

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

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In the Matter of:

DOCKET NO. 120152-WS

APPLICATION FOR INCREASE IN WATER  
AND WASTEWATER RATES IN ORANGE  
COUNTY BY PLURIS WEDGEFIELD, INC.

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PROCEEDINGS: COMMISSION CONFERENCE  
ITEM NO. 4

COMMISSIONERS  
PARTICIPATING: CHAIRMAN RONALD A. BRISÉ  
COMMISSIONER LISA POLAK EDGAR  
COMMISSIONER ART GRAHAM  
COMMISSIONER EDUARDO E. BALBIS

DATE: Tuesday, April 9, 2013

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: JANE FAUROT, RPR  
Official FPSC Reporter  
(850) 413-6732

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1 on behalf of the Citizens.

2 We are here to address some concerns that we  
3 have with the recommendation for Pluris Wedgefield.  
4 Ms. Merchant is prepared to discuss our concerns and  
5 the specifics of those concerns. And the issues that  
6 we would like to address generally relate to the NOI  
7 issues, specifically, and that will be fleshed out more  
8 fully through Ms. Merchant's comments.

9 **CHAIRMAN BRISÉ:** Okay.

10 **MS. MERCHANT:** Good morning, Commissioners.  
11 Tricia Merchant with the Office of Public Counsel. OPC  
12 has reviewed the Company's filing and Staff's  
13 recommendation regarding the Pluris Wedgefield, and  
14 while we agree with several of the staff's  
15 recommendations -- staff recommended adjustments, we  
16 have concerns regarding the appropriate level of  
17 operation and maintenance expenses that we would like  
18 to address. And there are no specific issues related  
19 to our concerns, but they kind of generally fall into  
20 Issues 11 through 13, which are in the NOI section of  
21 the recommendation.

22 A little history. Prior to November 2009,  
23 Utilities Inc. owned the Wedgefield system, and it had  
24 been experiencing several years of poor water quality,  
25 and they changed their method of treatment. It's a

1 very complex system, but they filed a rate case to ask  
2 for recovery of those costs. And the Commission in  
3 December 2008 approved a 51 percent rate increase,  
4 which did allow Utilities Inc. to implement this  
5 treatment process change to improve their water  
6 quality.

7 After the system was purchased by Pluris in  
8 2009, Pluris has not reflected, to OPC's knowledge, any  
9 major changes in treatment processes for the water  
10 system, nor have they increased or changed any  
11 processes for the wastewater system. OPC is aware that  
12 depreciation expense was materially misstated in the  
13 last rate case, and we also understand that property  
14 taxes have increased substantially due to Orange  
15 County's change in methodology of taxing the company.  
16 But we really haven't had an adequate explanation as to  
17 why the O&M expenses, which are not depreciation and  
18 property taxes, why those O&M expenses have increased  
19 substantially since the last rate case, or since  
20 Utilities Inc. owned the system.

21 In comparing the 2008 expenses, which was the  
22 last year that it was under Utilities Inc., and compare  
23 that to the 2011 Pluris test year, O&M expenses have  
24 increased by \$280,000, or 33 percent over the amount  
25 recorded by Utilities Inc. The 33 percent increase in

1 expenses results in a \$15 per customer monthly impact,  
2 or \$180 for each customer annually. We don't believe  
3 that this can be left unexplained.

4 In trying to break down what caused such a  
5 dramatic change in O&M expenses, we tried to analyze  
6 the specific account changes since Pluris has taken  
7 over. The analysis was futile, as Pluris did not  
8 provide a breakdown for salaries, benefits, chemicals,  
9 purchased power, materials and supplies,  
10 transportation, or sludge hauling expenses. The  
11 majority of Pluris' expenses are lumped into the parent  
12 company management fee or the fixed contract for  
13 operations with a company called Utility Partners.

14 While staff has recommended several  
15 adjustments to the management fees requested, OPC still  
16 has concerns that the recommended fees are reasonable.  
17 However, the largest component of the O&M expense is  
18 the fixed rate operations contract. This contract  
19 consists of two separate components: The first one is  
20 for operational labor, and the second one is a  
21 pass-through cost component.

22 Added to the pass-through cost is a 5 percent  
23 administrative management fee which is in addition to  
24 the labor component of the contract. The contract even  
25 specifies a 10 percent bonus if the operator spends

1 less than the budgeted amounts.

2 OPC has several concerns with this contract.  
3 First, Pluris has not explained why a fixed rate  
4 contract for a company of this size is reasonable and  
5 prudent. In my years of experience, I have never seen  
6 a contract such as this for a company of this size.  
7 The Commission can't review the actual expenses  
8 incurred, the salaries and benefits provided, the hours  
9 worked, or any of the other direct expenses associated  
10 with the contract. When asked if Pluris had a  
11 breakdown of the actual costs incurred for 2011, the  
12 company responded that it did not.

13 Third, if customers conserve, the company  
14 will not receive a reduction in cost for reduced  
15 consumption, and OPC also believes that the 5 percent  
16 administrative fee is unreasonable and may be  
17 duplicative of the labor that was included in the first  
18 component of the contract.

19 And lastly, any bonus paid for spending less  
20 than the budgeted amounts does not appear fair or  
21 reasonable for customers, particularly if they have  
22 lowered their consumption.

23 The last area of expense that has increased  
24 substantially from the prior owner's accounting fees,  
25 the company has requested annual accounting fees of

1 28,000 compared to \$3,200 that was previously paid by  
2 Utilities Inc., and this appears to be an excessive  
3 amount.

