

Lee County Board of County Commissioners  
Agenda Item Summary

Blue Sheet No. 20060754-UTL

1. Action Requested/Purpose:

Accept Gasparilla Island Water Association, Inc. (GIWA) Petition for a rate adjustment for water and sewer services; 2) Authorize staff to schedule a public hearing for August 22, 2006 at 5:00 p.m., to adopt a Resolution approving the updated rates.

2. What Action Accomplishes:

Provides required Board approval for GIWA to adjust its water and sewer rates.

3. Management Recommendation:

Approval.

4. Departmental Category: 10

**CIOF**

5. Meeting Date:

**08-01-2006**

6. Agenda:

- Consent
- Administrative
- Appeals
- Public
- Walk-On

7. Requirement/Purpose (specify)

- Statute
- Ordinance
- Admin. Code
- Other Approval

8. Request Initiated:

Commissioner Department Public Works  
Division Utilities  
By: *S. I. Velez* 6/26/06  
S. Ivan Velez, P.E., Acting Director

9. Background:

On February 13, 2001, the Board of County Commissioners renewed a franchise to Gasparilla Island Water Association (GIWA). As the franchising authority for this not-for-profit utility, Board approval is required for all future changes in the rates or franchise area.

GIWA requests approval of the attached Petition for Rate Adjustment and its attachments. GIWA's last three rate increases were approved by the BOCC on May 19, 1993; March 11, 2003 and March 22, 2005. Since that time, the area has continued to experience rapid growth and increased operating costs.

GIWA's Board contracted with Public Resources Management Group, Inc. (PRMG) to conduct an in-depth analysis and provide a Water and Wastewater Rate Study (see Attachment B). The results of the study confirmed GIWA needs to increase revenues by 9-1/2% now, and 6% annually over the next four years.

Attachments: Resolution  
GIWA Letter dated April 21, 2006  
GIWA Petition for Rate Adjustment w/attachments (A-F)

10. Review for Scheduling

Department Director	Pur. or Contracts	Human Res.	Other	County Attorney	Budget Services				County Manager / P.W. Director
					Analyst	Risk	Grants	Mgr.	
<i>S. Gilbertson for J. Lavender</i> Date: <i>7/27/06</i>	N/A Date:	N/A Date:	N/A Date:	S. Covert Date:	<i>7/5/06</i>	<i>7/5/06</i>		<i>7/5/06</i>	<i>S. Gilbertson for J. Lavender</i> Date: <i>7/27/06</i>

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

RECEIVED BY  
COUNTY ADMIN:  
*7/3/06 MP*  
4:30  
COUNTY ADMIN  
FORWARDED TO:  
*7/3/06 12:11 PM 45588*

Rec. by CoAtty  
Date: *7/10/06*  
Time: *10:53 PM*  
Forwarded To:

LEE COUNTY RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF LEE COUNTY APPROVING THE PETITION OF THE GASPARILLA ISLAND WATER ASSOCIATION, INC. ("GIWA") UPDATING ITS WATER AND WASTEWATER TARIFFS WITHIN ITS FRANCHISE AREA OF LEE COUNTY, FLORIDA; PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, the GASPARILLA ISLAND WATER ASSOCIATION, INC. ("GIWA") is the present holder of a water and sewer franchise in Lee County, granted by Resolution of the Board of County Commissioners in and for Lee County, Florida, on February 13, 2001; and,

WHEREAS, GIWA has pursuant to said franchise authority, made application to the County for an Updating of its Water and Wastewater Tariffs, by petition submitted to Lee County on February 21, 2006 (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, August 22, 2006, 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, August 22, 2006, in the Board of County Commissioners' Chambers, Fort Myers, Florida, at which time GIWA presented evidence and testimony in support of its Petition for an Updating of GIWA's Water and Wastewater Tariffs, to include the requested adjustments as stated above, and all interested parties were permitted to address the Board and to make a statement of record, and the Board, after being fully advised in the premises, makes the following determinations;

NOW THEREFORE, be it resolved by the Board of County Commissioners of Lee County, Florida, that:

1. The revised Updated Water and Wastewater Tariffs, as proposed by GIWA in its February 21, 2006 Petition, are hereby approved and granted.
2. The revised GIWA Updated Water and Wastewater Tariffs, to include the requested adjustments as set out in paragraph 1., above, are hereby approved, and shall become effective on a date to be subsequently determined by the GIWA Board of Directors as set out in GIWA's By-Laws, not to exceed sixty (60) days from the Board of County Commissioners' adoption of this Resolution.
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:

BOB JANES \_\_\_\_\_  
DOUGLAS ST. CERNY \_\_\_\_\_  
RAY JUDAH \_\_\_\_\_  
TAMMARA HALL \_\_\_\_\_  
JOHN E. ALBION \_\_\_\_\_

DULY PASSED AND ADOPTED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2006.

ATTEST: CHARLIE GREEN  
CLERK OF COURTS

BOARD OF COUNTY COMMISSIONERS  
OF LEE COUNTY, FLORIDA

BY: \_\_\_\_\_  
Deputy Clerk

BY: \_\_\_\_\_  
Tammara Hall, Chairwoman

APPROVED AS TO FORM:

BY: \_\_\_\_\_  
Office of the County Attorney

# GASPARILLA ISLAND WATER ASSOCIATION, Inc.

P.O. Box 310  
BOCA GRANDE, FLORIDA 33921-0310  
Telephone (941) 964-2423 Fax (941) 964-0625

APR 24 2006

April 21, 2006

Mr. Ivan Velez  
Acting Utilities Director  
Lee County Utilities  
1500 Monroe Street  
Fort Myers, FL 33901

Re: Gasparilla Island Water Association, Inc.  
Petition for Rate Increase

Dear Mr. Velez:

Enclosed are the original and twelve (12) copies of a "Petition for Rate Adjustment for Gasparilla Island Water Association, Inc. (GIWA) with the following attachments:

- Schedule of existing and proposed rates for water and sewer service;
- Water and Wastewater Rate Study prepared by Public Resources Management Group, Inc.;
- Certified auditor's report on the system for October 1, 2004 to September 30, 2005;
- Budget for the period of October 1, 2005 to September 30, 2006;
- Minutes of Special Call Membership Meeting held on April 10, 2006;
- Minutes of Special Call Board of Directors' Meeting held on April 19, 2006.

As you can see on our 2005/06 budget, with increasing costs including large increases in electricity, chemicals, insurance, and salaries, a loss of \$215,856 is budgeted for this fiscal year; therefore, GIWA's Board contracted with Public Resources Management Group, Inc. (PRMG) to conduct an in depth rate analysis. During the study, it was determined that the proposed rates should meet a number of goals and objectives. The single most important objective of the study was to develop utility rates that meet our projected expenditure requirements for the water and wastewater systems in order to maintain sound financial operations and fund the anticipated capital needs of the utility system. The other objectives and goals considered in the study included the following:

- Rates should be based on cost of service principles;
- Rates should recover total revenue requirements of the utility system in an equitable manner;
- Rates should promote the conservation of water resources;
- Rates should maintain adequate reserves for emergencies and unforeseen capital needs.

Mr. Ivan Velez, Acting Utilities Director  
Lee County Utilities  
April 21, 2006  
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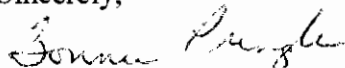
The results of the study - GIWA needs to increase revenues by 9 ½% now and 6% annually over the next four (4) years. GIWA is proposing to increase revenues now by 9 ½% in the form of a rate structure change along with increases to the sewer base charge and volumetric charge on water and sewer service, and another 6% across the Board increase on water and sewer usage and base charges to become effective January 2007. The Board has agreed that we need to re-evaluate our financial condition at the end of the 2007 fiscal year to determine future rate increase needs.

The study also addresses the fact that GIWA charges the same impact fee rate regardless of meter size or usage, and PRMG recommends we maintain the current impact fee schedule but apply a unit charge in conjunction with the size of the customer's meter for residential users. GIWA has residential users with larger meters who use large quantities of water; however, this recommendation is still under review to determine an equitable solution to those who need a larger meter solely for the purpose of a fire suppression system; therefore, a change to the connection fee schedule is not requested at this time.

Since we have already seen a Net Loss of \$130,638 for the first five months of this fiscal year, we will greatly appreciate a quick response to this petition.

If you have any questions or need any additional information, please feel free to contact me at 941-964-2423.

Sincerely,



Bonnie Pringle  
Utility Director

Enclosures

**PETITION  
FOR RATE ADJUSTMENT  
FOR GASPARILLA ISLAND WATER ASSOCIATION, INC.**

**The Honorable County Commission for the  
County of Lee, State of Florida**

The Gasparilla Island Water Association, Inc., a corporation, not-for-profit, in the state of Florida, and having its offices at 1700 East Railroad Avenue, Boca Grande, Florida, pursuant to its franchise issued by the County of Lee on February 13, 2001 does herewith submit the following information and accompanying data to support its petition:

1. The existing and proposed rates to be charged for water and sewer services, attached herewith and labeled Exhibit "A";
2. Water and Wastewater Rate Study prepared by Public Resources Management Group, Inc., attached herewith and labeled Exhibit "B";
3. The certified auditor's report on the system for the period October 1, 2004 to September 30, 2005, attached herewith and labeled Exhibit "C";
4. The current budget of the Association for the period October 1, 2005 to September 30, 2006 attached herewith and labeled Exhibit "D";
5. A copy of the minutes of the Special Call Membership Meeting held on April 10, 2006 in which the proposed rate changes were approved by the membership, attached herewith and labeled Exhibit "E".
6. A copy of the minutes of a Special Call Board of Directors Meeting held on April 19, 2007 for the purposes of amending the proposed rates to those shown in Public Resources Management Group, Inc.'s final report, attached herewith and labeled Exhibit "F".

The Association will be grateful for your efforts to expedite this matter.

Respectfully submitted this 21<sup>th</sup> day of February 2006.

GASPARILLA ISLAND WATER ASSOCIATION, INC.

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

Michael D. Holmes, President

# GASPARILLA ISLAND WATER ASSOCIATION, INC.

P.O. Box 310

Boca Grande, Florida 33921

Telephone (941) 964-2423 Fax (941) 964-0625

## Existing and Proposed Water and Wastewater User Rate Schedule

Description	Existing Rates	Proposed Effective May 2006	Proposed Effective January 2007
<b>WATER SYSTEM</b>			
<b><u>Base Charge, includes 5,000 gallons [1][2]</u></b>			
Residential			
5/8" x 3/4" Meter	\$21.50	\$21.50	\$22.79
1" Meter	\$21.50	\$39.95	\$42.35
1-1/2" Meter	\$21.50	\$77.88	\$82.55
2" Meter	\$21.50	\$124.00	\$131.44
General - Commercial			
5/8" x 3/4" Meter	\$21.50	\$21.50	\$22.79
1" Meter	\$21.50	\$39.95	\$42.35
1-1/2" Meter	\$21.50	\$77.88	\$82.55
2" Meter	\$21.50	\$124.00	\$131.44
2-1/2" Meter	\$21.50	\$226.50	\$240.09
Irrigation			
5/8" x 3/4" Meter	N/A	\$21.50	\$22.79
1" Meter	N/A	\$39.95	\$42.35
1-1/2" Meter	N/A	\$77.88	\$82.55
2" Meter	N/A	\$124.00	\$131.44
2-1/2" Meter	N/A	\$226.50	\$240.09
<b><u>Gallonage Charge – Per 1,000 Gallons</u></b>			
Residential			
0 – 5,000 Gallons	\$0.00	\$0.00	\$0.00
6,000 – 15,000 Gallons	\$4.30	\$4.30	\$4.56
16,000 – 25,000 Gallons	\$4.60	\$5.38	\$5.70
Over 25,000 Gallons	\$5.70	\$6.45	\$6.84
General - Commercial			
0 – 5,000 Gallons	\$0.00	\$0.00	\$0.00
Over 5,000 Gallons	\$4.30	\$4.30	\$4.56
Irrigation			
0 – 5,000 Gallons	N/A	\$0.00	\$0.00
6,000 – 15,000 Gallons	N/A	\$5.38	\$5.70
Over 15,000 Gallons	N/A	\$6.45	\$6.84



## WASTEWATER SYSTEM

### Base Charge [1]

#### Residential

5/8" x 3/4" Meter	\$20.60	\$21.60	\$22.90
1" Meter	\$20.60	\$21.60	\$22.90
1-1/2" Meter	\$20.60	\$21.60	\$22.90
2" Meter	\$20.60	\$21.60	\$22.90

#### General - Commercial

5/8" x 3/4" Meter	\$20.60	\$21.60	\$22.90
1" Meter	\$20.60	\$40.76	\$43.21
1-1/2" Meter	\$20.60	\$80.15	\$84.96
2" Meter	\$20.60	\$128.05	\$135.73
2-1/2" Meter	\$20.60	\$234.50	\$248.57

### Gallage Charge – Per 1000 gallons (Based on Water Consumption)

#### Residential

0 – 10,000 Gallons	\$4.00	\$4.22	\$4.47
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#### General - Commercial

All Gallons	\$4.00	\$4.22	\$4.47
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### **ANNUAL FIRE PROTECTION CHARGES**

Up to 3" Service	N/A	\$250.00	\$250.00
4" Service	N/A	\$400.00	\$400.00
6" Service	N/A	\$800.00	\$800.00
8" Service	N/A	\$1,285.00	\$1,285.00

Each individually owned family residence in a multi-family apartment group of two or more residential units, a multi-family condominium group of two or more residential units or a mobile home park of two or more residential units will be charged the base rate for a 5/8" x 3/4" meter.

#### FOOTNOTES:

[1] Base charges apply to each meter for a single family, irrigation, commercial and industrial users based upon meter size.

[2] Users with a meter larger than 5/8" x 3/4" who use an annual average of 10,000 gallons or less monthly, will be charged the monthly base rate for a 5/8" x 3/4" meter.

**Connection Fees Per Unit (All Units as Defined Below)**

***No Proposed Changes to Connection Fees***

Water

\$4,018.00 per Unit Plus Meter as Follows:

5/8" x 3/4" Meter	\$340.00
1" Meter	\$470.00
1-1/2" Meter	\$1,175.00
2" Meter	\$1,360.00
3" Meter	\$2,218.00

Sewer

\$2,793.00 per Unit Plus Outlet as Follows:

4" Outlet	\$340.00
6" Outlet	\$2,200.00

A unit for purposes of assessing connection charges shall be:

- A. Each single-family residence.
- B. Each family residence of a multi-family apartment or condominium development.
- C. Each room of a motel or hotel or boatel, including a manager's apartment.
- D. Each office or store in a multiple commercial development.
- E. Large utility users such as large retail stores, car washes, laundromats, restaurants, marinas and other types of commercial users shall be assessed as units, based on water consumption at the rate of one unit per 4,000 gallons per month. Usage shall be based on the previous calendar years consumption and will be adjusted at the end of each calendar year. Usage for new customers shall be estimated for the first year and adjusted accordingly at the end of the first calendar year.

**Water and Wastewater Rate Study**

**Prepared by**

**Public Resources Management Group, Inc.**

**For**

**Gasparilla Island Water Association, Inc.**

# GASPARILLA ISLAND WATER ASSOCIATION, INC.



## WATER AND WASTEWATER RATE STUDY

March 20, 2006



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



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

March 20, 2006

Ms. Bonnie K. Pringle  
Utility Director  
Gasparilla Island Water Association, Inc.  
P.O. Box 310  
Boca Grande, FL 32921-0310

Subject: **Water and Wastewater Rate Study**

Dear Ms. Pringle:

We have completed our study of the water and wastewater rates for the Gasparilla Island Water Association, Inc. (the "Association"), and have summarized the results in this letter report (the "Report") for your consideration. This Report summarizes our review of the Association's existing rates for water and wastewater service necessary to meet the projected revenue requirements for the fiscal year ending September 30, 2006 ("Fiscal Year 2006") through the fiscal year ending September 30, 2010 (the "Study Period"). This analysis also includes proposed modifications to the Association's water and wastewater impact fee levels based on the Association's capital investment required to meet future expansion needs.

In our review of the existing water and wastewater rates, we have relied upon certain information and data collected from the Association including the financial statements for the Fiscal Years 2004 and 2005; Fiscal Year 2005 budget; the proposed Fiscal Year 2006 budget; customer statistics; periodic reports; records of operation; and other information and data provided by the utility. To the extent we have performed our analyses using the data and information obtained from the Association and others, we have relied upon such information to be accurate and no assurances are intended and no representation or warranties are made with respect thereto or the use made herein.

During the course of the study, it was determined that the proposed rates should meet a number of goals and objectives. The single most important objective of the study is to develop proposed utility rates that meet the projected expenditure requirements of the water and wastewater utility systems in order to maintain sound financial operations and fund the anticipated capital needs of the utility systems. The other goals and objectives considered in the study include the following:

- Proposed rates should be based on cost of service principles
- Proposed rates should minimize "rate shock" to customers if possible
- Proposed rates should promote the conservation of water resources

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341 NORTH MAITLAND AVENUE - SUITE 300 - MAITLAND, FL 32751  
TELEPHONE: (407) 628-2600 • FAX: (407) 628-2610 • EMAIL: PRMG@PRMGinc.com

Ms. Bonnie K. Pringle  
Gasparilla Island Water Association, Inc.  
March 20, 2006  
Page 2

- Proposed rates should maintain adequate reserves for emergencies and unforeseen capital needs

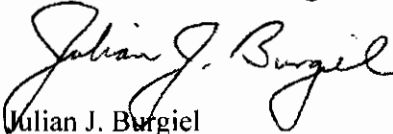
The proposed rates and charges are based on the recovery of the total costs anticipated for the Association and cost of service principles applied to such costs. As such, the Report following this letter summarizing our study and outlining our proposed rates is considered by PRMG to be reasonable and reflects the cost of service for each utility system.

The tables following this transmittal letter summarizes the proposed rates for the Fiscal Years 2006 and 2007. The proposed rates are anticipated to generate the rate revenue needed to fund the system's operating and capital needs over the next two (2) years and are competitive with rates charged by neighboring utilities. The figures following this transmittal letter show a summary of the different pro forma financial indicators for the Association as derived from the results of the Report.

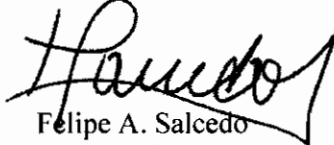
We appreciate the opportunity to be of service to the Association.

Very truly yours,

**Public Resources Management Group, Inc.**



Julian J. Burgiel  
Associate



Felipe A. Salcedo  
Rate Analyst

JJB/dlm

Attachments

**Existing and Proposed Water and Wastewater Rates**

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study**

Line No.	Description	Existing Rates 2006	Proposed Rates	
			Effective	
			May 2006	Jan 2007
<b>WATER SYSTEM</b>				
<b><u>Base Charge</u></b>				
Residential				
1	5/8" x 3/4" Meter	\$ 21.50	\$ 21.50	\$ 22.79
2	1" Meter	\$ 21.50	\$ 39.95	\$ 42.35
3	1-1/2" Meter	\$ 21.50	\$ 77.88	\$ 82.55
4	2" Meter	\$ 21.50	\$ 124.00	\$ 131.44
General - Commercial				
5	5/8" x 3/4" Meter	\$ 21.50	\$ 21.50	\$ 22.79
6	1" Meter	\$ 21.50	\$ 39.95	\$ 42.35
7	1-1/2" Meter	\$ 21.50	\$ 77.88	\$ 82.55
8	2" Meter	\$ 21.50	\$ 124.00	\$ 131.44
9	2 - 1/2" Meter	\$ 21.50	\$ 226.50	\$ 240.09
Irrigation				
10	1" Meter	N/A	\$ 39.95	\$ 42.35
11	1-1/2" Meter	N/A	\$ 77.88	\$ 82.55
12	2" Meter	N/A	\$ 124.00	\$ 131.44
<b><u>Gallage Charge per 1,000 Gallons</u></b>				
Residential				
13	0 - 5,000 Gallons	\$ 0.00	\$ 0.00	\$ 0.00
14	6,000 - 15,000 Gallons	\$ 4.30	\$ 4.30	\$ 4.56
15	16,000 - 25,000 Gallons	\$ 4.60	\$ 5.38	\$ 5.70
16	Over 25,000 Gallons	\$ 5.70	\$ 6.45	\$ 6.84
General - Commercial				
17	0-5,000 Gallons	\$ 0.00	\$ 0.00	\$ 0.00
18	Over 5,000 Gallons	\$ 4.30	\$ 4.30	\$ 4.56
Irrigation				
19	0 - 5,000 Gallons	N/A	\$ 0.00	\$ 0.00
20	6,000 - 15,000 Gallons	N/A	\$ 5.38	\$ 5.70
21	Over 15,000 Gallons	N/A	\$ 6.45	\$ 6.84

**Existing and Proposed Water and Wastewater Rates**

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study**

Line No.	Description	Existing Rates 2006	Proposed Rates	
			Effective	
			May 2006	Jan 2007
<b>WASTEWATER SYSTEM</b>				
<b><u>Base Charge</u></b>				
Residential				
22	5/8" x 3/4" Meter	\$ 20.60	\$ 21.60	\$ 22.90
23	1" Meter	\$ 20.60	\$ 21.60	\$ 22.90
24	1-1/2" Meter	\$ 20.60	\$ 21.60	\$ 22.90
25	2" Meter	\$ 20.60	\$ 21.60	\$ 22.90
General - Commercial				
26	5/8" x 3/4" Meter	\$ 20.60	\$ 21.60	\$ 22.90
27	1" Meter	\$ 20.60	\$ 40.76	\$ 43.21
28	1-1/2" Meter	\$ 20.60	\$ 80.15	\$ 84.96
29	2" Meter	\$ 20.60	\$ 128.05	\$ 135.73
30	2 - 1/2" Meter	\$ 20.60	\$ 234.50	\$ 248.57
<b><u>Gallonge Charge per 1,000 Gallons</u></b>				
Residential				
31	0 - 10,000 Gallons	\$ 4.00	\$ 4.22	\$ 4.47
General/Commercial				
32	All Gallons	\$ 4.00	\$ 4.22	\$ 4.47
<b>ANNUAL FIRE PROTECTION CHARGES</b>				
33	2"and 3" Meters	N/A	\$ 250.00	\$ 250.00
34	4" Meter	N/A	\$ 400.00	\$ 400.00
35	6" Meter	N/A	\$ 800.00	\$ 800.00
36	8" Meter	N/A	\$ 1,285.00	\$ 1,285.00

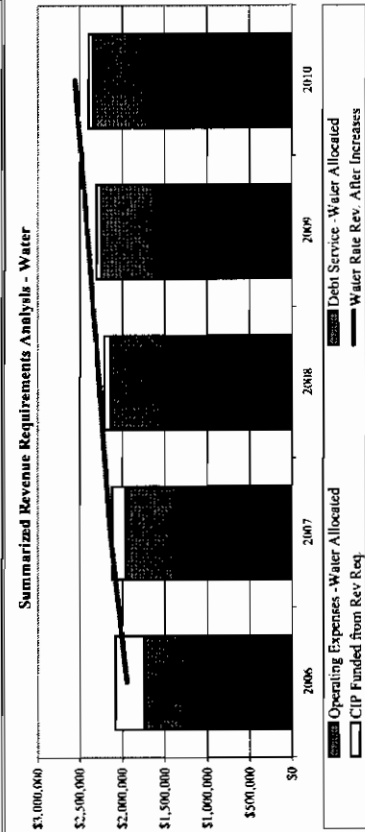
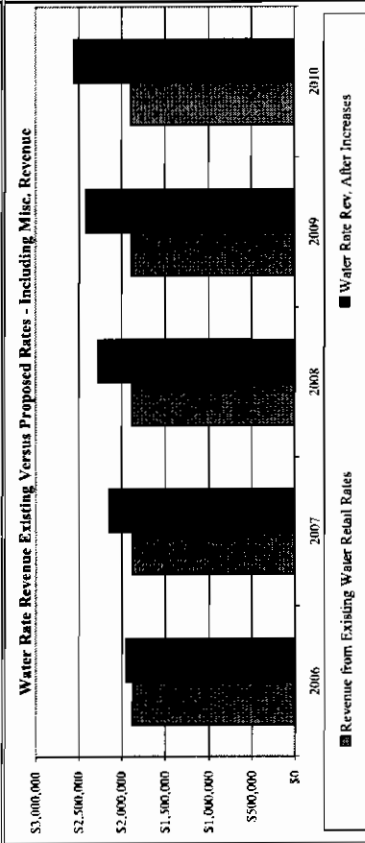
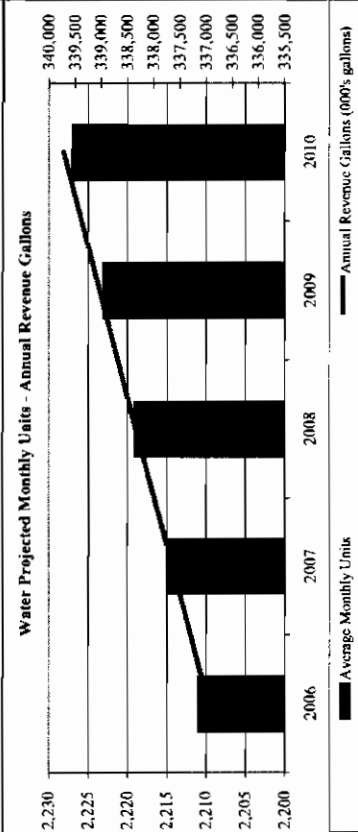
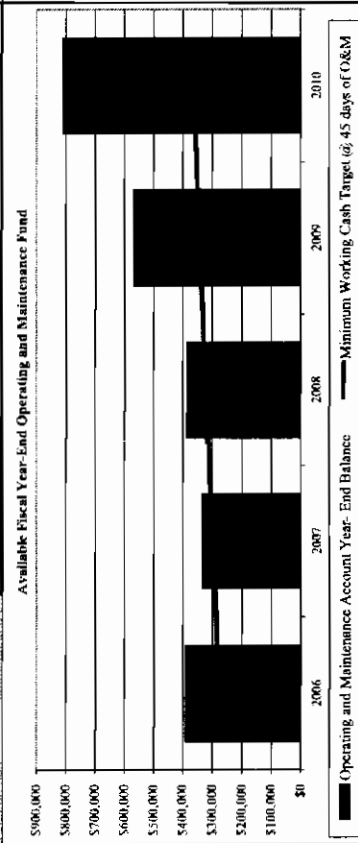
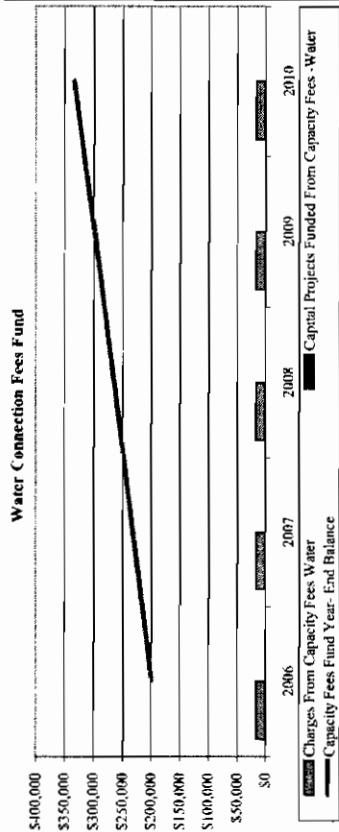


**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study**



**Water Control Panel**

	Projected Fiscal Year Ending June 30,					
	2005	2006	2007	2008	2009	2010
<b>Required Rate:</b>						
Base Charge	21.50	21.50	22.79	24.16	25.61	27.15
Gallons Charge 0 - 5	0.00	0.00	0.00	0.00	0.00	0.00
Gallons Charge 6 - 15	4.30	4.30	4.56	4.83	5.12	5.43
Gallons Charge 16 - 25	4.60	5.38	5.70	6.04	6.40	6.78
Gallons Charge 25 - Above	5.70	6.45	6.84	7.25	7.69	8.15
Current Year Increase		9.50%	6.00%	6.00%	6.00%	6.00%
Cumulative Increase		9.50%	16.07%	23.03%	30.42%	38.24%

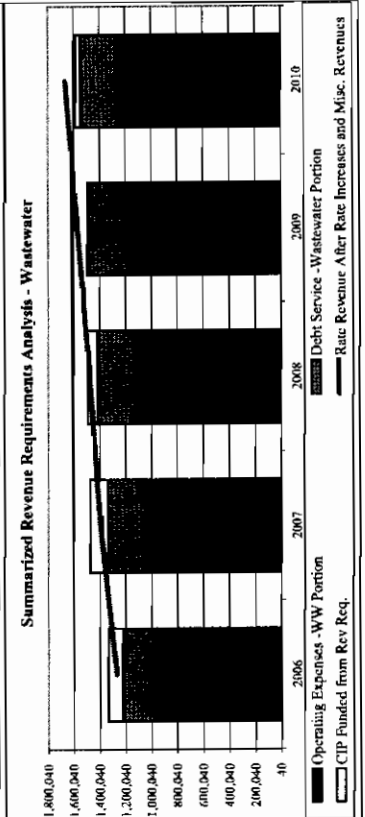
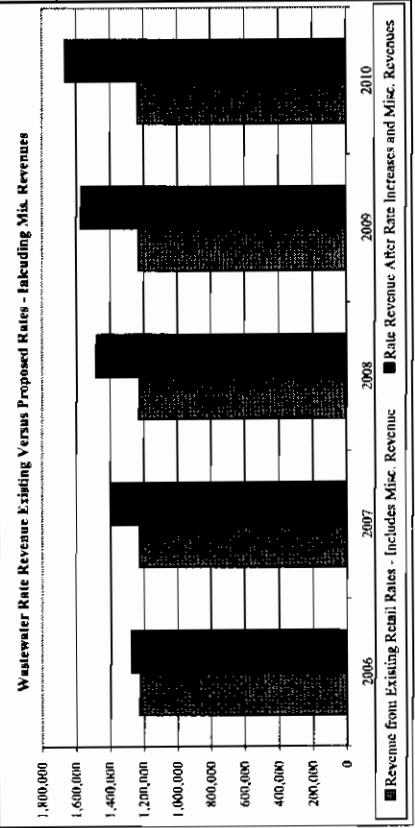
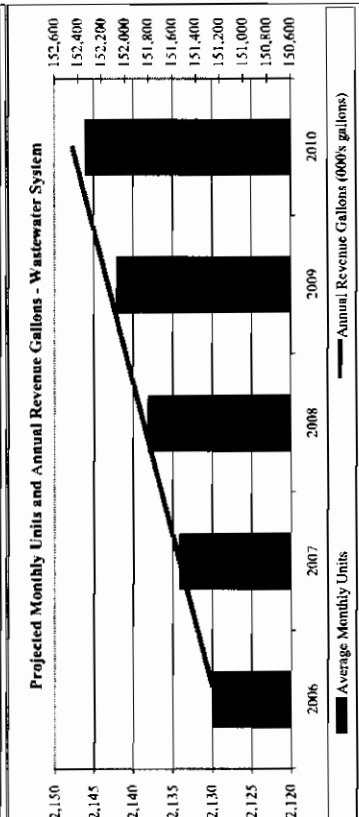
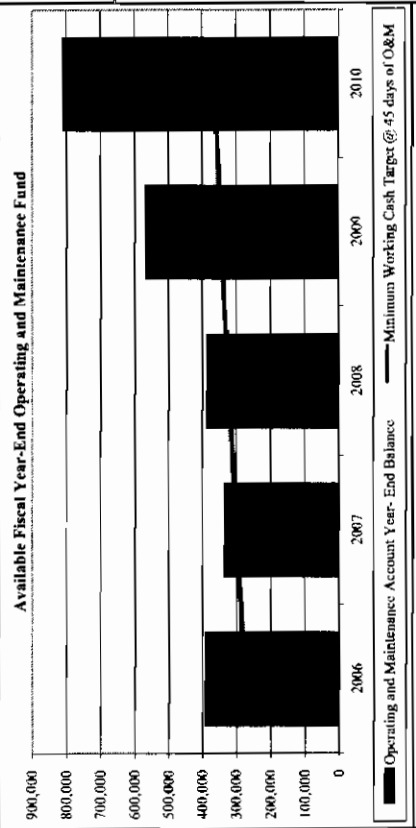
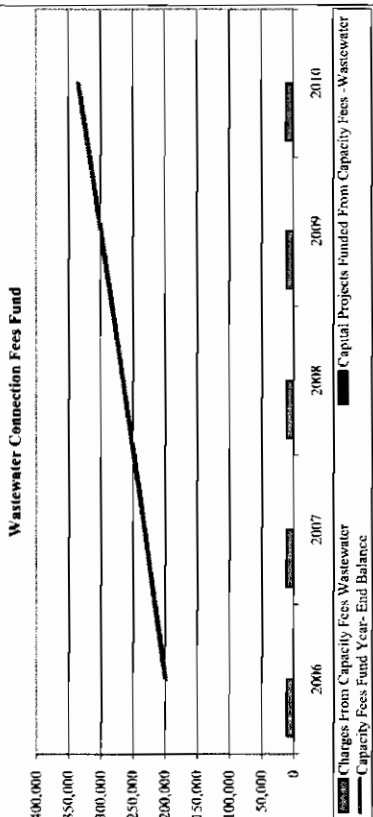


**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study**



**Wastewater Control Panel**

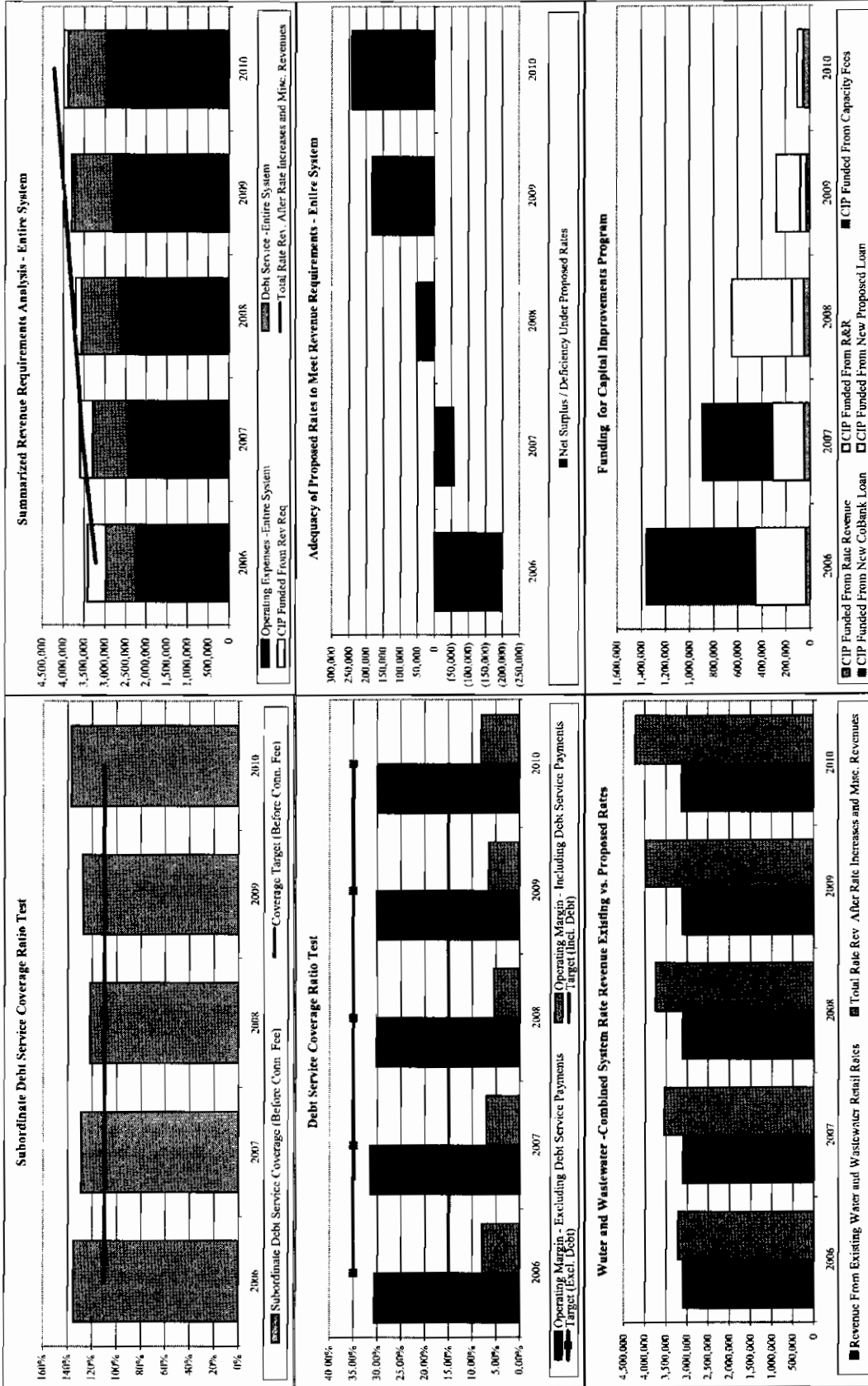
Projected Fiscal Year Ending June 30,		2005	2006	2007	2008	2009	2010
Base Charge		20.60	21.60	22.90	24.27	25.73	27.27
Challenge Charge 0-10		4.00	4.22	4.47	4.74	5.03	5.33
Current Year Increase		9.50%	6.00%	6.00%	6.00%	6.00%	6.00%
Cumulative Increase		9.50%	16.07%	23.03%	30.42%	38.24%	





**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study**

**Additional Indicators**



**GASPARILLA ISLAND WATER ASSOCIATION, INC.  
WATER AND WASTEWATER RATE STUDY**

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**GASPARILLA ISLAND WATER ASSOCIATION, INC.  
WATER AND WASTEWATER RATE STUDY**

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**GASPARILLA ISLAND WATER ASSOCIATION, INC.  
WATER AND WASTEWATER RATE STUDY**

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**WATER AND WASTEWATER RATE STUDY**  
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**WATER AND WASTEWATER RATE STUDY**  
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**GASPARILLA ISLAND WATER ASSOCIATION, INC.  
WATER AND WASTEWATER RATE STUDY**

**INTRODUCTION**

The Gasparilla Island Water Association, Inc. (the “Association”) was organized under Florida Statutes, Chapter 617 on September 12, 1966. It was formed as a non-profit organization the business nature of which is to construct, maintain, and operate a water and a sewage disposal system. The Association supplies water and sanitary sewer service to Gasparilla Island and certain other areas.<sup>1</sup>

The purpose of this study is to assist the Association in establishing water and wastewater rates sufficient to recover the cost of operating, maintaining, repairing and financing the Association’s water and wastewater systems. As outlined in this Report, water and wastewater rate adjustments are being proposed in order to support the revenue requirements of the individual water and wastewater systems on a stand-alone basis. The Association’s current capital improvement program reflects capital investments to improve and expand the Association’s water treatment plant and transmission system. For the wastewater system significant expenditures are planned to improve the Association’s wastewater treatment facilities. The current funding plan calls for the water system improvements to be funded in part by the issuance of incremental indebtedness coupled in part by increased rate revenues. The proposed water rate increases are phased in over the next several fiscal years to ensure that the water rates are adequate to fund the annual debt service associated with the existing and anticipated loans. The improvements in the wastewater treatment facilities are funded primarily through increased rate revenues resulting from proposed rate adjustments. The proposed water and wastewater rates are increased over the next several fiscal years to establish an annual renewal and replacement funding level to properly maintain the water and wastewater systems. Based on the projected operating results, the Association can satisfy the projected water and wastewater system revenue requirements (i.e., expenditures) with a series of rate increases over the next five years as illustrated below.

	<b>Estimated System-Wide Rate Revenue Increase Effective</b>				
	<u>5/1/2006</u>	<u>1/1/2007</u>	<u>1/1/2008</u>	<u>1/1/2009</u>	<u>1/1/2010</u>
Water System [1]	9.5%	6.0%	6.0%	6.0%	6.0%
Wastewater System [1]	9.5%	6.0%	6.0%	6.0%	6.0%

[1] The percentages shown reflect overall increases in rate revenue compared to existing rate revenue for the reflected period. The actual increase for any particular customer class may deviate from the percentages shown due to cost of service and other adjustments as discussed in further detail in this Report.

This study provides a schedule of proposed rates to be effective with bills rendered on or after May 1, 2006 and January 1 of each subsequent fiscal year thereafter. Such rates serve to meet the projected net revenue requirements of the water and wastewater system beginning in Fiscal

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<sup>1</sup> Source: Articles of Incorporation and By-Laws. Rules and Regulations for Gasparilla Island Water Association, Inc.

Year 2006. It is recommended that overall rate levels should be reviewed in approximately two years to determine the actual level of future revenue requirements.

The Association last adjusted (increased) the monthly water and wastewater rates whereby rates were uniformly increased by approximately 4% on March 22, 2005. Based on the proposed rate adjustments through Fiscal Year 2010 estimated herein, the average user utilizing a 5/8-inch x 3/4-inch meter with 9,000 gallons of metered water use will see the combined monthly water and sewer bill increase from \$95.30 to \$124.11 over the five-year period beginning in 2006. This equates to an average annual increase of approximately \$5.76 for the typical residential water and wastewater bill. The primary reasons for the proposed rate increases shown above include i) increasing operating expenses due to inflation coupled with increasing insurance and purchased power costs; ii) funding ongoing system renewals, replacements, and upgrades; and iii) additional debt service associated with estimated debt funding of capital. The existing and proposed water and wastewater rates are summarized in Appendix A at the end of this Report.

Detailed residential bill comparisons of existing rates to the proposed water and wastewater rates are shown on Tables 15 through 17 at the end of this Report. A summary of the total water and wastewater bill impact on residential customers utilizing a 5/8-inch x 3/4-inch meter commencing May 1, 2006 using 5,000, 9,000 and 20,000 gallons of water per month, respectively, is shown below:

<b>Comparison of Combined Residential Water and Wastewater Bills Under Existing and Proposed Rates [1]</b>			
	5,000 Gallons	9,000 Gallons [2]	20,000 Gallons
Existing Rates	\$21.50	\$38.70	\$87.50
Proposed May 2006 Rates	\$21.50	\$38.70	\$91.38

[1] Amounts obtained from Table 17.

[2] Reflects the average monthly billing per residential account.

In addition to the residential bill comparisons shown above, Tables 18 through 20 at the end of this Report provide comparisons of existing water and wastewater bills for certain commercial customers at various usage levels.

The recommendations of this study are based on a financial forecast developed for the water and wastewater systems. The financial forecast identifies utility operating and capital needs, considers the capital financing plan, and establishes the timing of rate adjustments and borrowing, if necessary. The basis for the rate study's recommendations is a financial forecast developed for Fiscal Years 2006 through 2010. While further rate adjustments beyond Fiscal Year 2006 are indicated in the financial forecast, an updated financial forecast should be completed in approximately two years in order to revisit the level of future increases in revenue requirements.

## **CUSTOMER AND SALES FORECAST**

During Fiscal Year 2005, it is estimated that the Association provided service to an average of 2,207 water customers and 2,174 wastewater customers as shown on Tables 1 and 2 at the end of

this Report. The Association's current rates are distinguished among various customer classes including residential, multi-family residential, and commercial. The Association has provided the following historical data by these customer classes:

	Average Units Served During Fiscal Year 2005 Water System [1]	
	Average Amounts	Percent of Total Accounts
Residential	1,539	69.7%
Multi-Family [2]	565	25.6%
Commercial	103	4.7%
Total	<u>2,207</u>	<u>100.0%</u>

[1] Based on information provided by the Association and illustrated in Table 1 at the end of this Report.

[2] Includes all customers behind meter (i.e., all multi-family residential customers paying for a base charge).

	Average Units Served During Fiscal Year 2005 Wastewater System [1]	
	Average Amounts	Percent of Total Accounts
Residential	1,506	69.3%
Multi-Family [2]	565	26.0%
Commercial	103	4.7%
Total	<u>2,174</u>	<u>100.0%</u>

[1] Based on information provided by the Association and illustrated in Table 2 at the end of this Report.

[2] Includes all customers behind meter (i.e., all multi-family residential customers paying for a base charge).

As shown above, approximately 69.7% of water units are classified as residential, while 69.3% of the wastewater accounts are residential.

