

ALLOCATION OF SALARIES & WAGES AND RELATED ADJUSTMENTS

ALLOCATION OF SALARIES AND WAGES EXPENSE

	Employees 6 & 10		Employee 2	
	Water	Sewer	Water	Sewer
Estimated Time Including				
Meter Reading	80.00%	20.00%	70.00%	30.00%
Remove Meter Reading	<u>-10.00%</u>		<u>-10.00%</u>	
Allocation w/o Mtr Reading	70.00%	20.00%	60.00%	30.00%
Add: Allocate Meter Reading on Number of Customers	<u>7.78%</u>	<u>2.22%</u>	<u>7.78%</u>	<u>2.22%</u>
Final Allocation	77.78%	22.22%	67.78%	32.22%

Using the above factors results in the following allocation of field employee wages:

Field Employees:	Pro Forma	Allocated to	
	Wages	Water	Sewer
#2 Operator	\$ 31,903	\$ 21,625	\$ 10,278
#6 Operator	27,060	21,048	6,012
#10 Operator	28,181	21,920	6,261
Add Office Employees:			
#3 Secretary	27,498	21,401	6,097
#5 Accounting	<u>40,296</u>	<u>31,361</u>	<u>8,935</u>
Total Office & Field Employees	154,938	117,355	37,583
Allocation Factors	100.00%	75.74%	24.26%
Add General Manager	<u>65,998</u>	<u>49,989</u>	<u>16,009</u>
PRO FORMA SALARIES & WAGES	\$ 220,936	\$ 167,344	\$ 53,592
Less: Reported Salaries & Wages		<u>(191,934)</u>	<u>(52,692)</u>
Pro Forma Adjustments - Salaries & Wages		\$ (24,590)	\$ 900

ALLOCATION OF EMPLOYEE PENSIONS AND BENEFITS

	Proforma	Allocated to	
		Water	Sewer
CERS & Empl. Health Insurance	\$ 81,142	61,460	19,682
Less: Reported Pensions & Benefits		<u>(77,825)</u>	<u>-</u>
Pro Forma Adjustments		\$ (16,365)	\$ 19,682

ALLOCATION OF WORKERS' COMPENSATION INSURANCE

	Test Year	Allocated to	
		Water	Sewer
Allocated Workers' Compensation	\$ 4,028	3,051	977
Less: Test Year		<u>(4,028)</u>	<u>-</u>
Pro Forma Adjustments		\$ (977)	\$ 977

ALLOCATION OF PAYROLL TAX

	Water	Sewer
Pro Forma Salaries & Wages	167,344	53,592
Multiplied by: FICA Rate	7.65%	7.65%
Pro Forma Payroll Tax Expense	12,802	4,100
Less: Reported Payroll Tax Expense	<u>(20,083)</u>	<u>-</u>
Pro Forma Adjustment	(7,281)	4,100

REVISED SCHEDULE OF ADJUSTED OPERATIONS *

**Garrison-Quincy Water District
Water Division**

	<u>Test Year</u>	<u>Adjustments</u>	<u>Pro Forma</u>
<u>Operating Revenues</u>			
Sales of Water	\$ 543,541	(63,636)	
		39,461	519,366
Other Water Revenues:			
Forfeited Discounts	-	19,670	19,670
Misc. Service Revenue	-	3,260	3,260
Total Operating Revenues	\$ 543,541		\$ 542,296

Operating Expenses

Operation and Maintenance			
Salaries and Wages - Employees	191,934	(24,590)	167,344
Tap-on Fees		(13,250)	(13,250)
Salaries and Wages - Officers	8,100	(1,796)	6,304
Employee Pensions and Benefits	77,825	(16,365)	61,460
Purchased Water	42,506	(10,111)	32,395
Purchased Power	36,766	(8,746)	28,020
Chemicals	13,705	(3,260)	10,445
Materials and Supplies	23,603	-	23,603
Contractual Services - Accounting	20,877	(4,628)	16,249
Contractual Services - Water Testing	3,443		3,443
Contractual Services - Other	3,525		3,525
Transportation Expenses	4,494	(736)	3,758
Insurance - General Liability & Other	10,216	(2,195)	8,021
Insurance - Workers Comp	4,028	(977)	3,051
Miscellaneous Expenses	129,858		
CERS		(81,060)	
Purchased Power Office		(948)	
Materials and Supplies, Office		(1,732)	
Dues and Subscriptions		(481)	
Continuing Education	-	(674)	44,963
Total Operation and Mnt. Expenses	570,880	(171,550)	399,330
Depreciation Expense	101,505	13,124	114,629
		(263)	
Taxes Other Than Income	20,083	(7,281)	12,802
Total Operating Expenses	\$ 692,468	\$ (165,970)	\$ 526,761

