County [2]	14.30	17.98	21.66	24.32	32.30	41.26	75.16	117.44
20	Other Florida Utilities' Average	$9.69	$13.76	$18.09	$20.62	$28.85	$35.03	$52.33	$109.71

Footnotes:

[1] Unless otherwise noted, amounts shown reflect residential rates in effect August 2003 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.

[2] Utility is currently involved in a rate study, or is planning one within the next few months.

Table 9
Greater Pine Island Water Association
2004 Water Rate Study
Water System

Five Year Estimated Capital Improvement Program

Line No.	Description	Funding Source	Budgeted 2003	Adjustments	Adjusted 2003	Fiscal Year Ending December 31, 2004	2005	2006	2007	2008	2009	2010	Total
	WATER SYSTEM												
	Administration												
1	Office Roof	REV	6200	0	6,200	0	0	0	0	0	0	0	6,200
2	Office Computer	REV	1000	0	1,000	0	0	0	0	0	0	0	1,000
3	Computer Tape Back-up	REV	0	0	0	0	0	0	1,000	0	0	0	1,000
4	Copy Machine	REV	0	0	0	5,000	0	0	0	0	0	0	5,000
5	Phone System	REV	0	0	0	8,000	0	0	0	0	0	0	8,000
6	Plotter	REV	0	0	0	5,000	0	0	0	0	0	0	5,000
7	Computers	REV	0	0	0	7,900	4,900	2,500	6,600	4,000	8,600	500	35,000
8	Administration Total		7,200		7,200	20,900	9,900	2,500	7,600	4,000	8,600	500	61,200
	RO Plant Renewal & Replacement												
9	Plant HSP & VFD R/R	RR	36,000	0	36,000	0	0	0	0	0	0	0	36,000
10	Acid Pump System	RR	145,000	0	145,000	0	0	0	0	0	0	0	145,000
11	Flow Meters	RR	3,000	0	3,000	0	0	0	0	0	0	0	3,000
12	Chlorine Gas Alternative	RR	33,500	0	33,500	0	0	0	0	0	0	0	33,500
13	Replace Membranes Train A - Stage 1	RR	6,083	0	6,083	0	0	0	0	46,000	0	0	52,083
14	Replace Membranes Train B - Stage 1	RR	6,083	0	6,083	0	0	0	44,000	0	0	0	50,083
15	Replace Membranes Train C - Stage 1	RR	6,083	0	6,083	0	0	42,000	0	0	0	0	48,083
16	Replace Membranes Train A - Stage 2	RR	6,083	0	6,083	20,000	0	0	0	0	24,000	0	50,083
17	Replace Membranes Train B - Stage 2	RR	6,083	0	6,083	20,000	0				24,000	0	50,083
18	Replace Membranes Train C - Stage 2	RR	6,083	0	6,083	0	0	22,000	0	0	0	0	28,083
19	HS Pump "B" Replacement	RR	0	0	0	20,000	0	0	0	0	0	0	20,000
20	Exterior Painting	RR	0	0	0	0	10,000	15,000	0	0	0	12,000	37,000
21	Hydrogen Sulfide Reduction (Air Scruber)	RR	0	0	0	0	30,000	0	0	0	0	0	30,000
22	Computers/PLC	RR	0	0	0	16,000	0	0	0	10,000	0	0	26,000
23	Security	RR	0	0	0	8,000	4,000	2,000	0	0	0	0	14,000
24	Upgrade Emergency Generator Diesel Tank	RR	0	0	0	25,000	0	0	0	0	0	0	25,000
25	Well #4	RR	0	0	0	15,000	0	0	0	0	0	0	15,000
26	Well #5	RR	0	0	0	0	15,000	0	0	0	0	0	15,000
27	Well #6	RR	0	0	0	0	0	15,000	0	0	0	0	15,000
	RO Plant Expansion												
28	Train "D"	CAP	0	0	0	0	0	0	600,000	300,000	0	0	900,000
29	Well #8	CAP	0	0	0	0	0	0	200,000	0	0	0	200,000
30	Electrical Upgrade	CAP	0	0	0	0	0	100,000	0	0	0	0	100,000
31	Emergency Generator Upgrade	CAP	0	0	0	0	0	0	0	130,000	0	0	130,000
32	Land for Next Well	CAP	0	0	0	150,000	0	0	0	0	0	0	150,000
33	Total RO Plant		254,000		254,000	274,000	59,000	196,000	844,000	486,000	48,000	12,000	2,173,000
	Transmission/Distribution												
34	Master Plan Distribution System	CAP	35,000	0	35,000	10,000	10,000	10,000	0	0	0	0	65,000
35	Annual Fire Hydrant Placement Program	CAP	2,200	0	2,200	10,000	10,000	10,000	10,000	10,000	10,000	10,000	72,200
36	Security-Scada	CAP	9,000	0	9,000	10,000	10,000	10,000	0	0	0	0	39,000