This study includes a forecast of customers and sales (i.e., usage) to evaluate the adequacy of rate levels and design of rate structures. This customer and sales forecast includes the period from Fiscal Year 2006 through 2010. Based on a review of potential growth and new development within the service territory, it has been assumed that the island has almost reached system build-out; thus, after discussions with Association staff for the five-year period ending Fiscal Year 2010, it is anticipated the water and wastewater systems will increase their number of customers by 4 units per year per system.

Water sales were projected based on usage trends experienced by each customer class during the recent historical period. The total water sales forecast are based on the forecasts prepared for each of the customer classifications (i.e., residential, commercial, etc.). The customer growth forecast assumes that prevailing local economic conditions and development will be similar to the conditions experienced over the past several years. To the extent actual conditions deviate

from recent historical experience, the results as projected herein could be substantially different from those projections.

The forecast of wastewater customers and wastewater sales or "revenue gallons" (i.e., metered water consumption that receives a wastewater flow charge) was developed in the same manner as the water system sales. It should be noted that total wastewater revenue gallons differ from water sales due to the fact that wastewater usage charges are "capped" for residential customers at 10,000 gallons of monthly use. In addition, not all water customers receive Association wastewater service.

Tables 1 and 2 at the end of this Report provide a summary of the forecast in the number of accounts served and the associated sales and flow requirements for the water and wastewater systems, respectively. This forecast is summarized in the following tabulation by utility:

Fiscal Year	Water System [1]		Wastewater System [2]		
	Units	Annual (1,000 Gallons)	Units	Volumetric Revenue Gallons (1,000 Gallons)	Billed Gallons (1,000 Gallons) [4]
2005 [3]	2,207	336,260	2,174	328,714	160,251
2006	2,211	336,951	2,130	304,228	151,235
2007	2,215	337,642	2,134	305,051	151,538
2008	2,219	338,333	2,138	305,874	151,841
2009	2,223	339,023	2,142	306,697	152,144
2010	2,227	339,714	2,146	307,520	152,447

[1] Amounts obtained from Table 1 at the end of this Report.

[2] Amounts obtained from Table 2 at the end of this Report. There is a decrease in both the number of customers and the revenue gallons due to the proposed elimination of potable irrigation accounts being billed for wastewater service.

[3] Based on historical statistical information provided by the Association.

[4] Gallons after deducting the consumption above 10,000 gallons per month for residential customers.

## REVENUE REQUIREMENTS

The various components of cost associated with operating and maintaining a utility system, as well as the cost of financing the renewal and replacement of facilities and capital improvements for upgrades and expansion, are generally referred to as the utility cash revenue requirements. The sum of these cost components, after adjusting for other income and miscellaneous utility revenues, represents the net revenue requirements of the utility system. The revenue requirements for this rate study are predicated on an analysis of water and wastewater costs for the five (5) fiscal year period ending September 30, 2010 (i.e. Fiscal Years 2006 through 2010). The projected revenue requirements included the various generalized cost components described below:

- **Operating Expenses** – These expenses include the cost of utilities, chemicals, labor, materials, supplies, and other items necessary for the operation and maintenance of the water and wastewater systems.
- **Debt Service** – Debt service includes the principal and interest on the Association's current and future loan obligations payable from the net operating revenues of the water and wastewater systems.

- Other Revenue Requirements – This component of cost includes, in general, any ongoing capital improvements (capital outlay) to be financed from revenues and annual transfers, if any, to the Renewal and Replacements (R&R) Fund needed for ongoing system renewals and replacements over the five-year forecast period.

### **Principal Assumptions and Considerations**

The projected revenue requirements as shown on Tables 3 and 4 at the end of this Report for the water and wastewater systems, respectively, reflect certain assumptions, considerations and analyses. The major assumptions, considerations and analyses that are included in the projected revenue requirements for the study period are as follows:

1. The Fiscal Year 2005 Adopted Annual Budget and the Proposed Fiscal Year 2006 Adopted Annual Budget associated with the operations of the utility systems serve as the basis for the water and wastewater systems' expenditure projections. Unless otherwise noted, the underlying assumptions and expenditure amounts included therein are assumed to be reasonable and reflect anticipated operations. Such budgetary amounts are incorporated into the revenue requirement component of the study, except for adjustments and assumptions as noted hereunder.
2. Projected revenues from current rates and charges for the Association's water and wastewater systems are based on the schedule of rates and charges effective as of March 22, 2005. Such rates are applied to the customer and sales or usage forecast previously discussed in this Report. Tables 3 and 4 at the end of this Report summarize the projected rate revenues under existing rates for the forecast period for both the water and wastewater systems, respectively.
3. The operations and maintenance expenses of the water and wastewater systems proposed for Fiscal Year 2006 are projected for the remaining four (4) years of the forecast period (i.e., through Fiscal Year 2010). These operating cost projections are illustrated on Tables 7 and 8 for the water and wastewater systems, respectively. A summary of the operating expense escalation factors are illustrated on Table 9. The projected operating expenses were developed for the study period as follows:
  - a. Proposed Fiscal Year 2006 operating expenses such as professional services, contractual services, and certain other indirect expenses are projected to increase from current proposed levels at an annual rate of inflation equal to approximately 3.2% per annum. The forecast of inflation is based upon the Consumer Price Index (CPI) forecast prepared by the Congressional Budget Office as contained in "The Budget and Economic Outlook" report dated January 2006.
  - b. Proposed Fiscal Year 2006 operating expenses which have a direct correlation to customer growth, usage, and demand such as customer service and billing charges, maintenance of vehicles and equipment, utility and chemical charges, and other direct expenses are projected to increase over the forecast period as such demand increases and as illustrated in Table 9.

- c. Utility system salaries and wages and other personnel benefits are increased above Fiscal Year 2006 levels by 6.50% annually to reflect increases due to cost of living adjustments and allowances for salary adjustments such as promotions and merit increases. The Association has also identified the need for one additional lead operator during Fiscal Year 2006 as an incremental expense to the Association of approximately \$49,543 per annum plus labor adjustments thereafter.
  - d. General liability and employee health insurance costs are assumed to increase 10.0% annually above budgeted Fiscal Year 2006. This estimated escalation level reflects recent trends in overall insurance costs and other labor cost increases.
4. As of September 30, 2005, the Association had six (6) outstanding loan obligations and one (1) additional loan commitment from which funds are drawn on an as-needed basis. Tables 5A and 5B at the end of this Report provide detailed information on these loans.
  5. The capital expenditures for the water and wastewater systems are based on estimated project costs derived from information provided by the Association's staff. Table 11 at the end of this Report provides a detail listing of the planned water and wastewater capital projects during the study period. The major expenditures in the CIP include the following type of projects:

For the Water System:

- Water Treatment Facility Upgrade
- Water Line and Main Relocation
- BGI Water Main Expansion
- Piping Improvements
- Well Field Relocation

For the Wastewater System:

- Wastewater Treatment Facility Upgrade
- Wastewater Line Relocation

This analysis assumes that additional indebtedness will be issued to fund a significant portion of projects during Fiscal Years 2006 through 2010. It is assumed that the Association will issue long-term debt in the amount of \$700,000 in Fiscal Year 2008 to finance the Boca Grande water main expansion, construction of a water main to Boca Grande North, and a plant capacity expansion at the existing water treatment plant of 190,000 gallons per day. The average annual increase in system indebtedness for this new loan is estimated to be \$70,318 based on a 17-year amortization with an average yearly interest cost of 6.75%. The actual debt service may vary from this assumption depending on certain factors, including: i) the actual interest rates during time of issuance; ii) the exact amount of proceeds needed; and iii) the amortization period. A summary of the capital improvement program and the anticipated funding sources is shown on the following table:

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<b>Capital Funding Program</b>	<b>Total 2006-2010 [1]</b>
<b>CIP – Water System</b>	
Water Treatment Facility and Placida Upgrades:	
Water Treatment Facility Generator [2]	\$500,000
Water Main Relocation [3]	450,000
Distribution and Collection System:	
Water Distribution Master Plan	8,000
Water and Wastewater Line Relocation – 50%	100,000
BGI Water Main Extension	150,000
Miscellaneous Water Main Upgrades	220,000
Water Main to Boca Grande North [4]	200,000
Sub-Station Pump and Piping Improvements	150,000
Water Treatment Facility:	
Precipitator Walkway	75,000
Well Field No. 4 Relocation	10,000
Capacity Expansion [5]	350,000
Gas to Liquid Ammonia Conversion	20,000
Other	0
Other Capital Outlays (i.e., vehicles, computers, etc.)	<u>77,250</u>
<b>Total Water System Capital Costs</b>	<b>\$2,310,250</b>
<b>Funding Sources – Water System</b>	
CoBank Financing	\$910,000
Rate Revenue	77,250
Renewal and Replacement Fund	623,000
New Loan (Anticipated/Proposed)	700,000
<b>Total Water System Funding Sources</b>	<b>\$2,310,250</b>

*Table continued on following page.*

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<b>Capital Funding Program (Cont'd.)</b>	<b>Total 2006-2010 [1]</b>
<b>CIP – Wastewater System</b>	
Wastewater Treatment Facility Upgrades:	
Blowers Replacement	\$63,000
Electrical System Upgrade [6]	590,000
Distribution and Collection System:	
Wastewater Collection Master Plan	5,000
Water and Wastewater Line Relocation – 50%	100,000
Lift Station Generator Plugs Upgrade	20,000
Wastewater Treatment Facility:	
Sodium Hypochlorite Feed System Upgrade	7,500
Surge Tank Pumps Automation	10,000
Injection Well Pumps Upgrade	50,000
Other	0
Other Capital Outlays (i.e., vehicles, computers, etc.)	<u>127,250</u>
<b>Total Wastewater System Capital Costs</b>	<b>\$972,750</b>
<b>Funding Sources – Wastewater System</b>	
CoBank Financing	\$590,000
Rate Revenue	127,250
Renewal and Replacement Fund	255,500
New Loan (Anticipated/Proposed)	0
<b>Total Wastewater System Funding Sources</b>	<b>\$972,750</b>
<b>Funding Sources – Combined Systems</b>	
CoBank Financing	\$1,500,000
Rate Revenue	204,500
Renewal and Replacement Fund	878,500
New Loan (Anticipated/Proposed)	700,000
<b>Total Water and Wastewater System Funding Sources</b>	<b>\$3,283,000</b>

[1] Amounts derived from Table II per information provided by Association's staff as of November 11, 2005.

[2] Project will replace the current generator with one large enough to run the R.O. plant.

[3] Project will relocate the Placida water main to facilitate the relocation of Coral Creek Bridge.

[4] May not be required if the Placida improvement resolves the pressure problems.

[5] Project will provide new capacity of about 190,000 gallons per day.

[6] This project includes a new generator and the upgrade of the 208-volt electrical system to 480-volt.

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6. Prudent financial policy dictates that the water and wastewater systems maintain adequate cash reserves in order to meet day-to-day funding needs as well as to be able to meet any unexpected emergencies requiring immediate financial resources. It is recommended that the Association maintain the equivalent of at least 45 days of O&M expenses in operating reserves so as to provide sufficient financial liquidity. A comparison of the Association's estimated available fund balances projected for the Association as of September 30, 2005 with projected fund balances as of September 30, 2010, as summarized at the end of this Report on Table 10, are shown on the following table:

Fund Description	Funds Available 9/30/05 [1]	Additions to Fund Balance through FY2010	Uses of Fund Balance through FY2010	Projected Balance 9/30/10 [4]
Unrestricted Revenue Fund	\$587,580	\$1,210,283	\$990,392	\$807,471
Restricted Funds [2]	100,000	136,220	0	236,220 [5]
Customer Deposits [3]	66,674	0	0	66,674
<b>Total</b>	<b>\$754,254</b>	<b>\$1,346,503</b>	<b>\$990,392</b>	<b>\$1,053,787</b>

[1] Amounts represent estimated funds available as of September 30, 2005 as provided by the Association.

[2] Includes injection well – NFS I.I.C plus additions from impact fee charges and does not include any accrued interest earnings.

[3] Customer deposits are estimated to remain at the same level for the forecasted period.

[4] Projected balances assume rate adjustments are to be implemented during the course of the forecast period.

[5] Value excludes interest earnings. Balance including interest earnings is estimated to be close to \$333,894.

7. In order to meet the funding needs of the capital improvement program as discussed above, deposits to the Renewals and Replacements (R&R) Fund are anticipated to be occurring during the forecast period. As a minimum ongoing funding mechanism beyond the forecast period, at least 3.0% to 5.0% of the previous fiscal year gross revenues should be deposited into the R&R Fund annually. For the forecast period of this Report, the minimum deposit is \$160,000 per year.
8. The Association also earns other operating revenue from miscellaneous charges for specific customer service requests or needs. These other revenue sources reduce the revenue requirements needed from monthly rates. Examples of miscellaneous revenue include hook-up charges, meter installation, tap charges, and membership fees. The projection of these revenues is based on historical activity levels and expected future customer growth.

### Water and Wastewater System Revenue Requirements Summary

The projected net revenue requirements through Fiscal Year 2010 for the Association's water system that are estimated to be needed to be recovered from user rates or charges are summarized below:

**(Remainder of page intentionally left blank)**

	<b>Fiscal Year Revenue Requirements – Water System [1]</b>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Operating Expenses	\$1,253,082	\$1,373,730	\$1,508,464	\$1,602,905	\$1,704,049
Existing Debt Service	486,979	578,128	609,359	603,200	580,563
Anticipated Debt Service	0	0	12,833	33,548	52,738
Capital Funded from Rates/R&R and Other Deposits	<u>206,280</u>	<u>187,617</u>	<u>138,708</u>	<u>192,500</u>	<u>219,341</u>
Gross Revenue Requirements	\$1,946,341	\$2,139,476	\$2,269,364	\$2,432,153	\$2,558,690
Less Interest and Funds from Other Sources	<u>\$49,722</u>	<u>\$47,722</u>	<u>\$47,722</u>	<u>\$72,646</u>	<u>\$52,722</u>
Net Revenue Required from Rates	<u>\$1,896,618</u>	<u>\$2,091,754</u>	<u>\$2,221,642</u>	<u>\$2,359,507</u>	<u>\$2,505,968</u>

[1] Derived from Table 3 at the end of this Report.

As can be seen in the above summary, the estimated net revenue requirements for the water system for the five (5) years commencing with Fiscal Year 2006 are anticipated to increase by approximately 7.2% or approximately \$150,000 per year. The primary reasons for these increases are: i) continued inflationary increases in operating expenses on the cost of purchased power for the treatment facilities; ii) the additional debt service associated with funding the water plant upgrades and expansion and water transmission main improvements; iii) incremental operating expenses associated with the expansion and upgrade of the water treatment plant; and iv) incremental operating expenses incurred from additional personnel positions.

The corresponding net revenue requirements through Fiscal Year 2010 for the wastewater system are summarized as follows:

	<b>Fiscal Year Revenue Requirements – Wastewater System [1]</b>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Operating Expenses	\$978,220	\$1,047,468	\$1,109,937	\$1,176,844	\$1,248,537
Existing Debt Service	241,995	285,718	306,483	304,110	294,226
Anticipated Debt Service	0	0	0	0	0
Capital Funded from Rates/R&R and Other Deposits	<u>54,250</u>	<u>97,500</u>	<u>109,500</u>	<u>87,200</u>	<u>121,887</u>
Gross Revenue Requirements	1,274,465	1,430,686	1,525,920	1,568,154	1,644,650
Less Income and Funds from Other Sources	<u>50,725</u>	<u>81,043</u>	<u>92,474</u>	<u>45,758</u>	<u>47,758</u>
Net Revenue Required from Rates	<u>\$1,233,740</u>	<u>\$1,349,642</u>	<u>\$1,433,447</u>	<u>\$1,522,396</u>	<u>\$1,616,891</u>

[1] Derived from Table 4 at the end of this Report.

As can be seen in the above summary, the estimated net revenue requirements for the wastewater system for the five (5) years commencing with Fiscal Year 2006 are anticipated to increase by approximately 7.2% or approximately \$100,000 per year. The primary reasons for these increases are: i) continued inflationary increases in operating expenses on the cost of purchased power for the treatment facilities; ii) pay-as-you-go funding for vehicles, equipment, and

wastewater system asset renewals and replacements; and iii) incremental operating expenses incurred from additional personnel positions.

### **Adequacy of Existing Utility Rate Revenues**

As shown on Table 3 at the end of this Report, based on the projected forecast of sales and revenues for the water system and the assumptions and considerations set forth herein with respect to the estimation of water system revenue requirements, the existing water rate revenue deficiencies for the study period are anticipated to be as follows:

	<b>Fiscal Year Ending September 30,</b>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>Water System [1]</u></b>					
Total Net Retail Revenue Requirements	\$1,896,618	\$2,091,754	\$2,221,642	\$2,359,507	\$2,505,968
<b><u>Prior Year Rate Adjustments</u></b>					
Revenue from Existing Retail Rates	<u>1,824,402</u>	<u>1,828,016</u>	<u>1,831,630</u>	<u>1,835,244</u>	<u>1,838,858</u>
Total Applicable Rate Revenue [2]	\$1,824,402	\$2,001,678	\$2,125,973	\$2,257,901	\$2,398,055
Retail Revenue Surplus/(Deficiency) Before Adjustments	(\$72,216)	(\$90,075)	(\$95,669)	(\$101,606)	(\$107,913)
<b><u>Current Year Rate Adjustments</u></b>					
Current Year Rate Adjustment	9.50%	6.00%	6.00%	6.00%	6.00%
Effective Month	May	January	January	January	January
Percentage of Current Year Effective	<u>41.67%</u>	<u>75.00%</u>	<u>75.00%</u>	<u>75.00%</u>	<u>75.00%</u>
Total Revenue from Current Year Adjustments	\$72,216	\$90,075	\$95,669	\$101,606	\$107,913
Total Rate Revenue After All Adjustments	\$1,896,618	\$2,091,754	\$2,221,642	\$2,359,057	\$2,505,968
<b><u>Retail Revenue Surplus/(Deficiency)</u></b>					
Amount [3]	\$0	\$0	\$0	\$0	\$0
Percent of Retail Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%
Net Annual Rate Increase	<u>9.50%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>

[1] Derived from Table 3 at the end of this Report.

[2] Includes revenues from proposed rates for the prior year adjustment. Includes revenues from existing retail rates in addition to revenues from prior year's adjustments.

[3] Estimated Surplus/(Deficiency) assume rate adjustments are implemented.

As shown above for the Association's water system, an adjustment that will result in a 9.5% adjustment in existing retail rates is proposed for bills rendered on or after May 1, 2006. Subsequent rate adjustments that are proposed to meet future revenue requirements are recommended at each subsequent fiscal year to be made effective on January 1 (commencing January 1, 2007). The Association should review rates in approximately two (2) years in order to assess the actual level of future rate adjustments necessary.

As shown on Table 4 at the end of this Report, based on the projected forecasted growth of the wastewater system and the assumptions and considerations set forth herein with respect to the estimation of wastewater system expenditures, the existing wastewater rate revenue deficiencies for the study period are anticipated to be as follows:

	<b>Fiscal Year Ending September 30,</b>				
	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
<b><u>Wastewater System</u></b> [1]					
Total Net Retail Revenue Requirements	\$1,233,740	\$1,349,642	\$1,433,447	\$1,522,396	\$1,616,892
<b><u>Prior Year Rate Adjustments</u></b>					
Revenue from Existing Retail Rates	<u>1,177,145</u>	<u>1,179,474</u>	<u>1,181,803</u>	<u>1,184,132</u>	<u>1,186,462</u>
Total Applicable Rate Revenue [2]	\$1,177,145	\$1,291,524	\$1,371,719	\$1,456,838	\$1,547,265
Retail Revenue Surplus/(Deficiency) Before Adjustments	(\$46,595)	(\$58,119)	(\$61,227)	(\$65,558)	(\$69,627)
<b><u>Current Year Rate Adjustments</u></b>					
Current Year Rate Adjustment	9.50%	6.00%	6.00%	6.00%	6.00%
Effective Month	May	January	January	January	January
Percentage of Current Year Effective	<u>41.7%</u>	<u>75.00%</u>	<u>75.00%</u>	<u>75.00%</u>	<u>75.00%</u>
Total Revenue from Current Year Adjustments	\$46,595	\$58,119	\$61,227	\$65,558	\$69,627
Total Rate Revenue After All Adjustments	\$1,223,740	\$1,349,643	\$1,433,477	\$1,522,396	\$1,616,892
<b><u>Retail Revenue Surplus/(Deficiency)</u></b>					
Amount [3]	\$0	\$0	\$0	\$0	\$0
Percent of Retail Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%
Net Annual Rate Increase	<u>9.50%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>	<u>6.00%</u>

[1] Derived from Table 4 at the end of this Report.

[2] Includes revenues from proposed rates for the prior year adjustment. Includes revenues from existing retail rates in addition to revenues from prior year's adjustments.

[3] Estimated Surplus/(Deficiency) assume rate adjustments are implemented.

As shown above, the rate adjustments for the wastewater system are projected to meet the future revenue requirements reflect adjustments that will yield a 9.5% increase in existing retail rates proposed for bills rendered on or after May 1, 2006. Subsequent rate adjustments are recommended on January 1 of each subsequent fiscal year through Fiscal Year 2010. The Association should review rates in approximately two (2) years in order to assess the actual level of future rate adjustments necessary.

## **RATE DESIGN**

Rate design involves the determination of monthly rates and charges for each customer classification (i.e., residential, commercial, etc.). The goal of this task is to establish a pricing structure or formula to recover the total revenue requirements of the utility system in an equitable manner, consistent with the cost of providing service, regulatory guidelines, overall

revenue stability, and the Association's fiscal and pricing policies. The proposed utility rates, to the extent practical, should meet the following criteria for service provided by publicly-operated utilities:

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

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

In order to make a reasonable determination of the projected revenues from each customer classification, it is beneficial to have a customer bill frequency analysis. As illustrated in Appendix D at the end of this Report, the bill frequency analysis summarizes the number of bills rendered at various consumption levels for each customer classification, and provides a way to analyze the effect of any adjustment in rates.

The Association provided PRMG with customer and sales information by customer classification and service type on an annual basis for the historical Fiscal Year 2005. The billing information is used to develop a bill frequency analysis for the water and wastewater system. This bill frequency analysis is used to develop a projection of detailed billing determinants for each customer class (i.e., water usage by rate block) which along with the customer and sales forecast provides the basis for estimating utility rate revenues and interpreting the effects of proposed rate changes.

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

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

1. Fixed Costs – Those costs that are incurred to maintain a system of readiness capable of meeting the total combined demands of all customers are classified as fixed or capacity-related costs. Capacity costs include that portion of operating and maintenance expenses, capital expenditures, and other costs that are generally fixed and do not vary materially with the quantity of flow or that cannot be designated specifically as a customer or variable cost. Fixed costs are further classified into base capacity costs and extra capacity costs based on system peak to average demand relationships. Except as noted otherwise, for rate design purposes the base capacity costs are generally included in volume charges while the extra capacity costs are included in the monthly customer charge.
  
2. Variable Costs – Those costs that vary substantially or directly with flow, including such items as chemicals, utilities, and sludge disposal are classified as variable or flow-related costs.
  
3. Customer or Service Costs – Those costs directly related to the number and type of customers, such as customer accounting, billing, meter, and services-related expenses are classified as customer-related costs.

Tables 13 and 14 at the end of this Report set forth the classification of the projected net revenue requirements for Fiscal Year 2006 of the water and wastewater systems, respectively. The fiscal year ending September 30, 2005 serves as the basis (test year) for the classification of water and wastewater costs for rate design purposes. As shown on Table 13 at the end of this Report, the classified water system costs are summarized as follows:

	Fiscal Year 2006
	Water [1]
Fixed Costs:	
Base Capacity	\$1,113,820
Extra/Peak Capacity	<u>401,256</u>
Total Fixed Costs	\$1,515,077
Variable Costs	362,388
Customer Costs	<u>19,153</u>
Total Net Revenue Requirements	<u><b>\$1,896,618</b></u>

[1] Derived from Table 13.

Table 14 at the end of this Report sets forth the classification of the projected net revenue requirements for Fiscal Year 2006 of the wastewater system. As shown on Table 14 at the end of this Report, the classified wastewater system costs are summarized as follows:

**(Remainder of page intentionally left blank)**



Fiscal Year 2006	
	Wastewater [1]
Fixed Costs:	
Base Capacity	\$607,560
Extra/Peak Capacity	474,928
Total Fixed Costs	\$1,082,488
Variable Costs	
Customer Costs	17,828
Total Net Revenue Requirements	\$1,223,740

[1] Derived from Table 14.

A detailed summary of the classified revenue requirements for Fiscal Year 2006 of the water and wastewater systems are shown on Tables 13 and 14 at the end of this Report, respectively. The following is a synopsis of the classification of the major cost categories.

Water Treatment – All expenses in the water treatment function, with the exception of contractual services, utilities, and chemical supplies are classified according to the plant in service allocation derived from the water system peaking factor calculation derived from the Association’s water and wastewater Monthly Operating Reports (MORs) and determined to be 73% fixed and 27% customer as shown in Appendix B at the end of this Report. Contractual services, utilities, and chemical supplies, which include electric pumping costs and chemical costs, respectively, are classified as variable since they typically vary according to the level of water treated and pumped to customers.

Wastewater Treatment – All expenses in the wastewater treatment function are classified according to base/extra capacity functional allocator. The wastewater base/extra capacity allocator is 56% base capacity and 44% extra capacity derived from the wastewater system peaking factor calculation as shown on Appendix B at the end of this Report.

Water Transmission and Wastewater Collection – These costs are classified between base, extra, and customer-related according to the estimated expenditures on customer service needs versus overall system transmission needs.

Administrative Costs (Water and Wastewater) – These specific departmental costs have been classified according to the classification of all other departmental salaries with the exception of other contractual services. Other contractual services are classified as direct customer-related since this expense is an expense for customer-related services.

Other Revenue Requirements – Annual debt service, capital funded from rates, and transfers to the Revenue Fund are classified based on the respective water and wastewater base/extra capacity allocators. The R&R Fund is classified based on the respective allocations between base, extra, and customer-related service. Interest income and other miscellaneous revenue that reduces net revenue requirements are classified as revenue-related.

## Water Rate Design

The Association's existing water rate structure features two components: i) a fixed monthly minimum charge, which is billed regardless of usage; ii) a customer billing charge; and iii) a usage charge per thousand gallons of metered water use, which increases as consumption increases (water conservation blocks). Customer classifications include residential, multi-family, and commercial. The monthly minimum charge for all classes includes 5,000 gallons of usage per month. The usage charge applies to usage above 5,000 gallons, regardless of customer class or meter size.

The initial water rate adjustments proposed herein effective May 2006 are designed to increase water revenue by 9.5% on an annual basis. Adjustments to the rates are proposed based on the cost of providing water and wastewater service and discussions with City staff. The current water base charges do not vary by meter size, therefore, the primary adjustment to the existing water rate structure is to implement monthly base charges according to meter size. This type of rate structure is common for publicly owned utilities throughout Florida as well as those utilities regulated by the Public Service Commission. Furthermore, many of Gasparilla Island's neighboring utilities use this type of rate structure which is more equitable from a rate application standpoint. By applying higher base charges for larger meter sizes, the Association will recover more of its readiness-to-serve costs from those customers that are reserving higher demand levels.

The other major proposed change involves the creation of the customer classification entitled "Potable Irrigation." This new customer classification, as the name implies, will encompass customers that have a meter exclusively devoted to irrigation purposes. In the past, the Association charged such customers the residential rates regardless of consumption level or meter size. The new customer classification promotes water conservation by implementing water conservation blocks at an incrementally higher level compared to those for single-family and multi-family residential usage.

Florida's water utilities are being encouraged by their respective Water Management Districts to adopt water conservation pricing as part of the process of receiving a consumptive use permit. While various conservation rate structures such as seasonal or peak month surcharges are generally deemed to be acceptable conservation pricing solutions, the most widely used approach is the inverted block usage charge. With an inverted block usage charge, the price per gallon increases at certain usage intervals in order to send a conservation price incentive as overall usage increases.

Currently, the Association maintains a moderate residential water conservation rate structure with three (3) usage rate blocks as shown below:

Monthly Usage (1,000 gallons)	Existing Rate per 1,000 Gallons	Rate as Percent of First Block
0 – 5,000	\$0.00	0%
5,001 – 15,000	\$4.30	100%
15,001 – 25,000	\$4.60	107%
Above 25,000	\$5.70	132%

We propose the Association phase in incrementally higher rates for the second through fourth blocks to further encourage water conservation as illustrated below:

Monthly Usage (1,000 Gallons)	Residential Water Conservation Rates			
	Existing Rate per 1,000 Gallons	Existing Rate as Percent of First Block	Proposed May 1, 2006 Rate	Proposed Rate as Percent of First Block
0 - 5,000	\$0.00	0%	\$0.00	0%
5,001 – 15,000	\$4.30	100%	\$4.30	100%
15,001 – 25,000	\$4.60	107%	\$5.38	125%
Above 25,000	\$5.70	132%	\$6.45	150%

Based on the customer forecast, the projected net revenue requirements of the water system and the cost of service analysis discussed earlier in this section, the proposed rates for the water system beginning May 1, 2006 are as follows:

Existing and Proposed Water User Rate Schedule		
Description	Existing Rates Fiscal Year 2006	Proposed Effective May 2006
<b>Base Charge</b>		
Residential		
5/8" x 3/4" Meter	\$21.50	\$21.50
1" Meter	\$21.50	\$39.95
1-1/2" Meter	\$21.50	\$77.88
2" Meter	\$21.50	\$124.00
Commercial		
5/8" x 3/4" Meter	\$21.50	\$21.50
1" Meter	\$21.50	\$39.95
1-1/2" Meter	\$21.50	\$77.88
2" Meter	\$21.50	\$124.00
2-1/2" Meter	\$21.50	\$226.50
Irrigation		
1" Meter	N/A	\$39.95
1-1/2" Meter	N/A	\$77.88
2" Meter	N/A	\$124.00
<b>Gallonge Charge – Per 1,000 Gallons</b>		
Residential		
0 – 5,000 Gallons	\$0.00	\$0.00
5,001 – 15,000 Gallons	\$4.30	\$4.30
15,001 – 25,000 Gallons	\$4.60	\$5.38
Over 25,000 Gallons	\$5.70	\$6.45
Commercial		
0 – 5,000 Gallons	\$0.00	\$0.00
Over 25,000 Gallons	\$4.30	\$4.30
Irrigation		
0 – 5,000 Gallons	N/A	\$0.00
5,001 – 15,000 Gallons	N/A	\$5.38
Over 15,000 Gallons	N/A	\$6.45

Table 15 and Figure 1 at the end of this Report contain a bill comparison of existing to proposed residential water rates. As Table 15 and Figure 1 shows, the monthly water bill for a typical 5/8" x 3/4" meter residential water customer using 9,000 gallons of water per month (i.e., the average monthly 5/8" x 3/4" meter residential consumption within the Association's service territory) will not have any change under the proposed May 1, 2006 rate adjustments. However, other customer classes will have an increase in their bills due to the change in rate design. The 1", 1-1/2", and 2" meter residential water customers will have an increase in their bills that will vary according to consumption level as shown below:

Bill Comparison for Proposed Single-Family Residential Water Rates by Meter Size								
Monthly Use (Th. Gallons)	3/4" Meter Size [1]				1" Meter Size [2]			
	Existing Total Bill	Total Bill	Proposed Increase	%	Existing Total Bill	Total Bill	Proposed Increase	%
5	\$21.50	\$21.50	\$0.00	0.0%	\$21.50	\$39.95	\$18.45	85.8%
9	\$38.70	\$38.70	\$0.00	0.0%	\$38.70	\$57.15	\$18.45	47.7%
10	\$43.00	\$43.00	\$0.00	0.0%	\$43.00	\$61.45	\$18.45	42.9%
15	\$64.50	\$64.50	\$0.00	0.0%	\$64.50	\$82.95	\$18.45	28.6%
20	\$87.50	\$91.40	\$3.90	4.5%	\$87.50	\$109.85	\$22.35	25.5%
25	\$110.50	\$118.30	\$7.80	7.1%	\$110.50	\$136.75	\$26.25	23.8%
45	\$224.50	\$247.30	\$22.80	10.2%	\$224.50	\$265.75	\$41.25	18.4%
60	\$310.00	\$344.05	\$34.05	11.0%	\$310.00	\$362.50	\$52.50	16.9%

Monthly Use (Th. Gallons)	1-1/2" Meter Size [3]				2" Meter Size [4]			
	Existing Total Bill	Total Bill	Proposed Increase	%	Existing Total Bill	Total Bill	Proposed Increase	%
5	\$21.50	\$77.88	\$56.38	262.2%	\$21.50	\$124.00	\$102.50	476.7%
9	\$38.70	\$95.08	\$56.38	145.7%	\$38.70	\$141.20	\$102.50	264.9%
10	\$43.00	\$99.38	\$56.38	131.1%	\$43.00	\$145.50	\$102.50	238.4%
15	\$64.50	\$120.88	\$56.38	87.4%	\$64.50	\$167.00	\$102.50	158.9%
20	\$87.50	\$147.78	\$60.28	68.9%	\$87.50	\$193.90	\$106.40	121.6%
25	\$110.50	\$174.68	\$64.18	58.1%	\$110.50	\$220.80	\$110.30	99.8%
45	\$224.50	\$303.68	\$79.18	35.3%	\$224.50	\$349.80	\$125.30	55.8%
60	\$310.00	\$400.43	\$90.43	29.2%	\$310.00	\$446.55	\$136.55	44.0%

[1] Typical residential bill averages approximately 9,000 monthly gallons per account for the 3/4" meter.

[2] Typical residential bill averages approximately 15,000 monthly gallons per account for the 1" meter.

[3] Typical residential bill averages approximately 45,000 monthly gallons per account for the 1-1/2" meter.

[4] Typical residential bill averages approximately 60,000 monthly gallons per account for the 2" meter.

The 1", 1-1/2", 2", and 2-1/2" meter commercial water customers will have an increase in their bills that will vary according to consumption. Table 18 and Figure 2 at the end of this Report show the expected increases for the different meter sizes. A summary of such impact on bills is summarized on the following page:

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**Bill Comparison for Proposed Commercial Water Rates by Meter Size [1]**

Monthly Use (Th. Gallons)	1" Meter Size				1-1/2" Meter Size			
	Existing Total Bill	Total Bill	Proposed Increase	%	Existing Total Bill	Total Bill	Proposed Increase	%
15	\$64.50	\$82.95	\$18.45	28.60%	\$64.50	\$120.88	\$56.38	87.41%
20	\$86.00	\$104.45	\$18.45	21.45%	\$86.00	\$142.38	\$56.38	65.56%
25	\$107.50	\$125.95	\$18.45	17.16%	\$107.50	\$163.88	\$56.38	52.45%
30	\$129.00	\$147.45	\$18.45	14.30%	\$129.00	\$185.38	\$56.38	43.71%
100	\$430.00	\$448.45	\$18.45	4.29%	\$430.00	\$486.38	\$56.38	13.11%

Monthly Use (Th. Gallons)	2" Meter Size				2-1/2" Meter Size			
	Existing Total Bill	Total Bill	Proposed Increase	%	Existing Total Bill	Total Bill	Proposed Increase	%
15	\$64.50	\$167.00	\$102.50	158.91%	\$64.50	\$269.50	\$205.00	317.83%
20	\$86.00	\$188.50	\$102.50	119.19%	\$86.00	\$291.00	\$205.00	238.37%
25	\$107.50	\$210.00	\$102.50	95.35%	\$107.50	\$312.50	\$205.00	190.70%
30	\$129.00	\$231.50	\$102.50	79.46%	\$129.00	\$334.00	\$205.00	158.91%
100	\$430.00	\$532.50	\$102.50	23.84%	\$430.00	\$635.00	\$205.00	47.67%

[1] Based on Table 18 at the end of this Report.

[2] Typical commercial bill averages approximately 25,000 monthly gallons per account for the 1" meter.

[3] Typical commercial bill averages approximately 30,000 monthly gallons per account for the 1-1/2" meter.

[4] Typical commercial bill averages approximately 100,000 monthly gallons per account for the 2" meter.

[5] Typical commercial bill averages approximately 5,000 monthly gallons per account for the 2-1/2" meter.

### **Wastewater System Rate Design**

The wastewater rate changes proposed herein effective May 1, 2006 are designed to increase wastewater revenue by 9.5% on an annual basis. The proposed wastewater rate adjustments to commercial customers include monthly base rates by meter size. Commercial customers will have a monthly base charge that will vary based on the meter size (similar to the adjustments proposed to the water system monthly base charges). Residential customers will pay the same base charge regardless of meter size.

Based on the customer forecast, the projected net revenue requirements of the wastewater system, and the cost of service analysis discussed earlier in this section, the proposed rates for the wastewater system beginning May 1, 2006 are as follows:

**(Remainder of page intentionally left blank)**

**Existing and Proposed Wastewater User Rate Schedule**

Description	Existing Rates Fiscal Year 2006	Proposed Effective May 2006
<b><u>Base Charge</u></b>		
Residential		
5/8" x 3/4" Meter	\$20.60	\$21.60
1" Meter	\$20.60	\$21.60
1-1/2" Meter	\$20.60	\$21.60
2" Meter	\$20.60	\$21.60
Commercial		
5/8" x 3/4" Meter	\$20.60	\$21.60
1" Meter	\$20.60	\$40.76
1-1/2" Meter	\$20.60	\$80.15
2" Meter	\$20.60	\$128.05
2-1/2" Meter	\$20.60	\$234.50
<b><u>Gallage Charge – Per 1,000 Gallons</u></b>		
Residential		
0 – 10,000 Gallons	\$4.00	\$4.22
General/Commercial		
All Gallons	\$4.00	\$4.22
<b><u>Annual Fire Protection Charges</u></b>		
2" Meter	N/A	\$333.00
3" Meter	N/A	\$624.60
4" Meter	N/A	\$1,041.00
6" Meter	N/A	\$2,082.00
8" Meter	N/A	\$3,331.20

Table 16 and Figure 1 at the end of this Report contain a bill comparison of existing to proposed residential wastewater rates. As Table 16 and Figure 1 illustrates, the monthly wastewater bill for a residential wastewater customer using 9,000 gallons of water per month (i.e., the average monthly residential consumption) will increase \$2.98 from \$56.60 to \$59.58, or about 5.3%, under the proposed May 1, 2006 rate increase.

Table 17 and Figure 1 at the end of this Report contains a bill comparison of total monthly residential water and wastewater bills for existing and proposed residential water and wastewater rates at the standard 5/8" x 3/4" meter size. Under the proposed Fiscal Year 2006 rates, a typical 5/8" x 3/4" meter customer using 9,000 gallons of water and wastewater would have an increase in charges of \$2.98 from \$95.30 to \$98.28. This represents an approximate 3% increase over current water and wastewater rates at this usage level.

Tables 18 to 20 at the end of this Report reflect similar comparisons for commercial bills based on the May 1, 2006 proposed increase. The typical commercial bill averages monthly usage of approximately 15,000 gallons. Under the proposed rates, the typical commercial water and wastewater bill would increase by \$4.30 from \$145.10 to 149.40. This represents an approximate 3% increase over current water and wastewater rates at this usage level.

Appendix A, located at the end of this Report, presents proposed rates through Fiscal Year 2010. In addition, Appendix C and Figures 3 through 5 located at the end of this Report, shows single-family residential and commercial water and wastewater rate comparisons that include a number of municipal-owned utilities in Florida. When making comparisons of rates for water and wastewater service, several factors may have an effect on the rate levels being charged. These factors may include:

1. Level of treatment required before the distribution of water to the ultimate customer;
2. Level of treatment and effluent disposal methods of wastewater service;
3. Plant capacity utilization, age, and assistance in construction by federal grants, system development charges, etc.;
4. General fund and administrative fee transfers made by municipal and County systems which may account for differences in the level of rates charged; and
5. Bond Covenants and funding requirements of the rates.

For the utilities included in the rate comparisons, no analysis has been made of the above-mentioned factors, as they related to the reported water and wastewater rates currently being charged.

### **IMPACT FEES**

Similar to most water and wastewater utilities throughout Florida, the Association charges impact fees (capacity charges) to those customers requesting a new connection to the Association's water and wastewater system. An impact fee is a charge imposed on new users of real property to help finance the capital cost of constructing public facilities necessary to serve new customer connections. The purpose of an impact fee is to assign, to the extent practical, growth-related capital costs to those new residents or users responsible for such additional costs. The impact fee can be considered to be a new user's contribution to buying into those facilities or capital costs required to provide a comparable level of service to that which is being provided to existing customers.

The Association's existing impact fees per unit are \$4,018 and \$2,793 for water and wastewater, respectively, and are charged uniformly to all new customer connections regardless of meter size. Our recommendation is to maintain the current impact fee schedule while applying the per unit charge in conjunction with the size of the customer's meter (linking the fee to the capacity being requested by each individual customer).

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Proposed Water Connection Fee per Meter Size Connections	
5/8" x 3/4"	\$4,018
1"	\$7,650
1-1/2"	\$15,100
2"	\$24,100
3"	\$44,200

Proposed Wastewater Connection Fee per Meter Size Connections	
5/8" x 3/4"	\$2,793
1"	\$5,300
1-1/2"	\$10,450
2"	\$16,750
3"	\$30,723

The proposed impact fee levels are comparable to impact fees of other nearby utilities as shown on Table E-1 in Appendix E.

## CONCLUSIONS AND RECOMMENDATIONS

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

1. The Association's existing rates for water and wastewater service systems are not anticipated to recover the water and wastewater systems projected revenue requirements for the fiscal years ending September 30, 2006 through 2010 based on the funding requirements of the Association's Capital Improvement Program and Operating Budget.
2. The Association should consider adopting the water and wastewater rates proposed effective May 1, 2006 and January 1 each fiscal year thereafter. The proposed rates are anticipated to meet the projected revenue requirements through Fiscal Year 2010. The revenue requirements include operation and maintenance expenses, the funding of capital improvements, and the payment of debt service on the Association's existing and anticipated debt service.
3. The Association should consider adopting the proposed impact fees as summarized in this Report.
4. The proposed rates produce monthly water and wastewater bills that are comparable with those of neighboring utilities.
5. The Association should re-evaluate its rates in two years to redefine any future rate needs.





