

FIGURE 1

Detail for 07-26-11 UAC meeting

Staffing Comparisons to Western Washington Water Utilities - 2011

Jurisdiction	Employed #	Connections # Water	Connections per Employee	Mainline # Miles	Pipeline Miles per Employee	Treatment &/or Wells
K.C. Water Dist #20	11	9,250	841	120	10.9	N
Lynden	6.5	4,514	694	57	8.8	Y
Shoreline Water	12	8,162	680	96	8	N
Lynnwood	12	7,976	665	120	10	Some
K.C. Water Dist #90	11	7,060	642	102	9.3	Some
Columbia Valley WD	2.5	1,562	625	30	12	Y
Lakewood Water	27	16,735	620	235	8.7	Y
<b>Bainbridge Island (optimized)</b>	<b>3.9</b>	<b>2,332</b>	<b>598</b>	<b>30</b>	<b>7.7</b>	<b>Y</b>
Highline Water	31	18,120	585	291	9.4	Some
Washington Water Service	32	17,347	542	200	6.3	Y
Kitsap PUD	27.15	14,660	540	301	11.1	Y
K.C. Water Dist #49	8	4,020	503	60	7.5	N
K.C. Water Dist #125	7	3,415	488	60	8.6	N
Sultan	4.5	2,100	467	26	5.8	Y
<b>Bainbridge Island (existing)</b>	<b>6.5</b>	<b>2,332</b>	<b>359</b>	<b>30</b>	<b>4.6</b>	<b>Y</b>
<b>Average</b>	<b>13</b>	<b>7,972</b>	<b>590</b>	<b>117</b>	<b>8.6</b>	

**FIGURE 2**

Detail for 07-26-11 UAC meeting

Class	FTE Analysis Per Option				
	Existing FTE	Optimized FTE	Transfer/Sell FTE		
			Transfer/Sell (RIF)	Transfer/Sell (GF)	Transfer/Sell (SS/S)
Executive	0.4	0.2	0.1	0.3	0.0
Finance and Administrative Services	1.3	0.9	0.8	0.2	0.3
Planning and Community Development	0.0	0.0	0.0	0.0	0.0
Public Works - Admin.	0.2	0.2	0.0	0.0	0.2
Public Works - Engineering	0.8	0.4	0.8	0.0	0.0
Public Works - O&M	3.3	2.1	2.8	0.0	0.5
Information Technology	0.5	0.2	0.5	0.0	0.0
<b>TOTAL</b>	<b>6.5</b>	<b>3.9</b>	<b>5.0</b>	<b>0.5</b>	<b>1.0</b>

**FIGURE 3**  
Detail for 07-26-11 UAC meeting

Class	Salary and Benefits Impact Per FTE Analysis									
	Existing FTE	\$ Existing (Water Fund)	Optimized FTE	\$ Optimized (Water Fund)	Transfer/Sell (GF)		Transfer/Sell (SS/S Fund)		Transfer/Sell (RIF)	
					\$ Impact (Gen Fund)	Transfer/Sell (GF)	\$ Impact (SS/S Fund)	Transfer/Sell (SS/S Fund)	\$ Impact (RIF)	Transfer/Sell (RIF)
Executive	0.4	\$49,400	0.2	\$23,400	0.3	\$39,000	0.0	\$0	0.1	\$13,000
Finance and Administrative Services	1.3	\$130,000	0.9	\$87,000	0.2	\$24,000	0.3	\$28,000	0.8	\$80,000
Planning and Community Development	0.0	\$2,700	0.0	\$0	0.0	\$0	0.0	\$2,700	0.0	\$0
Public Works - Admin.	0.2	\$23,800	0.2	\$23,800	0.0	\$0	0.2	\$23,800	0.0	\$0
Public Works - Engineering	0.8	\$84,000	0.4	\$36,750	0.0	\$0	0.0	\$0	0.8	\$84,000
Public Works - O&M	3.3	\$260,700	2.1	\$161,950	0.0	\$0	0.5	\$38,710	2.8	\$221,990
Information Technology	0.5	\$48,410	0.2	\$20,600	0.0	\$0	0.0	\$0	0.5	\$48,410
<b>TOTALS</b>	<b>6.5</b>	<b>\$599,010</b>	<b>3.9</b>	<b>\$353,500</b>	<b>0.5</b>	<b>\$63,000</b>	<b>1.0</b>	<b>\$93,210</b>	<b>5.0</b>	<b>\$447,400</b>