37	Pine Island Road Water Main Relocation	RR	0	0	0	0	350,000	300,000	0	0	0	0	650,000
38	Section 18/Unit 58W Water Line Additions	CAP	0	0	0	0	0	0	350,000	350,000	0	0	700,000
39	Area 3 Sanibel	CAP	0	0	0	0	0	0	0	0	250,000	0	250,000
40	Area 6 - 7th Avenue	CAP	0	0	0	0	0	0	0	0	0	200,000	200,000
41	Total Transmission/Distribution		46,200		46,200	30,000	380,000	330,000	360,000	360,000	260,000	210,000	1,976,200
	Center Pump Station												
42	Center Flow Meters/Chart	CAP	4,000	0	4,000	0	0	0	0	0	0	0	4,000
43	HS Pump #1 Replacement	RR	0	0	0	27,000	0	0	0	0	0	0	27,000
44	HS Pump #2 Replacement	RR	0	0	0	0	30,000	0	0	0	0	0	30,000
45	Emergency Generator	CAP	0	0	0	0	0	0	40,000	0	0	0	40,000
46	Exterior Painting	CAP	0	0	0	10,000	0	0	0	0	0	0	10,000
47	Total Center Pump Station		4,000		4,000	37,000	30,000	0	40,000	0	0	0	111,000
	Deep Well Injection												
48	Letter of Credit Escrow	BI	115,000	0	115,000	0	0	0	0	0	0	0	115,000
49	Monitor Well Pump	BI	1,500	0	1,500	0	0	0	0	0	0	0	1,500
50	Construction Costs	BI	0	0	0	2,200,000	0	0	0	0	0	0	2,200,000
51	Desig/Bid/Oversite	BI	110,476	0	110,476	67,952	0	0	0	0	0	0	178,428
52	Mech Integrity Test	CAP	0	0	0	0	0	0	0	0	25,000	0	25,000
53	Total Deep Well Injection		226,976		226,976	2,267,952	0	0	0	0	25,000	0	2,519,928
	Off-Island Pump Station												
54	Land	CAP	50,000	0	50,000	0	0	0	0	0	0	0	50,000
55	Land	BI	125,000	0	125,000	200,000	0	0	0	0	0	0	325,000
56	Land Development	BI	8,200	0	8,200	50,000	0	0	0	0	0	0	58,200
57	Engineering	BI	27,978	0	27,978	25,000	0	0	0	0	0	0	52,978
58	Construction Costs	BI	0	0	0	1,200,000	0	0	0	0	0	0	1,200,000
59	Security-Scada-Fiber Op	CAP	0	0	0	10,000	10,000	5,000	0	0	0	0	25,000
60	Pine Island Road Water Main Relocation	BI	0	0	0	0	0	0	0	0	0	0	0
61	Section 18/Unit 58W	BI	0	0	0	0	0	0	0	0	0	0	0
62	Total Off-Island Improvements		211,178		211,178	1,485,000	10,000	5,000	0	0	0	0	1,711,178
	Vehicles												
63	1994 Chevy Blazer	REV	0	0	0	0	20,000	0	0	0	0	0	20,000
64	2003 Toyota Tacoma	REV	0	0	0	0	0	0	0	16,000	0	0	16,000
65	1998 Ford Ranger	REV	0	0	0	0	0	15,000	0	0	0	0	15,000
66	1998 Ford Ranger	REV	0	0	0	0	15,000	0	0	0	0	0	15,000
67	2000 Ford F-150	REV	0	0	0	0	0	0	20,000	0	0	0	20,000
68	1990 Ford F-350	REV	0	0	0	30,000	0	0	0	0	0	0	30,000
69	1984 STEP Van	REV	0	0	0	0	0	5,000	0	40,000	0	0	45,000
70	Dump Truck	REV	0	0	0	15,000	0	0	0	0	0	0	15,000
71	Total Vehicles		0		0	45,000	35,000	20,000	20,000	56,000	0	0	176,000
72	New Office Building	RR	0	0	0	0	0	350,000	350,000	0	0	0	700,000
73	TOTAL WATER SYSTEM CAPITAL COSTS		$749,554		$749,554	$4,159,852	$523,900	$903,500	$1,621,600	$906,000	$341,600	$222,500	$9,428,506
	FUNDING SOURCES												
	WATER SYSTEM												
74	Operating/General Reserve	OR	$0	$0	0	$0	$0	$0	$0	$0	$0	$0	$0
75	Capital Improvement Fund	RR	254,000	0	254,000	151,000	439,000	746,000	394,000	56,000	48,000	12,000	2,100,000
76	Bond Proceeds (Anticipated)	BI	388,154	0	388,154	3,742,952	0	0	0	0	0	0	4,131,106
77	Capacity Fees	CAP	100,200	0	100,200	200,000	40,000	135,000	1,200,000	790,000	285,000	210,000	2,960,200
78	Outside Agency Grants	WGRT	0	0	0	0	0	0	0	0	0	0	0
79	Rate Revenue	REV	7,200	0	7,200	65,900	44,900	22,500	27,600	60,000	8,600	500	237,200
80	TOTAL WATER SYSTEM FUNDING SOURCES		$749,554		$749,554	$4,159,852	$523,900	$903,500	$1,621,600	$906,000	$341,600	$222,500	$9,428,506