# TABLES

Table 1

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study  
Water System**

**Existing and Projected Water System Customers**

Line No.	Description	Det.	Fiscal Year Ending September 30.						
			Historical [1]		Projected				
			2004	2005	2006	2007	2008	2009	2010
<b>RS-RESIDENTIAL CLASS - SINGLE FAMILY</b>									
<b>Residential 3/4" Meter</b>									
1	Meter Code	1							
2	Meter Size	3/4"							
3	ERC Factor	1							
4	Customer Growth				0	0	0	0	
5	Total Average Monthly Customers		1,086	1,086	1,086	1,086	1,086	1,086	
6	Total Number of ERC's		1,086	1,086	1,086	1,086	1,086	1,086	
7	Total Annual Sales (kgal)		115,896	115,896	115,896	115,896	115,896	115,896	
8	Avg. Monthly Use Per Customer (kgal)		8.89	8.89	8.89	8.89	8.89	8.89	
9	Avg. Monthly Use Per ERC (kgal)		8.89	8.89	8.89	8.89	8.89	8.89	
<b>Residential 1" Meter</b>									
10	Meter Code	2							
11	Meter Size	1"							
12	ERC Factor	1							
13	Customer Growth				4	4	4	4	
14	Total Average Monthly Customers		292	292	296	300	304	312	
15	Total Number of ERC's		292	292	296	300	304	312	
16	Total Annual Sales (kgal)		50,433	50,433	51,124	51,815	52,506	53,887	
17	Avg. Monthly Use Per Customer (kgal)		14.39	14.39	14.39	14.39	14.39	14.39	
18	Avg. Monthly Use Per ERC (kgal)		14.39	14.39	14.39	14.39	14.39	14.39	
<b>Residential 1 1/2" Meter</b>									
19	Meter Code	3							
20	Meter Size	1 1/2"							
21	ERC Factor	1							
22	Customer Growth				0	0	0	0	
23	Total Average Monthly Customers		68	68	68	68	68	68	
24	Total Number of ERC's		68	68	68	68	68	68	
25	Total Annual Sales (kgal)		34,431	34,431	34,431	34,431	34,431	34,431	
26	Avg. Monthly Use Per Customer (kgal)		42.19	42.19	42.19	42.19	42.19	42.19	
27	Avg. Monthly Use Per ERC (kgal)		42.19	42.19	42.19	42.19	42.19	42.19	
<b>Residential 2" Meter</b>									
28	Meter Code	4							
29	Meter Size	2"							
30	ERC Factor	1							
31	Customer Growth				0	0	0	0	
32	Total Average Monthly Customers		12	12	12	12	12	12	
33	Total Number of ERC's		12	12	12	12	12	12	
34	Total Annual Sales (kgal)		8,094	8,094	8,094	8,094	8,094	8,094	
35	Avg. Monthly Use Per Customer (kgal)		56.21	56.21	56.21	56.21	56.21	56.21	
36	Avg. Monthly Use Per ERC (kgal)		56.21	56.21	56.21	56.21	56.21	56.21	

Table 1

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study  
Water System**

**Existing and Projected Water System Customers**

Line No.	Description	Det.	Fiscal Year Ending September 30,						
			Historical [1]		Projected				
			2004	2005	2006	2007	2008	2009	2010
<b>RESIDENTIAL CLASS SUMMARY</b>									
37	Customer Growth				4	4	4	4	4
38	Total Average Monthly Customers		1,458	1,458	1,462	1,466	1,470	1,474	1,478
39	Total Number of ERC's		1,458	1,458	1,462	1,466	1,470	1,474	1,478
40	Total Annual Sales (kgal)		208,854	208,854	209,545	210,236	210,927	211,617	212,308
41	Avg. Monthly Use Per Customer (kgal)		11.94	11.94	11.94	11.95	11.96	11.96	11.97
42	Avg. Monthly Use Per ERC (kgal)		11.94	11.94	11.94	11.95	11.96	11.96	11.97
<b>Water Only All Meter</b>									
43	Meter Code	6							
44	Meter Size	All							
45	ERC Factor	N/A							
46	Customer Growth				0	0	0	0	0
47	Total Average Monthly Customers		33	33	33	33	33	33	33
48	Total Number of ERC's		33	33	33	33	33	33	33
49	Total Annual Sales (kgal)		7,546	7,546	7,546	7,546	7,546	7,546	7,546
50	Avg. Monthly Use Per Customer (kgal)		19.06	19.06	19.06	19.06	19.06	19.06	19.06
51	Avg. Monthly Use Per ERC (kgal)		19.06	19.06	19.06	19.06	19.06	19.06	19.06
<b>Multi - Family Residential All Meter</b>									
52	Meter Code	6							
53	Meter Size	All							
54	ERC Factor	N/A							
55	Customer Growth				0	0	0	0	0
56	Total Average Monthly Customers [2]		565	565	565	565	565	565	565
57	Total Number of ERC's		565	565	565	565	565	565	565
58	Total Annual Sales (kgal)		24,318	24,318	24,318	24,318	24,318	24,318	24,318
59	Avg. Monthly Use Per Customer (kgal)		3.59	3.59	3.59	3.59	3.59	3.59	3.59
60	Avg. Monthly Use Per ERC (kgal)		3.59	3.59	3.59	3.59	3.59	3.59	3.59
<b>Irrigation 1" Meter [3]</b>									
61	Meter Code	2							
62	Meter Size	1"							
63	ERC Factor	1							
64	Customer Growth				0	0	0	0	0
65	Total Average Monthly Customers		24	24	24	24	24	24	24
66	Total Number of ERC's		24	24	24	24	24	24	24
67	Total Annual Sales (kgal)		14,587	14,587	14,587	14,587	14,587	14,587	14,587
68	Avg. Monthly Use Per Customer (kgal)		50.65	50.65	50.65	50.65	50.65	50.65	50.65
69	Avg. Monthly Use Per ERC (kgal)		50.65	50.65	50.65	50.65	50.65	50.65	50.65

Table 1

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study  
Water System**

**Existing and Projected Water System Customers**

Line No.	Description	Det.	Fiscal Year Ending September 30,						
			Historical [1]		Projected				
			2004	2005	2006	2007	2008	2009	2010
<b>Irrigation 1 1/2" Meter [3]</b>									
70	Meter Code	3							
71	Meter Size	1 1/2"							
72	ERC Factor	1							
73	Customer Growth				0	0	0	0	0
74	Total Average Monthly Customers		17	17	17	17	17	17	17
75	Total Number of ERC's		17	17	17	17	17	17	17
76	Total Annual Sales (kgal)		21,191	21,191	21,191	21,191	21,191	21,191	21,191
77	Avg. Monthly Use Per Customer (kgal)		103.88	103.88	103.88	103.88	103.88	103.88	103.88
78	Avg. Monthly Use Per ERC (kgal)		103.88	103.88	103.88	103.88	103.88	103.88	103.88
<b>Irrigation 2" Meter [3]</b>									
79	Meter Code	4							
80	Meter Size	2"							
81	ERC Factor	1							
82	Customer Growth				0	0	0	0	0
83	Total Average Monthly Customers		7	7	7	7	7	7	7
84	Total Number of ERC's		7	7	7	7	7	7	7
85	Total Annual Sales (kgal)		17,004	17,004	17,004	17,004	17,004	17,004	17,004
86	Avg. Monthly Use Per Customer (kgal)		202.43	202.43	202.43	202.43	202.43	202.43	202.43
87	Avg. Monthly Use Per ERC (kgal)		202.43	202.43	202.43	202.43	202.43	202.43	202.43
<b>IRRIGATION CLASS SUMMARY</b>									
88	Customer Growth				0	0	0	0	0
89	Total Average Monthly Customers		48	48	48	48	48	48	48
90	Total Number of ERC's		48	48	48	48	48	48	48
91	Total Annual Sales (kgal)		52,782	52,782	52,782	52,782	52,782	52,782	52,782
92	Avg. Monthly Use Per Customer (kgal)		91.64	91.64	91.64	91.64	91.64	91.64	91.64
93	Avg. Monthly Use Per ERC (kgal)		91.64	91.64	91.64	91.64	91.64	91.64	91.64
<b>Commercial 3/4" Meter</b>									
94	Meter Code	1							
95	Meter Size	3/4"							
96	ERC Factor	1							
97	Customer Growth				0	0	0	0	0
98	Total Average Monthly Customers		45	45	45	45	45	45	45
99	Total Number of ERC's		45	45	45	45	45	45	45
100	Total Annual Sales (kgal)		8,782	8,782	8,782	8,782	8,782	8,782	8,782
101	Avg. Monthly Use Per Customer (kgal)		16.26	16.26	16.26	16.26	16.26	16.26	16.26
102	Avg. Monthly Use Per ERC (kgal)		16.26	16.26	16.26	16.26	16.26	16.26	16.26

Table 1

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study  
Water System**

**Existing and Projected Water System Customers**

Line No.	Description	Det.	Fiscal Year Ending September 30.					
			Historical [1]		Projected			
			2004	2005	2006	2007	2008	2009
<b>Commercial 1" Meter</b>								
103	Meter Code	2						
104	Meter Size	1"						
105	ERC Factor	1						
106	Customer Growth				0	0	0	0
107	Total Average Monthly Customers		28	28	28	28	28	28
108	Total Number of ERC's		28	28	28	28	28	28
109	Total Annual Sales (kgal)		8,517	8,517	8,517	8,517	8,517	8,517
110	Avg. Monthly Use Per Customer (kgal)		25.35	25.35	25.35	25.35	25.35	25.35
111	Avg. Monthly Use Per ERC (kgal)		25.35	25.35	25.35	25.35	25.35	25.35
<b>Commercial 1 1/2" Meter</b>								
112	Meter Code	3						
113	Meter Size	1 1/2"						
114	ERC Factor	1						
115	Customer Growth				0	0	0	0
116	Total Average Monthly Customers		12	12	12	12	12	12
117	Total Number of ERC's		12	12	12	12	12	12
118	Total Annual Sales (kgal)		4,646	4,646	4,646	4,646	4,646	4,646
119	Avg. Monthly Use Per Customer (kgal)		32.26	32.26	32.26	32.26	32.26	32.26
120	Avg. Monthly Use Per ERC (kgal)		32.26	32.26	32.26	32.26	32.26	32.26
<b>Commercial 2" Meter</b>								
121	Meter Code	4						
122	Meter Size	2"						
123	ERC Factor	1						
124	Customer Growth				0	0	0	0
125	Total Average Monthly Customers		17	17	17	17	17	17
126	Total Number of ERC's		17	17	17	17	17	17
127	Total Annual Sales (kgal)		20,756	20,756	20,756	20,756	20,756	20,756
128	Avg. Monthly Use Per Customer (kgal)		101.75	101.75	101.75	101.75	101.75	101.75
129	Avg. Monthly Use Per ERC (kgal)		101.75	101.75	101.75	101.75	101.75	101.75
<b>Commercial 2 - 1/2" Meter</b>								
130	Meter Code	5						
131	Meter Size	2 1/2"						
132	ERC Factor	N/A						
133	Customer Growth				0	0	0	0
134	Total Average Monthly Customers		1	1	1	1	1	1
135	Total Number of ERC's		1	1	1	1	1	1
136	Total Annual Sales (kgal)		59	59	59	59	59	59
137	Avg. Monthly Use Per Customer (kgal)		4.92	4.92	4.92	4.92	4.92	4.92
138	Avg. Monthly Use Per ERC (kgal)		4.92	4.92	4.92	4.92	4.92	4.92

Table 1

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study  
Water System**

**Existing and Projected Water System Customers**

Line No.	Description	Det.	Fiscal Year Ending September 30.						
			Historical [1]		Projected				
			2004	2005	2006	2007	2008	2009	2010
<b>COMMERCIAL CLASS SUMMARY</b>									
139	Customer Growth				0	0	0	0	0
140	Total Average Monthly Customers		103	103	103	103	103	103	103
141	Total Number of ERC's		103	103	103	103	103	103	103
142	Total Annual Sales (kgal)		42,760	42,760	42,760	42,760	42,760	42,760	42,760
143	Avg. Monthly Use Per Customer (kgal)		34.60	34.60	34.60	34.60	34.60	34.60	34.60
144	Avg. Monthly Use Per ERC (kgal)		34.60	34.60	34.60	34.60	34.60	34.60	34.60
<b>ALL WATER SYSTEM CUSTOMERS</b>									
145	Customer Growth				4	4	4	4	4
146	Total Average Monthly Customers [2]		2,207	2,207	2,211	2,215	2,219	2,223	2,227
147	Total Number of ERC's		2,207	2,207	2,211	2,215	2,219	2,223	2,227
148	Total Annual Sales (kgal)		336,260	336,260	336,951	337,642	338,333	339,023	339,714
149	Avg. Monthly Use Per Customer (kgal)		12.70	12.70	12.70	12.70	12.71	12.71	12.71
150	Avg. Monthly Use Per ERC (kgal)		12.70	12.70	12.70	12.70	12.71	12.71	12.71

## Footnotes:

[1] Numbers are estimated and might vary to Association's End of Year estimation.

[2] Includes all customers behind meter (i.e., all multi-family residential customers (31 accounts and 565 customers behind the meter for FY2005).

The actual number of customers is as follows:

	FY 2004	FY 2005
Customers from table above	2,207	2,207
Minus: Multi-Family Customers Behind Meter	(565)	(565)
Plus: Multi-Family Accounts	31	31
Total Multi-Family as Reported by Association	1,673	1,673

[3] Class category did not exist prior to FY 2006.

Table 2

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study  
Wastewater System**

**Existing and Projected Wastewater System Customers**

Line No.	Description	Det.	Fiscal Year Ending September 30,					
			Historical [1]		Projected			
			2004	2005	2006	2007	2008	2009
<b>RS-RESIDENTIAL CLASS - SINGLE FAMILY</b>								
<b>Residential 3/4" Meter</b>								
1	Meter Code	1						
2	Meter Size	3/4"						
3	ERC Factor	1						
4	Customer Growth				0	0	0	0
5	Total Average Monthly Customers		1,086	1,086	1,086	1,086	1,086	1,086
6	Total Number of ERC's		1,086	1,086	1,086	1,086	1,086	1,086
7	Total Annual Sales (kgal)		115,896	115,896	115,896	115,896	115,896	115,896
8	Avg. Monthly Use Per Customer (kgal)		8.89	8.89	8.89	8.89	8.89	8.89
9	Avg. Monthly Use Per ERC (kgal)		8.89	8.89	8.89	8.89	8.89	8.89
<b>Residential 1" Meter [3]</b>								
10	Meter Code	2						
11	Meter Size	1"						
12	ERC Factor	1						
13	Customer Growth				4	4	4	4
14	Total Average Monthly Customers		316	316	296	300	304	312
15	Total Number of ERC's		316	316	296	300	304	312
16	Total Annual Sales (kgal)		65,020	65,020	60,905	61,728	62,551	64,197
17	Avg. Monthly Use Per Customer (kgal)		17.15	17.15	17.15	17.15	17.15	17.15
18	Avg. Monthly Use Per ERC (kgal)		17.15	17.15	17.15	17.15	17.15	17.15
<b>Residential 1 1/2" Meter [3]</b>								
19	Meter Code	3						
20	Meter Size	1 1/2"						
21	ERC Factor	1						
22	Customer Growth				0	0	0	0
23	Total Average Monthly Customers		85	85	68	68	68	68
24	Total Number of ERC's		85	85	68	68	68	68
25	Total Annual Sales (kgal)		55,622	55,622	44,498	44,498	44,498	44,498
26	Avg. Monthly Use Per Customer (kgal)		54.53	54.53	54.53	54.53	54.53	54.53
27	Avg. Monthly Use Per ERC (kgal)		54.53	54.53	54.53	54.53	54.53	54.53
<b>Residential 2" Meter [3]</b>								
28	Meter Code	4						
29	Meter Size	2"						
30	ERC Factor	1						
31	Customer Growth				0	0	0	0
32	Total Average Monthly Customers		19	19	12	12	12	12
33	Total Number of ERC's		19	19	12	12	12	12
34	Total Annual Sales (kgal)		25,098	25,098	15,851	15,851	15,851	15,851
35	Avg. Monthly Use Per Customer (kgal)		110.08	110.08	110.08	110.08	110.08	110.08
36	Avg. Monthly Use Per ERC (kgal)		110.08	110.08	110.08	110.08	110.08	110.08

Table 2

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study  
Wastewater System**

**Existing and Projected Wastewater System Customers**

Line No.	Description	Det.	Fiscal Year Ending September 30,						
			Historical [1]		Projected				
			2004	2005	2006	2007	2008	2009	2010
<b>Residential All Meter</b>									
37	Meter Code	6							
38	Meter Size	All							
39	ERC Factor	N/A							
40	Customer Growth				4	4	4	4	4
41	Total Average Monthly Customers		1,506	1,506	1,462	1,466	1,470	1,474	1,478
42	Total Number of ERC's		1,506	1,506	1,462	1,466	1,470	1,474	1,478
43	Total Annual Sales (kgal)		261,636	261,636	237,150	237,973	238,796	239,619	240,442
44	Avg. Monthly Use Per Customer (kgal)		14.48	14.48	14.48	14.48	14.48	14.48	14.48
45	Avg. Monthly Use Per ERC (kgal)		14.48	14.48	13.52	13.53	13.54	13.55	13.56
<b>Multi - Family Residential All Meter</b>									
46	Meter Code	6							
47	Meter Size	All							
48	ERC Factor	N/A							
49	Customer Growth				0	0	0	0	0
50	Total Average Monthly Customers [2]		565	565	565	565	565	565	565
51	Total Number of ERC's		565	565	565	565	565	565	565
52	Total Annual Sales (kgal)		24,318	24,318	24,318	24,318	24,318	24,318	24,318
53	Avg. Monthly Use Per Customer (kgal)		3.59	3.59	3.59	3.59	3.59	3.59	3.59
54	Avg. Monthly Use Per ERC (kgal)		3.59	3.59	3.59	3.59	3.59	3.59	3.59
<b>Commercial 3/4" Meter</b>									
55	Meter Code	1							
56	Meter Size	3/4"							
57	ERC Factor	1							
58	Customer Growth				0	0	0	0	0
59	Total Average Monthly Customers		45	45	45	45	45	45	45
60	Total Number of ERC's		45	45	45	45	45	45	45
61	Total Annual Sales (kgal)		8,782	8,782	8,782	8,782	8,782	8,782	8,782
62	Avg. Monthly Use Per Customer (kgal)		16.26	16.26	16.26	16.26	16.26	16.26	16.26
63	Avg. Monthly Use Per ERC (kgal)		16.26	16.26	16.26	16.26	16.26	16.26	16.26
<b>Commercial 1" Meter</b>									
64	Meter Code	2							
65	Meter Size	1"							
66	ERC Factor	1							
67	Customer Growth				0	0	0	0	0
68	Total Average Monthly Customers		28	28	28	28	28	28	28
69	Total Number of ERC's		28	28	28	28	28	28	28
70	Total Annual Sales (kgal)		8,517	8,517	8,517	8,517	8,517	8,517	8,517
71	Avg. Monthly Use Per Customer (kgal)		25.35	25.35	25.35	25.35	25.35	25.35	25.35
72	Avg. Monthly Use Per ERC (kgal)		25.35	25.35	25.35	25.35	25.35	25.35	25.35



Table 2

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study  
Wastewater System**

**Existing and Projected Wastewater System Customers**

Line No.	Description	Det.	Fiscal Year Ending September 30,						
			Historical [1]		Projected				
			2004	2005	2006	2007	2008	2009	2010
<b>Commercial 1 1/2" Meter</b>									
73	Meter Code	3							
74	Meter Size	1 1/2"							
75	ERC Factor	1							
76	Customer Growth				0	0	0	0	0
77	Total Average Monthly Customers		12	12	12	12	12	12	12
78	Total Number of ERC's		12	12	12	12	12	12	12
79	Total Annual Sales (kgal)		4,646	4,646	4,646	4,646	4,646	4,646	4,646
80	Avg. Monthly Use Per Customer (kgal)		32.26	32.26	32.26	32.26	32.26	32.26	32.26
81	Avg. Monthly Use Per ERC (kgal)		32.26	32.26	32.26	32.26	32.26	32.26	32.26
<b>Commercial 2" Meter</b>									
82	Meter Code	4							
83	Meter Size	2"							
84	ERC Factor	1							
85	Customer Growth				0	0	0	0	0
86	Total Average Monthly Customers		17	17	17	17	17	17	17
87	Total Number of ERC's		17	17	17	17	17	17	17
88	Total Annual Sales (kgal)		20,756	20,756	20,756	20,756	20,756	20,756	20,756
89	Avg. Monthly Use Per Customer (kgal)		101.75	101.75	101.75	101.75	101.75	101.75	101.75
90	Avg. Monthly Use Per ERC (kgal)		101.75	101.75	101.75	101.75	101.75	101.75	101.75
<b>Commercial 2 - 1/2" Meter</b>									
91	Meter Code	5							
92	Meter Size	2 1/2"							
93	ERC Factor	N/A							
94	Customer Growth				0	0	0	0	0
95	Total Average Monthly Customers		1	1	1	1	1	1	1
96	Total Number of ERC's		1	1	1	1	1	1	1
97	Total Annual Sales (kgal)		59	59	59	59	59	59	59
98	Avg. Monthly Use Per Customer (kgal)		4.92	4.92	4.92	4.92	4.92	4.92	4.92
99	Avg. Monthly Use Per ERC (kgal)		4.92	4.92	4.92	4.92	4.92	4.92	4.92
<b>COMMERCIAL CLASS SUMMARY</b>									
100	Customer Growth				0	0	0	0	0
101	Total Average Monthly Customers		103	103	103	103	103	103	103
102	Total Number of ERC's		103	103	103	103	103	103	103
103	Total Annual Sales (kgal)		42,760	42,760	42,760	42,760	42,760	42,760	42,760
104	Avg. Monthly Use Per Customer (kgal)		34.60	34.60	34.60	34.60	34.60	34.60	34.60
105	Avg. Monthly Use Per ERC (kgal)		34.60	34.60	34.60	34.60	34.60	34.60	34.60
<b>ALL WASTEWATER SYSTEM CUSTOMERS</b>									
106	Customer Growth				4	4	4	4	4
107	Total Average Monthly Customers [2]		2,174	2,174	2,130	2,134	2,138	2,142	2,146
108	Total Number of ERC's		2,174	2,174	2,130	2,134	2,138	2,142	2,146
109	Total Annual Sales (kgal)		328,714	328,714	304,228	305,051	305,874	306,697	307,520
110	Avg. Monthly Use Per Customer (kgal)		12.60	12.60	11.90	11.91	11.92	11.93	11.94
111	Avg. Monthly Use Per ERC (kgal)		12.60	12.60	11.90	11.91	11.92	11.93	11.94

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study  
Wastewater System**

**Existing and Projected Wastewater System Customers**

Line No.	Description	Det.	Fiscal Year Ending September 30,						
			Historical [1]		Projected				
			2004	2005	2006	2007	2008	2009	2010

Footnotes:

[1] Numbers are estimated and might vary to Association's End of Year estimation.

[2] Includes all customers behind meter (i.e., all multi-family residential customers (31 accounts and 565 customers behind the meter for FY2005).

The actual number of customers is as follows:

	<u>FY 2004</u>	<u>FY 2005</u>
Customers from table above	2,174	2,174
Minus: Multi-Family Customers Behind Meter	(565)	(565)
Plus: Multi-Family Accounts	<u>31</u>	<u>31</u>
Total Multi-Family as Reported by Association	1,640	1,640

[3] For FY 2006 - 2010 number of accounts is lowered due to the reclassification of residential customers to irrigation customers.

**Table 3**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Water System**

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

Line No.	Description	Projected Fiscal Year Ending September 30,				
		2006	2007	2008	2009	2010
Operating Expenses:						
1	General & Administrative	\$ 307,654	\$ 328,634	\$ 351,416	\$ 376,083	\$ 402,803
2	Water System Operating Expenses	945,428	1,045,097	1,157,048	1,226,822	1,301,246
3	Total Operating Expenses	\$ 1,253,082	\$ 1,373,730	\$ 1,508,464	\$ 1,602,905	\$ 1,704,049
Other Revenue Requirements (Debt Obligations):						
4	Obligation Number 000561923	\$ 24,365	\$ 24,365	\$ 24,365	\$ 24,365	\$ 24,365
5	Obligation Number 000561948	116,268	116,268	116,268	116,268	116,268
6	Obligation Number 000612727	36,608	43,807	42,093	39,753	36,566
7	Obligation Number 001070957	163,199	200,377	196,921	190,968	181,108
8	Obligation Number 001862973	34,482	40,084	38,920	37,396	35,407
9	Obligation Number 000612727	97,536	111,223	107,979	103,723	98,122
10	Anticipated Cobank Debt Service	14,521	42,003	82,811	90,727	90,727
11	New Anticipated Debt	0	0	12,833	33,548	52,738
12	Total Debt Service	\$ 486,979	\$ 578,128	\$ 622,192	\$ 636,748	\$ 635,301
Other Miscellaneous Revenue Requirements:						
13	Transfer to Operating Reserve	66,030	79,117	29,208	0	11,841
14	Capital Improvements Funded From Rate Revenues	17,250	15,500	24,500	12,500	7,500
15	Renewal and Replacement Fund Transfer	123,000	93,000	85,000	180,000	200,000
16	Total Other Miscellaneous Revenue Requirements	\$ 206,280	\$ 187,617	\$ 138,708	\$ 192,500	\$ 219,341
17	Gross Revenue Requirements	\$ 1,946,341	\$ 2,139,476	\$ 2,269,364	\$ 2,432,153	\$ 2,558,690
Less Other Income and Funds from Other Sources:						
18	Interest	7,000	5,000	5,000	7,000	10,000
Miscellaneous Revenue:						
19	Hook-up Fees Water	1,880	1,880	1,880	1,880	1,880
20	Hook-up Fees Wastewater	0	0	0	0	0
21	Patronage Dividends	35,630	35,630	35,630	35,630	35,630
22	Membership Fees	122	122	122	122	122
23	Gain (Loss) on Disposal of Assets	0	0	0	0	0
24	Hurricane Charley	0	0	0	0	0
25	Net of Insurance and/or FEMA	0	0	0	0	0
26	Miscellaneous Income	5,090	5,090	5,090	5,090	5,090
27	Consulting Fees	0	0	0	0	0
28	Subtotal Miscellaneous Revenue	49,722	47,722	47,722	49,722	52,722
29	Transfer from Operating Reserve	0	0	0	22,924	0
30	Total Other Income	\$ 49,722	\$ 47,722	\$ 47,722	\$ 72,646	\$ 52,722
31	Total Net Revenue Requirements	\$ 1,896,618	\$ 2,091,754	\$ 2,221,642	\$ 2,359,507	\$ 2,505,968
32	Less: Other Adjustments	0	0	0	0	0
33	Total Net Retail Revenue Requirements	\$ 1,896,618	\$ 2,091,754	\$ 2,221,642	\$ 2,359,507	\$ 2,505,968

**Table 3**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Water System**

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

Line No.	Description	Projected Fiscal Year Ending September 30,				
		2006	2007	2008	2009	2010
Projected Rate Revenue:						
34	Revenue from Existing Retail Rates	1,824,402	1,828,016	1,831,630	1,835,244	1,838,858
35	Cumulative Prior Year Rate Adjustment %	0.00%	9.50%	16.07%	23.03%	30.41%
36	Cumulative Prior Year Rate Adjustment Revenue	0	173,662	294,343	422,657	559,197
37	<u>Current Year Rate Index (Percent of Rate Revenue)</u>	0.00%	0.00%	0.00%	0.00%	0.00%
38	Effective Month	May	Jan	Jan	Jan	Jan
39	% of Year Rate Index Applies	41.67%	75.00%	75.00%	75.00%	75.00%
40	Current Year Rate Index Revenue	0	0	0	0	0
41	Total Applicable Rate Revenue	\$ 1,824,402	\$ 2,001,678	\$ 2,125,973	\$ 2,257,901	\$ 2,398,055
42	Retail Revenue Surplus/(Deficiency) Before Adjustments	\$ (72,216)	\$ (90,075)	\$ (95,669)	\$ (101,606)	\$ (107,913)
43	Percent of Retail Rate Revenue	-3.96%	-4.50%	-4.50%	-4.50%	-4.50%
<u>Current Year Rate Adjustments</u>						
44	Current Year Rate Adjustment	9.50%	6.00%	6.00%	6.00%	6.00%
45	Effective Month	May	Jan	Jan	Jan	Jan
46	% of Current Year Effective	41.67%	75.00%	75.00%	75.00%	75.00%
47	Total Revenue from Current Year Adjustments	\$ 72,216	\$ 90,076	\$ 95,669	\$ 101,606	\$ 107,912
48	Total Rate Revenue After All Adjustments	\$ 1,896,618	\$ 2,091,754	\$ 2,221,642	\$ 2,359,507	\$ 2,505,968
<u>Retail Revenue Surplus/ (Deficiency)</u>						
49	Amount	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
50	Percent of Retail Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%
51	Cumulative Rate Adjustments	9.50%	16.07%	23.03%	30.41%	38.23%
52	Net Annual Rate Increase	9.50%	6.00%	6.00%	6.00%	6.00%

**Table 4**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Wastewater System**

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

Line No.	Description	Projected Fiscal Year Ending September 30,				
		2006	2007	2008	2009	2010
Operating Expenses:						
1	General and Administrative	\$ 292,061	\$ 311,907	\$ 333,462	\$ 356,800	\$ 382,082
2	Wastewater System Operating Cost	686,159	735,561	776,475	820,044	866,454
3	<b>Total Operating Expenses</b>	<b>\$ 978,220</b>	<b>\$ 1,047,468</b>	<b>\$ 1,109,937</b>	<b>\$ 1,176,844</b>	<b>\$ 1,248,537</b>
Other Revenue Requirements (Debt Obligations):						
4	Obligation Number 000561923	12,186	12,186	12,186	12,186	12,186
5	Obligation Number 000561948	58,152	58,152	58,152	58,152	58,152
6	Obligation Number 000612727	18,309	21,910	21,053	19,882	18,288
7	Obligation Number 001070957	0	0	0	0	0
8	Obligation Number 001862973	95,150	110,609	107,396	103,190	97,702
9	Obligation Number 000612727	48,783	55,628	54,006	51,877	49,075
10	Anticipated Cobank Debt Service	9,415	27,233	53,691	58,823	58,823
11	New Anticipated Debt	0	0	0	0	0
12	<b>Total Debt Service</b>	<b>\$ 241,995</b>	<b>\$ 285,718</b>	<b>\$ 306,483</b>	<b>\$ 304,110</b>	<b>\$ 294,226</b>
Other Miscellaneous Revenue Requirements:						
13	Transfer to Operating Reserve	0	0	0	74,700	79,387
14	Capital Improvements Funded From Rate Revenues	17,250	30,500	24,500	12,500	42,500
15	Renewal and Replacement Fund Transfer	37,000	67,000	85,000	0	0
16	<b>Total Other Miscellaneous Revenue Requirements</b>	<b>\$ 54,250</b>	<b>\$ 97,500</b>	<b>\$ 109,500</b>	<b>\$ 87,200</b>	<b>\$ 121,887</b>
17	<b>Gross Revenue Requirements</b>	<b>\$ 1,274,465</b>	<b>\$ 1,430,686</b>	<b>\$ 1,525,920</b>	<b>\$ 1,568,154</b>	<b>\$ 1,664,650</b>
Less Other Income and Funds from Other Sources:						
18	Interest	5,000	4,000	4,000	5,000	7,000
Miscellaneous Revenue:						
19	Hook-up Fees Water	0	0	0	0	0
20	Hook-up Fees Wastewater	1,360	1,360	1,360	1,360	1,360
21	Patronage Dividends	34,370	34,370	34,370	34,370	34,370
22	Membership Fees	118	118	118	118	118
23	Gain (Loss) on Disposal of Assets	0	0	0	0	0
24	Hurricane Charley	0	0	0	0	0
25	Net of Insurance and/or FEMA	0	0	0	0	0
26	Miscellaneous Income	4,910	4,910	4,910	4,910	4,910
27	Consulting Fees	0	0	0	0	0
28	<b>Subtotal Miscellaneous Revenue</b>	<b>\$ 45,758</b>	<b>\$ 44,758</b>	<b>\$ 44,758</b>	<b>\$ 45,758</b>	<b>\$ 47,758</b>
29	Transfer from Operating Reserve	4,967	36,285	47,716	0	0
30	<b>Total Other Income</b>	<b>\$ 50,725</b>	<b>\$ 81,043</b>	<b>\$ 92,474</b>	<b>\$ 45,758</b>	<b>\$ 47,758</b>
31	<b>Total Net Revenue Requirements</b>	<b>\$ 1,223,740</b>	<b>\$ 1,349,643</b>	<b>\$ 1,433,447</b>	<b>\$ 1,522,396</b>	<b>\$ 1,616,892</b>
32	Less: Other Adjustments	0	0	0	0	0
33	<b>Total Net Retail Revenue Requirements</b>	<b>\$ 1,223,740</b>	<b>\$ 1,349,643</b>	<b>\$ 1,433,447</b>	<b>\$ 1,522,396</b>	<b>\$ 1,616,892</b>

**Table 4**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Wastewater System**

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

Line No.	Description	Projected Fiscal Year Ending September 30.				
		2006	2007	2008	2009	2010
	Projected Rate Revenue					
34	Revenue from Existing Retail Rates	1,177,145	1,179,474	1,181,803	1,184,132	1,186,462
35	Cumulative Prior Year Rate Adjustment %	0.00%	9.50%	16.07%	23.03%	30.41%
36	Cumulative Prior Year Rate Adjustment Revenue	0	112,050	189,916	272,706	360,803
37	<u>Current Year Rate Index (Percent of Rate Revenue)</u>	0.00%	0.00%	0.00%	0.00%	0.00%
38	Effective Month	May	Jan	Jan	Jan	Jan
39	% of Year Rate Index Applies	41.67%	75.00%	75.00%	75.00%	75.00%
40	Current Year Rate Index Revenue	0	0	0	0	0
41	Total Applicable Rate Revenue	\$ 1,177,145	\$ 1,291,524	\$ 1,371,719	\$ 1,456,838	\$ 1,547,265
42	Retail Revenue Surplus/(Deficiency) Before Adjustments	\$ (46,595)	\$ (58,119)	\$ (61,727)	\$ (65,558)	\$ (69,627)
43	Percent of Retail Rate Revenue	-3.96%	-4.50%	-4.50%	-4.50%	-4.50%
	<u>Current Year Rate Adjustments</u>					
44	Current Year Rate Adjustment	9.50%	6.00%	6.00%	6.00%	6.00%
45	Effective Month	May	Jan	Jan	Jan	Jan
46	% of Current Year Effective	41.7%	75.0%	75.0%	75.0%	75.0%
47	Total Revenue from Current Year Adjustments	\$ 46,595	\$ 58,119	\$ 61,727	\$ 65,558	\$ 69,627
48	Total Rate Revenue After All Adjustments	\$ 1,223,740	\$ 1,349,643	\$ 1,433,447	\$ 1,522,396	\$ 1,616,892
	<u>Retail Revenue Surplus/ (Deficiency)</u>					
49	Amount	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
50	Percent of Retail Rate Revenue	0.00%	0.00%	0.00%	0.00%	0.00%
51	Cumulative Rate Adjustments	9.50%	16.07%	23.03%	30.41%	38.23%
52	Net Annual Rate Increase	9.50%	6.00%	6.00%	6.00%	6.00%

**Table 5A**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

Debt Service Summary

Line No.	Fiscal Year Ending June 30,	Balance Principal Outstanding	Payment		Total	Payment Allocation		Percentage Water	Percentage Wastewater	Principal Outstanding		
			Principal	Interest		Water	Wastewater			End of Year Balance	Debt Reserve	Net End of Year Balance
1	2006	\$ 7,350,859	\$ 336,850	\$ 392,124	\$ 728,973	\$ 486,979	\$ 241,995	66.8%	33.2%	\$ 7,014,009	\$ 0	\$ 7,014,009
2	2007	7,680,676	341,736	522,110	863,846	578,128	285,718	66.9%	33.1%	7,338,940	0	7,338,940
3	2008	7,870,824	384,407	544,268	928,676	622,192	306,483	67.0%	33.0%	7,486,417	0	7,486,417
4	2009	7,821,199	406,127	534,731	940,858	636,748	304,110	67.7%	32.3%	7,415,072	0	7,415,072
5	2010	7,415,072	433,559	495,968	929,527	635,301	294,226	68.3%	31.7%	6,981,513	0	6,981,513
6	2011	6,981,513	451,618	460,065	911,684	628,090	283,594	68.9%	31.1%	6,529,895	0	6,529,895
			2,354,297	2,949,267	5,303,564	3,587,437	1,716,127					

**Existing Cobank Obligations**

Line No.	Fiscal Year Ending June 30,	Balance Principal Outstanding	Payment		Total	Payment Allocation		Percentage Water	Percentage Wastewater	Principal Outstanding		
			Principal	Interest		Water	Wastewater			End of Year Balance	Debt Reserve	Net End of Year Balance
7	2006	\$ 6,684,192	\$ 336,850	\$ 368,188	\$ 705,038	\$ 472,458	\$ 232,580	67.0%	33.0%	\$ 6,347,342	\$ 0	\$ 6,347,342
8	2007	6,347,342	341,736	452,874	794,610	536,125	258,485	67.5%	32.5%	6,005,607	0	6,005,607
9	2008	6,005,607	347,875	431,465	779,340	526,547	252,793	67.6%	32.4%	5,657,732	0	5,657,732
10	2009	5,657,732	354,458	403,303	757,761	512,474	245,288	67.6%	32.4%	5,303,274	0	5,303,274
11	2010	5,303,274	361,115	366,125	727,239	491,836	235,404	67.6%	32.4%	4,942,159	0	4,942,159
12	2011	4,942,159	368,209	323,608	691,817	467,045	224,772	67.5%	32.5%	4,573,951	0	4,573,951
			2,110,242	2,345,564	4,455,805	3,006,485	1,449,320					

**Anticipated Cobank New Debt**

Line No.	Fiscal Year Ending June 30,	Balance Principal Outstanding	Payment		Total	Payment Allocation		Percentage Water	Percentage Wastewater	Principal Outstanding		
			Principal	Interest		Water	Wastewater			End of Year Balance	Debt Reserve	Net End of Year Balance
13	2006	\$ 666,667	\$ 0	\$ 23,935	\$ 23,935	\$ 14,521	\$ 9,415	60.7%	39.3%	\$ 666,667	\$ 0	\$ 666,667
14	2007	1,333,333	0	69,236	69,236	42,003	27,233	60.7%	39.3%	1,333,333	0	1,333,333
15	2008	1,500,000	36,532	99,970	136,502	82,811	53,691	60.7%	39.3%	1,463,468	0	1,463,468
16	2009	1,463,468	51,669	97,880	149,549	90,727	58,823	60.7%	39.3%	1,411,798	0	1,411,798
17	2010	1,411,798	55,267	94,282	149,549	90,727	58,823	60.7%	39.3%	1,356,532	0	1,356,532
18	2011	1,356,532	59,115	90,434	149,549	90,727	58,823	60.7%	39.3%	1,297,417	0	1,297,417
			202,583	475,738	678,321	411,515	266,806					

**Table 5A**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

Debt Service Summary

Line No.	Fiscal Year Ending June 30,	Balance Principal Outstanding	Payment		Total	Payment Allocation		Percentage Wastewater	Percentage Water	Principal Outstanding	
			Principal	Interest		Water	Wastewater			End of Year Balance	Debt Reserve
19	2006	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0%	0.0%	\$ 0	\$ 0	\$ 0
20	2007	0	0	0	0	0	0.0%	0.0%	0	0	0
21	2008	365,217	12,833	12,833	12,833	12,833	0.0%	100.0%	365,217	0	365,217
22	2009	700,000	33,548	33,548	33,548	33,548	0.0%	100.0%	700,000	0	700,000
23	2010	700,000	35,561	52,738	52,738	52,738	0.0%	100.0%	682,823	0	682,823
24	2011	682,823	24,295	46,023	70,318	70,318	0.0%	100.0%	658,528	0	658,528
			41,472	127,965	169,438	169,438					



**Table 5B**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Debt Service Allocation to Individual Systems III**

Line No.	Description	Percent [1]		Fiscal Year Ending September 30,					
		Water	Sewer	2006	2007	2008	2009	2010	2011
<b>CoBank Current Obligations</b>									
Commitment Number 0000040524									
Obligation Number 000561923									
1	Annual Interest Rate [2]			7.34%	7.34%	7.34%	7.34%	7.34%	7.34%
2	Amount Funded	66.66%	33.34%	N/A	N/A				
3	Start Balance			249,530	231,376	213,221	195,066	176,911	158,756
4	Interest			18,397	18,397	18,397	18,397	18,397	18,397
5	Principal Payments			18,155	18,155	18,155	18,155	18,155	18,155
6	Total Payment			36,552	36,552	36,552	36,552	36,552	36,552
7	Balance End of Year			\$ 231,376	\$ 213,221	\$ 195,066	\$ 176,911	\$ 158,756	\$ 140,602
Commitment Number 0000040537									
Obligation Number 000561948									
8	Annual Interest Rate [2]			7.92%	7.92%	7.92%	7.92%	7.92%	7.92%
9	Amount Funded	66.66%	33.34%	N/A	N/A				
10	Start Balance			1,145,637	1,062,318	978,999	895,680	812,361	729,042
11	Interest			91,101	91,101	91,101	91,101	91,101	91,101
12	Principal Payments			83,319	83,319	83,319	83,319	83,319	83,319
13	Total Payment			174,420	174,420	174,420	174,420	174,420	174,420
14	Balance End of Year			\$ 1,062,318	\$ 978,999	\$ 895,680	\$ 812,361	\$ 729,042	\$ 645,723
Commitment Number 0000044323									
Obligation Number 000612727									
15	Annual Interest Rate [2]			4.80%	6.80%	6.80%	6.80%	6.80%	7.00%
16	Amount Funded	66.66%	33.34%	N/A	N/A				
17	Start Balance			633,319	608,801	583,984	558,867	533,449	507,732
18	Interest			30,399	40,900	38,028	34,218	29,136	23,048
19	Principal Payments			24,517	24,817	25,117	25,417	25,717	26,017
20	Total Payment			54,917	65,717	63,146	59,635	54,854	49,065
21	Balance End of Year			\$ 608,801	\$ 583,984	\$ 558,867	\$ 533,449	\$ 507,732	\$ 481,714
Commitment Number 0000060029									
Obligation Number 001070957									
22	Annual Interest Rate [2]			4.80%	6.80%	6.80%	6.80%	6.80%	7.00%
23	Amount Funded	100.00%	0.00%	N/A	N/A				
24	Start Balance			1,983,891	1,915,919	1,843,661	1,765,864	1,682,084	1,592,247
25	Interest			95,227	128,119	119,124	107,188	91,271	72,198
26	Principal Payments			67,972	72,258	77,797	83,780	89,837	96,331
27	Total Payment			163,199	200,377	196,921	190,968	181,108	168,529
28	Balance End of Year			\$ 1,915,919	\$ 1,843,661	\$ 1,765,864	\$ 1,682,084	\$ 1,592,247	\$ 1,495,916
Commitment Number 0000081711									
Obligation Number 001862973									
29	Annual Interest Rate [2]			5.13%	6.80%	6.80%	6.80%	6.80%	7.00%
30	Amount Funded	26.60%	73.40%	N/A	N/A				
31	Start Balance			1,459,840	1,405,097	1,350,054	1,294,711	1,239,068	1,183,125
32	Interest			74,890	95,650	90,973	84,943	77,166	69,337
33	Principal Payments			54,743	55,043	55,343	55,643	55,943	56,243
34	Total Payment			129,633	150,693	146,316	140,586	133,109	125,580
35	Balance End of Year			\$ 1,405,097	\$ 1,350,054	\$ 1,294,711	\$ 1,239,068	\$ 1,183,125	\$ 1,126,882
Commitment Number 0000040543									
Obligation Number 000612727									
36	Annual Interest Rate [2]			4.80%	6.80%	6.80%	6.80%	6.80%	7.00%
37	Amount Funded	66.66%	33.34%	N/A	N/A				
38	Start Balance			\$ 1,211,975	1,123,831	1,035,688	947,544	859,401	771,257
39	Interest			58,175	78,708	73,842	67,457	59,054	49,527
40	Principal Payments			88,143	88,143	88,143	88,143	88,143	88,143
41	Total Payment			146,318	166,851	161,985	155,600	147,197	137,670
42	Balance End of Year			\$ 1,123,831	\$ 1,035,688	\$ 947,544	\$ 859,401	\$ 771,257	\$ 683,114