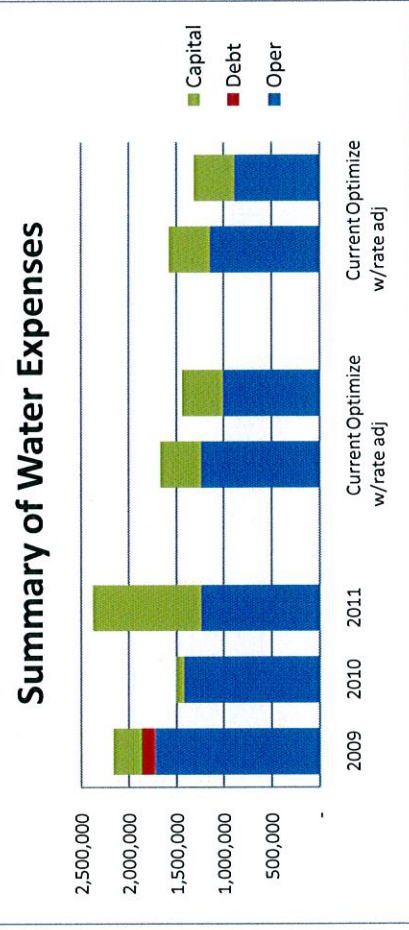
	DISCUSSION DRAFT			Before adjusting rates		Reflects adjusted rates	
	2009	2010	2011	Current	Optimize	Current	Optimize
<b>Summary of W Expenses</b>							
Oper	1,728,744	1,417,587	1,238,191	1,238,191	1,004,735	1,144,676	880,966
Debt	133,041	-	-	-	-	-	-
Capital	304,153	87,387	1,140,785	435,000	435,000	435,000	435,000
<b>Total W Expense</b>	<b>2,165,939</b>	<b>1,504,974</b>	<b>2,378,976</b>	<b>1,673,191</b>	<b>1,439,735</b>	<b>1,579,676</b>	<b>1,315,966</b>
			Compare to 2011:	70%	61%	66%	55%
			savings	30%	39%	34%	45%

2011 Rates -COBI	1000cf	1000cf	1000cf
Base = \$27.98/Mo	\$45.70	\$39.33	\$43.15
0-500cf = \$2.82/100cf	-30%	-39%	-34%
501-1200cf = \$4.58/100cf			savings
1201-3000cf = \$6.46/100cf			
3000+cf = \$8.80/100cf			

2011 Rates -WWSC	1000cf	1000cf	1000cf
Base = \$17.43/Mo	\$42.83	\$47.54	\$42.39
0-653cf = \$2.38/100cf	\$4.71	\$4.71	\$4.20
653-2056cf = \$2.84/100cf	-27%	-27%	-35%
2057+cf = \$3.22/100cf			savings

kpud proposal used 2010 rates, also gave 2011-14  
ki recal proposal based on 2300 active customers  
per bi-monthly period

Actual/Budget Before adjust for tax savings Reflect Tax Savings



DISCUSSION DRAFT

	Budget 2011		Current		Reflects adjusted rates	
		w/rate adj	Optimize	w/rate adj	Optimize	Optimize
<b>Water Fund Balance (Est.)</b>						
Beginning Fund Balance	1,756,074	1,756,074	1,756,074	1,756,074	1,756,074	1,756,074
Loan Repayment Received	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Annual Increase/(Use) of Reserves	99,546	ki est. from budget	1,003,787	-	66,831	72,683
<b>Est. Ending Balance</b>	<b>4,855,620</b>		<b>5,759,861</b>	<b>4,822,905</b>	<b>4,828,757</b>	
<b>Target Minimum Balance</b>						
Cash Flow Reserve	310,000					
Debt Reserve	-					
Emergency Reserve	435,000					
Rate Stability Reserve	235,000					
<b>Target Minimum Balance</b>	<b>980,000</b>		<b>980,000</b>	<b>980,000</b>	<b>980,000</b>	<b>980,000</b>
End Balance Meets Target Min.?		ok	ok	ok	ok	ok
<b>Reserves Available for Capital</b>	<b>3,875,620</b>		<b>4,779,861</b>	<b>4,546,405</b>	<b>3,842,905</b>	<b>3,848,757</b>
		end bal. less target min. reserves				