Table 10
Greater Pine Isloand Water Association
2004 Water Rate Study
Water System

Development of Water System Capital Facility Charge

Line No.	Description	Existing Facilities Total	Existing Facilities Available for New Growth Percent	Existing Facilities Available for New Growth Amount	Additional Facilities	Total Existing and Additional Facilities Available for New Growth
	Water Production and Treatment Facilities					
1	Cost of Existing Facilities	$ 5,083,589 [1]			$ 0	
2	Additional Costs from CIP	$ 2,519,928			$ 1,480,000	
3	Total Facilities Cost	$ 7,603,517	30.00% [3]	$ 2,281,055	$ 1,480,000	$ 3,761,055
	Plant Capacity (MGD) (MDF)					
4	Plant Capacity (MGD) (ADF)	2.250 [2]	30.00%	0.675	0.750	1.425
5	ERU Factor - GPD	[1] 250		250	250	250
6	Estimated ERUs to be Served	9,000	30.00%	2,700	3,000	5,700
7	Estimated ERUs					5,700
8	Cost per ERU					$ 660.00
	Primary Transmission/Distribution System					
9	Cost of Existing Facilities	$ 4,532,954 [1]			$ 0	
10	Additional Costs from CIP	$ 0			$ 3,091,378	
11	Total Facilities Cost	$ 4,532,954	30.00%	$ 1,359,886	$ 3,091,378	$ 4,451,264
12	Plant Capacity (MGD) (ADF)					1.425 [5]
13	ERU Factor - GPD					250
14	Estimated ERUs to be Served					5,700
15	Cost per ERU					$ 781.00
16	Total Water Capital Facility Charge (Rounded) per ERU (line 8 + line 15)					$ 1,441.00
17	Rounded Rate					$ 1,450.00

[1] Existing plant costs obtained from the City fixed asset schedule.

[2] The existing water treatment capacity was based on the City's Permitted Capacity.
Average daily flows for Fiscal Year 2004 were estimated based on recent historical trends.

[3] Percent of existing water treatment capacity available for new growth is determined as follows:

Total Water Production/Treatment Capacity	2.250 MGD
Average Daily Flow - Est. FY 2004	1.575 MGD
Remaining Capacity of Existing Facilities	0.675
Percent of Existing Facilities Remaining	30.00%