**Table 5B**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Debt Service Allocation to Individual Systems [1]**

Line No.	Description	Percent [1]		Fiscal Year Ending September 30,						
		Water	Sewer	2006	2007	2008	2009	2010	2011	
<b>Cobank Current Obligations</b>										
<b>Summary of Current Obligations</b>										
	Amount Funded	N/A	N/A	N/A	N/A					
43	Start Balance			\$ 6,684,192	6,347,342	6,005,607	5,657,732	5,303,274	4,942,159	
44	Interest			368,188	452,874	431,465	403,303	366,125	323,608	
45	Principal Payments			336,850	341,736	347,875	354,458	361,115	368,209	
46	Total Payment			705,038	794,610	779,340	757,761	727,239	691,817	
47	Balance End of Year			\$ 6,347,342	\$ 6,005,607	\$ 5,657,732	\$ 5,303,274	\$ 4,942,159	\$ 4,573,951	
Anticipated Cobank Debt Service [3]										
Commitment Number 0000100837										
48	New Anticipated Debt	60.67%	39.33%							
49	Amount Funded			\$ 666,667	\$ 1,333,333	\$ 1,500,000	\$ 1,463,468	\$ 1,411,798	\$ 1,356,532	
50	Start Balance			666,667	1,333,333	1,500,000	1,463,468	1,411,798	1,356,532	
51	Interest			23,935	69,236	99,970	97,880	94,282	90,434	
52	Principal Payments			0	0	36,532	51,669	55,267	59,115	
53	Total Payment			23,935	69,236	136,502	149,549	149,549	149,549	
54	Balance End of Year			\$ 666,667	\$ 1,333,333	\$ 1,463,468	\$ 1,411,798	\$ 1,356,532	\$ 1,297,417	
Proposed New Loan [4]										
55	New Anticipated Debt	100.00%	0.00%							
56	Amount Funded			\$ 0	\$ 0	\$ 365,217	\$ 700,000	\$ 700,000	\$ 682,823	
57	Start Balance			0	0	365,217	700,000	700,000	682,823	
58	Interest			0	0	12,833	33,548	35,561	46,023	
59	Principal Payments			0	0	0	0	17,177	24,295	
60	Total Payment			0	0	12,833	33,548	52,738	70,318	
61	Balance End of Year			\$ 0	\$ 0	\$ 365,217	\$ 700,000	\$ 682,823	\$ 658,528	
62	Total Interest			\$ 392,124	\$ 522,110	\$ 544,268	\$ 534,731	\$ 495,968	\$ 460,065	
63	Total Principal			\$ 336,850	\$ 341,736	\$ 384,407	\$ 406,127	\$ 433,559	\$ 451,618	
64	Total Balance End of Year			\$ 7,014,009	\$ 7,338,940	\$ 7,486,417	\$ 7,415,072	\$ 6,981,513	\$ 6,529,895	
65	Total Payments (all debt)			\$ 728,973	\$ 863,846	\$ 928,676	\$ 940,858	\$ 929,527	\$ 911,684	
<b>Water System Debt Service</b>										
Commitment Number 000040524										
66	Obligation Number 000561923	66.66%	33.34%							
67	Interest			\$ 12,263	\$ 12,263	\$ 12,263	\$ 12,263	\$ 12,263	\$ 12,263	
68	Principal Payments			12,102	12,102	12,102	12,102	12,102	12,102	
69	Total Payment			\$ 24,365	\$ 24,365	\$ 24,365	\$ 24,365	\$ 24,365	\$ 24,365	
Commitment Number 000040537										
70	Obligation Number 000561948	66.66%	33.34%							
71	Interest			\$ 60,728	\$ 60,728	\$ 60,728	\$ 60,728	\$ 60,728	\$ 60,728	
72	Principal Payments			55,540	55,540	55,540	55,540	55,540	55,540	
73	Total Payment			\$ 116,268	\$ 116,268	\$ 116,268	\$ 116,268	\$ 116,268	\$ 116,268	
Commitment Number 000044323										
74	Obligation Number 000612727	66.66%	33.34%							
75	Interest			\$ 20,264	\$ 27,264	\$ 25,350	\$ 22,810	\$ 19,422	\$ 15,364	
76	Principal Payments			16,343	16,543	16,743	16,943	17,143	17,343	
77	Total Payment			\$ 36,608	\$ 43,807	\$ 42,093	\$ 39,753	\$ 36,566	\$ 32,707	
Commitment Number 000060029										
78	Obligation Number 001070957	100.00%	0.00%							
79	Interest			\$ 95,227	\$ 128,119	\$ 119,124	\$ 107,188	\$ 91,271	\$ 72,198	
80	Principal Payments			67,972	72,258	77,797	83,780	89,837	96,331	
81	Total Payment			\$ 163,199	\$ 200,377	\$ 196,921	\$ 190,968	\$ 181,108	\$ 168,529	

**Table 5B**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Debt Service Allocation to Individual Systems (1)**

Line No.	Description	Percent [1]		Fiscal Year Ending September 30,						
		Water	Sewer	2006	2007	2008	2009	2010	2011	
	Commitment Number 000081711									
82	Obligation Number 001862973	26.60%	73.40%							
83	Interest			\$ 19,921	\$ 25,443	\$ 24,199	\$ 22,595	\$ 20,526	\$ 18,444	
84	Principal Payments			14,562	14,641	14,721	14,801	14,881	14,961	
85	Total Payment			\$ 34,482	\$ 40,084	\$ 38,920	\$ 37,396	\$ 35,407	\$ 33,404	
	Commitment Number 000040543									
86	Obligation Number 000612727	66.66%	33.34%							
87	Interest			\$ 38,779	\$ 52,466	\$ 49,223	\$ 44,967	\$ 39,365	\$ 33,014	
88	Principal Payments			58,756	58,756	58,756	58,756	58,756	58,756	
89	Total Payment			\$ 97,536	\$ 111,223	\$ 107,979	\$ 103,723	\$ 98,122	\$ 91,771	
	<b>Cobank Current Obligations Summary - Water Allocated</b>	N/A	N/A							
90	Interest			\$ 247,182	\$ 306,283	\$ 290,887	\$ 270,550	\$ 243,576	\$ 212,012	
91	Principal Payments			225,276	229,842	235,660	241,923	248,260	255,034	
92	Total Payment			\$ 472,458	\$ 536,125	\$ 526,547	\$ 512,474	\$ 491,836	\$ 467,045	
93	Anticipated Cobank Debt Service New Anticipated Debt	60.67%	39.33%							
94	Interest			\$ 14,521	\$ 42,003	\$ 60,648	\$ 59,381	\$ 57,198	\$ 54,863	
95	Principal Payments			0	0	22,163	31,346	33,529	35,863	
96	Total Payment			\$ 14,521	\$ 42,003	\$ 82,811	\$ 90,727	\$ 90,727	\$ 90,727	
97	Proposed New Loan [4] New Anticipated Debt	100.00%	0.00%							
98	Interest			\$ 0	\$ 0	\$ 12,833	\$ 33,548	\$ 35,561	\$ 46,023	
99	Prineipal Payments			0	0	0	0	17,177	24,295	
100	Total Payment			\$ 0	\$ 0	\$ 12,833	\$ 33,548	\$ 52,738	\$ 70,318	
	<b>Water System</b>									
101	Total Interest			\$ 261,703	\$ 348,287	\$ 364,369	\$ 363,479	\$ 336,335	\$ 312,898	
102	Total Principal			225,276	229,842	257,823	273,269	298,966	315,192	
103	Total Payments (all dcbl)			\$ 486,979	\$ 578,128	\$ 622,192	\$ 636,748	\$ 635,301	\$ 628,090	
	<b>Wastewater System Debt Service</b>									
	Commitment Number 000040524									
104	Obligation Number 000561923	66.66%	33.34%							
105	Interest			\$ 6,134	\$ 6,134	\$ 6,134	\$ 6,134	\$ 6,134	\$ 6,134	
106	Prineipal Payments			6,053	6,053	6,053	6,053	6,053	6,053	
107	Total Payment			\$ 12,186	\$ 12,186	\$ 12,186	\$ 12,186	\$ 12,186	\$ 12,186	
	Commitment Number 000040537									
108	Obligation Number 000561948	66.66%	33.34%							
109	Interest			\$ 30,373	\$ 30,373	\$ 30,373	\$ 30,373	\$ 30,373	\$ 30,373	
110	Principal Payments			27,779	27,779	27,779	27,779	27,779	27,779	
111	Total Payment			\$ 58,152	\$ 58,152	\$ 58,152	\$ 58,152	\$ 58,152	\$ 58,152	
	Commitment Number 000044323									
112	Obligation Number 000612727	66.66%	33.34%							
113	Interest			\$ 10,135	\$ 13,636	\$ 12,679	\$ 11,408	\$ 9,714	\$ 7,684	
114	Principal Payments			8,174	8,274	8,374	8,474	8,574	8,674	
115	Total Payment			\$ 18,309	\$ 21,910	\$ 21,053	\$ 19,882	\$ 18,288	\$ 16,358	
	Commitment Number 000060029									
116	Obligation Number 001070957	100.00%	0.00%							
117	Interest			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
118	Principal Payments			0	0	0	0	0	0	
119	Total Payment			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	

**Table 5B**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Debt Service Allocation to Individual Systems [1]**

Line No.	Description	Percent [1]		Fiscal Year Ending September 30,					
		Water	Sewer	2006	2007	2008	2009	2010	2011
	Commitment Number 000081711								
120	Obligation Number 001862973	26.60%	73.40%						
121	Interest			\$ 54,969	\$ 70,207	\$ 66,774	\$ 62,348	\$ 56,640	\$ 50,894
122	Principal Payments			40,181	40,402	40,622	40,842	41,062	41,282
123	Ga Total Payment			\$ 95,150	\$ 110,609	\$ 107,396	\$ 103,190	\$ 97,702	\$ 92,176
	Commitment Number 000040543								
124	Obligation Number 000612727	66.66%	33.34%						
125	Interest			\$ 19,395	\$ 26,241	\$ 24,619	\$ 22,490	\$ 19,688	\$ 16,512
126	Principal Payments			29,387	29,387	29,387	29,387	29,387	29,387
127	Total Payment			\$ 48,783	\$ 55,628	\$ 54,006	\$ 51,877	\$ 49,075	\$ 45,899
	<b>Cobank Current Obligations</b>								
	<b>Summary - Wastewater Allocated</b>	N/A	N/A						
128	Interest			\$ 121,006	\$ 146,591	\$ 140,578	\$ 132,753	\$ 122,549	\$ 111,597
129	Principal Payments			111,574	111,894	112,214	112,535	112,855	113,175
130	Total Payment			\$ 232,580	\$ 258,485	\$ 252,793	\$ 245,288	\$ 235,404	\$ 224,772
131	Anticipated Cobank Debt Service	60.67%	39.33%						
	New Anticipated Debt								
132	Interest			\$ 9,415	\$ 27,233	\$ 39,321	\$ 38,499	\$ 37,084	\$ 35,571
133	Principal Payments			0	0	14,369	20,323	21,738	23,252
134	Total Payment			\$ 9,415	\$ 27,233	\$ 53,691	\$ 58,823	\$ 58,823	\$ 58,823
135	Proposed New Loan [4]	100.00%	0.00%						
	New Anticipated Debt								
136	Interest			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
137	Principal Payments			0	0	0	0	0	0
138	Total Payment			\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	<b>Wastewater System</b>								
139	Total Interest			\$ 130,421	\$ 173,823	\$ 179,900	\$ 171,253	\$ 159,633	\$ 147,167
140	Total Principal			111,574	111,894	126,584	132,858	134,593	136,427
141	Total Payments (all debt)			\$ 241,995	\$ 285,718	\$ 306,483	\$ 304,110	\$ 294,226	\$ 283,594

**Footnotes:**

- [1] Based on information provided by the Association's Director as of December 2005. Schedules based on information provided by Cobank's Staff.
- [2] Assumed interest rate based in conversations with Association's and Cobank's Staff.
- [3] Assumptions for this loan as contained on the Multiple Advance Term Loan Supplement subscribed by the Association and Cobank, ACB on January 18, 2005.
- [4] Assumptions for the new loan are similar to those for Loan No. RIML0799T4. The Association will make monthly draws as needed during construction and will make interest only payments for that period. The Association will start making monthly principal payments after construction is completed.

**Table 6**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Allocation of Operating Expenses to Individual Systems**

Line No.	Description	2003		Historical		2005		Proposed Budget		Adjustments		As Adjusted		Basis		Percent Allocation		Allocation				
				2004		2005		2006		2006				Water		Wastewater		Water		Wastewater		
		\$		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	%	\$	\$	%	\$	\$	%	\$	\$
<b>OPERATING EXPENSES:</b>																						
<b>GENERAL AND ADMINISTRATIVE:</b>																						
<b>General and Administrative</b>																						
1	Auto and Truck Expenses																					
2	Bridge Tolls	0	0	5,241	0	0	6,000	0	6,000	0	0	0	0	0	Salaries	51.30%	48.70%	0	0	0	0	0
3	Gas & Oil	0	0	13,772	0	15,150	15,150	0	15,150	0	0	0	0	0	Salaries	51.30%	48.70%	3,078	2,922	7,772	7,378	
4	M&R Trucks	0	0	13,817	0	10,000	10,000	0	10,000	0	0	0	0	0	Salaries	51.30%	48.70%	5,130	4,870	5,130	4,870	
5	General Repairs and Maintenance	17,234	0	18,764	0	0	0	0	0	0	0	0	0	0	Salaries	51.30%	48.70%	0	0	0	0	
6	M&R Buildings	0	0	13,135	0	10,000	10,000	0	10,000	0	0	0	0	0	Salaries	51.30%	48.70%	5,130	4,870	5,130	4,870	
7	M&R General	0	0	7,279	0	8,000	8,000	0	8,000	0	0	0	0	0	Salaries	51.30%	48.70%	4,104	3,896	4,104	3,896	
8	M&R Machinery & Equipment	0	0	4,090	0	5,000	5,000	0	5,000	0	0	0	0	0	Salaries	51.30%	48.70%	2,565	2,435	2,565	2,435	
9	Insurance	112,198	0	147,501	0	169,894	219,000	0	219,000	0	0	0	0	0	Salaries	51.30%	48.70%	112,347	106,653	112,347	106,653	
10	Miscellaneous	9,530	0	7,405	0	9,131	9,400	0	9,400	0	0	0	0	0	Salaries	51.30%	48.70%	4,822	4,578	4,822	4,578	
11	Office Supplies and Postage	20,626	0	20,005	0	24,830	25,500	0	25,500	0	0	0	0	0	Salaries	51.30%	48.70%	13,082	12,419	13,082	12,419	
12	Professional Fees - Accounting	9,741	0	9,937	0	10,218	10,500	0	10,500	0	0	0	0	0	Salaries	51.30%	48.70%	5,387	5,114	5,387	5,114	
13	Professional Fees - Engineering	6,502	0	35,127	0	8,947	35,000	0	35,000	0	0	0	0	0	Salaries	51.30%	48.70%	17,955	17,045	17,955	17,045	
14	Professional Fees - Legal	18,133	0	6,286	0	6,108	20,000	0	20,000	0	0	0	0	0	Salaries	51.30%	48.70%	10,260	9,740	10,260	9,740	
15	New Employee Addition	0	0	0	0	0	0	0	0	0	0	0	0	0	Input	51.30%	48.70%	0	0	0	0	
16	Salaries and Payroll Taxes, Office	134,532	0	148,020	0	0	0	0	0	0	0	0	0	0	Salaries	51.30%	48.70%	0	0	0	0	
17	Salaries	0	0	142,654	0	149,555	149,555	0	149,555	0	0	0	0	0	Salaries	51.30%	48.70%	76,722	72,833	76,722	72,833	
18	Payroll Taxes	0	0	11,143	0	12,330	12,330	0	12,330	0	0	0	0	0	Salaries	51.30%	48.70%	6,325	6,005	6,325	6,005	
19	Pensions and Employee Benefits, Office	33,024	0	41,308	0	0	0	0	0	0	0	0	0	0	Salaries	51.30%	48.70%	0	0	0	0	
20	Employee Insurance	0	0	26,949	0	28,390	28,390	0	28,390	0	0	0	0	0	Salaries	51.30%	48.70%	14,564	13,826	14,564	13,826	
21	Pension	0	0	13,808	0	14,390	14,390	0	14,390	0	0	0	0	0	Salaries	51.30%	48.70%	7,382	7,008	7,382	7,008	
22	Training, Office	9	0	42	0	1,500	1,500	0	1,500	0	0	0	0	0	Salaries	51.30%	48.70%	770	731	770	731	
23	Telephone	14,809	0	15,580	0	18,186	20,000	0	20,000	0	0	0	0	0	Salaries	51.30%	48.70%	10,260	9,740	10,260	9,740	
	Total Administration	\$ 395,555	\$ 473,390	\$ 499,244	\$ 599,715	\$ 499,244	\$ 599,715	\$ 0	\$ 599,715	\$ 0	\$ 599,715	\$ 0	\$ 599,715	\$ 0	\$ 599,715	\$ 0	\$ 599,715	\$ 0	\$ 599,715	\$ 0	\$ 599,715	\$ 0
24	<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>\$ 395,555</b>	<b>\$ 473,390</b>	<b>\$ 499,244</b>	<b>\$ 599,715</b>	<b>\$ 499,244</b>	<b>\$ 599,715</b>	<b>\$ 0</b>	<b>\$ 599,715</b>	<b>\$ 0</b>	<b>\$ 599,715</b>	<b>\$ 0</b>	<b>\$ 599,715</b>	<b>\$ 0</b>	<b>\$ 599,715</b>	<b>\$ 0</b>	<b>\$ 599,715</b>	<b>\$ 0</b>	<b>\$ 599,715</b>	<b>\$ 0</b>	<b>\$ 599,715</b>	<b>\$ 0</b>

**Table 6**  
**Gasparrilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Allocation of Operating Expenses to Individual Systems**

Line No.	Description	Historical			Proposed Budget		Adjustments	As Adjusted 2006	Basis	Percent Allocation		Allocation	
		2003	2004	2005	2006	2006				Water	Wastewater	Water	Wastewater
<b>WATER SYSTEM:</b>													
<b>Water System Operating Expenses</b>													
25	Purchased Water	\$ 10,168	\$ 260	\$ 1,970	\$ 15,000	\$ 0	\$ 15,000	Direct-W	100.00%	0.00%	\$ 15,000	\$ 0	
26	Operations and Maintenance	139,868	137,412	106,194	125,000	0	125,000	Direct-W	100.00%	0.00%	125,000	0	
27	Regulatory Expense - Permits	2,110	6,930	9,120	9,118	0	9,118	Direct-W	100.00%	0.00%	9,118	0	
28	Electricity	162,312	197,400	210,439	220,960	0	220,960	Direct-W	100.00%	0.00%	220,960	0	
29	Chemicals	84,296	99,815	116,165	121,975	0	121,975	Direct-W	100.00%	0.00%	121,975	0	
30	Lab Fees	22,793	16,322	15,423	19,500	0	19,500	Direct-W	100.00%	0.00%	19,500	0	
31	New Employee Addition	0	0	0	0	0	0	Input	100.00%	0.00%	0	0	
32	Salaries and Payroll Taxes	269,623	309,685	0	0	0	0	Direct-W	100.00%	0.00%	0	0	
33	Salaries	0	0	291,716	309,630	0	309,630	Direct-W	100.00%	0.00%	309,630	0	
34	Payroll Taxes	0	0	22,826	25,760	0	25,760	Direct-W	100.00%	0.00%	25,760	0	
35	Employee Insurance	0	0	63,973	65,706	0	65,706	Direct-W	100.00%	0.00%	65,706	0	
36	Pension	0	0	24,378	29,779	0	29,779	Direct-W	100.00%	0.00%	29,779	0	
37	Pensions and Employee Benefits	77,705	88,829	0	0	0	0	Direct-W	100.00%	0.00%	0	0	
38	Training	628	3,081	3,328	3,000	0	3,000	Direct-W	100.00%	0.00%	3,000	0	
39	Total Water System	\$ 769,703	\$ 859,734	\$ 865,532	\$ 945,428	\$ 0	\$ 945,428				\$ 945,428	\$ 0	
40	<b>TOTAL WATER SYSTEM</b>	<b>\$ 769,703</b>	<b>\$ 859,734</b>	<b>\$ 865,532</b>	<b>\$ 945,428</b>	<b>\$ 0</b>	<b>\$ 945,428</b>				<b>\$ 945,428</b>	<b>\$ 0</b>	
<b>WASTEWATER SYSTEM:</b>													
<b>Wastewater System Operating Cost</b>													
41	Operations and Maintenance	\$ 222,480	\$ 107,937	\$ 191,651	\$ 140,000	\$ 0	\$ 140,000	Direct-S	0.00%	100.00%	\$ 0	\$ 140,000	
42	Regulatory Expense - Permits	21,770	22,456	21,934	22,268	0	22,268	Direct-S	0.00%	100.00%	0	22,268	
43	Electricity	49,823	55,354	56,810	59,650	0	59,650	Direct-S	0.00%	100.00%	0	59,650	
44	Chemicals	46,661	68,128	65,609	68,890	0	68,890	Direct-S	0.00%	100.00%	0	68,890	
45	Lab Fees	16,130	17,890	21,626	23,500	0	23,500	Direct-S	0.00%	100.00%	0	23,500	
46	New Employee Addition	0	0	0	0	0	0	Input	0.00%	100.00%	0	0	
47	Salaries and Payroll Taxes	208,011	228,090	0	0	0	0	Direct-S	0.00%	100.00%	0	0	
48	Salaries	0	0	207,837	276,665	0	276,665	Direct-S	0.00%	100.00%	0	276,665	
49	Payroll Taxes	0	0	37,592	23,535	0	23,535	Direct-S	0.00%	100.00%	0	23,535	
50	Employee Insurance	0	0	32,608	52,753	0	52,753	Direct-S	0.00%	100.00%	0	52,753	
51	Pension	0	0	21,284	17,398	0	17,398	Direct-S	0.00%	100.00%	0	17,398	
52	Pensions and Employee Benefits	49,524	48,403	0	0	0	0	Direct-S	0.00%	100.00%	0	0	
53	Training	555	1,410	926	1,500	0	1,500	Direct-S	0.00%	100.00%	0	1,500	
54	Total Wastewater System	\$ 614,954	\$ 549,668	\$ 657,877	\$ 686,159	\$ 0	\$ 686,159				\$ 0	\$ 686,159	
55	<b>TOTAL WASTEWATER SYSTEM</b>	<b>\$ 614,954</b>	<b>\$ 549,668</b>	<b>\$ 657,877</b>	<b>\$ 686,159</b>	<b>\$ 0</b>	<b>\$ 686,159</b>				<b>\$ 0</b>	<b>\$ 686,159</b>	
56	<b>TOTAL SYSTEM (WATER AND WASTEWATER)</b>	<b>\$ 1,384,657</b>	<b>\$ 1,409,402</b>	<b>\$ 1,523,409</b>	<b>\$ 1,631,587</b>	<b>\$ 0</b>	<b>\$ 1,631,587</b>				<b>\$ 945,428</b>	<b>\$ 686,159</b>	
57	<b>INCLUDING GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>\$ 1,790,212</b>	<b>\$ 1,882,792</b>	<b>\$ 2,022,653</b>	<b>\$ 2,231,302</b>	<b>\$ 0</b>	<b>\$ 2,231,302</b>				<b>\$ 1,253,082</b>	<b>\$ 978,220</b>	

**Table 7**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Water System**

**Projected Operating Expenses for the Water System**

Line No.	Description	Escalation Reference	Adjusted Budget 2006	Projected Fiscal Year Ending September 30,				
				2007	2008	2009	2010	
<b><u>OPERATING EXPENSES:</u></b>								
<b><u>GENERAL AND ADMINISTRATIVE:</u></b>								
1	Auto and Truck Expenses	Inflation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
2	Bridge Tolls	Inflation	3,078	3,143	3,212	3,282	3,355	
3	Gas & Oil	Inflation	7,772	7,935	8,110	8,288	8,470	
4	M&R Trucks	Repair	5,130	5,387	5,656	5,939	6,236	
5	M&R Buildings	Repair	5,130	5,387	5,656	5,939	6,236	
6	M&R General	Repair	4,104	4,309	4,525	4,751	4,988	
7	M&R Machinery & Equipment	Repair	2,565	2,693	2,828	2,969	3,118	
8	General Repairs and Maintenance	Inflation	0	0	0	0	0	
9	Insurance	Insurance	112,347	123,582	135,940	149,534	164,487	
10	Miscellaneous	Inflation	4,822	4,923	5,032	5,142	5,256	
11	Office Supplies and Postage	Cust-Water	13,082	13,380	13,698	14,024	14,358	
12	Professional Fees - Accounting	Inflation	5,387	5,500	5,621	5,744	5,871	
13	Professional Fees - Engineering	Inflation	17,955	18,332	18,735	19,148	19,569	
14	Professional Fees - Legal	Inflation	10,260	10,475	10,706	10,941	11,182	
15	New Employee Addition	Input	0	0	0	0	0	
16	Salaries and Payroll Taxes, Office	Labor	0	0	0	0	0	
17	Salaries	Labor	76,722	81,709	87,020	92,676	98,700	
18	Payroll Taxes	Labor	6,325	6,736	7,174	7,641	8,137	
19	Pensions and Employee Benefits, Office	Labor	0	0	0	0	0	
20	Employee Insurance	Insurance	14,564	16,020	17,623	19,385	21,323	
21	Pension	Labor	7,382	7,862	8,373	8,917	9,497	
22	Training, Office	Inflation	770	786	803	821	839	
23	Telephone	Inflation	10,260	10,475	10,706	10,941	11,182	
24	Total Administration		\$ 307,654	\$ 328,634	\$ 351,416	\$ 376,083	\$ 402,803	
25	<b>TOTAL GENERAL AND ADMINISTRATIVE</b>		<b>\$ 307,654</b>	<b>\$ 328,634</b>	<b>\$ 351,416</b>	<b>\$ 376,083</b>	<b>\$ 402,803</b>	
	% Yearly Change			6.82%	6.93%	7.02%	7.10%	
<b><u>WATER SYSTEM:</u></b>								
<b>Water System Operating Expenses</b>								
26	Purchased Water	Inflation	\$ 15,000	\$ 15,315	\$ 15,652	\$ 15,996	\$ 16,348	
27	Operations and Maintenance	Inflation	125,000	127,625	130,433	133,302	136,235	
28	Regulatory Expense - Permits	Inflation	9,118	9,309	9,514	9,724	9,938	
29	Electricity	Power	220,960	280,619	300,263	321,281	343,771	
30	Chemicals	Chemicals	121,975	128,074	134,477	141,201	148,261	
31	Lab Fees	Inflation	19,500	19,910	20,348	20,795	21,253	
32	New Employee Addition	Input	0	0	49,543	52,763	56,193	
33	Salaries and Payroll Taxes	Labor	0	0	0	0	0	
34	Salaries	Labor	309,630	329,756	351,190	374,017	398,329	
35	Payroll Taxes	Labor	25,760	27,434	29,218	31,117	33,139	
36	Employee Insurance	Insurance	65,706	72,277	79,504	87,455	96,200	
37	Pension	Labor	29,779	31,715	33,776	35,972	38,310	
38	Pensions and Employee Benefits	Labor	0	0	0	0	0	
39	Training	Inflation	3,000	3,063	3,130	3,199	3,270	
40	Total Water System		\$ 945,428	\$ 1,045,097	\$ 1,157,048	\$ 1,226,822	\$ 1,301,246	
41	<b>TOTAL WATER SYSTEM</b>		<b>\$ 945,428</b>	<b>\$ 1,045,097</b>	<b>\$ 1,157,048</b>	<b>\$ 1,226,822</b>	<b>\$ 1,301,246</b>	
	% Yearly Change			10.54%	10.71%	6.03%	6.07%	
42	<b>TOTAL WATER SYSTEM OPERATING EXPENSES</b>		<b>\$ 1,253,082</b>	<b>\$ 1,373,730</b>	<b>\$ 1,508,464</b>	<b>\$ 1,602,905</b>	<b>\$ 1,704,049</b>	
	% Yearly Change			9.63%	9.81%	6.26%	6.31%	

**Table 8**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Wastewater System**

**Projected Operating Expenses for the Wastewater System**

Line No.	Description	Escalation Reference	Adjusted Budget 2006	Projected Fiscal Year Ending September 30,				
				2007	2008	2009	2010	
<b><u>OPERATING EXPENSES:</u></b>								
<b>GENERAL AND ADMINISTRATIVE:</b>								
<b>General and Administrative</b>								
1	Auto and Truck Expenses	Inflation	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	
2	Bridge Tolls	Inflation	2,922	2,983	3,049	3,116	3,185	
3	Gas & Oil	Inflation	7,378	7,533	7,699	7,868	8,041	
4	M&R Trucks	Repair	4,870	5,114	5,369	5,638	5,920	
5	General Repairs and Maintenance	Repair	0	0	0	0	0	
6	M&R Buildings	Repair	4,870	5,114	5,369	5,638	5,920	
7	M&R General	Repair	3,896	4,091	4,295	4,510	4,736	
8	M&R Machinery & Equipment	Inflation	2,435	2,486	2,541	2,597	2,654	
9	Insurance	Insurance	106,653	117,318	129,050	141,955	156,151	
10	Miscellaneous	Inflation	4,578	4,674	4,777	4,882	4,989	
11	Office Supplies and Postage	Cust-Water	12,419	12,702	13,004	13,314	13,631	
12	Professional Fees - Accounting	Inflation	5,114	5,221	5,336	5,453	5,573	
13	Professional Fees - Engineering	Inflation	17,045	17,403	17,786	18,177	18,577	
14	Professional Fees - Legal	Inflation	9,740	9,945	10,163	10,387	10,615	
15	New Employee Addition	Input	0	0	0	0	0	
16	Salaries and Payroll Taxes, Office	Labor	0	0	0	0	0	
17	Salaries	Labor	72,833	77,567	82,609	87,979	93,698	
18	Payroll Taxes	Labor	6,005	6,395	6,811	7,253	7,725	
19	Pensions and Employee Benefits, Office	Labor	0	0	0	0	0	
20	Employee Insurance	Insurance	13,826	15,209	16,729	18,402	20,243	
21	Pension	Labor	7,008	7,463	7,949	8,465	9,015	
22	Training, Office	Inflation	731	746	762	779	796	
23	Telephone	Inflation	9,740	9,945	10,163	10,387	10,615	
24	Total Administration		<u>\$ 292,061</u>	<u>\$ 311,907</u>	<u>\$ 333,462</u>	<u>\$ 356,800</u>	<u>\$ 382,082</u>	
25	<b>TOTAL GENERAL AND ADMINISTRATIVE</b>		<b>\$ 292,061</b>	<b>\$ 311,907</b>	<b>\$ 333,462</b>	<b>\$ 356,800</b>	<b>\$ 382,082</b>	
	% Yearly Change			6.80%	6.91%	7.00%	7.09%	
<b>WASTEWATER SYSTEM:</b>								
<b>Wastewater System Operating Cost</b>								
26	Operations and Maintenance	Inflation	\$ 140,000	\$ 142,940	\$ 146,085	\$ 149,299	\$ 152,583	
27	Regulatory Expense - Permits	Inflation	22,268	22,736	23,236	23,747	24,269	
28	Electricity	Power	59,650	75,756	81,058	86,732	92,804	
29	Chemicals	Chemicals	68,890	72,335	75,951	79,749	83,736	
30	Lab Fees	Inflation	23,500	23,994	24,521	25,061	25,612	
31	New Employee Addition	Input	0	0	0	0	0	
32	Salaries and Payroll Taxes	Labor	0	0	0	0	0	
33	Salaries	Labor	276,665	294,648	313,800	334,197	355,920	
34	Payroll Taxes	Labor	23,535	25,065	26,694	28,429	30,277	
35	Employee Insurance	Insurance	52,753	58,028	63,831	70,214	77,236	
36	Pension	Labor	17,398	18,529	19,733	21,016	22,382	
37	Pensions and Employee Benefits	Labor	0	0	0	0	0	
38	Training	Inflation	1,500	1,532	1,565	1,600	1,635	
39	Total Wastewater System		<u>\$ 686,159</u>	<u>\$ 735,561</u>	<u>\$ 776,475</u>	<u>\$ 820,044</u>	<u>\$ 866,454</u>	
40	<b>TOTAL WASTEWATER SYSTEM</b>		<b>\$ 686,159</b>	<b>\$ 735,561</b>	<b>\$ 776,475</b>	<b>\$ 820,044</b>	<b>\$ 866,454</b>	
	% Yearly Change			7.20%	5.56%	5.61%	5.66%	
41	<b>TOTAL WASTEWATER SYSTEM OPER. EXPENSES</b>		<b>\$ 978,220</b>	<b>\$ 1,047,468</b>	<b>\$ 1,109,937</b>	<b>\$ 1,176,844</b>	<b>\$ 1,248,537</b>	
	% Yearly Change			7.08%	5.96%	6.03%	6.09%	



**Table 9  
Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study**

**Operating Expense Escalation Factors**

Line No.	Description	Reference	Escalation Factors				
			2006	2007	2008	2009	2010
1	Constant Factor	Constant	1.0000	1.0000	1.0000	1.0000	1.0000
2	Inflation [1]	Inflation	1.0320	1.0210	1.0220	1.0220	1.0220
3	Labor	Labor	1.0650	1.0650	1.0650	1.0650	1.0650
4	Water: Customer Growth + Inflation	Cust-Water	1.0338	1.0228	1.0238	1.0238	1.0238
5	Sewer: Customer Growth + Inflation	Cust-Sewer	1.0118	1.0229	1.0239	1.0239	1.0239
6	Total Customers + Inflation	Customers	1.0229	1.0228	1.0238	1.0238	1.0238
7	Repair and Maintenance	Repair	1.0500	1.0500	1.0500	1.0500	1.0500
8	Rate Revenue - Water	WaterRev	1.0387	1.0020	1.0020	1.0020	1.0020
9	Rate Revenue - Total	Revenue	1.0390	0.9908	1.0020	1.0020	1.0020
10	Total Billed Water Sales + Inflation	WaterTotal	1.0341	1.0231	1.0240	1.0240	1.0240
11	Total Billed Sewer + Inflation	SewerTotal	0.9757	1.0230	1.0240	1.0240	0.9800
12	Electricity Costs	Power	1.0500	1.2700	1.0700	1.0700	1.0700
13	Chemicals	Chemicals	1.0500	1.0500	1.0500	1.0500	1.0500
14	Insurance	Insurance	1.1000	1.1000	1.1000	1.1000	1.1000
15	Zero	Zero	0.0000	0.0000	0.0000	0.0000	0.0000

Escalation Parameters		Fiscal Year Ending September 30,					
		2005	2006	2007	2008	2009	2010
16	Total Water Customers	2,207	2,211	2,215	2,219	2,223	2,227
17	Percentage Change		0.18%	0.18%	0.18%	0.18%	0.18%
18	Total Wastewater Customers	2,174	2,130	2,134	2,138	2,142	2,146
19	Percentage Change		-2.02%	0.19%	0.19%	0.19%	0.19%
20	Total Customers	4,381	4,341	4,349	4,357	4,365	4,373
21	Percentage Change		-0.91%	0.18%	0.18%	0.18%	0.18%
22	Water Rate Revenue (Existing Rates)	\$1,753,030	\$1,820,788	\$1,824,402	\$1,828,016	\$1,831,630	\$1,835,244
23	Percentage Change		3.87%	0.20%	0.20%	0.20%	0.20%
24	Sewer Rate Revenue (Existing Rates)	\$1,162,470	\$1,208,506	\$1,177,145	\$1,179,474	\$1,181,803	\$1,184,132
25	Percentage Change		3.96%	-2.60%	0.20%	0.20%	0.20%
26	Total Rate Revenue (Existing Rates)	\$2,915,499	\$3,029,294	\$3,001,547	\$3,007,490	\$3,013,433	\$3,019,377
27	Percentage Change		3.90%	-0.92%	0.20%	0.20%	0.20%
28	Total Billed Water Sales (000's Gallons)	336,260	336,951	337,642	338,333	339,023	339,714
29	Percentage Change		0.21%	0.21%	0.20%	0.20%	0.20%
30	Total Billed Sewer Sales (000's Gallons)	160,251	151,235	151,538	151,841	152,144	152,447
31	Percentage Change		-5.63%	0.20%	0.20%	0.20%	0.20%
32	Total Water and Wastewater (000's Gallons)	496,511	488,186	489,180	490,174	491,168	492,162
33	Percentage Change		-1.68%	0.20%	0.20%	0.20%	0.20%

Footnotes:

[1] Congressional Budget Office: "The Budget and Economic Outlook:" January 2006 Edition.

**Table 10**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Development of Fund Balances and Interest Income**

Line No.	Description	2006	2007	2008	2009	2010
<b>OPERATING &amp; MAINTENANCE ACCOUNT</b>						
<b><u>Beginning Balance:</u></b>						
1	Operating Account - Engl. Bank	\$ 103,379				
2	Payroll Checking - Engl. Bank	14,883				
3	Money Market Account - Wachovia	3,618				
4	Wachovia Certificate of Deposit	100,000				
5	Investment Financial Corporation	709				
6	CoBank - Investment Account	431,566				
7	Petty Cash	100				
8	Customer Deposits Transfer to Restricted Account	(66,674)				
9	<b>Total Beginning Balance</b>	<b>\$ 587,580</b>	<b>\$ 390,143</b>	<b>\$ 332,975</b>	<b>\$ 384,467</b>	<b>\$ 566,243</b>
<b>Water System;</b>						
<b>Revenues / Transfers In</b>						
10	Transfers In (Rates) Water	66,030	79,117	29,208	0	11,841
11	Renewal & Replacements Allowance (Rate Revenues)	123,000	93,000	85,000	180,000	200,000
<b>Expenditures / Transfers Out</b>						
12	Transfer Out Water - Rates	0	0	0	22,924	0
13	Water Capital Projects	323,000	150,000	50,000	50,000	50,000
<b>Wastewater System:</b>						
<b>Revenues / Transfers In</b>						
14	Transfers In (Rates) Wastewater	0	0	0	74,700	79,387
15	Renewal & Replacements Allowance (Rate Revenues)	37,000	67,000	85,000	0	0
<b>Expenditures / Transfers Out</b>						
16	Transfer Out Wastewater - Rates	4,967	36,285	47,716	0	0
17	Wastewater Capital Projects	95,500	110,000	50,000	0	0
18	Interest Rate	Short Term 2.50%	2.50%	2.50%	2.50%	2.50%
19	Interest Income	12,000	9,000	9,000	12,000	17,000
Recognition of Interest Earnings						
20	in Revenue Requirements	Yes 12,000	9,000	9,000	12,000	17,000
21	Ending Balance	\$ 390,143	\$ 332,975	\$ 384,467	\$ 566,243	\$ 807,471
22	Minimum Working Cash Target @ 45 days of O&M	\$ 275,092	\$ 298,504	\$ 322,817	\$ 342,709	\$ 364,017
<b>CONNECTION FEES ACCOUNT</b>						
<b><u>Beginning Balance:</u></b>						
23	Injection Well - NFS LLC	100,000				
24	Customer Deposits	66,674				
25	<b>Total Beginning Balance</b>	<b>\$ 166,674</b>	<b>\$ 198,918</b>	<b>\$ 231,162</b>	<b>\$ 264,406</b>	<b>\$ 298,650</b>
<b>Revenues / Transfers In</b>						
26	Charges for Services / Fees Water	16,072	16,072	16,072	16,072	16,072
27	Charges for Services / Fees Wastewater	11,172	11,172	11,172	11,172	11,172
<b>Expenditures / Transfers Out</b>						
28	Capital Projects Water	0	0	0	0	0
29	Capital Projects Wastewater	0	0	0	0	0
30	Interest Rate	Short Term 2.50%	2.50%	2.50%	2.50%	2.50%
31	Interest Income	5,000	5,000	6,000	7,000	8,000
Recognition of Interest Earnings						
32	in Revenue Requirements	No 0	0	0	0	0
33	Ending Balance	\$ 198,918	\$ 231,162	\$ 264,406	\$ 298,650	\$ 333,894
34	<b>Interest Earnings Recognized in Net Revenue Requirements</b>	<b>\$ 12,000</b>	<b>\$ 9,000</b>	<b>\$ 9,000</b>	<b>\$ 12,000</b>	<b>\$ 17,000</b>
35	Allocated to Water System	60.1% 7,000	5,000	5,000	7,000	10,000
36	Allocated to Wastewater System	39.9% 5,000	4,000	4,000	5,000	7,000

**Table 11**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Allocation of Five Year Estimated Capital Improvement Program [1]**

Line No.	Description	Funding Source	Projected Fiscal Year Ending September 30,					Total
			2006	2007	2008	2009	2010	
<b>CIP - WATER SYSTEM</b>								
<u>Water Treatment Facility and Placida Upgrades:</u>								
1	Water Treatment Facility Generator [2]	COBANK	\$ 500,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500,000
2	Water Main Relocation [3]	COBANK	410,000	0	0	0	0	410,000
3	Water Main Relocation [3]	RR	40,000	0	0	0	0	40,000
<u>Distribution and Collection System:</u>								
4	Water Distribution Master Plan	RR	8,000	0	0	0	0	8,000
5	Water and Wastewater Line Relocation - 50%	RR	0	100,000	0	0	0	100,000
6	BGI Water Main Extension	LOAN	0	0	150,000	0	0	150,000
7	Miscellaneous Water Main Upgrades	RR	20,000	50,000	50,000	50,000	50,000	220,000
8	Water Main to Boca Grande North [4]	LOAN	0	0	0	200,000	0	200,000
9	Sub-Station Pump and Piping Improvements	RR	150,000	0	0	0	0	150,000
<u>Water Treatment Facility:</u>								
10	Precipitator Walkway	RR	75,000	0	0	0	0	75,000
11	Well Field No. 4 Relocation	RR	10,000	0	0	0	0	10,000
12	Capacity Expansion [5]	LOAN	0	0	350,000	0	0	350,000
13	Gas to Liquid Ammonia Conversion	RR	20,000	0	0	0	0	20,000
14	Other	RR	0	0	0	0	0	0
15	Total CIP - Water System		\$ 1,233,000	\$ 150,000	\$ 550,000	\$ 250,000	\$ 50,000	\$ 2,233,000
<b>OTHER CAPITAL OUTLAYS - WATER SYSTEM</b>								
<u>Vehicles:</u>								
16	Chevy Pick-up with Utility Bed Replacement - 50%	REV	\$ 12,500	\$ 0	\$ 0	\$ 0	\$ 0	\$ 12,500
17	Electric Golf Cart Replacement -50%	REV	2,250	0	0	0	0	2,250
18	Chevy S-10 Pick-up Replacement 50%	REV	0	0	7,500	7,500	7,500	22,500
19	Kobota Mower Replacement - 50%	REV	0	10,500	0	0	0	10,500
20	Trackhoe Replacement - 50%	REV	0	0	17,000	0	0	17,000
<u>Computers:</u>								
21	Office Computers Replacement	REV	0	0	0	5,000	0	5,000
22	Billing Software, Training and Laser Printer Upgrade - 50%	REV	0	5,000	0	0	0	5,000
23	Copy Machine - 50%	REV	2,500	0	0	0	0	2,500
24	Others:	REV	0	0	0	0	0	0
25	Others	REV	0	0	0	0	0	0
26	Total Other Capital Outlays - Water System		\$ 17,250	\$ 15,500	\$ 24,500	\$ 12,500	\$ 7,500	\$ 77,250
27	<b>Total Water System Capital Costs</b>		\$ 1,250,250	\$ 165,500	\$ 574,500	\$ 262,500	\$ 57,500	\$ 2,310,250

Table 11  
Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study

Allocation of Five Year Estimated Capital Improvement Program (1)

Line No.	Description	Funding Source	Projected Fiscal Year Ending September 30,					Total
			2006	2007	2008	2009	2010	
<b>CIP - WASTEWATER SYSTEM</b>								
<u>Wastewater Treatment Facility Upgrades:</u>								
28	Blowers Replacement	RR	\$ 63,000	\$ 0	\$ 0	\$ 0	\$ 63,000	
29	Electrical System Upgrade [6]	COBANK	0	590,000	0	0	590,000	
<u>Distribution and Collection System:</u>								
30	Wastewater Collection Master Plan	RR	5,000	0	0	0	5,000	
31	Water and Wastewater Line Relocation - 50%	RR	0	100,000	0	0	100,000	
32	Lift Station Generator Plugs Upgrade	RR	10,000	10,000	0	0	20,000	
<u>Wastewater Treatment Facility:</u>								
33	Sodium Hypochlorite Feed System Upgrade	RR	7,500	0	0	0	7,500	
34	Surge Tank Pumps Automation	RR	10,000	0	0	0	10,000	
35	Injection Well Pumps Upgrade	RR	0	0	50,000	0	50,000	
36	Other	RR	0	0	0	0	0	
37	Others:						0	
38	Others	RR	0	0	0	0	0	
39	Total CIP - Wastewater System		\$ 95,500	\$ 700,000	\$ 50,000	\$ 0	\$ 845,500	
<b>OTHER CAPITAL OUTLAYS - WASTEWATER SYSTEM</b>								
<u>Vehicles:</u>								
40	Chevy Pick-up with Utility Bed Replacement - 50%	REV	\$ 12,500	\$ 0	\$ 0	\$ 0	\$ 12,500	
41	Electric Golf Cart Replacement - 50%	REV	2,250	0	0	0	2,250	
42	Chevy S-10 Pick-up Replacement 50%	REV	0	7,500	7,500	7,500	22,500	
43	WWTP Truck Replacement	REV	0	15,000	0	0	15,000	
<u>Equipment:</u>								
44	Kobota Mower Replacement - 50%	REV	0	10,500	0	0	10,500	
45	Trackhoe Replacement - 50%	REV	0	0	17,000	0	17,000	
46	Portable Generator for Lift Stations	REV	0	0	0	35,000	35,000	
<u>Computers:</u>								
47	Office Computers Replacement	REV	0	0	0	5,000	5,000	
48	Billing Software, Training and Laser Printer Upgrade - 50%	REV	0	5,000	0	0	5,000	
49	Copy Machine - 50%	REV	2,500	0	0	0	2,500	
50	Others:	REV	0	0	0	0	0	
51	Others	REV	0	0	0	0	0	
52	Total Other Capital Outlays - Wastewater System		\$ 17,250	\$ 30,500	\$ 24,500	\$ 12,500	\$ 127,250	
53	Total Wastewater System Capital Costs		\$ 112,750	\$ 730,500	\$ 74,500	\$ 12,500	\$ 972,750	
54	TOTAL WATER AND WASTEWATER CAPITAL COSTS		\$ 1,363,000	\$ 896,000	\$ 649,000	\$ 275,000	\$ 3,283,000	

**Table 11**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Allocation of Five Year Estimated Capital Improvement Program [1]**

Line No.	Description	Funding Source	Projected Fiscal Year Ending September 30,					Total
			2006	2007	2008	2009	2010	
<b>FUNDING SOURCES - WATER AND WASTEWATER</b>								
<b>WATER SYSTEM</b>								
55	CoBank Financing	COBANK	\$ 910,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 910,000
56	Rate Revenue	REV	17,250	15,500	24,500	12,500	7,500	77,250
57	Connection Fees	CFF	0	0	0	0	0	0
58	Renewal and Replacement Fund	RR	323,000	150,000	50,000	50,000	50,000	623,000
59	No Applicable	N/A	0	0	0	0	0	0
60	New Loan (Anticipated / Proposed)	LOAN	0	0	500,000	200,000	0	700,000
61	<b>Total Water System Funding Sources</b>		<b>\$ 1,250,250</b>	<b>\$ 165,500</b>	<b>\$ 574,500</b>	<b>\$ 262,500</b>	<b>\$ 57,500</b>	<b>\$ 2,310,250</b>
<b>WASTEWATER SYSTEM</b>								
62	CoBank Financing	COBANK	\$ 0	\$ 590,000	\$ 0	\$ 0	\$ 0	\$ 590,000
63	Rate Revenue	REV	17,250	30,500	24,500	12,500	42,500	127,250
64	Connection Fees	CFF	0	0	0	0	0	0
65	Renewal and Replacement Fund	RR	95,500	110,000	50,000	0	0	255,500
66	No Applicable	N/A	0	0	0	0	0	0
67	New Loan (Anticipated / Proposed)	LOAN	0	0	0	0	0	0
68	<b>Total Wastewater System Funding Sources</b>		<b>\$ 112,750</b>	<b>\$ 730,500</b>	<b>\$ 74,500</b>	<b>\$ 12,500</b>	<b>\$ 42,500</b>	<b>\$ 972,750</b>
<b>COMBINED</b>								
69	CoBank Financing	COBANK	\$ 910,000	\$ 590,000	\$ 0	\$ 0	\$ 0	\$ 1,500,000
70	Rate Revenue	REV	34,500	46,000	49,000	25,000	50,000	204,500
71	Connection Fees	CFF	0	0	0	0	0	0
72	Renewal and Replacement Fund	RR	418,500	260,000	100,000	50,000	50,000	878,500
73	No Applicable	N/A	0	0	0	0	0	0
74	New Loan (Anticipated / Proposed)	LOAN	0	0	500,000	200,000	0	700,000
75	<b>TOTAL WATER AND WASTEWATER FUNDING SOURCES</b>		<b>\$ 1,363,000</b>	<b>\$ 896,000</b>	<b>\$ 649,000</b>	<b>\$ 275,000</b>	<b>\$ 100,000</b>	<b>\$ 3,283,000</b>

**Footnotes:**

- [1] CIP values may differ from those found on budget. CIP values are per information provided by County's Financial Manager as of 11/11/05.
- [2] Project will replace the current generator with one large enough to run the R.O. plant.
- [3] Project will relocate the Placida water main to facilitate the relocation of Coral Creek Bridge.
- [4] May not be required if the Placida improvement resolves the pressure problems.
- [5] Project will provide new capacity of about 190,000 gallons per day.
- [6] This project includes a new generator and the upgrade of the 208 volt electrical system to 480 volt.