KI&A est. - should reflect utility financial policies or adjust policies

310,000 3 mos operating expense  
- 1 year debt repayment  
435,000 2.5% of fixed assets \$17.4M '10  
235,000 10% of water sales \$2.35M

KL&A Use of Reserves

City of Bainbridge Island  
W Utility Business Advisor  
Prepared by KL&A

Model calcs used for 07-26-11 UAC meeting

Water FTEs:	6.5	3.9
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DISCUSSION DRAFT

Budget 2011	Before adjusting rates		Reflects adjusted rates		KPUD	WWSC
	COBI Current	COBI Optimize	COBI Current	COBI Optimize		
Reserves Available for Capital	3,875,620	4,546,405	3,842,905	3,848,757	3,875,620	3,875,620

Scenario: Apply available reserves to capital and reduce annual capital replacement funding to the level of depreciation (\$300,000) and fund transition costs

	@435k/yr	@300k/yr				
Revised COBI CIP 2011-2015	3,797,000	3,797,000				
Less: Annual from rates	2,175,000	1,500,000				
Capital Funded from Reserves	1,622,000	2,297,000	2,297,000	2,297,000	2,135,718	
Transition Costs from Reserves	100,000	100,000	100,000	250,000	850,000	850,000
Other Costs from Reserves						
<b>Est. Costs funded from Reserves</b>	<b>1,722,000</b>	<b>2,397,000</b>	<b>2,397,000</b>	<b>2,547,000</b>	<b>2,985,718</b>	<b>850,000</b>
<b>Reserves Available</b>	<b>2,153,620</b>	<b>2,149,405</b>	<b>1,445,905</b>	<b>1,301,757</b>	<b>889,902</b>	<b>3,025,620</b>
Est. Monthly Rate, 1000cf	\$64.98	\$42.01	\$39.46	\$32.26	\$35.43	\$47.54
Est. % Savings		-35%	-39%	-50%	-45%	-27%

This scenario assumes:  
using reserves for capital and reduces annual capital replacement funding from rates to the level of depreciation.

**DISCUSSION DRAFT**

	Before adjusting rates		Reflects adjusted rates	
	COBI Current	COBI Optimize	COBI Current	COBI Optimize
<b>Summary of W Expenses</b>				
Oper	1,238,191	1,004,735	1,144,676	880,966
Debt	-	-	-	-
Capital	1,140,785	300,000	300,000	300,000
<b>Total W Expense</b>	<b>2,378,976</b>	<b>1,304,735</b>	<b>1,444,676</b>	<b>1,180,966</b>

Compare to 2011:  
savings

	2011 Rates - COBI	COBI	COBI
<b>2011 Single Family Customer Bill</b>			
Existing COBI	1000cf	1000cf	1000cf
	\$64.98	\$42.01	\$39.46
		-35%	-39%
			savings
			-50%
			50%

Base = \$27.98/Mo  
0-500cf = \$2.82/100cf  
501-1200cf = \$4.58/100cf  
1201-3000cf = \$6.46/100cf  
3000+cf = \$8.80/100cf

2011 Rates - KPUD Proposed	kpud proposal used 2010 rates, also gave 2011-14
Base = \$21.52/Mo	
Capital Surcharge = \$0/Mo.	
0-1400cf = \$0.92/100cf	
1500-3000cf = \$1.32/100cf	
3100-5000cf = \$1.66/100cf	
5100+cf = \$4.12/100cf	
	per bi-monthly period
	1000cf
	\$31.92 base, surcharge & volume
	\$3.51 taxes: state (5%) & city (6%)
	\$35.43
	-45% savings

2011 Rates - WWSC	
Base = \$17.43/Mo	
0-653cf = \$2.38/100cf	
653-2056cf = \$2.84/100cf	
2057+cf = \$3.22/100cf	
	1000cf
	\$42.83
	\$4.71 taxes: state (5%) & city (6%)
	\$47.54
	-27% savings