REVENUE REQUIREMENTS

Pro Forma Operating Expenses		\$ 526,761
Plus: Avg. Annual Principal and Interest Payments		91,852
Additional Working Capital		18,370
Total Revenue Requirement		\$ 636,983
Less: Other Operating Revenue		(22,930)
Other Income - Phase II & III Surcharges	22,944	(22,944)
Interest Income	5,260	(5,260)
Revenue Required From Water Sales		\$ 585,849
Less: Revenue from Sales at Present Rates		(519,366)
Required Revenue Increase		\$ 66,483
Percent Increase		<u>12.80%</u>

* Revisions to Staff Report are in red text

REVISED SCHEDULE OF ADJUSTED OPERATIONS *
Garrison-Quincy Water District
Sewer Division

	<u>Test Year</u>	<u>Adjustments</u>	<u>Pro Forma</u>
<u>Operating Revenues</u>			
Total Sewer Sales	141,531	(5,209)	
		12,924	149,246
Other Sewer Revenues	<u>-</u>	6,874	<u>6,874</u>
Total Operating Revenues	141,531		156,120
<u>Operating Expenses</u>			
Operation & Maintenance Expenses			
Collection - Labor, Materials and Expenses	52,692	900	53,592
Tap-on Labor, Materials & Expenses		(4,725)	(4,725)
Salaries & Wages Commissioners	-	1,796	1,796
Employee Pensions and Benefits	-	19,682	19,682
Purchased Power for Pumping	21,892		21,892
Contractual Services		4,628	4,628
Treatment & Disposal	32,376		32,376
Maintenance Treatment & Disposal	2,022		2,022
Transportation Expense	-	736	736
Insurance - General Liability & Other	-	2,195	2,195
Insurance - Workers Compensation		977	977
Office Supplies and Other Expenses	2,432		
Purchased Power Office		948	
Materials & Supplies Office	-	1,732	
Dues and Subscriptions	-	481	
Continuing Education	<u>-</u>	674	<u>6,267</u>
Total Sewer Operation and Mnt. Expenses	\$ 111,414		\$ 141,439
Depreciation Expense	77,202	38,885	
		263	116,350
Taxes Other Than Income	<u>-</u>	4,100	<u>4,100</u>
Total Operating Expenses	\$ 188,616		\$ 261,888

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 261,888
Plus: Avg. Annual Principal and Interest Pmts.	30,849
Additional Working Capital	<u>6,170</u>
Total Revenue Requirement	\$ 298,907
Less: Other Operating Revenue	<u>(6,874)</u>
Revenue Required From Sewer Sales	\$ 292,033
Less: Revenue from Sales at Present Rates	<u>(149,246)</u>
Required Revenue Increase	\$ 142,787
Percent Increase	95.7%

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**CURRENT AND PROPOSED MONTHLY RATES
Garrison-Quincy Water District
WATER DIVISION**

<u>CURRENT RATE SCHEDULE</u>	<u>PROPOSED RATE SCHEDULE</u>
<u>5/8" x 3/4" Meters</u>	<u>5/8" x 3/4" Meters</u>
First 2,000 gallons \$ 20.50 Minimum Bill	First 2,000 gallons \$ 23.12 Minimum Bill
Next 3,000 gallons 8.05 per 1,000 gallons	Next 3,000 gallons 9.08 per 1,000 gallons
Next 5,000 gallons 6.73 per 1,000 gallons	Next 5,000 gallons 7.59 per 1,000 gallons
Over 10,000 gallons 5.32 per 1,000 gallons	Over 10,000 gallons 6.00 per 1,000 gallons
<u>1" Meters</u>	<u>1" Meters</u>
First 10,000 gallons \$ 78.30 Minimum Bill	First 10,000 gallons \$ 88.31 Minimum Bill
Over 10,000 gallons 5.32 per 1,000 gallons	Over 10,000 gallons 6.00 per 1,000 gallons
<u>2" Meters</u>	<u>2" Meters</u>
First 50,000 gallons \$ 291.10 Minimum Bill	First 50,000 gallons \$ 328.31 Minimum Bill
Over 50,000 gallons 5.32 per 1,000 gallons	Over 50,000 gallons 6.00 per 1,000 gallons
<u>Bulk Water</u>	<u>Bulk Water</u>
All purchases \$ 8.68 per 1,000 gallons	All purchases \$ 9.79 per 1,000 gallons
<u>Wholesale Customers</u>	<u>Wholesale Customers</u>
First 1.0 mil gallons \$ 2,000 Minimum Bill	First 1.0 mil gallons \$ 2,000 Minimum Bill
Over 1.0 mil gallons 2.00 per 1,000 gallons	Over 1.0 mil gallons 2.00 per 1,000 gallons
	<u>Water Loss Reduction Surcharge</u>
	\$ 1.73 per Customer

**CURRENT AND PROPOSED RATES
Garrison-Quincy Water District
SEWER DIVISION**

<u>CURRENT RATE SCHEDULE</u>	<u>PROPOSED RATE SCHEDULE</u>
<u>All Customers</u>	<u>All Customers</u>
First 2,000 gallons \$ 22.00 Minimum Bill	First 2,000 gallons \$ 31.90 Minimum Bill
Over 2,000 gallons 11.00 per 1,000 gallons	Over 2,000 gallons 15.95 per 1,000 gallons