**Table 12**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Projected Debt Service Coverage Analysis**

Line No.	Description	Fiscal Year Ending September 30,				
		2006	2007	2008	2009	2010
<b>Operating Revenue:</b>						
1	Water Revenue from Existing Retail Rates	\$ 1,824,402	\$ 1,828,016	\$ 1,831,630	\$ 1,835,244	\$ 1,838,858
2	Water Revenue from Proposed Rate Increases	72,216	263,738	390,012	524,263	667,109
3	Water Revenue from Annual Rate Index	0	0	0	0	0
4	Wastewater Revenue from Existing Retail Rates	1,177,145	1,179,474	1,181,803	1,184,132	1,186,462
5	Wastewater Revenue from Proposed Rate Increases	46,595	170,169	251,643	338,264	430,430
6	Wastewater Revenue from Annual Rate Index	0	0	0	0	0
7	Total Revenue From Rates	\$ 3,120,358	\$ 3,441,396	\$ 3,655,089	\$ 3,881,903	\$ 4,122,859
<b>Other Revenue:</b>						
8	Non-Restricted Fund Interest Earned	12,000	9,000	9,000	12,000	17,000
9	Combined Miscellaneous Revenue	83,480	83,480	83,480	83,480	83,480
10	Subtotal Other Revenue	\$ 95,480	\$ 92,480	\$ 92,480	\$ 95,480	\$ 100,480
11	Total Revenue Available for Debt Service Coverage	3,215,838	3,533,876	3,747,569	3,977,383	4,223,339
<b>Operating Expenses:</b>						
12	Water	1,253,082	1,373,730	1,508,464	1,602,905	1,704,049
13	Sewer	978,220	1,047,468	1,109,937	1,176,844	1,248,537
14	Total Budgeted Operating Expenses	2,231,302	2,421,199	2,618,401	2,779,749	2,952,585
15	Budget Variance	0	0	0	0	0
16	Total Operating Expenses	2,231,302	2,421,199	2,618,401	2,779,749	2,952,585
Net Revenue Available for Debt Service Coverage Before						
17	Connection Fee Revenue	984,536	1,112,678	1,129,168	1,197,634	1,270,754
18	Percent of Total Revenue / Operating Margin	31%	31%	30%	30%	30%
<b><u>TEST A</u></b>						
<b>Subordinate Debt Service Coverage</b>						
Net Revenue Available for Debt Service Coverage Before						
19	Connection Fee Revenue	984,536	1,112,678	1,129,168	1,197,634	1,270,754
20	Subordinate Debt Service	728,973	863,846	928,676	940,858	929,527
21	Calculated Coverage	135%	129%	122%	127%	137%
22	Coverage Target	110%	110%	110%	110%	110%
<b><u>TEST B</u></b>						
<b>Subordinate Debt Service Coverage After Connections Fee</b>						
Amounts Available for Debt Service Coverage Before						
23	Connection Fee Revenue	984,536	1,112,678	1,129,168	1,197,634	1,270,754
24	Plus: Connection Fee Revenue	27,244	27,244	27,244	27,244	27,244
Net Revenue Available for Debt Service Coverage						
25	After Connection Fee Revenue	1,011,780	1,139,922	1,156,412	1,224,878	1,297,998
26	Subordinate Debt Service	728,973	863,846	928,676	940,858	929,527
27	Calculated Coverage	139%	132%	125%	130%	140%
28	Coverage Target	115%	115%	115%	115%	115%

**Table 13**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Water System**

**Classification of FY 2006 Net Revenue Requirements for the Water System**

Line No.	Description	Projected Fiscal Year 2006 (a)	Allocation Reference (b)	Fixed Capacity (c)		Total (e)	Variable (f)	Administrative/Customer (g)		Total (j)
				Base Capacity	Extra Capacity (d)			Weighted Customer	Account Customer (h)	
<b>GENERAL AND ADMINISTRATIVE:</b>										
1	Auto and Truck Expenses	\$ 0	WS/W	0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2	Bridge Tolls	3,078	WS/W	2,263	815	3,078	0	0	0	3,078
3	Gas & Oil	7,772	WS/W	5,714	2,058	7,772	0	0	0	7,772
4	M&R Trucks	5,130	WS/W	3,771	1,359	5,130	0	0	0	5,130
5	M&R Buildings	5,130	WS/W	3,771	1,359	5,130	0	0	0	5,130
6	M&R General	4,104	WS/W	3,017	1,087	4,104	0	0	0	4,104
7	M&R Machinery & Equipment	2,565	WS/W	1,886	679	2,565	0	0	0	2,565
8	General Repairs and Maintenance	0	WS/W	0	0	0	0	0	0	0
9	Insurance	112,347	WS/W	82,593	29,754	112,347	0	0	0	112,347
10	Miscellaneous	4,822	WS/W	3,545	1,277	4,822	0	0	0	4,822
11	Office Supplies and Postage	13,082	Customer	0	0	0	0	13,082	0	13,082
12	Professional Fees - Accounting	5,387	WS/W	3,960	1,427	5,387	0	0	0	5,387
13	Professional Fees - Engineering	17,955	WS/W	13,200	4,755	17,955	0	0	0	17,955
14	Professional Fees - Legal	10,260	WS/W	7,543	2,717	10,260	0	0	0	10,260
15	New Employee Addition	0	WS/W	0	0	0	0	0	0	0
16	Salaries and Payroll Taxes, Office	0	WS/W	0	0	0	0	0	0	0
17	Salaries	76,722	WS/W	56,403	20,319	76,722	0	0	0	76,722
18	Payroll Taxes	6,325	WS/W	4,650	1,675	6,325	0	0	0	6,325
19	Pensions and Employee Benefits, Office	0	WS/W	0	0	0	0	0	0	0
20	Employee Insurance	14,564	WS/W	10,707	3,857	14,564	0	0	0	14,564
21	Pension	7,382	WS/W	5,427	1,955	7,382	0	0	0	7,382
22	Training, Office	770	WS/W	566	204	770	0	0	0	770
23	Telephone	10,260	WS/W	7,543	2,717	10,260	0	0	0	10,260
24	Total Administration	\$ 307,654		216,557	78,015	294,572	0	0	13,082	307,654
25	<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>\$ 307,654</b>		<b>\$ 216,557</b>	<b>\$ 78,015</b>	<b>\$ 294,572</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 13,082</b>	<b>\$ 307,654</b>

**Table 13**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Water System**

**Classification of FY 2006 Net Revenue Requirements for the Water System**

Line No.	Description	Projected Fiscal Year 2006 (a)	Allocation Reference (b)	Fixed Capacity (d)		Total (e)	Variable (f)	Administrative/ Customer Weighted Customer Account (g)	Customer Account (h)	Indirect (i)	Total (j)
				Base Capacity (c)	Extra Capacity (d)						
<b>WATER SYSTEM:</b>											
<b>Water System Operating Expenses</b>											
26	Purchased Water	\$ 15,000	Variable	\$ 0	\$ 0	\$ 0	\$ 15,000	\$ 0	\$ 0	\$ 0	\$ 15,000
27	Operations and Maintenance	125,000	W B/E	91,895	33,105	125,000	0	0	0	0	125,000
28	Regulatory Expense - Permits	9,118	W B/E	6,703	2,415	9,118	0	0	0	0	9,118
29	Electricity	220,960	Variable	0	0	0	220,960	0	0	0	220,960
30	Chemicals	121,975	Variable	0	0	0	121,975	0	0	0	121,975
31	Lab Fees	19,500	W B/E	14,336	5,164	19,500	0	0	0	0	19,500
32	New Employee Addition	0	W B/E	0	0	0	0	0	0	0	0
33	Salaries and Payroll Taxes	0	W B/E	0	0	0	0	0	0	0	0
34	Salaries	309,630	W B/E	227,627	82,003	309,630	0	0	0	0	309,630
35	Payroll Taxes	25,760	W B/E	18,938	6,822	25,760	0	0	0	0	25,760
36	Employee Insurance	65,706	W B/E	48,304	17,402	65,706	0	0	0	0	65,706
37	Pension	29,779	W B/E	21,892	7,887	29,779	0	0	0	0	29,779
38	Pensions and Employee Benefits	0	W B/E	0	0	0	0	0	0	0	0
39	Training	3,000	W B/E	2,205	795	3,000	0	0	0	0	3,000
40	Total Water System	\$ 945,428	W B/E	\$ 431,900	\$ 155,593	\$ 587,493	\$ 357,935	\$ 0	\$ 0	\$ 0	\$ 945,428
41	<b>TOTAL WATER SYSTEM</b>	<b>\$ 1,253,082</b>		<b>\$ 648,457</b>	<b>\$ 233,608</b>	<b>\$ 882,065</b>	<b>\$ 357,935</b>	<b>\$ 0</b>	<b>\$ 13,082</b>	<b>\$ 0</b>	<b>\$ 1,253,082</b>
<b>Other Revenue Requirements (Debt Obligations):</b>											
42	Obligation Number 000561923	\$ 24,365	W Plant	\$ 17,746	\$ 6,393	\$ 24,139	\$ 0	\$ 0	\$ 227	\$ 0	\$ 24,365
43	Obligation Number 000561948	116,268	W Plant	84,680	30,506	115,186	0	0	1,082	0	116,268
44	Obligation Number 000612727	36,608	W Plant	26,662	9,605	36,267	0	0	341	0	36,608
45	Obligation Number 001070957	163,199	W Plant	118,860	42,820	161,680	0	0	1,519	0	163,199
46	Obligation Number 001862973	34,482	W Plant	25,114	9,047	34,161	0	0	321	0	34,482
47	Obligation Number 000612727	97,536	W Plant	71,037	25,591	96,628	0	0	908	0	97,536
48	Anticipated Cobank Debt Service	14,521	W Plant	10,576	3,810	14,386	0	0	135	0	14,521
49	New Anticipated Debt	0	W Plant	0	0	0	0	0	0	0	0
50	Total Debt Service	\$ 486,979	W Plant	\$ 354,675	\$ 127,772	\$ 482,447	\$ 0	\$ 0	\$ 4,531	\$ 0	\$ 486,979
<b>Other Miscellaneous Revenue Requirements:</b>											
51	Transfer to Operating Reserve	\$ 66,030	Indirect	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 66,030	\$ 66,030
52	Capital Improvements Funded From Rate Revenues	17,250	W Plant	12,563	4,526	17,089	0	0	161	0	17,250
53	Renewal and Replacement Fund Transfer	123,000	W Plant	89,583	32,272	121,855	0	0	1,145	0	123,000
54	Total Other Miscellaneous Revenue Requirements	\$ 206,280	W Plant	\$ 102,146	\$ 36,799	\$ 138,945	\$ 0	\$ 0	\$ 1,305	\$ 66,030	\$ 206,280
55	Gross Revenue Requirements	\$ 1,946,341		\$ 1,105,278	\$ 398,179	\$ 1,503,458	\$ 357,935	\$ 0	\$ 18,918	\$ 66,030	\$ 1,946,341



**Table 13**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Water System**

**Classification of FY 2006 Net Revenue Requirements for the Water System**

Line Nn.	Description	Projected Fiscal Year 2006 (a)	Allocation Reference (b)	Fixed Capacity (c)		Total (e)	Variable (f)	Administrative/Weighted Customer Account (g)	Customer (h)	Indirect (i)	Total (j)
				Base	Extra						
56	Interest	7,000	WInt	5,146	1,854	7,000	0	0	0	0	7,000
	Miscellaneous Revenue:										
57	Hook-up Fees Water	\$ 1,880	Indirect	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,880	\$ 1,880	\$ 1,880
58	Hook-up Fees Wastewater	0	Indirect	0	0	0	0	0	0	0	0
59	Patronage Dividends	35,630	Indirect	0	0	0	0	0	35,630	35,630	35,630
60	Membership Fees	122	Indirect	0	0	0	0	0	122	122	122
61	Gain (Loss) on Disposal of Assets	0	Indirect	0	0	0	0	0	0	0	0
62	Hurricane Charley	0	Indirect	0	0	0	0	0	0	0	0
63	Net of Insurance and/or FEMA	0	Indirect	0	0	0	0	0	0	0	0
64	Miscellaneous Income	5,090	Indirect	0	0	0	0	0	0	5,090	5,090
65	Consulting Fees	0	Indirect	0	0	0	0	0	0	0	0
66	Subtotal Miscellaneous Revenue	\$ 49,722		\$ 5,146	\$ 1,854	\$ 7,000	\$ 0	\$ 0	\$ 42,722	\$ 49,722	\$ 49,722
67	Total Net Revenue Requirements	\$ 1,896,618		\$ 1,100,132	\$ 396,325	\$ 1,496,458	\$ 357,935	\$ 0	\$ 18,918	\$ 23,308	\$ 1,896,618
68	Retail Revenue Surplus/ (Deficiency)										
	Amount	0	Indirect	0	0	0	0	0	0	0	0
69	Total Net Revenue Requirements	\$ 1,896,618		\$ 1,100,132	\$ 396,325	\$ 1,496,458	\$ 357,935	\$ 0	\$ 18,918	\$ 23,308	\$ 1,896,618
70	Allocation of Indirect Related			13,688	4,931	18,619	4,453	0	235	(23,308)	0
71	<b>REVISED NET REVENUE REQUIREMENTS</b>			\$ 1,113,820	\$ 401,256	\$ 1,515,077	\$ 362,388	\$ 0	\$ 19,153	\$ 0	\$ 1,896,618
72	Annual Rate Revenue Under Existing Rates	1,824,402									
73	Percent of Year Under Existing Rates	58.3%									
74	Annual Revenues Under Existing Rates	1,064,235									
75	Balance to Bc Recovered for Remainder of Year	760,168									
76	Estimated Deficiency	72,216									
77	Total to Bc Recovered Balance of Fiscal Year	\$ 832,384									
78	<b>REVISED NET REVENUE REQUIREMENTS</b>			\$ 488,831	\$ 176,103	\$ 664,934	\$ 159,044	\$ 0	\$ 8,406	\$ 0	\$ 832,384
	<b>TO REFLECT PARTIAL YEAR RECOVERY</b>										

**Table 14**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Wastewater System**

**Classification of FY 2006 Net Revenue Requirements -for the Wastewater System**

Line No.	Description	Projected Fiscal Year 2006 (a)	Allocation Reference (b)	Fixed Capacity (c)		Total (c)	Variable (f)	Weighted Customer (g)	Administrative/Customer Account (h)	Indirect (i)	Total (i)
				Base Capacity (c)	Extra Capacity (d)						
<b>GENERAL AND ADMINISTRATIVE:</b>											
<b>General and Administrative</b>											
1	Auto and Truck Expenses	\$ 0	SS/W	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
2	Bridge Tolls	2,922	SS/W	1,640	1,282	2,922	0	0	0	0	2,922
3	Gas & Oil	7,378	SS/W	4,141	3,237	7,378	0	0	0	0	7,378
4	M&R Trucks	4,870	SS/W	2,733	2,137	4,870	0	0	0	0	4,870
5	General Repairs and Maintenance	0	SS/W	0	0	0	0	0	0	0	0
6	M&R Buildings	4,870	SS/W	2,733	2,137	4,870	0	0	0	0	4,870
7	M&R General	3,896	SS/W	2,187	1,709	3,896	0	0	0	0	3,896
8	M&R Machinery & Equipment	2,435	SS/W	1,367	1,068	2,435	0	0	0	0	2,435
9	Insurance	106,653	SS/W	59,860	46,793	106,653	0	0	0	0	106,653
10	Miscellaneous	4,578	SS/W	2,569	2,008	4,578	0	0	0	0	4,578
11	Office Supplies and Postage	12,419	Customer	0	0	0	0	12,419	0	0	12,419
12	Professional Fees - Accounting	5,114	SS/W	2,870	2,243	5,114	0	0	0	0	5,114
13	Professional Fees - Engineering	17,045	SS/W	9,567	7,478	17,045	0	0	0	0	17,045
14	Professional Fees - Legal	9,740	SS/W	5,467	4,273	9,740	0	0	0	0	9,740
15	New Employee Addition	0	SS/W	0	0	0	0	0	0	0	0
16	Salaries and Payroll Taxes, Office	0	SS/W	0	0	0	0	0	0	0	0
17	Salaries	72,833	SS/W	40,879	31,955	72,833	0	0	0	0	72,833
18	Payroll Taxes	6,005	SS/W	3,370	2,634	6,005	0	0	0	0	6,005
19	Pensions and Employee Benefits, Office	0	SS/W	0	0	0	0	0	0	0	0
20	Employee Insurance	13,826	SS/W	7,760	6,066	13,826	0	0	0	0	13,826
21	Pension	7,008	SS/W	3,933	3,075	7,008	0	0	0	0	7,008
22	Training, Office	731	SS/W	410	320	731	0	0	0	0	731
23	Telephone	9,740	SS/W	5,467	4,273	9,740	0	0	0	0	9,740
24	Total Administration	\$ 292,061		\$ 156,953	\$ 122,690	\$ 279,643	\$ 0	\$ 0	\$ 12,419	\$ 0	\$ 292,061
25	<b>TOTAL GENERAL AND ADMINISTRATIVE</b>	<b>\$ 292,061</b>		<b>\$ 156,953</b>	<b>\$ 122,690</b>	<b>\$ 279,643</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 12,419</b>	<b>\$ 0</b>	<b>\$ 292,061</b>

**Table 14**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Wastewater System**

**Classification of FY 2006 Net Revenue Requirements for the Wastewater System**

Line No.	Description	Projected Fiscal Year 2006 (a)	Allocation Reference (h)	Fixed (d)		Total (e)	Variable (f)	Administrative/Customer (g)		Indirect (i)	Total (j)
				Base Capacity (c)	Extra Capacity (d)			Weighted Customer (g)	Customer Account (h)		
<b>WASTEWATER SYSTEM:</b>											
<b>Wastewater System Operating Cost</b>											
26	Operations and Maintenance	\$ 140,000	S B/E	\$ 78,577	\$ 61,423	\$ 140,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 140,000
27	Regulatory Expense - Permits	22,268	S B/E	12,498	9,770	22,268	0	0	0	0	22,268
28	Electricity	59,650	Variable	0	0	0	59,650	0	0	0	59,650
29	Chemicals	68,890	Variable	0	0	0	68,890	0	0	0	68,890
30	Lab Fees	23,500	S B/E	13,190	10,310	23,500	0	0	0	0	23,500
31	New Employee Addition	0	S B/E	0	0	0	0	0	0	0	0
32	Salaries and Payroll Taxes	0	S B/E	0	0	0	0	0	0	0	0
33	Salaries	276,665	S B/E	155,282	121,383	276,665	0	0	0	0	276,665
34	Payroll Taxes	23,535	S B/E	13,209	10,326	23,535	0	0	0	0	23,535
35	Employee Insurance	52,753	S B/E	29,608	23,145	52,753	0	0	0	0	52,753
36	Pension	17,398	S B/E	9,765	7,633	17,398	0	0	0	0	17,398
37	Pensions and Employee Benefits	0	S B/E	0	0	0	0	0	0	0	0
38	Training	1,500	S B/E	842	658	1,500	0	0	0	0	1,500
39	Total Wastewater System	\$ 686,159		\$ 312,971	\$ 244,648	\$ 557,619	\$ 128,540	\$ 0	\$ 0	\$ 0	\$ 686,159
40	<b>TOTAL WASTEWATER SYSTEM</b>	<b>\$ 686,159</b>		<b>\$ 312,971</b>	<b>\$ 244,648</b>	<b>\$ 557,619</b>	<b>\$ 128,540</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 686,159</b>
41	<b>TOTAL WASTEWATER SYSTEM OPER. EXPENSES</b>	<b>\$ 978,220</b>		<b>\$ 469,924</b>	<b>\$ 367,338</b>	<b>\$ 837,262</b>	<b>\$ 128,540</b>	<b>\$ 0</b>	<b>\$ 12,419</b>	<b>\$ 0</b>	<b>\$ 978,220</b>
<b>Other Revenue Requirements (Debt Obligations):</b>											
42	Obligation Number 000561923	\$ 12,186	S Plant	\$ 6,698	\$ 5,236	\$ 11,933	\$ 0	\$ 0	\$ 253	\$ 0	\$ 12,186
43	Obligation Number 000561948	58,152	S Plant	31,961	24,984	56,945	0	0	1,207	0	58,152
44	Obligation Number 000612727	18,309	S Plant	10,063	7,866	17,929	0	0	380	0	18,309
45	Obligation Number 001070957	0	S Plant	0	0	0	0	0	0	0	0
46	Obligation Number 001862973	95,150	S Plant	52,296	40,880	93,176	0	0	1,975	0	95,150
47	Obligation Number 000612727	48,783	S Plant	26,811	20,958	47,770	0	0	1,013	0	48,783
48	Anticipated Cobank Debt Service	9,415	S Plant	5,174	4,045	9,219	0	0	195	0	9,415
49	New Anticipated Debt	0	S Plant	0	0	0	0	0	0	0	0
50	Total Debt Service	\$ 241,995		\$ 133,003	\$ 103,968	\$ 236,972	\$ 0	\$ 0	\$ 5,023	\$ 0	\$ 241,995

**Table 14**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Wastewater System**

**Classification of FY 2006 Net Revenue Requirements for the Wastewater System**

Line No.	Description	Projected Fiscal Year 2006 (a)	Allocation Reference (b)	Basic Capacity (c)	Fixed Extra Capacity (d)	Total (e)	Variable (f)	Administrative/Customer Weighted Customer Account (g)	Customer Account (h)	Indirect (i)	Total (j)
<b>Other Miscellaneous Revenue Requirements:</b>											
51	Transfer to Operating Reserve	0	Indirect	0	0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
52	Capital Improvements Funded From Rate Revenues	17,250	S Plant	9,481	7,411	16,892	0	0	358	0	17,250
53	Renewal and Replacement Fund Transfer	37,000	S Plant	20,336	15,896	36,232	0	0	768	0	37,000
54	Total Other Miscellaneous Revenue Requirements	54,250		29,816	23,307	53,124	0	0	1,126	0	54,250
55	Gross Revenue Requirements	\$ 1,274,465		\$ 632,743	\$ 494,614	\$ 1,127,357	\$ 128,540	\$ 0	\$ 18,567	\$ 0	\$ 1,274,465
<b>Less Other Income and Funds from Other Sources:</b>											
56	Interest	5,000	S Int	2,806	2,194	5,000	0	0	0	0	5,000
<b>Miscellaneous Revenue:</b>											
57	Hook-up Fees Water	\$ 0	Indirect	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
58	Hook-up Fees Wastewater	1,360	Indirect	0	0	0	0	0	0	1,360	1,360
59	Patronage Dividends	34,370	Indirect	0	0	0	0	0	0	34,370	34,370
60	Membership Fees	118	Indirect	0	0	0	0	0	0	118	118
61	Gain (Loss) on Disposal of Assets	0	Indirect	0	0	0	0	0	0	0	0
62	Hurricane Charley	0	Indirect	0	0	0	0	0	0	0	0
63	Net of Insurance and/or FEMA	0	Indirect	0	0	0	0	0	0	0	0
64	Miscellaneous Income	4,910	Indirect	0	0	0	0	0	0	4,910	4,910
65	Consulting Fees	0	Indirect	0	0	0	0	0	0	0	0
66	Subtotal Miscellaneous Revenue	\$ 45,758		\$ 2,806	\$ 2,194	\$ 5,000	\$ 0	\$ 0	\$ 0	\$ 40,758	\$ 45,758
67	Transfer from Operating Reserve	4,967	Indirect	0	0	0	0	0	0	4,967	4,967
68	Total Other Income	50,725	Indirect	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 50,725	\$ 50,725
69	Total Net Revenue Requirements	\$ 1,223,740		\$ 632,743	\$ 494,614	\$ 1,127,357	\$ 128,540	\$ 0	\$ 18,567	\$ (50,725)	\$ 1,223,740
<b>Retail Revenue Surplus/ (Deficiency)</b>											
70	Amount	0	Indirect	0	0	0	0	0	0	0	0
71	Total Net Revenue Requirements	\$ 1,223,740		\$ 632,743	\$ 494,614	\$ 1,127,357	\$ 128,540	\$ 0	\$ 18,567	\$ (50,725)	\$ 1,223,740
72	Allocation of Indirect Related			(25,184)	(19,686)	(44,870)	(5,116)	0	(739)	\$ 50,725	\$ 0
73	<b>REVISED NET REVENUE REQUIREMENTS</b>			\$ 607,560	\$ 474,928	\$ 1,082,488	\$ 123,424	\$ 0	\$ 17,828	\$ 0	\$ 1,223,740

**Table 14**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Wastewater System**

**Classification of FY 2006 Net Revenue Requirements -for the Wastewater System**

Line No.	Description	Projected Fiscal Year 2006 (a)	Allocation Reference (b)	Base Capacity (c)	Fixed Extn Capacity (d)	Total (e)	Variable (f)	Administrative/Customer Weighted Customer Account (g)	Indirect (i)	Total (j)
74	Annual Rate Revenue Under Existing Rates	1,177,145								
75	Percent of Year Under Existing Rates	58.3%								
76	Annual Revenues Under Existing Rates	686,668								
77	Balance to Be Recovered for Remainder of Year	490,477								
78	Estimated Deficiency	46,595								
79	Total to Be Recovered Balance of Fiscal Year	\$ 537,072								
<b>REVISED NET REVENUE REQUIREMENTS</b>										
80	<b>TO REFLECT PARTIAL YEAR RECOVERY</b>			\$ 266,644	\$ 208,435	\$ 475,080	\$ 54,168	\$ 0	\$ 7,825	\$ 537,072

**Table 15**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Bill Comparison for Proposed 3/4' Single Family Residential Water Rates - FY2006**

		<u>Existing Rates</u>		<u>Proposed w/o Block Change</u>			
Base Monthly Rate		\$21.50		\$ 20.50	Base Monthly Rate		
Customer Charge		0.00		1.00	Customer Charge		
Rate per 1,000 Gal.			<u>Usage</u>			<u>Usage</u>	
		<u>Existing Rates</u>	<u>(Th. Gallons)</u>			<u>(Th. Gallons)</u>	
		\$ 0.00	0 - 5		\$ 0.00	0 - 5	
		\$ 4.30	6 - 15		\$ 4.30	6 - 15	
		\$ 4.60	16 - 25		\$ 5.38	16 - 25	
	\$ 5.70	25 - Above		\$ 6.45	25 - Above		
Monthly Use (Th. Gallons)	Existing Total Bill	<u>Proposed</u>			<u>% of Estimated Monthly Bills</u>		
		<u>Total Bill</u>	<u>Increase</u>	<u>%</u>	<u>In Usage Block</u>	<u>Cumulative</u>	
0	\$ 21.50	\$ 21.50	\$ 0.00	0.0%	21.2%	21.2%	
1	\$ 21.50	\$ 21.50	\$ 0.00	0.0%	10.2%	31.3%	
2	\$ 21.50	\$ 21.50	\$ 0.00	0.0%	7.4%	38.7%	
3	\$ 21.50	\$ 21.50	\$ 0.00	0.0%	7.1%	45.8%	
4	\$ 21.50	\$ 21.50	\$ 0.00	0.0%	6.1%	51.9%	
5	\$ 21.50	\$ 21.50	\$ 0.00	0.0%	5.4%	57.3%	
6	\$ 25.80	\$ 25.80	\$ 0.00	0.0%	4.6%	61.9%	
7	\$ 30.10	\$ 30.10	\$ 0.00	0.0%	4.0%	66.0%	
8	\$ 34.40	\$ 34.40	\$ 0.00	0.0%	3.0%	68.9%	
9	\$ 38.70	\$ 38.70	\$ 0.00	0.0%	2.6%	71.5%	
10	\$ 43.00	\$ 43.00	\$ 0.00	0.0%	2.4%	74.0%	
11	\$ 47.30	\$ 47.30	\$ 0.00	0.0%	2.2%	76.2%	
12	\$ 51.60	\$ 51.60	\$ 0.00	0.0%	1.8%	77.9%	
13	\$ 55.90	\$ 55.90	\$ 0.00	0.0%	1.6%	79.5%	
14	\$ 60.20	\$ 60.20	\$ 0.00	0.0%	1.4%	81.0%	
15	\$ 64.50	\$ 64.50	\$ 0.00	0.0%	1.5%	82.5%	
16	\$ 69.10	\$ 69.88	\$ 0.78	1.1%	1.1%	83.6%	
17	\$ 73.70	\$ 75.26	\$ 1.56	2.1%	1.1%	84.7%	
18	\$ 78.30	\$ 80.64	\$ 2.34	3.0%	1.0%	85.6%	
19	\$ 82.90	\$ 86.02	\$ 3.12	3.8%	1.1%	86.7%	
20	\$ 87.50	\$ 91.40	\$ 3.90	4.5%	0.9%	87.7%	
21	\$ 92.10	\$ 96.78	\$ 4.68	5.1%	0.9%	88.5%	
22	\$ 96.70	\$ 102.16	\$ 5.46	5.6%	0.8%	89.3%	
23	\$ 101.30	\$ 107.54	\$ 6.24	6.2%	0.7%	90.0%	
24	\$ 105.90	\$ 112.92	\$ 7.02	6.6%	0.6%	90.5%	
25	\$ 110.50	\$ 118.30	\$ 7.80	7.1%	0.6%	91.1%	
26	\$ 116.20	\$ 124.75	\$ 8.55	7.4%	0.6%	91.7%	
27	\$ 121.90	\$ 131.20	\$ 9.30	7.6%	0.6%	92.3%	
28	\$ 127.60	\$ 137.65	\$ 10.05	7.9%	0.5%	92.8%	
29	\$ 133.30	\$ 144.10	\$ 10.80	8.1%	0.4%	93.2%	
30	\$ 139.00	\$ 150.55	\$ 11.55	8.3%	0.5%	93.6%	
35	\$ 167.50	\$ 182.80	\$ 15.30	9.1%	1.9%	95.5%	
40	\$ 196.00	\$ 215.05	\$ 19.05	9.7%	1.2%	96.7%	
45	\$ 224.50	\$ 247.30	\$ 22.80	10.2%	0.8%	97.5%	
50	\$ 253.00	\$ 279.55	\$ 26.55	10.5%	0.5%	98.0%	

\* Typical Residential bill averages approximately 9,000 gallons monthly per account

**Table 16**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Bill Comparison for Proposed 3/4' Single Family Residential Wastewater Rates - FY2006**

	<u>Existing Rates</u>		<u>Proposed Rates</u>		
Base Monthly Rate	\$ 20.60	Base Rate	\$ 21.29	Base Rate	
Customer Charge	\$ 0.00	Per Bill	\$ 0.31	Per Bill	
Rate per 1,000 Gal.	Gasparilla	Usage		Usage	
		(Th. Gallons)		(Th. Gallons)	
	\$ 4.00	0-10	\$ 4.22	0-10	
	\$ 0.00	10 -	\$ 0.00	10 -	
Monthly Use (Th. Gallons)	Existing Total Bill	Proposed			%
		Total Bill	Increase		
0	\$ 20.60	\$ 21.60	\$ 1.00	4.9%	
1	\$ 24.60	\$ 25.82	\$ 1.22	5.0%	
2	\$ 28.60	\$ 30.04	\$ 1.44	5.0%	
3	\$ 32.60	\$ 34.26	\$ 1.66	5.1%	
4	\$ 36.60	\$ 38.48	\$ 1.88	5.1%	
5	\$ 40.60	\$ 42.70	\$ 2.10	5.2%	
6	\$ 44.60	\$ 46.92	\$ 2.32	5.2%	
7	\$ 48.60	\$ 51.14	\$ 2.54	5.2%	
8	\$ 52.60	\$ 55.36	\$ 2.76	5.2%	
<b>9</b>	<b>\$ 56.60</b>	<b>\$ 59.58</b>	<b>\$ 2.98</b>	<b>5.3%</b>	
10	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
11	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
12	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
13	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
14	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
15	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
16	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
17	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
18	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
19	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
20	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
25	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
30	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
40	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	
50	\$ 60.60	\$ 63.80	\$ 3.20	5.3%	

\* Typical Residential bill averages approximately 9,000 gallons monthly per account

**Table 17**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Bill Comparison for Proposed 3/4' Single Family Residential Water and Wastewater Rates - Combined - FY2006**

Monthly Use (Th. Gallons)	Existing Total Bill	Proposed			% of Estimated Monthly Bills	
		Total Bill	Increase	%	In Usage Block	Cumulative
0	\$ 42.10	\$ 43.10	\$ 1.00	2.4%	21.2%	21.2%
1	\$ 46.10	\$ 47.32	\$ 1.22	2.6%	10.2%	31.3%
2	\$ 50.10	\$ 51.54	\$ 1.44	2.9%	7.4%	38.7%
3	\$ 54.10	\$ 55.76	\$ 1.66	3.1%	7.1%	45.8%
4	\$ 58.10	\$ 59.98	\$ 1.88	3.2%	6.1%	51.9%
5	\$ 62.10	\$ 64.20	\$ 2.10	3.4%	5.4%	57.3%
6	\$ 70.40	\$ 72.72	\$ 2.32	3.3%	4.6%	61.9%
7	\$ 78.70	\$ 81.24	\$ 2.54	3.2%	4.0%	66.0%
8	\$ 87.00	\$ 89.76	\$ 2.76	3.2%	3.0%	68.9%
9	\$ 95.30	\$ 98.28	\$ 2.98	3.1%	2.6%	71.5%
10	\$ 103.60	\$ 106.80	\$ 3.20	3.1%	2.4%	74.0%
11	\$ 107.90	\$ 111.10	\$ 3.20	3.0%	2.2%	76.2%
12	\$ 112.20	\$ 115.40	\$ 3.20	2.9%	1.8%	77.9%
13	\$ 116.50	\$ 119.70	\$ 3.20	2.7%	1.6%	79.5%
14	\$ 120.80	\$ 124.00	\$ 3.20	2.6%	1.4%	81.0%
15	\$ 125.10	\$ 128.30	\$ 3.20	2.6%	1.5%	82.5%
16	\$ 129.70	\$ 133.68	\$ 3.98	3.1%	1.1%	83.6%
17	\$ 134.30	\$ 139.06	\$ 4.76	3.5%	1.1%	84.7%
18	\$ 138.90	\$ 144.44	\$ 5.54	4.0%	1.0%	85.6%
19	\$ 143.50	\$ 149.82	\$ 6.32	4.4%	1.1%	86.7%
20	\$ 148.10	\$ 155.20	\$ 7.10	4.8%	0.9%	87.7%
21	\$ 152.70	\$ 160.58	\$ 7.88	5.2%	0.9%	88.5%
22	\$ 157.30	\$ 165.96	\$ 8.66	5.5%	0.8%	89.3%
23	\$ 161.90	\$ 171.34	\$ 9.44	5.8%	0.7%	90.0%
24	\$ 166.50	\$ 176.72	\$ 10.22	6.1%	0.6%	90.5%
25	\$ 171.10	\$ 182.10	\$ 11.00	6.4%	0.6%	91.1%
26	\$ 176.80	\$ 188.55	\$ 11.75	6.6%	0.6%	91.7%
27	\$ 182.50	\$ 195.00	\$ 12.50	6.8%	0.6%	92.3%
28	\$ 188.20	\$ 201.45	\$ 13.25	7.0%	0.5%	92.8%
29	\$ 193.90	\$ 207.90	\$ 14.00	7.2%	0.4%	93.2%
30	\$ 199.60	\$ 214.35	\$ 14.75	7.4%	0.5%	93.6%
35	\$ 228.10	\$ 246.60	\$ 18.50	8.1%	1.9%	95.5%
40	\$ 256.60	\$ 278.85	\$ 22.25	8.7%	1.2%	96.7%
45	\$ 285.10	\$ 311.10	\$ 26.00	9.1%	0.8%	97.5%
50	\$ 313.60	\$ 343.35	\$ 29.75	9.5%	0.5%	98.0%

\* Typical Residential bill averages approximately 9,000 gallons monthly per account



**Table 18**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Bill Comparison for Proposed Commercial Water Rates - FY 2006**

Monthly Use (Th. Gallons)	Commercial Water Rates by Meter Size [1]											
	3/4"				1"				1 1/2"			
	Existing	Proposed	Increase	%	Existing	Proposed	Increase	%	Existing	Proposed	Increase	%
0	\$ 21.50	\$ 21.50	\$ 0.00	0.00%	\$ 21.50	\$ 39.95	\$ 18.45	85.81%	\$ 21.50	\$ 77.88	\$ 56.38	262.23%
1	21.50	21.50	0.00	0.00%	21.50	39.95	18.45	85.81%	21.50	77.88	56.38	262.23%
2	21.50	21.50	0.00	0.00%	21.50	39.95	18.45	85.81%	21.50	77.88	56.38	262.23%
3	21.50	21.50	0.00	0.00%	21.50	39.95	18.45	85.81%	21.50	77.88	56.38	262.23%
4	21.50	21.50	0.00	0.00%	21.50	39.95	18.45	85.81%	21.50	77.88	56.38	262.23%
5	21.50	21.50	0.00	0.00%	21.50	39.95	18.45	85.81%	21.50	77.88	56.38	262.23%
6	25.80	25.80	0.00	0.00%	25.80	44.25	18.45	71.51%	25.80	82.18	56.38	218.53%
7	30.10	30.10	0.00	0.00%	30.10	48.55	18.45	61.30%	30.10	86.48	56.38	187.31%
8	34.40	34.40	0.00	0.00%	34.40	52.85	18.45	53.63%	34.40	90.78	56.38	163.90%
9	38.70	38.70	0.00	0.00%	38.70	57.15	18.45	47.67%	38.70	95.08	56.38	145.68%
10	43.00	43.00	0.00	0.00%	43.00	61.45	18.45	42.91%	43.00	99.38	56.38	131.12%
11	47.30	47.30	0.00	0.00%	47.30	65.75	18.45	39.01%	47.30	103.68	56.38	119.20%
12	51.60	51.60	0.00	0.00%	51.60	70.05	18.45	35.76%	51.60	107.98	56.38	109.26%
13	55.90	55.90	0.00	0.00%	55.90	74.35	18.45	33.01%	55.90	112.28	56.38	100.86%
14	60.20	60.20	0.00	0.00%	60.20	78.65	18.45	30.65%	60.20	116.58	56.38	93.65%
15	64.50	64.50	0.00	0.00%	64.50	82.95	18.45	28.60%	64.50	120.88	56.38	87.41%
20	86.00	86.00	0.00	0.00%	86.00	104.45	18.45	21.45%	86.00	142.38	56.38	65.56%
25	107.50	107.50	0.00	0.00%	107.50	125.95	18.45	17.16%	107.50	163.88	56.38	52.45%
30	129.00	129.00	0.00	0.00%	129.00	147.45	18.45	14.30%	129.00	185.38	56.38	43.71%
40	172.00	172.00	0.00	0.00%	172.00	190.45	18.45	10.73%	172.00	228.38	56.38	32.78%
50	215.00	215.00	0.00	0.00%	215.00	233.45	18.45	8.58%	215.00	271.38	56.38	26.22%
60	258.00	258.00	0.00	0.00%	258.00	276.45	18.45	7.15%	258.00	314.38	56.38	21.85%
70	301.00	301.00	0.00	0.00%	301.00	319.45	18.45	6.13%	301.00	357.38	56.38	18.73%
80	344.00	344.00	0.00	0.00%	344.00	362.45	18.45	5.36%	344.00	400.38	56.38	16.39%
90	387.00	387.00	0.00	0.00%	387.00	405.45	18.45	4.77%	387.00	443.38	56.38	14.57%
100	430.00	430.00	0.00	0.00%	430.00	448.45	18.45	4.29%	430.00	486.38	56.38	13.11%
110	473.00	473.00	0.00	0.00%	473.00	491.45	18.45	3.90%	473.00	529.38	56.38	11.92%
150	645.00	645.00	0.00	0.00%	645.00	663.45	18.45	2.86%	645.00	701.38	56.38	8.74%

Typical Commercial bill averages approximately 15,000 gallons monthly per account for the 3/4" Meter, 25,000 for the 1" Meter, and 30,000 for the 1 1/2" Meter.

**Table 18**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Bill Comparison for Proposed Commercial Water Rates - FY 2006**

Monthly Use (Th. Gallons)	2"				2 1/2"			
	Existing	Proposed	Increase	%	Existing	Proposed	Increase	%
0	\$ 21.50	\$ 124.00	\$ 102.50	476.74%	\$ 21.50	\$ 226.50	\$ 205.00	953.49%
1	21.50	124.00	102.50	476.74%	21.50	226.50	205.00	953.49%
2	21.50	124.00	102.50	476.74%	21.50	226.50	205.00	953.49%
3	21.50	124.00	102.50	476.74%	21.50	226.50	205.00	953.49%
4	21.50	124.00	102.50	476.74%	21.50	226.50	205.00	953.49%
5	21.50	124.00	102.50	476.74%	21.50	226.50	205.00	953.49%
6	25.80	128.30	102.50	397.29%	25.80	230.80	205.00	794.57%
7	30.10	132.60	102.50	340.53%	30.10	235.10	205.00	681.06%
8	34.40	136.90	102.50	297.97%	34.40	239.40	205.00	595.93%
9	38.70	141.20	102.50	264.86%	38.70	243.70	205.00	529.72%
10	43.00	145.50	102.50	238.37%	43.00	248.00	205.00	476.74%
11	47.30	149.80	102.50	216.70%	47.30	252.30	205.00	433.40%
12	51.60	154.10	102.50	198.64%	51.60	256.60	205.00	397.29%
13	55.90	158.40	102.50	183.36%	55.90	260.90	205.00	366.73%
14	60.20	162.70	102.50	170.27%	60.20	265.20	205.00	340.53%
15	64.50	167.00	102.50	158.91%	64.50	269.50	205.00	317.83%
20	86.00	188.50	102.50	119.19%	86.00	291.00	205.00	238.37%
25	107.50	210.00	102.50	95.35%	107.50	312.50	205.00	190.70%
30	129.00	231.50	102.50	79.46%	129.00	334.00	205.00	158.91%
40	172.00	274.50	102.50	59.59%	172.00	377.00	205.00	119.19%
50	215.00	317.50	102.50	47.67%	215.00	420.00	205.00	95.35%
60	258.00	360.50	102.50	39.73%	258.00	463.00	205.00	79.46%
70	301.00	403.50	102.50	34.05%	301.00	506.00	205.00	68.11%
80	344.00	446.50	102.50	29.80%	344.00	549.00	205.00	59.59%
90	387.00	489.50	102.50	26.49%	387.00	592.00	205.00	52.97%
100	430.00	532.50	102.50	23.84%	430.00	635.00	205.00	47.67%
110	473.00	575.50	102.50	21.67%	473.00	678.00	205.00	43.34%
150	645.00	747.50	102.50	15.89%	645.00	850.00	205.00	31.78%

Typical Commercial bill averages approximately 100,000 gallons monthly per account for the 2" Meter, and 5,000 for the 2 1/2" Meter.  
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**Table 18**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Bill Comparison for Proposed Commercial Water Rates - FY 2006**

Footnotes:

[1] Table is based on the following rates:

	Meter Size			
	5/8"	1"	1 1/2"	2"
<b>Existing Rates</b>				
Base Monthly Rate	\$ 21.50	\$ 21.50	\$ 21.50	\$ 21.50
Customer Charge (i)	0.00	0.00	0.00	0.00
Rate per 1,000 Gal.	0-5	5-UP		
	\$0.00	\$ 4.30		
<b>Proposed Rates</b>				
Base Monthly Rate	\$ 20,500	\$ 38,950	\$ 76,880	\$ 123,000
Customer Charge (i)	1.00	1.00	1.00	1.00
Rate per 1,000 Gal.	0-5	5-UP		
	\$0.00	\$4.30		

(i) Association does not have a monthly customer charge.

**Table 19**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Bill Comparison for Proposed Commercial Wastewater Rates - FY 2006**

Monthly Use (Th. Gallons)	Commercial Water Rates by Meter Size [1]												
	3/4"			1"			1 1/2"			2"			
	Existing	Proposed	Increase	Existing	Proposed	Increase	Existing	Proposed	Increase	Existing	Proposed	Increase	
0	\$ 20.60	\$ 21.60	1.00	\$ 20.60	\$ 40.76	\$ 20.16	\$ 20.60	\$ 80.15	\$ 59.55	\$ 20.60	\$ 80.15	\$ 59.55	289.08%
1	24.60	25.82	1.22	24.60	44.98	20.38	24.60	84.37	59.77	24.60	84.37	59.77	242.97%
2	28.60	30.04	1.44	28.60	49.20	20.60	28.60	88.59	59.99	28.60	88.59	59.99	209.76%
3	32.60	34.26	1.66	32.60	53.42	20.82	32.60	92.81	60.21	32.60	92.81	60.21	184.69%
4	36.60	38.48	1.88	36.60	57.64	21.04	36.60	97.03	60.43	36.60	97.03	60.43	165.11%
5	40.60	42.70	2.10	40.60	61.86	21.26	40.60	101.25	60.65	40.60	101.25	60.65	149.38%
6	44.60	46.92	2.32	44.60	66.08	21.48	44.60	105.47	60.87	44.60	105.47	60.87	136.48%
7	48.60	51.14	2.54	48.60	70.30	21.70	48.60	109.69	61.09	48.60	109.69	61.09	125.70%
8	52.60	55.36	2.76	52.60	74.52	21.92	52.60	113.91	61.31	52.60	113.91	61.31	116.56%
9	56.60	59.58	2.98	56.60	78.74	22.14	56.60	118.13	61.53	56.60	118.13	61.53	108.71%
10	60.60	63.80	3.20	60.60	82.96	22.36	60.60	122.35	61.75	60.60	122.35	61.75	101.90%
11	64.60	68.02	3.42	64.60	87.18	22.58	64.60	126.57	61.97	64.60	126.57	61.97	95.93%
12	68.60	72.24	3.64	68.60	91.40	22.80	68.60	130.79	62.19	68.60	130.79	62.19	90.66%
13	72.60	76.46	3.86	72.60	95.62	23.02	72.60	135.01	62.41	72.60	135.01	62.41	85.96%
14	76.60	80.68	4.08	76.60	99.84	23.24	76.60	139.23	62.63	76.60	139.23	62.63	81.76%
15	80.60	84.90	4.30	80.60	104.06	23.46	80.60	143.45	62.85	80.60	143.45	62.85	77.98%
20	100.60	106.00	5.40	100.60	125.16	24.56	100.60	164.55	63.95	100.60	164.55	63.95	63.57%
25	120.60	127.10	6.50	120.60	146.26	25.66	120.60	185.65	65.05	120.60	185.65	65.05	53.94%
30	140.60	148.20	7.60	140.60	167.36	26.76	140.60	206.75	66.15	140.60	206.75	66.15	47.05%
40	180.60	190.40	9.80	180.60	209.56	28.96	180.60	248.95	68.35	180.60	248.95	68.35	37.85%
50	220.60	232.60	12.00	220.60	251.76	31.16	220.60	291.15	70.55	220.60	291.15	70.55	31.98%
60	260.60	274.80	14.20	260.60	293.96	33.36	260.60	333.35	72.75	260.60	333.35	72.75	27.92%
70	300.60	317.00	16.40	300.60	336.16	35.56	300.60	375.55	74.95	300.60	375.55	74.95	24.93%
80	340.60	359.20	18.60	340.60	378.36	37.76	340.60	417.75	77.15	340.60	417.75	77.15	22.65%
90	380.60	401.40	20.80	380.60	420.56	39.96	380.60	459.95	79.35	380.60	459.95	79.35	20.85%
100	420.60	443.60	23.00	420.60	462.76	42.16	420.60	502.15	81.55	420.60	502.15	81.55	19.39%
110	460.60	485.80	25.20	460.60	504.96	44.36	460.60	544.35	83.75	460.60	544.35	83.75	18.18%
150	620.60	654.60	34.00	620.60	673.76	53.16	620.60	713.15	92.55	620.60	713.15	92.55	14.91%

Typical Commercial bill averages approximately 15,000 gallons monthly per account for the 3/4" Meter, 25,000 for the 1" Meter, and 30,000 for the 1 1/2" Meter.

Table 19  
 Gasparilla Island Water Association, Inc.  
 Water and Wastewater Utility Rate Study  
 Bill Comparison for Proposed Commercial Wastewater Rates - FY 2006

Monthly Use (Th. Gallons)	2"				3/4"			
	Existing	Proposed	Increase	%	Existing	Proposed	Increase	%
0	\$ 20.60	\$ 128.05	\$ 107.45	521.60%	\$ 20.60	\$ 234.50	\$ 213.90	1038.35%
1	24.60	132.27	107.67	437.68%	24.60	238.72	214.12	870.41%
2	28.60	136.49	107.89	377.24%	28.60	242.94	214.34	749.44%
3	32.60	140.71	108.11	331.63%	32.60	247.16	214.56	658.16%
4	36.60	144.93	108.33	295.98%	36.60	251.38	214.78	586.83%
5	40.60	149.15	108.55	267.36%	40.60	255.60	215.00	529.56%
6	44.60	153.37	108.77	243.88%	44.60	259.82	215.22	482.56%
7	48.60	157.59	108.99	224.26%	48.60	264.04	215.44	443.29%
8	52.60	161.81	109.21	207.62%	52.60	268.26	215.66	410.00%
9	56.60	166.03	109.43	193.34%	56.60	272.48	215.88	381.41%
10	60.60	170.25	109.65	180.94%	60.60	276.70	216.10	356.60%
11	64.60	174.47	109.87	170.08%	64.60	280.92	216.32	334.86%
12	68.60	178.69	110.09	160.48%	68.60	285.14	216.54	315.66%
13	72.60	182.91	110.31	151.94%	72.60	289.36	216.76	298.57%
14	76.60	187.13	110.53	144.30%	76.60	293.58	216.98	283.26%
15	80.60	191.35	110.75	137.41%	80.60	297.80	217.20	269.48%
20	100.60	212.45	111.85	111.18%	100.60	318.90	218.30	217.00%
25	120.60	233.55	112.95	93.66%	120.60	340.00	219.40	181.92%
30	140.60	254.65	114.05	81.12%	140.60	361.10	220.50	156.83%
40	180.60	296.85	116.25	64.37%	180.60	403.30	222.70	123.31%
50	220.60	339.05	118.45	53.69%	220.60	445.50	224.90	101.95%
60	260.60	381.25	120.65	46.30%	260.60	487.70	227.10	87.15%
70	300.60	423.45	122.85	40.87%	300.60	529.90	229.30	76.28%
80	340.60	465.65	125.05	36.71%	340.60	572.10	231.50	67.97%
90	380.60	507.85	127.25	33.43%	380.60	614.30	233.70	61.40%
100	420.60	550.05	129.45	30.78%	420.60	656.50	235.90	56.09%
110	460.60	592.25	131.65	28.58%	460.60	698.70	238.10	51.69%
150	620.60	761.05	140.45	22.63%	620.60	867.50	246.90	39.78%

Typical Commercial bill averages approximately 100,000 gallons monthly per account for the 2" Meter, and 5,000 for the 2 1/2" Meter.  
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**Table 19**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Bill Comparison for Proposed Commercial Wastewater Rates - FY 2006**

Footnotes: \_\_\_\_\_

[1] Table is based on the following rates:

	Meter Size			
	5/8"	1"	1 1/2"	2
<b>Existing Rates</b>				
Base Monthly Rate	\$ 20.60	\$ 20.60	\$ 20.60	\$ 20.60
Customer Charge (i)	0.00	0.00	0.00	0.00
Rate per 1,000 Gal.	\$ 4.00			
<b>Proposed Rates</b>				
Base Monthly Rate	\$ 21.29	\$ 40.45	\$ 79.84	\$ 127.74
Customer Charge (i)	\$ 0.31	\$ 0.31	\$ 0.31	\$ 0.31
Rate per 1,000 Gal.	\$ 4.22			

(i) Association does not have a monthly customer charge.

**Table 20**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Bill Comparison for Proposed Commercial Wastewater Rates - FY 2006**

Monthly Use (Th. Gallons)	3/4"				1"				1 1/2"			
	Existing	Proposed	Increase	%	Existing	Proposed	Increase	%	Existing	Proposed	Increase	%
0	\$ 42.10	\$ 43.10	\$ 1.00	2.38%	\$ 42.10	\$ 80.71	\$ 38.61	91.71%	\$ 42.10	\$ 158.03	\$ 115.93	275.37%
1	46.10	47.32	1.22	2.65%	46.10	84.93	38.83	84.23%	46.10	162.25	116.15	251.95%
2	50.10	51.54	1.44	2.87%	50.10	89.15	39.05	77.94%	50.10	166.47	116.37	232.28%
3	54.10	55.76	1.66	3.07%	54.10	93.37	39.27	72.59%	54.10	170.69	116.59	215.51%
4	58.10	59.98	1.88	3.24%	58.10	97.59	39.49	67.97%	58.10	174.91	116.81	201.05%
5	62.10	64.20	2.10	3.38%	62.10	101.81	39.71	63.95%	62.10	179.13	117.03	188.45%
6	70.40	72.72	2.32	3.30%	70.40	110.33	39.93	56.72%	70.40	187.65	117.25	166.55%
7	78.70	81.24	2.54	3.23%	78.70	118.85	40.15	51.02%	78.70	196.17	117.47	149.26%
8	87.00	89.76	2.76	3.17%	87.00	127.37	40.37	46.40%	87.00	204.69	117.69	135.28%
9	95.30	98.28	2.98	3.13%	95.30	135.89	40.59	42.59%	95.30	213.21	117.91	123.73%
10	103.60	106.80	3.20	3.09%	103.60	144.41	40.81	39.39%	103.60	221.73	118.13	114.03%
11	111.90	115.32	3.42	3.06%	111.90	152.93	41.03	36.67%	111.90	230.25	118.35	105.76%
12	120.20	123.84	3.64	3.03%	120.20	161.45	41.25	34.32%	120.20	238.77	118.57	98.64%
13	128.50	132.36	3.86	3.00%	128.50	169.97	41.47	32.27%	128.50	247.29	118.79	92.44%
14	136.80	140.88	4.08	2.98%	136.80	178.49	41.69	30.48%	136.80	255.81	119.01	87.00%
15	145.10	149.40	4.30	2.96%	145.10	187.01	41.91	28.88%	145.10	264.33	119.23	82.17%
20	186.60	192.00	5.40	2.89%	186.60	229.61	43.01	23.05%	186.60	306.93	120.33	64.49%
25	228.10	234.60	6.50	2.85%	228.10	272.21	44.11	19.34%	228.10	349.53	121.43	53.24%
30	269.60	277.20	7.60	2.82%	269.60	314.81	45.21	16.77%	269.60	392.13	122.53	45.45%
40	352.60	362.40	9.80	2.78%	352.60	400.01	47.41	13.45%	352.60	477.33	124.73	35.37%
50	435.60	447.60	12.00	2.75%	435.60	485.21	49.61	11.39%	435.60	562.53	126.93	29.14%
60	518.60	532.80	14.20	2.74%	518.60	570.41	51.81	9.99%	518.60	647.73	129.13	24.90%
70	601.60	618.00	16.40	2.73%	601.60	655.61	54.01	8.98%	601.60	732.93	131.33	21.83%
80	684.60	703.20	18.60	2.72%	684.60	740.81	56.21	8.21%	684.60	818.13	133.53	19.50%
90	767.60	788.40	20.80	2.71%	767.60	826.01	58.41	7.61%	767.60	903.33	135.73	17.68%
100	850.60	873.60	23.00	2.70%	850.60	911.21	60.61	7.13%	850.60	988.53	137.93	16.22%
110	933.60	958.80	25.20	2.70%	933.60	996.41	62.81	6.73%	933.60	1,073.73	140.13	15.01%
150	1,265.60	1,299.60	34.00	2.69%	1,265.60	1,337.21	71.61	5.66%	1,265.60	1,414.53	148.93	11.77%

Typical Commercial bill averages approximately 15,000 gallons monthly per account for the 3/4" Meter, 25,000 for the 1" Meter, and 30,000 for the 1 1/2" Meter.

**Table 20**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Bill Comparison for Proposed Commercial Wastewater Rates - FY 2006**

Monthly Use (Th. Gallons)	Commercial Water and Wastewater Rates by Meter Size [1]							
	2"		3/4"		3/4"			
	Existing	Proposed	Increase	%	Existing	Proposed	Increase	%
0	\$ 42.10	\$ 252.05	\$ 209.95	498.69%	\$ 42.10	\$ 461.00	\$ 418.90	995.01%
1	46.10	256.27	210.17	455.90%	46.10	465.22	419.12	909.15%
2	50.10	260.49	210.39	419.94%	50.10	469.44	419.34	837.01%
3	54.10	264.71	210.61	389.30%	54.10	473.66	419.56	775.53%
4	58.10	268.93	210.83	362.87%	58.10	477.88	419.78	722.51%
5	62.10	273.15	211.05	339.86%	62.10	482.10	420.00	676.33%
6	70.40	281.67	211.27	300.10%	70.40	490.62	420.22	596.90%
7	78.70	290.19	211.49	268.73%	78.70	499.14	420.44	534.23%
8	87.00	298.71	211.71	243.34%	87.00	507.66	420.66	483.52%
9	95.30	307.23	211.93	222.38%	95.30	516.18	420.88	441.64%
10	103.60	315.75	212.15	204.78%	103.60	524.70	421.10	406.47%
11	111.90	324.27	212.37	189.79%	111.90	533.22	421.32	376.51%
12	120.20	332.79	212.59	176.86%	120.20	541.74	421.54	350.70%
13	128.50	341.31	212.81	165.61%	128.50	550.26	421.76	328.22%
14	136.80	349.83	213.03	155.72%	136.80	558.78	421.98	308.46%
15	145.10	358.35	213.25	146.97%	145.10	567.30	422.20	290.97%
20	186.60	400.95	214.35	114.87%	186.60	609.90	423.30	226.85%
25	228.10	443.55	215.45	94.45%	228.10	652.50	424.40	186.06%
30	269.60	486.15	216.55	80.32%	269.60	695.10	425.50	157.83%
40	352.60	571.35	218.75	62.04%	352.60	780.30	427.70	121.30%
50	435.60	656.55	220.95	50.72%	435.60	865.50	429.90	98.69%
60	518.60	741.75	223.15	43.03%	518.60	950.70	432.10	83.32%
70	601.60	826.95	225.35	37.46%	601.60	1,035.90	434.30	72.19%
80	684.60	912.15	227.55	33.24%	684.60	1,121.10	436.50	63.76%
90	767.60	997.35	229.75	29.93%	767.60	1,206.30	438.70	57.15%
100	850.60	1,082.55	231.95	27.27%	850.60	1,291.50	440.90	51.83%
110	933.60	1,167.75	234.15	25.08%	933.60	1,376.70	443.10	47.46%
150	1,265.60	1,508.55	242.95	19.20%	1,265.60	1,717.50	451.90	35.71%

Typical Commercial bill averages approximately 100,000 gallons monthly per account for the 2" Meter, and 5,000 for the 2 1/2" Meter.

Footnotes on pages 3 and 4



**Table 20**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Bill Comparison for Proposed Commercial Wastewater Rates - FY 2006**

Footnotes:

[1] Tables are based on the following rates:

**Water System:**

**Existing Rates**

	Meter Size		
	5/8"	1"	2
Base Monthly Rate	\$ 21.50	\$ 21.50	\$ 21.50
Customer Charge (i)	0.00	0.00	0.00

Rate per 1,000 Gal. 4.30

**Proposed Rates**

	Meter Size		
	5/8"	1"	2
Base Monthly Rate	\$ 20.50	\$ 38.95	\$ 76.88
Customer Charge (i)	1.00	1.00	1.00

Rate per 1,000 Gal. 4.30

**Proposed Rates**

	Meter Size		
	5/8"	1"	2
Base Monthly Rate	\$ 20.50	\$ 38.95	\$ 76.88
Customer Charge (i)	1.00	1.00	1.00

**Table 20**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**  
**Bill Comparison for Proposed Commercial Wastewater Rates - FY 2006**

Footnotes (Cont'd.) \_\_\_\_\_

**Wastewater System:**

	Meter Size			
	5/8"	1"	1 1/2"	2 1/2"
<b>Existing Rates</b>				
Base Monthly Rate	\$ 20.60	\$ 20.60	\$ 20.60	\$ 20.60
Customer Charge (i)	0.00	0.00	0.00	0.00
Rate per 1,000 Gal.	4.00			
<b>Proposed Rates</b>				
Base Monthly Rate	\$ 21.29	\$ 40.45	\$ 79.84	\$ 127.74
Customer Charge (i)	0.31	0.31	0.31	0.31
Rate per 1,000 Gal.	4.22			

(i) Association does not have a monthly customer charge.



# APPENDIX A

**Table A-1**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Existing and Proposed Water and Wastewater Rates**

Line No.	Description	Existing Rates		Proposed Rates Effective			
		2006	May 2006	Jan 2007	Jan 2008	Jan 2009	Jan 2010
<b>WATER SYSTEM</b>							
<b><u>Base Charge</u></b>							
Residential							
1	5/8" x 3/4" Meter	\$ 21.50	\$ 21.50	\$ 22.79	\$ 24.16	\$ 25.61	\$ 27.15
2	1" Meter	\$ 21.50	\$ 39.95	\$ 42.35	\$ 44.89	\$ 47.58	\$ 50.43
3	1-1/2" Meter	\$ 21.50	\$ 77.88	\$ 82.55	\$ 87.50	\$ 92.75	\$ 98.32
4	2" Meter	\$ 21.50	\$ 124.00	\$ 131.44	\$ 139.33	\$ 147.69	\$ 156.55
General - Commercial							
5	5/8" x 3/4" Meter	\$ 21.50	\$ 21.50	\$ 22.79	\$ 24.16	\$ 25.61	\$ 27.15
6	1" Meter	\$ 21.50	\$ 39.95	\$ 42.35	\$ 44.89	\$ 47.58	\$ 50.43
7	1-1/2" Meter	\$ 21.50	\$ 77.88	\$ 82.55	\$ 87.50	\$ 92.75	\$ 98.32
8	2" Meter	\$ 21.50	\$ 124.00	\$ 131.44	\$ 139.33	\$ 147.69	\$ 156.55
9	2 - 1/2" Meter	\$ 21.50	\$ 226.50	\$ 240.09	\$ 254.50	\$ 269.77	\$ 285.95
Irrigation							
10	1" Meter	N/A	\$ 39.95	\$ 42.35	\$ 44.89	\$ 47.58	\$ 50.43
11	1-1/2" Meter	N/A	\$ 77.88	\$ 82.55	\$ 87.50	\$ 92.75	\$ 98.32
12	2" Meter	N/A	\$ 124.00	\$ 131.44	\$ 139.33	\$ 147.69	\$ 156.55
13	2 - 1/2" Meter	N/A	\$ 226.50	\$ 240.09	\$ 254.50	\$ 269.77	\$ 285.95
<b><u>Gallonge Charge per 1,000 Gallons</u></b>							
Residential							
14	0 - 5,000 Gallons	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
15	6,000 - 15,000 Gallons	\$ 4.30	\$ 4.30	\$ 4.56	\$ 4.83	\$ 5.12	\$ 5.43
16	16,000 - 25,000 Gallons	\$ 4.60	\$ 5.38	\$ 5.70	\$ 6.04	\$ 6.40	\$ 6.78
17	Over 25,000 Gallons	\$ 5.70	\$ 6.45	\$ 6.84	\$ 7.25	\$ 7.69	\$ 8.15
General - Commercial							
18	0-5,000 Gallons	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
19	Over 5,000 Gallons	\$ 4.30	\$ 4.30	\$ 4.56	\$ 4.83	\$ 5.12	\$ 5.43
Irrigation							
20	0 - 5,000 Gallons	N/A	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
21	6,000 - 15,000 Gallons	N/A	\$ 5.38	\$ 5.70	\$ 6.04	\$ 6.40	\$ 6.78
22	Over 15,000 Gallons	N/A	\$ 6.45	\$ 6.84	\$ 7.25	\$ 7.69	\$ 8.15
<b>ANNUAL FIRE PROTECTION CHARGES</b>							
23	2"and 3" Meters	N/A	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00	\$ 250.00
24	4" Meter	N/A	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00	\$ 400.00
25	6" Meter	N/A	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00
26	8" Meter	N/A	\$ 1,285.00	\$ 1,285.00	\$ 1,285.00	\$ 1,285.00	\$ 1,285.00

**Table A-1**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Existing and Proposed Water and Wastewater Rates**

Line No.	Description	Existing Rates		Proposed Rates Effective				
		2006	May 2006	Jan 2007	Jan 2008	Jan 2009	Jan 2010	
<b>WASTEWATER SYSTEM</b>								
<b><u>Base Charge</u></b>								
Residential								
27	5/8" x 3/4" Meter	\$ 20.60	\$ 21.60	\$ 22.90	\$ 24.27	\$ 25.73	\$ 27.27	
28	1" Meter	\$ 20.60	\$ 21.60	\$ 22.90	\$ 24.27	\$ 25.73	\$ 27.27	
29	1-1/2" Meter	\$ 20.60	\$ 21.60	\$ 22.90	\$ 24.27	\$ 25.73	\$ 27.27	
30	2" Meter	\$ 20.60	\$ 21.60	\$ 22.90	\$ 24.27	\$ 25.73	\$ 27.27	
General - Commercial								
31	5/8" x 3/4" Meter	\$ 20.60	\$ 21.60	\$ 22.90	\$ 24.27	\$ 25.73	\$ 27.27	
32	1" Meter	\$ 20.60	\$ 40.76	\$ 43.21	\$ 45.80	\$ 48.55	\$ 51.46	
33	1-1/2" Meter	\$ 20.60	\$ 80.15	\$ 84.96	\$ 90.06	\$ 95.46	\$ 101.19	
34	2" Meter	\$ 20.60	\$ 128.05	\$ 135.73	\$ 143.87	\$ 152.50	\$ 161.65	
35	2 - 1/2" Meter	\$ 20.60	\$ 234.50	\$ 248.57	\$ 263.48	\$ 279.29	\$ 296.05	
<b><u>Gallonage Charge per 1,000 Gallons</u></b>								
Residential								
36	0 - 10,000 Gallons	\$ 4.00	\$ 4.22	4.47	4.74	5.02	5.32	
General/Commercial								
37	All Gallons	\$ 4.00	\$ 4.22	4.47	4.74	5.02	5.32	



## **APPENDIX B**

**Table B-1**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Water System Peaking Factor Calculation [1]**

Line No.	Description	2004				2005			
		Shallow Well System		R.O. Plant		Shallow Well System		R.O. Plant	
		Maximum	Average	Maximum	Average	Maximum	Average	Maximum	Average
<b>WATER SYSTEM</b>									
<u>Months:</u>									
1	October	404,000	313,000	821,000	649,000	390,000	334,000	1,012,000	788,000
2	November	397,000	370,000	796,000	747,000	392,000	351,000	975,000	869,000
3	December	388,000	281,000	991,000	695,000	362,000	286,000	899,000	710,000
4	January	387,000	278,000	990,000	706,000	390,000	289,000	962,000	708,000
5	February	388,000	269,000	982,000	672,000	396,000	250,000	977,000	770,000
6	March	394,000	322,000	987,000	808,000	393,000	297,000	964,000	732,000
7	April	394,000	339,000	986,000	847,000	390,000	316,000	968,000	778,000
8	May	391,000	314,000	977,000	779,000	395,000	329,000	990,000	806,000
9	June	391,000	339,000	985,000	854,000	393,000	278,000	776,000	547,000
10	July	396,000	310,000	987,000	776,000	389,000	274,000	843,000	604,000
11	August	370,000	239,000	926,000	527,000	395,000	314,000	770,000	612,000
12	September	354,000	258,000	709,000	516,000	394,000	317,000	976,000	675,000
13	Year Peak Day - Maximum (Gallons)	404,000		991,000		396,000		1,012,000	
14	Yearly Average Flow (Gallons)		302,667		714,667		302,917		716,583
15	Peaking Factor		133.48%		138.67%		130.73%		141.23%
<u>Summary of Selected Years</u>									
16	Peaking Factor (%)	136.03%							
17	Base Capacity Factor	73.52%							
18	Extra Capacity Factor	26.48%							

Footnotes:

[1] Based on MORS for FY 2004 - 2005 for the Shallow Well and the R.O. Plant. All values are in Gallons.

**Table B-2  
Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study**

**Wastewater System Peaking Factor Calculation [1]**

Line No.	Description	2003			2004			2005		
		Wastewater Treatment Plant			Wastewater Treatment Plant			Wastewater Treatment Plant		
		Maximum	Three Month [2]	Average	Maximum	Three Month [2]	Average	Maximum	Three Month [2]	Average
<b>WASTEWATER SYSTEM</b>										
Months:										
1	October	363,000		261,000	344,000		247,000	401,000		269,000
2	November	652,000		326,000	392,000		295,000	410,000		319,000
3	December	453,000	489,333	287,000	420,000	385,333	273,000	434,000	415,000	272,000
4	January	420,000		310,000	429,000		318,000	384,000		315,000
5	February	419,000		356,000	471,000		380,000	489,000		390,000
6	March	552,000	463,667	455,000	499,000	466,333	425,000	1,021,000	631,333	510,000
7	April	483,000		376,000	465,000		355,000	522,000		360,000
8	May	394,000		288,000	435,000		271,000	436,000		310,000
9	June	931,000	602,667	355,000	304,000	401,333	239,000	767,000	575,000	427,000
10	July	367,000		254,000	338,000		238,000	607,000		350,000
11	August	413,000		239,000	434,000		290,000	329,000		245,000
12	September	888,000	556,000	330,000	500,000	424,000	273,000	436,000	457,333	244,000
13	Daily Peak - Maximum (Gallons)	931,000			500,000			1,021,000		
14	Three Month Contiguous Peak - Maximum [2]	602,667			466,333			631,333		
15	Daily Average Flow (Gallons)			319,750			300,333			334,250
16	Peaking Factor									
17	Three Month Average Peaking Factor			291.16%			166.48%			305.46%
				188.48%			155.27%			188.88%
Summary of Selected Years										
18	Peaking Factor (%)	256.93%								
19	Three Month Peaking Factor (%)	178.17%								
20	Base Capacity Factor	56.13%								
21	Extra Capacity Factor	43.87%								

**Footnotes:**

[1] Based on MORS for FY 2003 - 2005. All values are in Gallons unless otherwise noted.

[2] Calculated using the average of the maximum peak for three consecutive months during the year.





# APPENDIX C

**Table C-1**

**Gasparilla Island Water Association, Inc.  
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	5,000 Gallons	7,000 Gallons	9,000 Gallons	10,000 Gallons	12,000 Gallons	15,000 Gallons	20,000 Gallons
<b>Gasparilla Island Water Association, Inc.</b>									
1	Existing Rates	\$ 21.50	\$ 21.50	\$ 30.10	\$ 38.70	\$ 43.00	\$ 51.60	\$ 64.50	\$ 87.50
2	Proposed Rates -Preliminary-	\$ 21.50	\$ 21.50	\$ 30.10	\$ 38.70	\$ 43.00	\$ 51.60	\$ 64.50	\$ 91.40
<b><u>Other Florida Utilities:</u></b>									
3	Bonita Springs Utilities, Inc. [2]	\$ 10.39	\$ 25.99	\$ 32.90	\$ 40.48	\$ 44.27	\$ 51.85	\$ 65.23	\$ 88.87
4	Charlotte County [2]	17.83	37.13	44.85	52.57	56.43	65.10	79.53	107.50
5	City of Cape Coral [3]	9.94	21.29	26.49	31.69	34.29	40.79	51.19	70.69
6	City of Clearwater [3]	11.34	20.52	29.70	38.88	44.33	55.23	71.58	98.83
7	City of Fort Myers [3]	5.44	22.54	30.92	39.30	43.49	53.45	68.39	119.59
8	City of Marco Island [3]	23.16	37.66	43.46	49.26	52.16	57.96	66.66	81.16
9	City of Naples [2]	11.44	17.39	19.77	22.15	23.34	25.72	29.29	36.34
10	City of North Port [2]	9.16	23.41	29.11	35.56	39.16	46.36	57.16	75.16
11	City of Punta Gorda [2]	11.65	25.25	30.69	36.13	38.85	45.11	54.50	70.15
12	City of Venice [3]	10.68	27.68	34.48	41.28	44.68	51.48	61.68	78.68
13	Collier County [2]	13.32	21.47	26.13	30.79	33.12	39.26	48.47	63.82
14	Englewood Water District [3]	10.00	19.00	23.20	30.40	35.20	44.80	68.80	117.80
15	FGUA - Lehigh Acres System (Lee County) [3]	10.43	30.18	38.08	45.98	49.93	57.83	69.68	89.43
16	Hillsborough County [2]	11.70	25.45	33.25	41.05	44.95	52.75	64.45	89.95
17	Lee County [2]	8.45	19.75	24.79	30.35	33.13	38.69	48.59	67.15
18	Manatee County [2]	6.25	12.85	15.81	19.09	20.73	24.01	28.93	52.13
19	Okeechobee Utility Authority [2]	15.21	34.41	44.01	53.61	58.41	68.01	82.41	106.41
20	Sarasota County [3]	14.56	26.18	31.74	39.35	44.18	53.84	77.84	124.16
21	Town of Longboat Key [3]	14.00	23.35	28.97	34.59	37.40	44.88	56.10	84.15
22	Other Neighboring Florida Utilities' Average	\$ 11.84	\$ 24.82	\$ 30.97	\$ 37.50	\$ 40.95	\$ 48.27	\$ 60.55	\$ 85.37

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2006 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, is planning to conduct a rate study, or will implement a rate revision within the next twelve months. Utility has a base charge schedule based on one or more of the following factors: meter size, Equivalent Residential Units (ERU), Equivalent Living Units (ELU), or Equivalent Residential Connections (ERC), for either residential or commercial customers.
- [3] Utility has a base charge schedule based on one or more of the following factors: meter size, Equivalent Residential Units (ERU), Equivalent Living Units (ELU), or Equivalent Residential Connections (ERC), for either Residential or commercial customers.

Table C-2

**Gasparilla Island Water Association, Inc.  
Wastewater System**

**Comparison of Typical Monthly Residential Bills For Wastewater Service [1]**

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	5,000 Gallons	7,000 Gallons	9,000 Gallons	10,000 Gallons	12,000 Gallons	15,000 Gallons	20,000 Gallons
<b>Gasparilla Island Water Association, Inc.</b>									
1	Existing Rates	\$ 20.60	\$ 40.60	\$ 48.60	\$ 56.60	\$ 60.60	\$ 60.60	\$ 60.60	\$ 60.60
2	Proposed Rates -Preliminary-	\$ 21.60	\$ 42.70	\$ 51.14	\$ 59.58	\$ 63.80	\$ 63.80	\$ 63.80	\$ 63.80
<b><u>Other Florida Utilities:</u></b>									
3	Bonita Springs Utilities, Inc. [2]	\$ 24.11	\$ 39.76	\$ 46.02	\$ 52.28	\$ 55.41	\$ 61.67	\$ 71.06	\$ 74.19
4	Charlotte County [2]	22.69	38.49	44.81	51.13	54.29	54.29	54.29	54.29
5	City of Cape Coral [3]	11.23	33.83	42.87	51.91	56.43	65.47	79.03	101.63
6	City of Clearwater [3]	15.60	26.00	36.40	46.80	52.00	62.40	78.00	104.00
7	City of Fort Myers [3]	8.07	44.87	60.37	75.87	83.62	83.62	83.62	83.62
8	City of Marco Island [3]	18.90	37.70	41.46	41.46	41.46	41.46	41.46	41.46
9	City of Naples [2]	25.23	35.93	40.21	44.49	46.63	50.91	57.33	68.03
10	City of North Port [2]	21.74	42.24	50.44	54.54	54.54	54.54	54.54	54.54
11	City of Punta Gorda [2]	20.70	26.75	29.17	31.59	32.80	32.80	32.80	32.80
12	City of Venice [3]	9.99	30.19	38.27	46.35	50.39	58.47	70.59	90.79
13	Collier County [2]	20.24	34.49	40.19	45.89	48.74	54.44	62.99	62.99
14	Englewood Water District [3]	17.63	31.63	37.23	42.83	45.63	51.23	59.63	73.63
15	FGUA - Lchigh Acres System (Lee County) [3]	17.69	47.49	53.45	53.45	53.45	53.45	53.45	53.45
16	Hillsborough County [2]	12.75	33.25	41.45	45.55	45.55	45.55	45.55	45.55
17	Lee County [2]	13.35	31.80	39.18	46.56	46.56	46.56	46.56	46.56
18	Manatee County [2]	15.45	29.52	35.14	40.77	43.59	49.21	49.21	49.21
19	Okeechobee Utility Authority [2]	15.75	40.25	50.05	59.85	64.75	74.55	89.25	113.75
20	Sarasota County [3]	13.48	47.58	61.22	74.86	81.68	81.68	81.68	81.68
21	Town of Longboat Key [3]	16.00	43.20	54.08	54.08	54.08	54.08	54.08	54.08
22	Other Neighboring Florida Utilities' Average	\$ 16.87	\$ 36.58	\$ 44.32	\$ 50.54	\$ 53.24	\$ 56.65	\$ 61.32	\$ 67.70

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2006 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 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, is planning to conduct a rate study, or will implement a rate revision within the next twelve months. Utility has a base charge schedule based on one or more of the following factors: meter size, Equivalent Residential Units (ERU), Equivalent Living Units (ELU), or Equivalent Residential Connections (ERC), for either residential or commercial customers.
- [3] Utility has a base charge schedule based on one or more of the following factors: meter size, Equivalent Residential Units (ERU), Equivalent Living Units (ELU), or Equivalent Residential Connections (ERC), for either Residential or commercial customers.

Table C-3

**Gasparilla Island Water Association, Inc.  
Water and Wastewater System**

**Comparison of Typical Monthly Residential Bills For Combined Water and Wastewater Service [1]**

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	5,000 Gallons	7,000 Gallons	9,000 Gallons	10,000 Gallons	12,000 Gallons	15,000 Gallons	20,000 Gallons
<b>Gasparilla Island Water Association, Inc.</b>									
1	Existing Rates	\$ 42.10	\$ 62.10	\$ 78.70	\$ 95.30	\$ 103.60	\$ 112.20	\$ 125.10	\$ 148.10
2	Proposed Rates	\$ 43.10	\$ 64.20	\$ 81.24	\$ 98.28	\$ 106.80	\$ 115.40	\$ 128.30	\$ 155.20
<b><u>Other Florida Utilities:</u></b>									
3	Bonita Springs Utilities, Inc. [2]	\$ 34.50	\$ 65.75	\$ 78.92	\$ 92.76	\$ 99.68	\$ 113.52	\$ 136.29	\$ 163.06
4	Charlotte County [2]	40.52	75.62	89.66	103.70	110.72	119.39	133.82	161.79
5	City of Cape Coral [3]	21.17	55.12	69.36	83.60	90.72	106.26	130.22	172.32
6	City of Clearwater [3]	26.94	46.52	66.10	85.68	96.33	117.63	149.58	202.83
7	City of Fort Myers [3]	13.51	67.41	91.29	115.17	127.11	137.07	152.01	203.21
8	City of Marco Island [3]	42.06	75.36	84.92	90.72	93.62	99.42	108.12	122.62
9	City of Naples [2]	36.67	53.32	59.98	66.64	69.97	76.63	86.62	104.37
10	City of North Port [2]	30.90	65.65	79.55	90.10	93.70	100.90	111.70	129.70
11	City of Punta Gorda [2]	32.35	52.00	59.86	67.72	71.65	77.91	87.30	102.95
12	City of Venice [3]	20.67	57.87	72.75	87.63	95.07	109.95	132.27	169.47
13	Collier County [2]	33.56	55.96	66.32	76.68	81.86	93.70	111.46	126.81
14	Englewood Water District [3]	27.63	50.63	60.43	73.23	80.83	96.03	128.43	191.43
15	FGUA - Lehigh Acres System (Lee County) [3]	28.12	77.67	91.53	99.43	103.38	111.28	123.13	142.88
15	Hillsborough County [2]	24.45	58.70	74.70	86.60	90.50	98.30	110.00	135.50
16	Lee County [2]	21.80	51.55	63.97	76.91	79.69	85.25	95.15	113.71
17	Manatee County [2]	21.70	42.37	50.95	59.86	64.32	73.22	78.14	101.34
18	Okeechobee Utility Authority [2]	30.96	74.66	94.06	113.46	123.16	142.56	171.66	220.16
19	Sarasota County [3]	28.04	73.76	92.96	114.21	125.86	135.52	159.52	205.84
20	Town of Longboat Key [3]	30.00	66.55	83.05	88.67	91.48	98.96	110.18	138.23
21	Other Neighboring Florida Utilities' Average	\$ 28.71	\$61.39	\$75.28	\$88.04	\$94.19	\$104.92	\$121.87	\$153.06

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2006 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, is planning to conduct a rate study, or will implement a rate revision within the next twelve months. Utility has a base charge schedule based on one or more of the following factors: meter size, Equivalent Residential Units (ERU), Equivalent Living Units (ELU), or Equivalent Residential Connections (ERC), for either residential or commercial customers.
- [3] Utility has a base charge schedule based on one or more of the following factors: meter size, Equivalent Residential Units (ERU), Equivalent Living Units (ELU), or Equivalent Residential Connections (ERC), for either residential or commercial customers.

**Table C-4**

**Gasparilla Island Water Association, Inc.  
Water System**

**Comparison of Typical Monthly Residential Bills For Water Service [1]**

Line No.	Description	5/8" or 3/4" Meter		1" Meter		1 1/5" Meter		2" Meter	
		5,000 Gallons	10,000 Gallons	5,000 Gallons	20,000 Gallons	5,000 Gallons	40,000 Gallons	5,000 Gallons	60,000 Gallons
<b>Gasparilla Island Water Association, Inc.</b>									
1	Existing Rates	\$ 21.50	\$ 43.00	\$ 21.50	\$ 87.50	\$ 21.50	\$ 196.00	\$ 21.50	\$ 310.00
2	Proposed Rates -Preliminary-	21.50	43.00	39.95	109.85	77.88	271.43	124.00	446.55
<b><u>Other Florida Utilities:</u></b>									
3	Charlotte County [2]	37.13	56.43	59.60	129.97	101.02	287.19	141.91	443.88
4	City of North Port [2]	23.41	39.16	29.40	29.40	56.05	56.05	87.98	87.98
5	Collier County [2]	21.47	33.12	22.83	22.83	45.60	45.60	72.95	72.95
6	Other Neighboring Florida Utilities' Average	\$ 27.34	\$ 42.90	\$ 37.28	\$ 60.73	\$ 67.56	\$ 129.61	\$ 100.95	\$ 201.60

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2006 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, is planning to conduct a rate study, or will implement a rate revision within the next twelve months. Utility has a base charge schedule similar to the one proposed for Gasparilla Water Association, Inc.

**Comparison of Typical Monthly Commercial Bills For Water Service [1]**

Line No.	Description	5/8" or 3/4" Meter		1" Meter		1 1/5" Meter		2" Meter	
		5,000 Gallons	10,000 Gallons	5,000 Gallons	20,000 Gallons	5,000 Gallons	40,000 Gallons	5,000 Gallons	60,000 Gallons
<b>Gasparilla Island Water Association, Inc.</b>									
7	Existing Rates	\$ 21.50	\$ 43.00	\$ 21.50	\$ 86.00	\$ 21.50	\$ 172.00	\$ 21.50	\$ 258.00
8	Proposed Rates -Preliminary-	21.50	43.00	39.95	104.45	77.88	228.38	124.00	360.50
<b><u>Other Florida Utilities:</u></b>									
9	Charlotte County [2]	\$ 37.13	\$ 56.43	\$ 59.60	\$ 117.50	\$ 101.02	\$ 236.12	\$ 141.91	\$ 354.21
10	City of North Port [2]	23.41	39.16	29.40	29.40	56.05	56.05	87.98	87.98
11	Collier County [2]	21.47	33.12	22.83	22.83	45.60	45.60	72.95	72.95
12	Other Neighboring Florida Utilities' Average	\$ 27.34	\$ 42.90	\$ 37.28	\$ 56.58	\$ 67.56	\$ 112.59	\$ 100.95	\$ 171.71

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2006 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, is planning to conduct a rate study, or will implement a rate revision within the next twelve months. Utility has a base charge schedule similar to the one proposed for Gasparilla Water Association, Inc.

**Table C-5**

**Gasparilla Island Water Association, Inc.  
Wastewater System**

**Comparison of Typical Monthly Commercial Bills For Wastewater Service [1]**

Line No.	Description	5/8" or 3/4" Meter		1" Meter		1 1/5" Meter		2" Meter	
		5,000 Gallons	10,000 Gallons	5,000 Gallons	20,000 Gallons	5,000 Gallons	40,000 Gallons	5,000 Gallons	60,000 Gallons
<b>Gasparilla Island Water Association, Inc.</b>									
1	Existing Rates	\$ 40.60	\$ 60.60	\$ 40.60	\$ 100.60	\$ 40.60	\$ 180.60	\$ 40.60	\$ 260.60
2	Proposed Rates -Preliminary-	\$ 42.70	\$ 63.80	\$ 61.86	\$ 125.16	\$ 101.25	\$ 248.95	\$ 149.15	\$ 381.25
<b><u>Other Florida Utilities:</u></b>									
3	Charlotte County [2]	\$ 38.49	\$ 54.29	\$ 53.23	\$ 100.63	\$ 94.65	\$ 205.25	\$ 135.54	\$ 309.34
4	City of North Port [2]	42.24	62.74	74.85	136.35	129.20	272.70	194.42	419.92
5	Collier County [2]	34.49	48.74	60.26	103.01	103.28	203.03	154.94	311.69
6	Lec County [2]	35.05	53.50	50.25	105.60	75.95	205.10	105.95	308.90
7	Other Neighboring Florida Utilities' Average	\$ 38.41	\$ 55.26	\$ 62.78	\$ 113.33	\$ 109.04	\$ 226.99	\$ 161.63	\$ 346.98

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2006 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, is planning to conduct a rate study, or will implement a rate revision within the next twelve months. Utility has a base charge schedule similar to the one proposed for Gasparilla Water Association, Inc.

Table C-6

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study**

**Rate Comparison of Existing and Proposed Rates with Neighboring Utilities [1]**

Line No.	Description	Existing Rates 2006	Proposed Rates			Existing Rates [2]		
			Effective May 2006	Charlotte County[3]	City of North Port	Collier County		
<b>WATER SYSTEM</b>								
<b><u>Base Charge</u></b>								
Residential								
1	5/8" x 3/4" Meter	\$ 21.50	\$ 21.50	\$ 14.96	\$ 9.16	\$ 13.32		
2	1" Meter	\$ 21.50	\$ 39.95	\$ 37.43	\$ 22.83	\$ 29.40		
3	1-1/2" Meter	\$ 21.50	\$ 77.88	\$ 78.85	\$ 45.60	\$ 56.05		
4	2" Meter	\$ 21.50	\$ 124.00	\$ 119.74	\$ 72.95	\$ 87.98		
General - Commercial								
5	5/8" x 3/4" Meter	\$ 21.50	\$ 21.50	\$ 14.96	\$ 9.16	\$ 13.32		
6	1" Meter	\$ 21.50	\$ 39.95	\$ 37.43	\$ 22.83	\$ 29.40		
7	1-1/2" Meter	\$ 21.50	\$ 77.88	\$ 78.85	\$ 45.60	\$ 56.05		
8	2" Meter	\$ 21.50	\$ 124.00	\$ 119.74	\$ 72.95	\$ 87.98		
<b><u>Gallonge Charge</u></b>								
Residential								
9	First Block [4]	\$ 0.00	\$ 0.00	\$ 3.86	\$ 2.85	\$ 1.63		
10	Second Block [4]	\$ 4.30	\$ 4.30	\$ 4.81	\$ 3.60	\$ 2.33		
11	Third Block [4]	\$ 4.60	\$ 5.38	\$ 5.79		\$ 3.07		
12	Fourth Block [4]	\$ 5.70	\$ 6.45			\$ 3.91		
General - Commercial								
13	First Block [5]	\$ 0.00	\$ 0.00	\$ 3.86	\$ 2.85	\$ 1.63		
14	Second Block [5]	\$ 4.30	\$ 4.30		\$ 3.60	\$ 2.33		
15	Third Block [5]					\$ 3.07		
16	Fourth Block [5]					\$ 3.91		
<b>WASTEWATER SYSTEM</b>								
<b><u>Base Charge</u></b>								
Residential								
17	5/8" x 3/4" Meter	\$ 20.60	\$ 21.60	\$ 22.69	\$ 21.74	\$ 20.24		
18	1" Meter	\$ 20.60	\$ 21.60	\$ 22.69	\$ 21.74	\$ 20.24		
19	1-1/2" Meter	\$ 20.60	\$ 21.60	\$ 22.69	\$ 21.74	\$ 20.24		
20	2" Meter	\$ 20.60	\$ 21.60	\$ 22.69	\$ 21.74	\$ 20.24		
General - Commercial								
21	5/8" x 3/4" Meter	\$ 20.60	\$ 21.60	\$ 22.69	\$ 21.74	\$ 20.24		
22	1" Meter	\$ 20.60	\$ 40.76	\$ 37.43	\$ 54.35	\$ 46.01		
23	1-1/2" Meter	\$ 20.60	\$ 80.15	\$ 78.85	\$ 108.70	\$ 89.03		
24	2" Meter	\$ 20.60	\$ 128.05	\$ 119.74	\$ 173.92	\$ 140.69		
<b><u>Gallonge Charge</u></b>								
Residential								
25	First Block [6]	\$ 4.00	\$ 4.22	\$ 3.16	\$ 4.10	\$ 2.85		
General/Commercial								
26	All Gallons	\$ 4.00	\$ 4.22	\$ 3.16	\$ 4.10	\$ 2.85		

**Gasparilla Island Water Association, Inc.  
Water and Wastewater Utility Rate Study**

**Rate Comparison of Existing and Proposed Rates with Neighboring Utilities [1]**

Footnotes:

[1] Charges among utilities vary because of different factors including: source of supply, type of treatment, number and type of customers, level of connection fees, local growth, etc.

[2] Rates as of January 2006. Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision within the next twelve months.

[3] Charlotte County Utilities charges an additional \$2.87 per bill that is not include in the numbers shown.

[4] Blocks for the respective utilities are as follows:

	<u>Gasparilla W. Assoc.</u>	<u>Charlotte County</u>	<u>City of North Port</u>	<u>Collier County</u>
First Block	0 - 5,000 Gall.	0 - 11,000 Gall.	0 - 8,000 Gall.	0 - 5,000 Gall.
Second Block	6,000 - 15,000 Gall.	11,000 - 16,000 Gall.	Over 8,000 Gall.	6,000 - 10,000 Gall.
Third Block	16,000 - 25,000 Gall.	Over 16,000 Gall.		10,000 - 20,000 Gall.
Fourth Block	Over 25,000 Gall.			20,000 - 30,000 Gall.
Fifth Block				30,000 - 50,000 Gall.
Sixth Block				Over 50,000 Gall.

[5] Blocks for the respective utilities are as follows:

	<u>Gasparilla W. Assoc.</u>	<u>Charlotte County</u>	<u>City of North Port</u>	<u>Collier County</u>
First Block	0-5,000 Gall.	All Gallons	0 - 8,000 Gall.	0 - 5,000 Gall.
Second Block	Over 5,000 Gall		Over 8,000 Gall.	6,000 - 10,000 Gall.
Third Block				10,000 - 20,000 Gall.
Fourth Block				20,000 - 30,000 Gall.
Fifth Block				30,000 - 50,000 Gall.
Sixth Block				Over 50,000 Gall.

[6] Only usage within the first block gets billed. Blocks for the respective utilities are as follows

	<u>Gasparilla W. Assoc.</u>	<u>Charlotte County</u>	<u>City of North Port</u>	<u>Collier County</u>
First Block	0 - 10,000 Gall.	0 - 10,000 Gall.	0 - 8,000 Gall.	0 - 15,000 Gall.





## **APPENDIX D**

**Table D-1**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Systems**

**Bill Frequency Analysis for 3/4" Single Family Residential Consumption by Proposed Blocks (1000 gals)**

Line No.	<u>Single Family 3/4" Residential</u>	Annual Billed Usage (1000 Gallons) [1]	% of Total Single Family	
1	<b>Total Usage for Bills &lt; 5,000/Unit</b>	12,689	10.95%	
	<u>Usage by Block</u>			
2	First Block (0 to 4,999)	12,689	10.95%	
3	Second Block (5,000 to 15,999)	0	0.00%	
4	Third Block (16,000 to 24,999)	0	0.00%	
5	Fourth Block (25,000 and above)	0	0.00%	
6	<b>Total Usage for Bills &gt; 5,000/Unit</b>	70,119	60.50%	
	<u>Usage by Block</u>			<u>Cumulative</u>
7	First Block (0 to 4,999)	27,810	24.00%	24.00%
8	Second Block (5,000 to 15,999)	37,213	32.11%	56.11%
9	Third Block (16,000 to 24,999)	17,059	14.72%	70.83%
10	Fourth Block (25,000 and above)	21,121	18.22%	89.05%
	<b>Total Single Family 3/4" Residential</b>			
	<u>Usage by Block</u>			<u>Cumulative</u>
11	First Block (0 to 4,999)	40,499	34.95%	34.95%
12	Second Block (5,000 to 15,999)	37,213	32.11%	67.06%
13	Third Block (16,000 to 24,999)	17,059	14.72%	81.78%
14	Fourth Block (25,000 and above)	21,121	18.22%	100.00%
15	Total consumption (Annual Kgal)	115,892	100.00%	

[1] Based on detailed bill frequency data for the Fiscal Year 2005

**Table D-2**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Systems**

**Bill Frequency Analysis for 1" Single Family Residential Consumption by Proposed Blocks (1000 gals)**

Line No.	<u>Single Family 1" Residential</u>	Annual Billed Usage (1000 Gallons) [1]	% of Total Single Family	
1	<b>Total Usage for Bills &lt; 5,000/Unit</b>	2,796	5.54%	
	<u>Usage by Block</u>			
2	First Block (0 to 4,999)	2,796	5.54%	
3	Second Block (5,000 to 15,999)	0	0.00%	
4	Third Block (16,000 to 24,999)	0	0.00%	
5	Fourth Block (25,000 and above)	0	0.00%	
6	<b>Total Usage for Bills &gt; 5,000/Unit</b>	33,963	67.34%	
	<u>Usage by Block</u>			<u>Cumulative</u>
7	First Block (0 to 4,999)	9,415	18.67%	18.67%
8	Second Block (5,000 to 15,999)	14,524	28.80%	47.47%
9	Third Block (16,000 to 24,999)	8,222	16.30%	63.77%
10	Fourth Block (25,000 and above)	15,476	30.69%	94.46%
	<b>Total Single Family 1" Residential</b>			
	<u>Usage by Block</u>			<u>Cumulative</u>
11	First Block (0 to 4,999)	12,211	24.21%	24.21%
12	Second Block (5,000 to 15,999)	14,524	28.80%	53.01%
13	Third Block (16,000 to 24,999)	8,222	16.30%	69.31%
14	Fourth Block (25,000 and above)	15,476	30.69%	100.00%
15	Total consumption (Annual Kgal)	50,433	100.00%	

[1] Based on detailed bill frequency data for the Fiscal Year 2005

**Table D-3**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Systems**

**Bill Frequency Analysis for 1 1/2" Single Family Residential Consumption by Proposed Blocks (1000 gals)**

Line No.	<u>Single Family 1 1/2" Residential</u>	Annual Billed Usage (1000 Gallons) [1]	% of Total Single Family	
1	<b>Total Usage for Bills &lt; 5,000/Unit</b>	219	0.68%	
	<u>Usage by Block</u>			
2	First Block (0 to 4,999)	219	0.68%	
3	Second Block (5,000 to 15,999)	0	0.00%	
4	Third Block (16,000 to 24,999)	0	0.00%	
5	Fourth Block (25,000 and above)	0	0.00%	
6	<b>Total Usage for Bills &gt; 5,000/Unit</b>	22,435	69.70%	
	<u>Usage by Block</u>			<u>Cumulative</u>
7	First Block (0 to 4,999)	3,210	9.97%	9.97%
8	Second Block (5,000 to 15,999)	5,961	18.52%	28.49%
9	Third Block (16,000 to 24,999)	4,987	15.49%	43.99%
10	Fourth Block (25,000 and above)	17,809	55.33%	99.32%
	<b>Total Single Family 1 1/2" Residential</b>			
	<u>Usage by Block</u>			<u>Cumulative</u>
11	First Block (0 to 4,999)	3,429	10.65%	10.65%
12	Second Block (5,000 to 15,999)	5,961	18.52%	29.17%
13	Third Block (16,000 to 24,999)	4,987	15.49%	44.67%
14	Fourth Block (25,000 and above)	17,809	55.33%	100.00%
15	Total consumption (Annual Kgal)	32,186	100.00%	

[1] Based on detailed bill frequency data for the Fiscal Year 2005

**Table D-4**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Systems**

**Bill Frequency Analysis for 2" Single Family Residential Consumption by Proposed Blocks (1000 gals)**

Line No.	<u>Single Family 2" Residential</u>	Annual Billed Usage (1000 Gallons) [1]	% of Total Single Family	
1	<b>Total Usage for Bills &lt; 5,000/Unit</b>	55	0.68%	
	<u>Usage by Block</u>			
2	First Block (0 to 4,999)	55	0.68%	
3	Second Block (5,000 to 15,999)	0	0.00%	
4	Third Block (16,000 to 24,999)	0	0.00%	
5	Fourth Block (25,000 and above)	0	0.00%	
6	<b>Total Usage for Bills &gt; 5,000/Unit</b>	3,685	45.53%	
	<u>Usage by Block</u>			<u>Cumulative</u>
7	First Block (0 to 4,999)	560	6.92%	6.92%
8	Second Block (5,000 to 15,999)	1,071	13.23%	20.15%
9	Third Block (16,000 to 24,999)	902	11.14%	31.29%
10	Fourth Block (25,000 and above)	5,506	68.03%	99.32%
	<b>Total Single Family 2" Residential</b>			
	<u>Usage by Block</u>			<u>Cumulative</u>
11	First Block (0 to 4,999)	615	7.60%	7.60%
12	Second Block (5,000 to 15,999)	1,071	13.23%	20.83%
13	Third Block (16,000 to 24,999)	902	11.14%	31.97%
14	Fourth Block (25,000 and above)	5,506	68.03%	100.00%
15	Total consumption (Annual Kgal)	8,094	100.00%	

**Table D-5**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Systems**

**Bill Frequency Analysis for Multi-Family Residential Consumption by Proposed Blocks (1000 gals)**

Line No.	<u>Multi-Family Res.</u>	Annual Billed Usage (1000 Gallons) [1]	% of Total Multi Family	
1	<b>Total Usage for Bills &lt; 5,000/Unit</b>	580	44.04%	
	<u>Usage by Block</u>			
2	First Block (0 to 4,999)	580	44.04%	
3	Second Block (5,000 to 15,999)	0	0.00%	
4	Third Block (16,000 to 24,999)	0	0.00%	
5	Fourth Block (25,000 and above)	0	0.00%	
6	<b>Total Usage for Bills &gt; 5,000/Unit</b>	196	14.88%	
	<u>Usage by Block</u>			<u>Cumulative</u>
7	First Block (0 to 4,999)	340	25.82%	25.82%
8	Second Block (5,000 to 15,999)	336	25.51%	51.33%
9	Third Block (16,000 to 24,999)	58	4.40%	55.73%
10	Fourth Block (25,000 and above)	3	0.23%	55.96%
	<b>Total Multi-Family Res.</b>			
	<u>Usage by Block</u>			<u>Cumulative</u>
11	First Block (0 to 4,999)	920	69.86%	69.86%
12	Second Block (5,000 to 15,999)	336	25.51%	95.37%
13	Third Block (16,000 to 24,999)	58	4.40%	99.77%
14	Fourth Block (25,000 and above)	3	0.23%	100.00%
15	Total consumption (Annual Kgal)	1,317	100.00%	

[1] Based on detailed bill frequency data for the Fiscal Year 2005

**Table D-6**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Systems**

**Bill Frequency Analysis for 1" Irrigation Consumption by Proposed Blocks (1000 gals)**

Line No.	<u>1" Irrigation</u>	Annual Billed Usage (1000 Gallons) [1]	% of Total	
1	<b>Total Usage for Bills &lt; 5,000/Unit</b>	26	0.09%	
	<u>Usage by Block</u>			
2	First Block (0 to 4,999)	26	0.09%	
3	Second Block (5,000 to 15,999)	0	0.00%	
4	Third Block (16,000 to 24,999)	0	0.00%	
5	Fourth Block (25,000 and above)	0	0.00%	
6	<b>Total Usage for Bills &gt; 5,000/Unit</b>	9,955	34.12%	
	<u>Usage by Block</u>			<u>Cumulative</u>
7	First Block (0 to 4,999)	1,245	4.27%	4.27%
8	Second Block (5,000 to 15,999)	2,449	8.39%	12.66%
9	Third Block (16,000 to 24,999)	2,286	7.84%	20.50%
10	Fourth Block (25,000 and above)	23,168	79.41%	<u>99.91%</u>
	<b>Total 1" Irrigation</b>			
	<u>Usage by Block</u>			<u>Cumulative</u>
11	First Block (0 to 4,999)	1,271	4.36%	4.36%
12	Second Block (5,000 to 15,999)	2,449	8.39%	12.75%
13	Third Block (16,000 to 24,999)	2,286	7.84%	20.59%
14	Fourth Block (25,000 and above)	23,168	79.41%	<u>100.00%</u>
15	Total consumption (Annual Kgal)	29,174	100.00%	

[1] Based on detailed bill frequency data for the Fiscal Year 2005

**Table D-7**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Systems**

**Bill Frequency Analysis for 1 1/2" Irrigation Consumption by Proposed Blocks (1000 gals)**

Line No.	<u>1 1/2" Irrigation</u>	Annual Billed Usage (1000 Gallons) [1]	% of Total	
1	<b>Total Usage for Bills &lt; 5,000/Unit</b>	40	0.09%	
	<u>Usage by Block</u>			
2	First Block (0 to 4,999)	40	0.09%	
3	Second Block (5,000 to 15,999)	0	0.00%	
4	Third Block (16,000 to 24,999)	0	0.00%	
5	Fourth Block (25,000 and above)	0	0.00%	
6	<b>Total Usage for Bills &gt; 5,000/Unit</b>	3,398	8.02%	
	<u>Usage by Block</u>			<u>Cumulative</u>
7	First Block (0 to 4,999)	770	1.82%	1.82%
8	Second Block (5,000 to 15,999)	1,470	3.47%	5.29%
9	Third Block (16,000 to 24,999)	1,373	3.24%	8.52%
10	Fourth Block (25,000 and above)	38,729	91.38%	99.91%
	<b>Total 1 1/2" Irrigation</b>			
	<u>Usage by Block</u>			<u>Cumulative</u>
11	First Block (0 to 4,999)	810	1.91%	1.91%
12	Second Block (5,000 to 15,999)	1,470	3.47%	5.38%
13	Third Block (16,000 to 24,999)	1,373	3.24%	8.62%
14	Fourth Block (25,000 and above)	38,729	91.38%	100.00%
15	Total consumption (Annual Kgal)	42,382	100.00%	

[1] Based on detailed bill frequency data for the Fiscal Year 2005



**Table D-8**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Systems**

**Bill Frequency Analysis for 2" Irrigation Consumption by Proposed Blocks (1000 gals)**

Line No.	<u>2" Irrigation</u>	Annual Billed Usage (1000 Gallons) [1]	% of Total	
1	<b>Total Usage for Bills &lt; 5,000/Unit</b>	0	0.00%	
	<u>Usage by Block</u>			
2	First Block (0 to 4,999)	0	0.00%	
3	Second Block (5,000 to 15,999)	0	0.00%	
4	Third Block (16,000 to 24,999)	0	0.00%	
5	Fourth Block (25,000 and above)	0	0.00%	
6	<b>Total Usage for Bills &gt; 5,000/Unit</b>	1,338	3.93%	
	<u>Usage by Block</u>			<u>Cumulative</u>
7	First Block (0 to 4,999)	410	1.21%	1.21%
8	Second Block (5,000 to 15,999)	812	2.39%	3.59%
9	Third Block (16,000 to 24,999)	810	2.38%	5.98%
10	Fourth Block (25,000 and above)	31,976	94.02%	100.00%
	<b>Total 2" Irrigation</b>			
	<u>Usage by Block</u>			<u>Cumulative</u>
11	First Block (0 to 4,999)	410	1.21%	1.21%
12	Second Block (5,000 to 15,999)	812	2.39%	3.59%
13	Third Block (16,000 to 24,999)	810	2.38%	5.98%
14	Fourth Block (25,000 and above)	31,976	94.02%	100.00%
15	Total consumption (Annual Kgal)	34,008	100.00%	

[1] Based on detailed bill frequency data for the Fiscal Year 2005



# APPENDIX E

**Table E-1**

**Gasparilla Island Water Association, Inc.**

**Comparison of Connection (Capacity) Fees for Water and Wastewater Service [1]**

Line No.	Description	Residential 5/8" x 3/4" Meter		
		Water	Wastewater	Combined
<b>Gasparilla Island Water Association, Inc.</b>				
1	Existing	\$ 4,018	\$ 2,793	\$ 6,811
2	Proposed - All Service Areas	4,018	2,793	6,811
<b><u>Other Florida Utilities:</u></b>				
3	Charlotte County [2]	\$ 1,213	\$ 2,090	\$ 3,303
4	City of Cape Coral	1,213	1,738	2,951
5	City of Fort Myers [3]	2,023	1,966	3,989
6	City of Naples	870	1,220	2,090
7	City of North Port [2]	1,735	2,388	4,123
8	City of Punta Gorda [2]	2,000	1,500	3,500
9	Collier County [2]	2,760	3,125	5,885
10	Englewood Water District [2]	1,427	1,690	3,117
11	Hillsborough County [2]	1,650	1,900	3,550
12	Lee County [2]	1,140	1,735	2,875
13	Manatee County [2]	1,270	1,655	2,925
14	Pinellas County	352	2,060	2,412
15	Sarasota County	2,720	2,031	4,751
16	Other Florida Utilities' Average	\$ 1,567	\$ 1,931	\$ 3,498

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2006 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. Excludes all charges for water distribution.
- [2] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision within the next twelve months.
- [3] Impact Fee schedule only applies for new construction outside of the City limits.

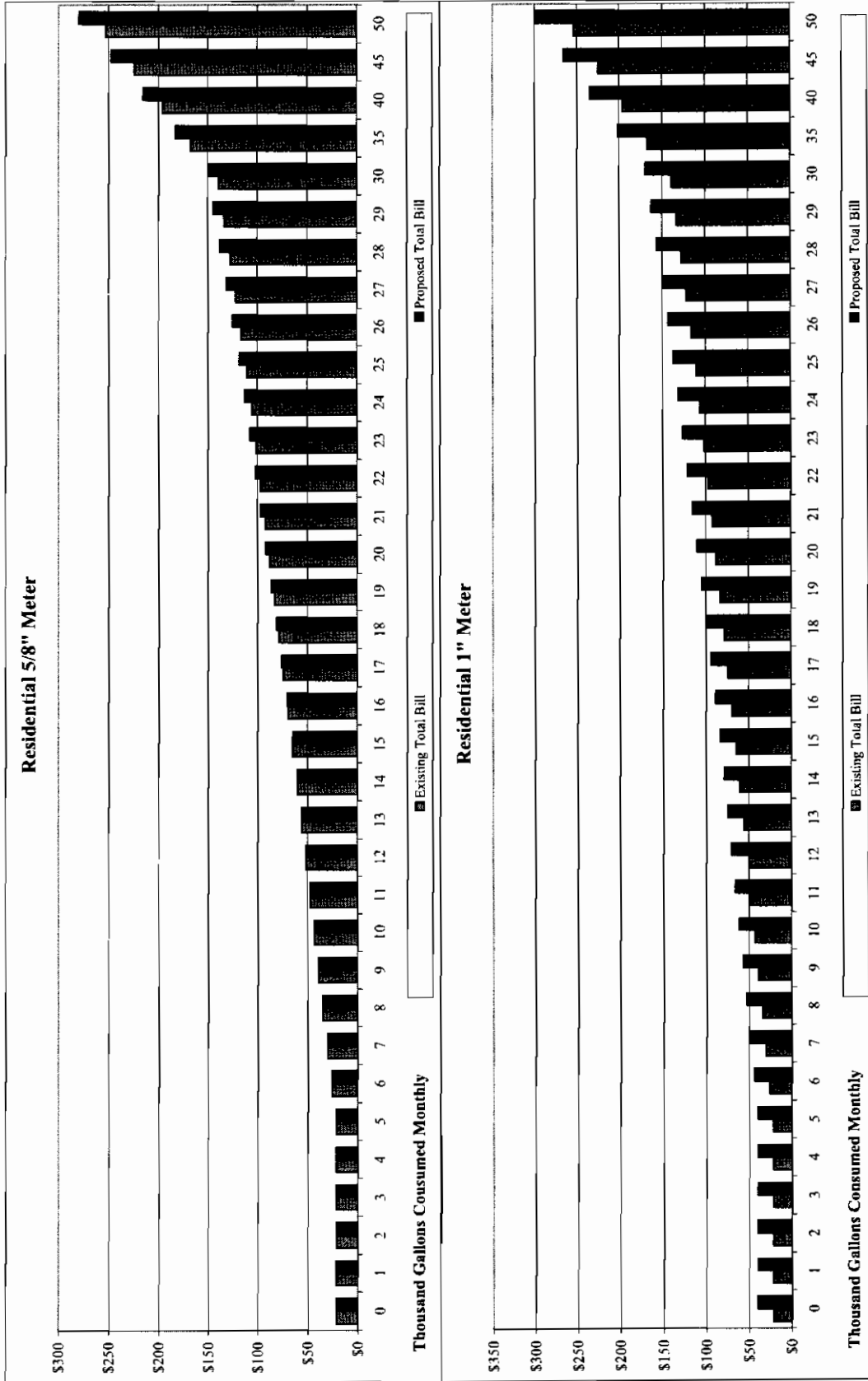


# FIGURES

**Figure 1**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**



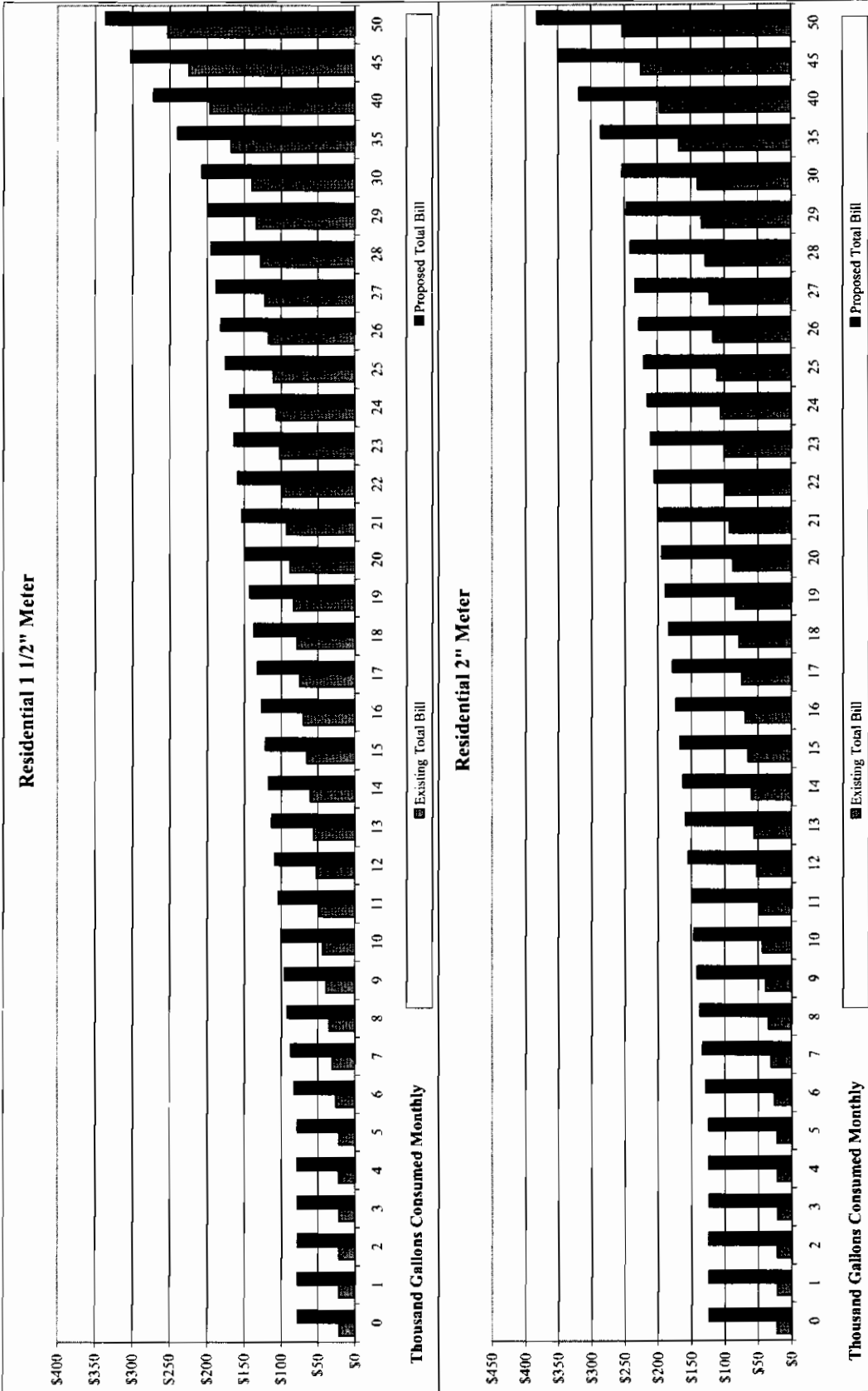
**Monthly Charges for Water Service for Residential Customers - Existing and Proposed**



**Figure 1**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**



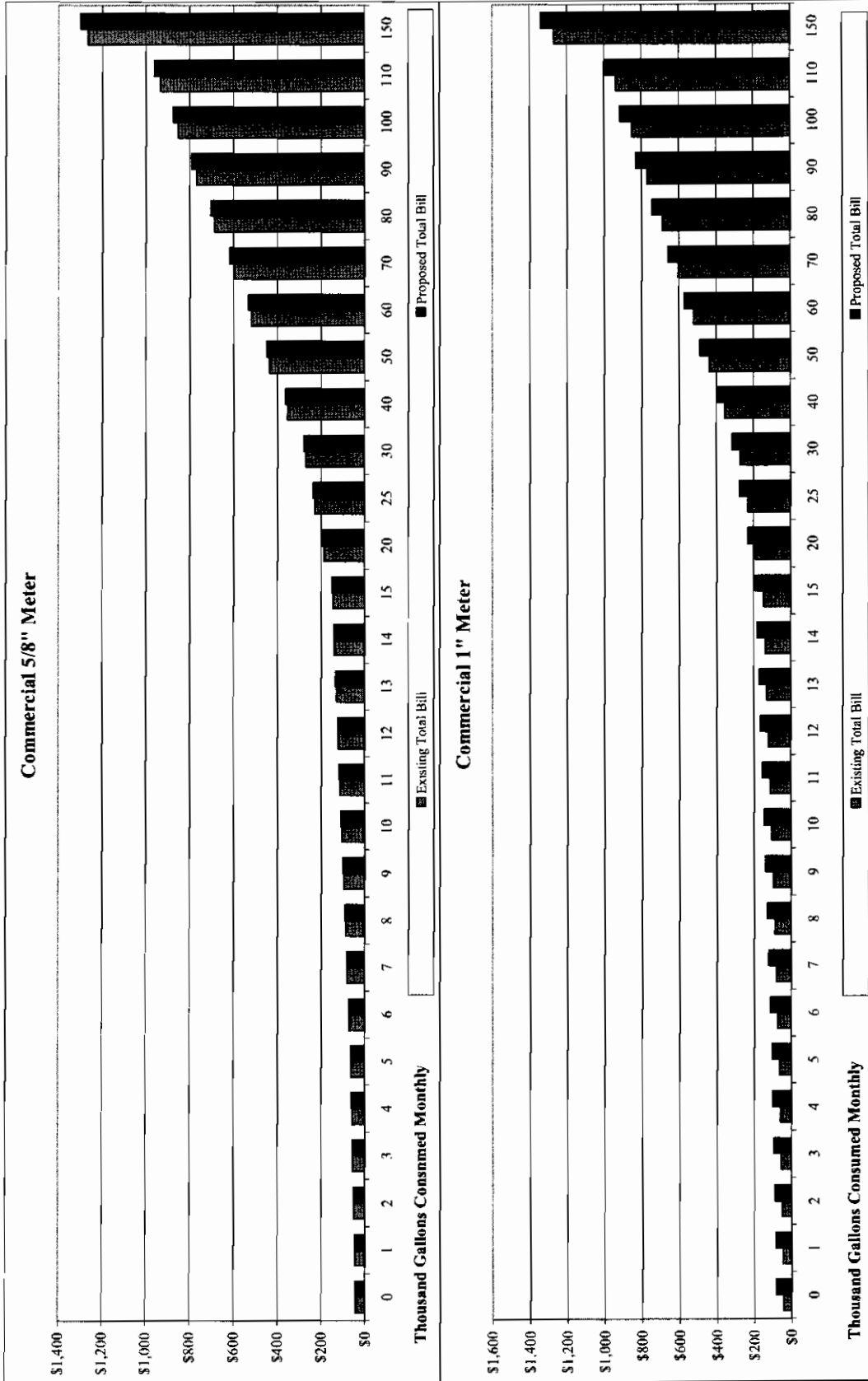
**Monthly Charges for Water Service for Residential Customers - Existing and Proposed**



**Figure 2**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

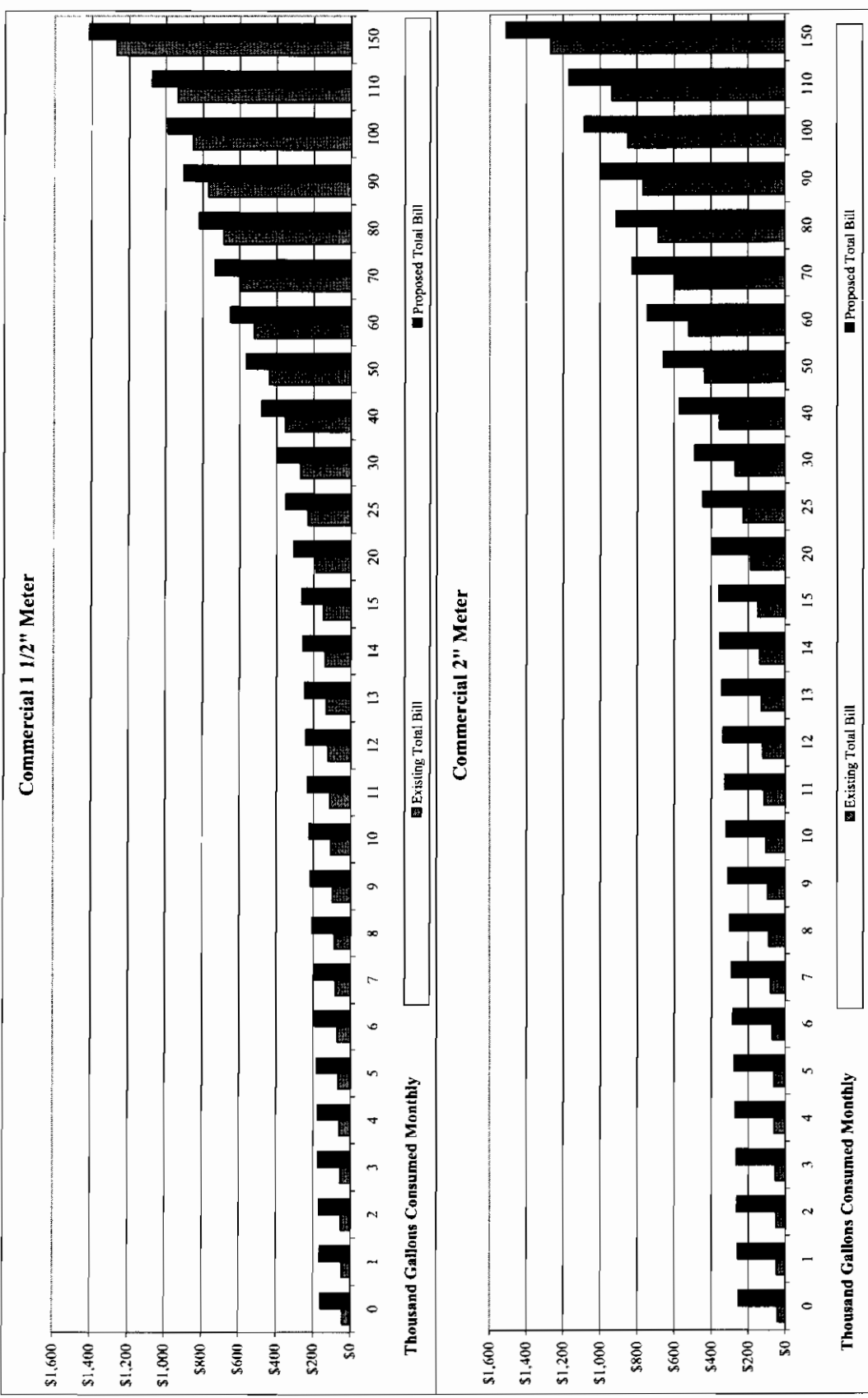


**Water and Wastewater (Combined Systems) Bill Comparisons - Existing and Proposed**



**Figure 2**  
**Gasparilla Island Water Association, Inc.**  
**Water and Wastewater Utility Rate Study**

**Water and Wastewater (Combined Systems) Bill Comparisons - Existing and Proposed**







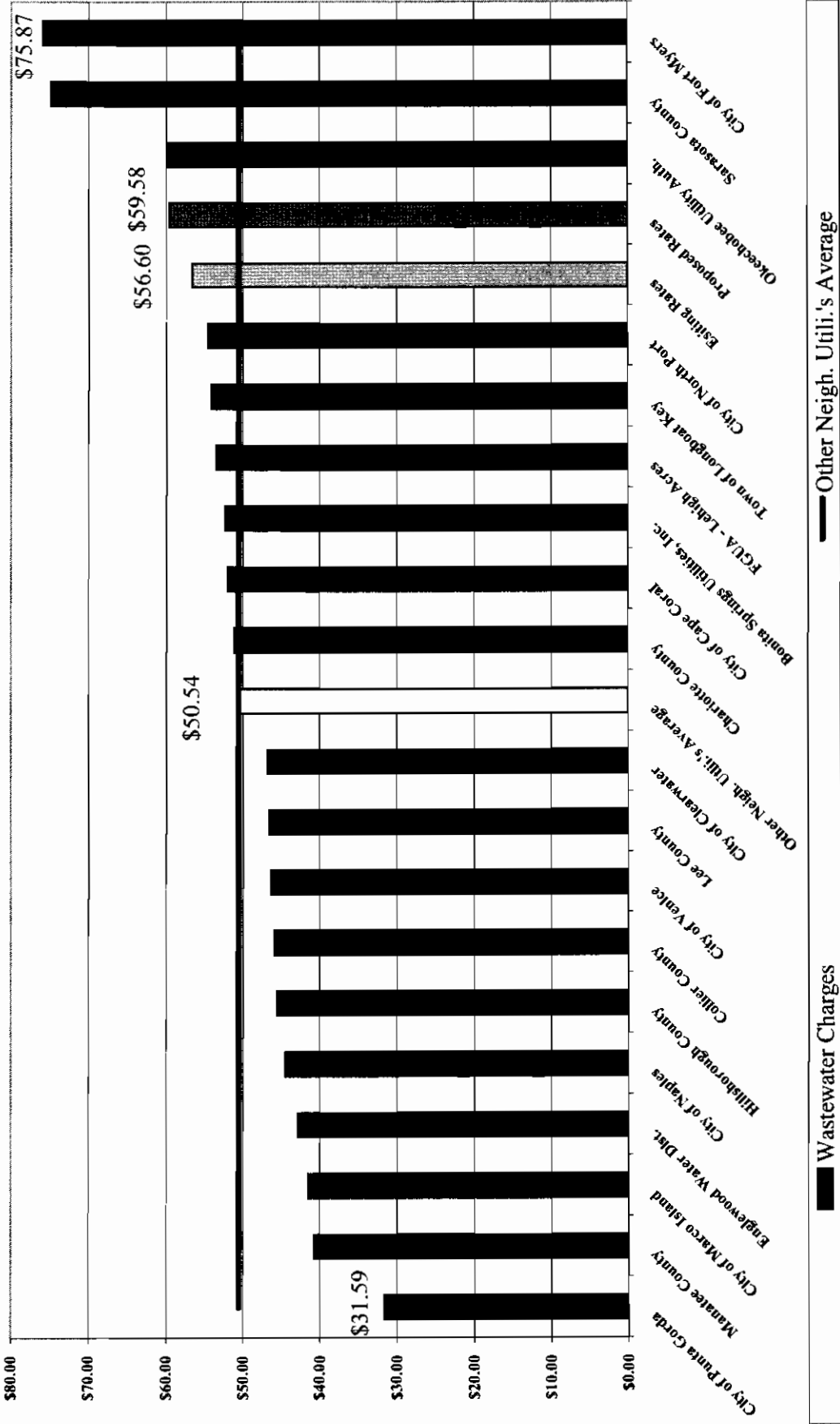
**Figure 3**  
**Gasparilla Island Water Association, Inc.**  
**Comparison of Monthly Charges For Water Service**  
**For Single Family Residential Customers Using 9,000 Gallons**





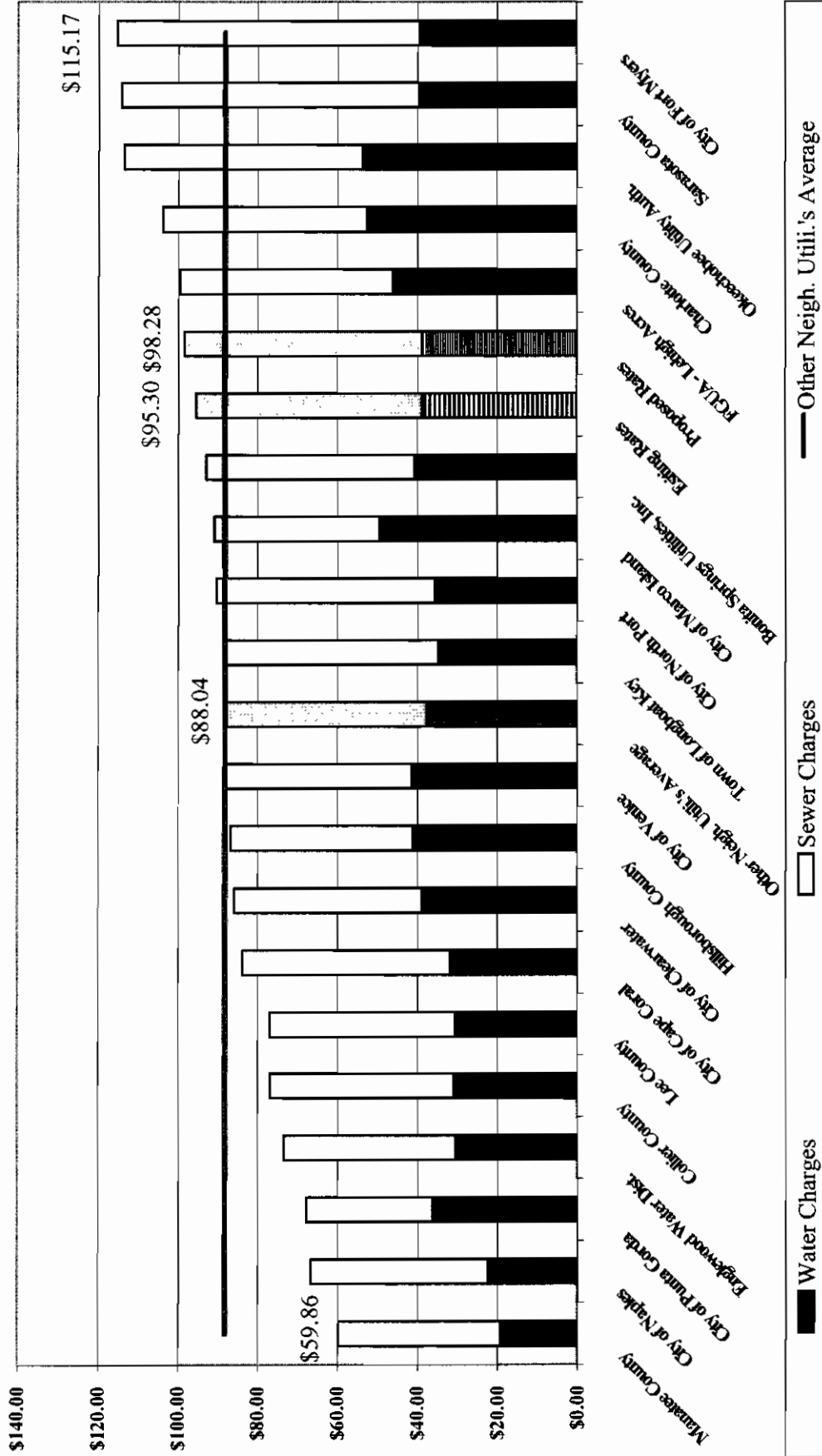
**Figure 4**  
**Gasparilla Island Water Association, Inc.**

**Comparison of Monthly Charges For Wastewater Service  
 For Single Family Residential Customers Using 9,000 Gallons**





**Figure 5**  
**Gasparilla Island Water Association, Inc.**  
**Comparison of Monthly Charges For**  
**Combined Water and Wastewater Service**  
**For Single Family Residential Customers Using 9,000 Gallons**



**Certified Auditor's Report**

**Prepared by**

**Suplea & Shea**

**For**

**Gasparilla Island Water Association, Inc.**

**Attachment "C"**

GASPARILLA ISLAND WATER ASSOCIATION, INC.

FINANCIAL STATEMENTS FOR THE  
YEARS ENDED SEPTEMBER 30, 2005 AND 2004

AND

INDEPENDENT AUDITORS' REPORT

GASPARILLA ISLAND WATER ASSOCIATION, INC.

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FINANCIAL STATEMENTS

SEPTEMBER 30, 2005 AND 2004

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Statements of Cash Flows	6-7
Notes to Financial Statements	8-12
SUPPLEMENTARY INFORMATION	
Water and Sewer System Operating Expenses	13
General and Administrative Expenses	14

Independent Auditors' Report

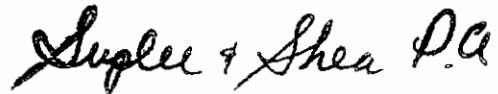
To the Board of Directors  
Gasparilla Island Water Association, Inc.

We have audited the accompanying balance sheets of Gasparilla Island Water Association, Inc., as of September 30, 2005, and 2004, and the related statements of revenues and expenses, changes in equity and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gasparilla Island Water Association, Inc., as of September 30, 2005, and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules on pages 13 through 14 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



SUPLEE & SHEA, P.A.

October 28, 2005

GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS

SEPTEMBER 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>Assets</u>		
UTILITY PLANT		
Property, plant and equipment, at cost	\$ 22,091,294	\$ 21,273,004
Less accumulated depreciation	<u>9,111,231</u>	<u>8,428,449</u>
Net property, plant and equipment	12,980,063	12,844,555
Construction in progress	<u>256,435</u>	<u>381,943</u>
Total Utility Plant	<u>13,236,498</u>	<u>13,226,498</u>
CURRENT ASSETS		
Cash and cash equivalents	587,580	406,442
Accounts receivable, members	246,100	199,688
Inventory	44,309	40,622
Other current assets	<u>5,425</u>	<u>72,465</u>
Total Current Assets	<u>883,414</u>	<u>719,217</u>
RESTRICTED ASSETS, cash and certificates of deposit	<u>166,674</u>	<u>165,288</u>
DEFERRED CHARGES AND OTHER ASSETS		
Non-marketable participation certificates	329,298	290,106
Unamortized debt expense	118,783	105,104
Unamortized regulatory expenses	133,927	113,882
Utility deposits	<u>6,755</u>	<u>6,615</u>
Total Deferred Charges and Other Assets	<u>588,763</u>	<u>515,707</u>
TOTAL ASSETS	<u>\$ 14,875,349</u>	<u>\$ 14,626,710</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS



GASPARILLA ISLAND WATER ASSOCIATION, INC.

BALANCE SHEETS

SEPTEMBER 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>Equity and Liabilities</u>		
EQUITY		
Members' contributions	\$ 5,010,193	\$ 4,989,760
Developers' contributions	1,774,115	1,867,634
Retained Earnings:		
Board designated for capital improvements	962,364	926,773
Restricted by governmental agencies	100,000	100,000
Undesignated	<u>-</u>	<u>-</u>
Total Equity	<u>7,846,672</u>	<u>7,884,167</u>
LONG-TERM LIABILITIES		
Notes payable, net of current portion	<u>6,421,466</u>	<u>6,234,279</u>
CURRENT LIABILITIES		
Current portion of notes payable	338,232	315,402
Accounts payable, trade	153,304	86,711
Accrued interest	31,238	25,759
Accrued wages	3,919	13,415
Deferred revenue	9,528	-
Other current liabilities	<u>4,316</u>	<u>1,689</u>
Total Current Liabilities	<u>540,537</u>	<u>442,976</u>
Deposits payable from restricted assets	<u>66,674</u>	<u>65,288</u>
Total Liabilities	<u>7,028,677</u>	<u>6,742,543</u>
TOTAL EQUITY AND LIABILITIES	<u>\$ 14,875,349</u>	<u>\$ 14,626,710</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

GASPARILLA ISLAND WATER ASSOCIATION, INC.

STATEMENTS OF REVENUE AND EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Operating Revenue		
Water services	\$ 1,805,469	\$ 1,724,962
Sewer services	1,122,379	1,100,583
Water hook-up fees	4,570	7,105
Sewer hook-up fees	<u>1,360</u>	<u>4,080</u>
Total Operating Revenues	<u>2,933,778</u>	<u>2,836,730</u>
Operating Expenses		
Water system	865,530	859,734
Sewer system	657,876	549,668
General and administrative	501,357	473,390
Depreciation	<u>616,334</u>	<u>612,586</u>
Total Operating Expenses	<u>2,641,097</u>	<u>2,495,378</u>
Operating Income	<u>292,681</u>	<u>341,352</u>
Other Revenues (Expenses)		
Interest income	13,818	5,557
Patronage dividends	65,319	55,288
Interest expense and amortization of debt expenses	(372,675)	(308,148)
Membership fees	240	720
Gain (Loss) on disposal of assets	(7,335)	(8,796)
Other income	17,685	8,326
Consulting fee	(2,400)	(2,400)
Hurricane storm reimbursements (damages)	<u>28,258</u>	<u>(18,704)</u>
Total Other Revenues (Expenses)	<u>(257,090)</u>	<u>(268,157)</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 35,591</u>	<u>\$ 73,195</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

GASPARILLA ISLAND WATER ASSOCIATION, INC.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

	<u>Contributed Capital in Aid of Construction</u>			
	<u>Members' Contributions</u>	<u>Developers' Contributions</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance, September 30, 2003	\$ 4,928,461	\$ 1,961,152	\$ 953,578	\$ 7,843,191
Contributions received	61,299	-	-	61,299
Amortization of developers' Contributions	-	(93,518)	-	(93,518)
Excess of Revenues over Expenses	<u>-</u>	<u>-</u>	<u>73,195</u>	<u>73,195</u>
Balance, September 30, 2004	4,989,760	1,867,634	1,026,773	7,884,167
Contributions received	20,433	-	-	20,433
Amortization of developers' Contributions	-	(93,519)	-	(93,519)
Excess of Revenues over Expenses	<u>-</u>	<u>-</u>	<u>35,591</u>	<u>35,591</u>
Balance, September 30, 2005	<u>\$ 5,010,193</u>	<u>\$ 1,774,115</u>	<u>\$ 1,062,364</u>	<u>\$ 7,846,672</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

GASPARILLA ISLAND WATER ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Excess of Revenues over Expenses	\$ 35,591	\$ 73,195
Adjustments to reconcile excess of revenues over expenses to net cash provided by operating activities:		
Depreciation	616,334	612,586
Amortization	39,961	35,423
(Gain) Loss on disposal of assets	7,335	8,796
Patronage equity distributions	(39,192)	(38,702)
Changes in assets and liabilities		
(Increase) decrease in accounts receivable	(46,412)	8,676
(Increase) decrease in inventory	(3,687)	(847)
(Increase) decrease in other current assets	67,040	(37,323)
(Increase) decrease in unamortized debt expenses	(21,141)	-
(Increase) decrease in unamortized regulatory expenses	(51,775)	(35,250)
(Increase) decrease in unamortized utility deposits	(140)	(50)
Increase (decrease) in accounts payable	66,593	30,685
Increase (decrease) in other liabilities	8,138	4,257
Increase (decrease) in deposits payable from restricted assets	<u>1,386</u>	<u>1,535</u>
Total adjustments	<u>644,440</u>	<u>589,786</u>
Net cash provided by operating activities	<u>680,031</u>	<u>662,981</u>
Cash flows from investing activities:		
Capital expenditures	<u>(727,957)</u>	<u>(674,357)</u>
Net cash used in investing activities	<u>(727,957)</u>	<u>(674,357)</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

GASPARILLA ISLAND WATER ASSOCIATION, INC.

STATEMENTS OF CASH FLOWS (Continued)

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
Cash flows from financing activities:		
Proceeds from issuance of long-term debt	526,328	239,332
Repayment of long-term debt	(316,311)	(269,613)
Contributed capital in aid of construction	<u>20,433</u>	<u>61,299</u>
Net cash provided by (used in) financing activities	<u>230,450</u>	<u>31,018</u>
Increase (decrease) in cash and cash equivalents	182,524	19,642
Less: cash transferred from (to) restricted funds	<u>(1,386)</u>	<u>(1,535)</u>
Net increase (decrease) in cash and cash equivalents	181,138	18,107
Cash and cash equivalents at beginning of year	<u>406,442</u>	<u>388,335</u>
Cash and cash equivalents at end of year	<u>\$ 587,580</u>	<u>\$ 406,442</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

GASPARILLA ISLAND WATER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2005 AND 2004

Note 1 - Organization and Significant Accounting Policies

**Organization**

The Association was incorporated under the laws of the State of Florida on September 12, 1966, as a corporation not for profit. The purpose of the Association is to provide water and sewer services to its subscribers (members) in the areas of Gasparilla Island.

**Significant Accounting Policies**

Accounts Receivable

No provision has been made for uncollectible accounts, as management considers all receivables at September 30, 2005, and 2004, to be collectible.

Inventory

Supplies inventory is recorded at the lower of cost (first-in, first-out) or market.

Income Taxes

No provision has been made for income taxes. The Association is a tax-exempt organization under IRC Section 501(c)(12), whereby only unrelated business income is subject to income tax. For the fiscal years ended September 30, 2005, and 2004, the Association's entire gross income has come under Section 115(a) and, therefore, includes no unrelated business income.

Utility Plant

Utility plant is recorded at cost at the time of acquisition or commencement of service for assets transferred from construction in progress. Maintenance and repairs, which significantly extend the life or enhance the value of an asset, are capitalized. Depreciation of utility plant is computed on the straight-line basis over the estimated useful lives of the related assets.

Revenue Recognition

Revenue is recognized when billed. Rates for water are based on a minimum fee plus a consumption charge. Sewer rates are based on a fixed charge plus a factor of water usage.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GASPARILLA ISLAND WATER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2005 AND 2004

Note 2 - Utility Plant

Details of utility plant at September 30, 2005, and 2004, are as follows:

	<u>2005</u>	<u>2004</u>
Land	\$ 393,728	\$ 393,728
Utility plant in service	21,317,838	20,556,938
Automotive equipment	180,464	132,873
Office building	66,977	62,336
Office furniture and fixtures	53,922	51,744
Tools	<u>78,365</u>	<u>75,385</u>
	22,091,294	21,273,004
Less accumulated depreciation	<u>9,111,231</u>	<u>8,428,449</u>
	12,980,063	12,844,555
Construction in progress	<u>256,435</u>	<u>381,943</u>
	<u>\$13,236,498</u>	<u>\$13,226,498</u>

Note 3 - Capitalization of Interest

The Association follows the policy of capitalizing interest as a component of the cost of utility plant constructed for its own use. Total interest incurred was \$380,085 for 2005, and \$306,828 for 2004, of which \$14,647 and \$5,403 was capitalized in 2005, and 2004, respectively.

The capitalization rate is based on the rate paid on the Association's long-term debt.

Note 4 - Restricted Assets

A summary of restricted cash and equivalents at September 30, 2005, and 2004, is as follows:

	<u>2005</u>	<u>2004</u>
Collateral for letter of credit	\$ 100,000	\$ 100,000
Customer deposits	<u>66,674</u>	<u>65,288</u>
	<u>\$ 166,674</u>	<u>\$ 165,288</u>

GASPARILLA ISLAND WATER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2005 AND 2004

Note 5 - Long-Term Debt

Following is a summary of long-term debt at September 30, 2005, and 2004:

	<u>2005</u>	<u>2004</u>
<p>Mortgage note payable to National Bank for Cooperatives, in the original aggregate principal amount of \$6,166,000. Interest payable monthly under fixed rate option, currently ranging from 4.80% to 7.92%. Principal repayable in 288 consecutive monthly installments beginning July 20, 1995 and ending June 20, 2019. Secured by all accounts, inventory, equipment, land, buildings and improvements, structures and income.</p>	\$ 3,240,562	\$ 3,453,317
<p>Mortgage note payable to National Bank for Cooperatives, in the original principal amount of \$2,200,000. Interest payable monthly under fixed rate option, currently 4.80%. Principal repayable in 240 consecutive monthly installments beginning January 20, 2002 and ending December 20, 2021. Secured by all accounts, inventory, equipment, land, buildings and improvements, structures and income.</p>	1,983,891	2,047,286
<p>Mortgage note payable to National Bank for Cooperatives, up to a principal amount of \$1,500,000. Interest payable monthly under a fixed rate option, currently 5.13%. Principal repayable in 228 consecutive monthly installments beginning January 20, 2005 and ending December 20, 2023. Secured by all accounts, inventory, equipment, land, buildings and improvements, structures and income.</p>	1,459,840	1,049,078
<p>Mortgage note and revolving term loan payable to National Bank for Cooperatives, up to a principal amount of \$1,500,000. Interest payable monthly under a variable rate option, currently 6.75%. Principal repayable in 204 consecutive monthly installments beginning December 20, 2007 and ending November 20,</p>		



GASPARILLA ISLAND WATER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2005 AND 2004

Note 5 - Long-Term Debt (continued)

2024. Secured by all accounts, inventory, equipment, land, buildings and improvements, structures and income. As of September 30, 2005, \$75,405 has been drawn on this loan, and a balance of \$1,424,595 is available until October 30, 2007.

	<u>75,405</u>	<u>-0-</u>
Total	6,759,698	6,549,681
Less current maturities	<u>(338,232)</u>	<u>(315,402)</u>
	<u>\$ 6,421,466</u>	<u>\$ 6,234,279</u>

Following are maturities of long-term debt for each of the next five years:

2006	\$ 338,232
2007	347,631
2008	403,909
2009	397,194
2010	379,856
Thereafter	<u>4,892,876</u>
	<u>\$ 6,759,698</u>

Note 6 - Contributions in Aid of Construction

Monies received as connection fees for hooking up to the Association's system obligate the Association to provide services; however, the Association is under no obligation to refund or return any part of these monies. For the years ended September 30, 2005, and 2004, a portion of this fee was recognized as income to offset the expenses involved with this connection. The remaining monies are recorded as contributed capital in aid of construction. Total connection fees recognized as income for the years ended September 30, 2005, and 2004, were \$5,930 and \$11,185, respectively.

System facilities constructed by land developers, which are contributed to the Association, are recorded at an amount equal to the construction cost incurred by the developer. The cost of these contributions is recorded as property and plant with an equal and corresponding credit to contributed capital in aid of construction. These contributions are being amortized on a straight-line basis over their estimated useful lives. This amortization is being charged to the related equity account and amounted to \$93,519 and \$93,518 for each of the years ended September 30, 2005, and 2004, respectively.

GASPARILLA ISLAND WATER ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2005 AND 2004

Note 7 - Simplified Employee Pension Plan

The Association has a simplified employee pension plan for employees with 3 or more years of service. The Association's contribution may be 0% to 15% of the compensation of each participant. Contributions to the plan were \$56,762 and \$44,929 for the years ended September 30, 2005, and 2004, respectively.

Note 8 - Statement of Cash Flows

For purposes of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. However, restricted assets will not be considered highly liquid debt instruments for these purposes.

The Association paid cash for interest in the amount of \$374,606 and \$311,492 for the years ended September 30, 2005, and 2004, respectively.

The Association received Class B - Participation Certificates from CoBank as a patronage equity distribution in the amount of \$39,192 and \$38,702 for the years ended September 30, 2005, and 2004, respectively.

Note 9 - Concentrations of Credit Risk

The Association has a portion of cash deposits invested in CoBank's overnight cash investment service account. Cash deposits in the account are not secured, or insured by the FDIC, however, CoBank is a member of the Farm Credit system and is backed by an implied guarantee of the U.S. Government. The Association's balance in this account was \$431,566 and \$274,071 as of September 30, 2005, and 2004, respectively.

In addition, cash deposits at financial institutions are not secured, or insured by the FDIC in amounts greater than \$100,000. As of September 30, 2005, the Association has \$103,881 in excess of this amount.

Note 10 - Non-marketable Participation Certificates

The Association receives patronage distributions from CoBank. A portion of the distributions are made in cash and the remainder of the distributions are made in Class B Participation Certificates in CoBank. The certificates are issued at par value and are not marketable. They are redeemable by CoBank when the Association reaches certain debt levels. The balances of the certificates were \$329,298 and \$290,106 as of September 30, 2005, and 2004, respectively.

GASPARILLA ISLAND WATER ASSOCIATION, INC.

WATER AND SEWER SYSTEM OPERATING EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>Water System Operating Expenses</u>		
Purchased water	\$ 1,970	\$ 260
Operations and maintenance	106,194	137,412
Regulatory expenses - permits	9,120	6,930
Electricity	210,439	197,400
Chemicals	116,165	99,815
Lab fees	15,423	16,322
Salaries and payroll taxes	314,541	309,685
Pensions and employee benefits	88,351	88,829
Training	<u>3,327</u>	<u>3,081</u>
 Total Water System Operating Expenses	 <u>\$ 865,530</u>	 <u>\$ 859,734</u>
 <u>Sewer System Operating Expenses</u>		
Operations and maintenance	\$ 191,650	\$ 107,937
Regulatory expenses - permits	23,604	22,456
Electricity	58,153	55,354
Chemicals	68,248	68,128
Lab fees	17,224	17,890
Salaries and payroll taxes	245,676	228,090
Pensions and employee benefits	52,395	48,403
Training	<u>926</u>	<u>1,410</u>
 Total Sewer System Operating Expenses	 <u>\$ 657,876</u>	 <u>\$ 549,668</u>

GASPARILLA ISLAND WATER ASSOCIATION, INC.

GENERAL AND ADMINISTRATIVE EXPENSES

FOR THE YEARS ENDED SEPTEMBER 30, 2005 AND 2004

	<u>2005</u>	<u>2004</u>
<u>General and Administrative Expenses</u>		
Auto and truck expenses	\$ 32,830	\$ 23,367
General repairs and maintenance	24,504	18,764
Insurance	169,894	147,501
Miscellaneous	9,173	7,495
Office supplies and postage	24,830	20,005
Professional fees - accounting	10,218	9,937
Professional fees - engineering	8,948	35,127
Professional fees - legal	8,218	6,286
Salaries and payroll taxes, office	153,797	148,020
Pensions and employee benefits, office	40,758	41,308
Communications	<u>18,187</u>	<u>15,580</u>
 Total General and Administrative Expenses	 <u>\$ 501,357</u>	 <u>\$ 473,390</u>

# Gasparilla Island Water Association, Inc.

## Budget

October 1, 2005 - September 30, 2006

	<b>2005</b> <b><u>Actual</u></b>	<b>2006</b> <b><u>Budget</u></b>
Operating Revenues		
Water services	\$ 1,805,469	\$ 1,817,000
Sewer services	1,122,379	1,139,666
Water hook-up fees	4,570	1,880
Sewer hook-up fees	<u>1,360</u>	<u>1,360</u>
 Total Operating Revenues	 <u>2,933,778</u>	 <u>2,959,906</u>
 Operating Expenses		
Water System, schedule attached	865,530	945,428
Sewer System, schedule attached	657,876	686,159
General and administrative, schedule attached	501,357	599,715
Depreciation	<u>616,334</u>	<u>640,000</u>
 Total Operating Expenses	 <u>2,641,097</u>	 <u>2,871,302</u>
 Operating Income	 292,681	 88,604
 Other Revenues (Expenses)		
Interest Income	13,818	10,000
Patronage dividends	65,319	70,000
Interest expense and amortization of debt expense	(372,675)	(391,300)
Membership fees	240	240
Gain (Loss) on disposal of assets	(7,335)	-
Other income	17,685	10,000
Consulting fee	(2,400)	(2,400)
Hurricane storm reimbursements (damages)	<u>28,258</u>	<u>(1,000)</u>
 Total Other Revenues (Expenses)	 <u>(257,090)</u>	 <u>(304,460)</u>
 *EXCESS OF REVENUES OVER EXPENSES	 <u>\$ 35,591</u>	 <u>\$ (215,856)</u>

Attachment "D"

## Schedule of Operating Expenses

	<b>2005</b>	<b>2006</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>
<b>Water System Operating Expenses</b>		
Purchase Water	\$ 1,970	\$ 15,000
Operations and maintenance	106,194	125,000
Regulatory expenses - permits	9,120	9,118
Electricity	210,439	220,960
Chemicals	116,165	121,975
Lab fees	15,423	19,500
Salaries and payroll taxes	314,541	335,390
Pensions and employee benefits	88,351	95,485
Training	3,327	3,000
	<u>\$ 865,530</u>	<u>\$ 945,428</u>
<b>Sewer System Operating Costs</b>		
Operations and maintenance	\$ 191,650	\$ 140,000
Regulatory expenses - permits	23,604	22,268
Electricity	58,153	59,650
Chemicals	68,248	68,890
Lab fees	17,224	23,500
Salaries and payroll taxes	245,676	300,200
Pensions and employee benefits	52,395	70,151
Training	926	1,500
	<u>\$ 657,876</u>	<u>\$ 686,159</u>
<b>General &amp; Administrative Expenses</b>		
Auto and truck expenses	\$ 32,830	\$ 31,150
General repairs and maintenance	24,504	23,000
Insurance	169,894	219,000
Miscellaneous	9,173	9,400
Office supplies and postage	24,830	25,500
Professional fees - accounting	10,218	10,500
Professional fees - engineering	8,948	35,000
Professional fees - legal	8,218	20,000
Salaries and payroll taxes, office	153,797	161,885
Pensions and employee benefits, office	40,758	42,780
Training, office	-	1,500
Communications	18,187	20,000
	<u>\$ 501,357</u>	<u>\$ 599,715</u>
 Total General & Administrative Expenses	 <u>\$ 501,357</u>	 <u>\$ 599,715</u>

**Minutes**

**Gasparilla Island Water Association, Inc.**

**Special Call Membership Meeting**

**April 10, 2006**

**Attachment "E"**

# **GASPARILLA ISLAND WATER ASSOCIATION, Inc.**

PO Box 310  
BOCA GRANDE, FLORIDA 33921-0310  
Telephone (941) 964-2423 Fax (941) 964-0625

## **MINUTES**

### **SPECIAL CALL MEMBERSHIP MEETING**

**APRIL 10, 2006**

PRESENT: Michael Holmes, President, Robert Caldwell, III, Vice-President; Donna Moore, Secretary; Renae Baker, Treasurer; Leslie Diaz, James Grady, Jr., Dr. John Holyland, Dr. Richard Morrison, and Robert Miller, Directors.

OTHERS: Bonnie Pringle, Utility Director; Jack Burgiel; Donna Marceron; Kathy Janoschek.

Meeting called to order by the President at 5:00 p.m. The Secretary read the notice of special call meeting and reported that we have a quorum present with twenty-four (24) members were present in person, and 519 by proxy.

Mr. Holmes explained that this special meeting of members was called for the purpose of increasing GIWA's rates in two levels. With the first increase to become effective May 2006 accounts with meters larger than the standard 5/8" x 3/4" will pay higher base water rates. Accounts with standard 5/8" x 3/4" meters will see minimal increases in their bills.

Those accounts with a larger meter primarily required to support flows for a fire suppression system that use 10,000 gallons or less on average per month will be charged the same base rate as a 5/8" x 3/4" meter. Their usage will be monitored, and if they cannot keep the average down, the higher meter rate will be charged for future billings. A letter was sent to all members who fall in this category explaining this policy last week.

Mr. Holmes stated that this increase in rates is needed for several reasons. First, examples of GIWA's operating costs that have increased as follow:

- Electricity – Increased \$40,000 in 2004, and \$15,000 in 2005. An additional \$13,000 has been budgeted for 2006.
- Insurance – Increased \$22,400 in 2005 and \$50,000 in 2006 for a total of \$170,000 annually. Renewal rates are expected to be higher.
- Chemicals – Increased \$13,000 in 2005, and an additional \$9,000 was budgeted for 2006.



Special Call Membership Meeting  
Gasparilla Island Water Association, Inc.  
April 10, 2006

- An additional employee was added to GIWA's staff for 2006 to comply with new state regulations that added new preventative maintenance, flushing, etc. programs which are labor intensive, and salaries have been increased because of pressure from other utilities who are short certified operators required to staff water and wastewater plants.

Secondly, GIWA has minimal reserves and has not funded depreciation. Connection fees and borrowings have funded capital in the past. Part of this increase is to build reserves for emergencies and to lesson our dependency upon borrowing for capital projects. Based on the projections, GIWA should build a reserve of \$750,000 over the next five years. Capital projects budgeted for this year which will be funded by borrowings from CoBank are as follows:

- Generator for the water treatment facility that will allow production of water during a power outage anticipated to cost approximately \$700,000. The ability to produce or purchase from another utility during a power outage amounts equal to our annual average daily flow is now a state mandate;
- Relocation of water mains in Placida required by Charlotte County as they realign the Coral Creek Bridge.

GIWA currently finances capital projects through a cooperative bank, Cobank. CoBank offers very competitive rates, and GIWA's receives a dividend payment each year. This years' payment was approximately \$62,000. GIWA has checked into the feasibility of a bond issue in the past for financing, but has always determined that CoBank best suits our needs. We will be exploring the idea of a bond issue again.

The third concept behind this rate schedule is to promote conservation. In the past irrigation has represented about 2/3 of our water usage. Last week, we were forced to purchase 150,000 gallons per day from CCU to keep up with demand and based on sewer plant records, over 80% of the water was used for irrigation. We must do something to try to discourage outside irrigation before our water management district forces us to. We have residential users with large meters who use well in excess of 100,000 gallons per month, the highest user averaging 304,000 gallons. GIWA needs to adopt a rate schedule to discourage such use of water.

The new rates proposed to become effective in May 2007 will generate an additional 9 ½% in revenues to GIWA. This increase will charge a larger base charge for users with larger meters because they represent a greater demand on our system capacity. Additionally, the water usage rates for usage over 15,000 gallons, the sewer base fee and the sewer usage charges will increase.

The second level of increase will become effective January 2007 and will be an across the Board 6% increase on water and sewer base and usage charges.

Special Call Membership Meeting  
Gasparilla Island Water Association, Inc.  
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A member expressed their concern that homes with a fire sprinkler system that required a larger meter only to support the flows of the fire suppression system will be penalized with this type of rate structure. Mr. Holmes explained that for those user's who have a larger meter required for a fire sprinkler system, and use an average of 10,000 gallons of water or less per month will be charged the same base rate as a standard residential 5/8" x 3/4" meter. For those who are using just over 10,000 gallon per month on average, we will charge the smaller 5/8" x 3/4" meter base rate for the next year to allow them time to put conservation measures in place to lower their average usage. If at the end of the year, they are unable to lower their average usage, the higher base for their size meter will have to be charged for future bills

A member expressed their disagreement with charging large users a larger base fee, because he felt the additional revenues should be collected from usage charges. Mr. Holmes explained that it is standard practice for water utilities to charge a larger base fee for larger meters because of the greater capacity reserved for that meter. Typically, calculations for the base rate are made by converting the meter to equivalent dwelling units (EDU's). The calculation GIWA used as follows for EDU's is below the standard used by others:

<b>Meter</b>	<b>GIWA EDU's</b>	<b>Standard EDU Calculation</b>
5/8" x 3/4"	1	1
1"	1.86	2.4
1 1/2"	3.67	4.8
2"	5.77	7.7
2 1/2"	10.5	14.3

A member questioned the reasoning behind charging a higher base rate for larger meters. He stated the he thought it was more appropriate to charge just on usage, and charge a larger cost per thousand for higher usage which penalizes those who abuse water through irrigation. Jack Burgiel, Public Resources Management Group, explained that in the rate design, the rates are set so that the base fees collected cover GIWA's fixed costs, and the variable costs are recovered through usage charges. Since we are setting aside capacity at the treatment plant for the capacity of the larger meters, they should pay a higher portion of the base charges. Larger meters are sized when homes are constructed, and installed when more capacity is needed.

Mr. Burgiel explained that GIWA will not charge the larger capacity fee to users with a larger meter required for a fire sprinkler system that use an average of 10,000 gallons or less per month. The cap of 10,000 gallons is an amount frequently used by utilities which represents inside usage and some discretionary usage outside.

A member questioned if larger users are paying higher usage charges. Mr. Holmes explained that GIWA's water usage rates increase in blocks so that larger users are paying a higher rate per thousand gallons, and will be paying more with this increase.

Special Call Membership Meeting  
Gasparilla Island Water Association, Inc.  
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Robert Disham voiced his objection that 65% of GIWA's users who have smaller meters and use 9,000 gallons or less per month as stated in the letter to the membership will pay a minimal increase and the remaining 35% of the users will bear the brunt of the increase. Mr. Holmes stated that we have made allowances for those members with larger meters required for fire suppression systems and use up to 10,000 gallons, but for those that are irrigating excessively, and those who have large meters and are irrigating will be paying more.

Daniel Campo stated that he agreed with the premise that a larger meter represents a greater demand on the system and maybe should be charged a higher base, but he thought it was unreasonable to retrofit our rate schedule on a mature system that has never shown a concern on the size of the meter. He stated that we are not adding many new customers so we should not see much further impact from the larger meters. Mr. Campo stated that he thought the additional revenues needed from base fees should be spread across all users evenly, and then charge very high usage rates to the large users which could cause conservation and potentially lower our water sales and revenues. Mr. Holmes explained that this rate increase is a combination of higher base rates and increased usage charges.

Mr. Campo stated that he has been told that we will install a smaller meter if requested, but he thought that would take a long time to accomplish. Mr. Holmes stated that if a residence is not required to have a larger meter for a fire suppression system, we will install a smaller meter at their request, and the Board has agreed to do the change-out at no charge for six (6) months.

A member stated that she did not think it was fair that a user with the 5/8" x 3/4" meter can go over 10,000 gallons per month without paying the larger base fee. Mr. Holmes explained that those members are limited on the amount of water they can pull at any one time, and they will be penalized through the water usage as it increases in blocks.

Mrs. Pringle explained that the use of large meters and outside irrigation systems has not been a problem until the last five or six years. Until recently, residential homes with the exception of the large estates, utilized 5/8" x 3/4" meters. Now with the larger meters, larger irrigations zones are running utilizing the greater volume the larger meter provides. We have recently been permitted to install a larger pump and piping at our island pumping station which was designed for build-out of the island, but is no longer sufficient to meet demands at night when irrigation is at its peak.

Mr. Campo stated that watering regulations are causing this problem by forcing everyone to water at certain times on specific nights, and that we should ask the landscapers to alternate nights. Mrs. Pringle demonstrated with a flow chart that watering is occurring seven nights per week now.

Mrs. Pringle gave an example of why a user with a larger meter should pay a higher base – GIWA has a residential user with a large meter who averages 64,000

Special Call Membership Meeting  
Gasparilla Island Water Association, Inc.  
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gallons per month. During a dry month, monthly usage peaks at 104,000 gallons but during a rainy month only 1,000. It is not fair that a small user pays the same base rate as one with a large meter who is irrigating heavily during the dry season and uses minimal amounts at other times. If we simply increase the usage rates on higher volumes of water, we will not receive the needed revenues during the rainy season.

Mr. Burgiel stated that it is not feasible to collect the additional revenue needed just from usage charges. Mrs. Pringle stated that GIWA's revenues from base charges will increase approximately \$163,000 with this increase.

Joe Albertson stated that he was glad to know that the Board will not be charging users who use 10,000 gallons or less the larger base if they have a meter larger than 5/8" x 3/4". He stated that he understands that we are currently purchasing water from CCU, and that our capital budget includes among other items plans to increase capacity at the reverse osmosis plant by about 200,000 gallons per day. We can produce water cheaper than purchasing from CCU. In the past connection fees have helped fund capital, but they are now minimal, and GIWA needs this rate increase to help fund capital as well as annual inflation. He stated that he feels we should adopt a rate schedule that mirrors other communities in our area.

A member stated that he did not understand why all users with larger meters who have a fire suppression system cannot be charged the lower base rate. Mrs. Pringle stated that we have many members with larger meters with a fire suppression system who use well in excess of 100,000 gallons per month on average.

A member questioned how GIWA arrived at the 10,000 gallons per month average. Mrs. Pringle stated that 10,000 gallons is a common amount frequently used by utilities which represents inside usage and some discretionary usage outside. Englewood Water District is using the same gallonage amount to exempt users with large meters from higher base rates. Mrs. Pringle stated that we have approximately 1,680 accounts. Residential users with larger meters using in excess of 10,000 gallons per month on average are as follows:

<b>Meter Size</b>	<b>Accounts</b>
1"	112
1 1/2"	53
2"	9

A member asked if this increase will make a significant enough impact to reach our goals, given the small number of users within this higher base category. Mr. Holmes stated that we have projections and cash flows that show it will.

A member stated that with the island nearing build-out we are seeing significant renovations. He feels GIWA should educate them on water conservation, and not discourage them from installing fire suppression systems. Mr. Holmes stated that by

Special Call Membership Meeting  
Gasparilla Island Water Association, Inc.  
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allowing members to use up to an average of 10,000 gallons of water per month, we feel we have accomplished that goal.

A member questioned our relationship with CoBank. Mr. Holmes stated that we have a very good relationship with our bank; however, without this rate increase obtaining additional funding would be difficult because we would not meet loan covenants.

A member questioned if the local landscapers are educated enough to understand the water dilemmas we and the state of Florida are facing. Mr. Holmes stated that he feels the landscapers need to be pressured by the residents to change the types of planting they are installing.

A member suggested and Mr. Holmes agreed that is a good idea to educate the residents more so they can be more aware when dealing with their landscaper.

Norm George stated that he thought the proposal was flawed because we are selling a commodity, and we should not be basing our charges on what a member may use but base charges on usage.

Mr. Holmes explained to a member that this increase includes an additional 6% to be effective January 2007. Our rate analyst projects that we will also need to increase rates again 6% in 2008, 2009 and 2010 to meet our goals, but we will reanalyze at the end of the 2007 fiscal year. Mrs. Baker stated that we have projections for the next ten years.

Mr. Holmes stated that by exempting members with larger meters that use less than 10,000 gallons from the higher base fee, the projected additional revenues are reduced about \$44,000 annually.

Mr. Albertson made a motion to approve the two increases in water and sewer rates detailed in the Notice for this special call membership meeting as follows:

First, an increase in water and sewer rates to become effective May 2006 including adjustments to the water and sewer base charges dependent upon meter size, increases in the water and sewer usage charges, and the addition of an irrigation rate and a charge for a separate fire service line to GIWA's rate schedule. Those residential and commercial users who have a meter larger than a 5/8" x 3/4" but consistently average 10,000 gallons or less (unusual occurrences such as leaks will not be included in averaging) will be charged the 5/8" x 3/4" meter base rates; and

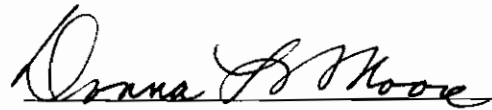
Secondly, a 6% across the board increase in water and sewer rates to become effective January 2007.

Motion seconded and carried with 516 votes "For", and 6 (3 proxies) "Against".

Special Call Membership Meeting  
Gasparilla Island Water Association, Inc.  
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Mrs. L. D. Hammond questioned if GIWA considered obtaining grants for people to install cisterns and wells along with a law that requires their use for outside irrigation. Mrs. Pringle stated that this issue was discussed as part of the draft community plan, and that we have users with shallow wells used for irrigation, and some users still have cisterns in operation for outside use. Obtaining grant money from our water management districts may be difficult because Lee and Charlotte Counties are in separate districts. Efforts in the past have failed because of the multi-district issue.

There being no further business, meeting adjourned at 5:57 p.m.

  
Donna L. Moore, Secretary

**Minutes**

**Gasparilla Island Water Association, Inc.**

**Special Call Board of Directors' Meeting**

**April 19, 2006**

**Attachment "F"**

# **GASPARILLA ISLAND WATER ASSOCIATION, INC.**

**P.O. BOX 326**  
**BOCA GRANDE, FL 33921-0326**  
Telephone (941) 964-2423 Fax (941) 964-0625

## **MINUTES**

### **SPECIAL CALL**

#### **BOARD OF DIRECTORS' MEETING**

**APRIL 19, 2006**

PRESENT: Michael Holmes, President; Robert Caldwell, III, Vice-President; Donna Moore, Secretary; Renae Baker, Treasurer; Leslie Diaz, James Grady, Jr., Dr. John Holyland, Dr. Richard Morrison, and Robert Miller, Directors.  
OTHERS: Bonnie Pringle, Jack Burgiel.

Meeting called to order at 9:00 a.m. via teleconference.

- I. **RATE INCREASE:** Mrs. Pringle explained as shown on the schedule of Existing and Proposed Water and Wastewater User Rate Schedule – Base Charges provided to the Board (copy attached to minutes), we have found discrepancies in the proposed base water and sewer charges in the draft report prepared by Public Resources Management Group (PRMG) and their final report. The base charges from the draft report were used in the Notice of Special Call Membership Meeting. The correct base water and sewer charge for the 1 ½" meter are lower than shown in the Notice, but the correct base water charge for a 5/8" x ¾" meter to become effective January 2007 is higher than stated in the Notice.

The proposed January 2007 rate increase was presented as a 6% across the board increase on water and sewer charges; however, the base water rate shown on the notice equates to a 1.02% increase.

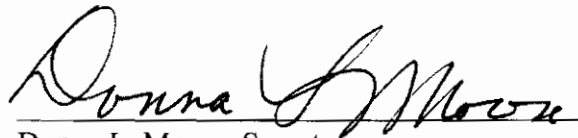
A copy of an E-mail (copy attached to minutes) from Martin Friedman, GIWA's consulting attorney, was presented to the Board which states that GIWA's By-laws provide that rates increases are determined by the Board and rate structure changes must be determined by a Membership vote; therefore, it is his opinion that the Board can adopt a resolution to correct the proposed rates.



Dr. Morrison made a motion to correct the proposed rate schedule as presented to reflect the recommended rates as shown in PRMG's final Water and Wastewater Study. Motion seconded and carried.

Mr. Grady recommended that we notify the membership of this change. The Board agreed to notify the membership of the change via a bill insert once Lee County has approved the proposed rates.

Meeting adjourned at 9:15 a.m.

  
Donna L. Moore, Secretary

# GASPARILLA ISLAND WATER ASSOCIATION, INC.

## Existing and Proposed Water and Wastewater User Rate Schedule – Base Charges

	Existing Rates	Proposed Rate Effective May 2006 as Stated in Notice to Membership	Rate as per PRMG Final Report	Proposed Rate Effective January 2007 as Stated in Notice to Membership	Rate as per PRMG Final Report
<b>WATER SYSTEM</b>					
<b><u>Base Charge, includes 5,000 gallons</u></b>					
Residential					
5/8" x 3/4" Meter	<del>\$21.50</del>	<del>\$21.50</del>	<del>\$21.50</del>	<del>\$21.72</del>	<del>\$22.79</del>
1" Meter	\$21.50	\$39.94	\$39.95	\$42.34	\$42.35
1 1/2" Meter	<del>\$21.50</del>	<del>\$78.87</del>	<del>\$77.88</del>	<del>\$83.60</del>	<del>\$82.55</del>
2" Meter	\$21.50	\$123.95	\$124.00	\$131.39	\$131.44
General - Commercial					
5/8" x 3/4" Meter	<del>\$21.50</del>	<del>\$21.50</del>	<del>\$21.50</del>	<del>\$21.72</del>	<del>\$22.79</del>
1" Meter	\$21.50	\$39.94	\$39.95	\$42.34	\$42.35
1 1/2" Meter	<del>\$21.50</del>	<del>\$78.87</del>	<del>\$77.88</del>	<del>\$83.60</del>	<del>\$82.55</del>
2" Meter	\$21.50	\$123.95	\$124.00	\$131.39	\$131.44
2 1/2" Meter	\$21.50	\$226.40	\$226.50	\$239.98	\$240.09
Irrigation					
5/8" x 3/4" Meter	N/A	<del>\$21.50</del>	<del>\$21.50</del>	<del>\$21.72</del>	<del>\$22.79</del>
1" Meter	N/A	\$39.94	\$39.95	\$42.34	\$42.35
1 1/2" Meter	N/A	<del>\$78.87</del>	<del>\$77.88</del>	<del>\$83.60</del>	<del>\$82.55</del>
2" Meter	N/A	\$123.95	\$124.00	\$131.39	\$131.44
2 1/2" Meter	N/A	\$226.40	\$226.50	\$239.98	\$240.09
<b>WASTEWATER SYSTEM</b>					
<b><u>Base Charge</u></b>					
Residential					
5/8" x 3/4" Meter	\$20.60	\$21.60	\$21.60	\$22.90	\$22.90
1" Meter	\$20.60	\$21.60	\$21.60	\$22.90	\$22.90
1 1/2" Meter	\$20.60	\$21.60	\$21.60	\$22.90	\$22.90
2" Meter	\$20.60	\$21.60	\$21.60	\$22.90	\$22.90
General - Commercial					
5/8" x 3/4" Meter	\$20.60	\$21.60	\$21.60	\$22.90	\$22.90
1" Meter	\$20.60	\$40.76	\$40.76	\$43.21	\$43.21
1 1/2" Meter	<del>\$20.60</del>	<del>\$81.21</del>	<del>\$80.15</del>	<del>\$86.08</del>	<del>\$84.95</del>
2" Meter	\$20.60	\$128.05	\$128.05	\$135.73	\$135.73
2 1/2" Meter	\$20.60	\$234.50	\$234.50	\$248.57	\$248.57

**Bonnie Pringle**

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**From:** Martin Friedman [mfriedman@rsbattorneys.com]  
**Sent:** Tuesday, April 18, 2006 10:53 AM  
**To:** Bonnie Pringle  
**Subject:** GIWA/Rate Increase

**Bonnie,**

This is a follow-up to our telephone conference this morning regarding some typographical errors in the rates included in the Notice to the Members of the meeting to approve the new rates.

The correction of the two typographical errors in the proposed rates effective May 2006 are beneficial to the members in that the rate should be less than that approved. Thus, members will not likely complain about the correction of the error.

However, one of the three typographical errors in the proposed rates effective January 2007 is higher than that approved by the members.

I do not think that the difference in either case is so material as to negate the validity of the vote.

As a safeguard, my recommendation is for the Board to adopt a resolution with the correct rates. Although GIWA has traditionally allowed the Members to vote on rate increases, the Bylaws provide that rate increases are determined by the Board and rate structure is determined by the Members.

In summary, it is my opinion that GIWA is OK with correcting the May 2006 and January 2007 rates without further action by the members.

Give me a call if you have any questions. Regards, Marty

**Martin S. Friedman**  
**Rose, Sundstrom & Bentley, LLP**  
**Sanlando Center**  
**2180 W. State Road 434, Suite 2118**  
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