4 The invoices detailing the accounting and tax  
5 expenses lists costs for two audits and three separate  
6 companies that performed tax work, one of which  
7 included personal tax return fees for one of the  
8 officers of the company. OPC has concerns whether this  
9 level of accounting fees is reasonable and prudent as  
10 well as representative of what the annual recurring  
11 costs for accounting fees will be.

12 The utility has described the reason for the  
13 large change in expenses as increased chemicals from  
14 the change in the treatment process and with operating  
15 labor. Without a showing of what actual costs were  
16 incurred, the Commission can't review those amounts for  
17 reasonableness.

18 In conclusion, Commissioners, it's the  
19 utility's burden to show that its costs are reasonable.  
20 We believe that the mere fact that the company spent  
21 the money without justification doesn't make the costs  
22 reasonable and prudent. We believe that until the  
23 company can explain the need for its expenses to have  
24 so dramatically increased that the level of costs  
25 outside of rate case expense should be indexed up for

1 inflation for 2009 to 2011.

2 OPC also questions how Pluris can support  
3 future price index or pass-through adjustments if it  
4 can't provide actual expenses in its rate case. Thank  
5 you so much for your consideration. We're available  
6 for questions.

7 **CHAIRMAN BRISÉ:** All right. You may proceed.

8 **MR. FRIEDMAN:** Thank you, Mr. Chairman and  
9 Commissioners. My name is Martin Friedman of the law  
10 firm of Sundstrom, Friedman & Fumero, and we represent  
11 Pluris Wedgefield. With me today is Mr. Maurice  
12 Gallarda who is the president of the utility. He is  
13 also a professional engineer, so he has that  
14 perspective that he also adds to his duties.

15 We have sitting behind me Ms. Beverly Yopp,  
16 who is the customer service -- in charge of the  
17 customer service, and also Mr. Joe Kuhns, who is the  
18 regional manager who handles the operational things at  
19 a local level.

20 We do have some handouts on some issues that  
21 we're -- if I can hand them out or get somebody to hand  
22 them out.

23 **CHAIRMAN BRISÉ:** Sure. We have someone who  
24 is going to help you, sir.

25 (Off-the-record discussion.)



1           **CHAIRMAN BRISÉ:** Commissioner Edgar.

2           **COMMISSIONER EDGAR:** Thank you, Mr. Chairman.

3           While that material is being distributed, may  
4 I ask, Ms. Merchant, can you help me identify the  
5 specific issue numbers for those points that you  
6 brought to our attention?

7           **MS. MERCHANT:** Specifically, Issues 11 deals  
8 with the management fee, and it's entitled allocated  
9 expenses. The only other issues related to test year  
10 operating expenses are 12, but that's rate case  
11 expense, and 13 is pro forma adjustments. So there  
12 really isn't an issue for accounting fees or the  
13 contract, the fixed contract.

14           **COMMISSIONER EDGAR:** Thank you.

15           **MS. MERCHANT:** There isn't one. Sorry.

16           **COMMISSIONER EDGAR:** Thank you.

17           **CHAIRMAN BRISÉ:** Thank you.

18           Before you have go on, Mr. Friedman, you have  
19 probably heard a baby, or a couple of babies in the  
20 rear. There's a Ph.D. student who is sort of observing  
21 us today, and he has also daddy duty today, so if you  
22 could give us just a little bit of indulgence today as  
23 he has double duty today.

24           (Audience laughter.)

25           **MR. FRIEDMAN:** Thank you, Mr. Chairman.

1           Commissioners, we have handed out some  
2 handouts. Mr. Gallarda is going to address the  
3 comments of Public Counsel and also the two handouts  
4 you had, and then I will interject at the end if I  
5 think Mr. Gallarda overlooked something. Thank you.

6           **MR. GALLARDA:** Good morning, Commissioners.

7           There's going to be some probably randomness  
8 on a couple of items here, because, one, I'd like to  
9 respond to OPC with regards to the issues of why are we  
10 allowing a third-party subcontractor to provide just  
11 the O&M portion of the operations of the plant. When  
12 we acquired the plant, there were issues pertaining to  
13 albeit the MIEX system, which is known for treating  
14 TTHMs and HAA-5s, had been gone through a prior rate  
15 case. And they had built it, and they gotten the  
16 approval. The prior owner, Utilities Inc., was not the  
17 operating the plant within the requirements of the  
18 manufacturer's specifications, specifically that  
19 pertain to a resin that is used for treating both TTHMs  
20 and HAA-5s.

21           And when we first showed up, as a design  
22 engineer I wanted to know why they were out of  
23 compliance. At the time of the acquisition they were  
24 in violation of compliance with DEP, and they had  
25 busted both the TTHMs and the HAA-5s. And when we were

1 trying to understand why, because we were familiar with  
2 the MIEX system, one thing became very clear, and that  
3 was they were not purchasing the minimum required of  
4 resin to maintain, ensure contact time with the water  
5 so that it could address those issues.

6 In fact, they were running it at 25 percent  
7 of the recommended amount. And there was good reason,  
8 if you were looking at it solely from a cost  
9 perspective. One ton of MIEX resin is \$11,000 --  
10 \$11,515 per ton. You have to -- we ended up having to  
11 buy four additional tons per year, and the math comes  
12 out to just under \$50,000, just solely as an expensable  
13 for a resin material that is required and it was not  
14 being operated.

15 We actually went in and reconfigured the MIEX  
16 system itself to ensure structurally a better contact  
17 time for the resin. That was part of the issue, and  
18 there was a bridging that was occurring. So we went in  
19 and spent some money to do that. So we invested in  
20 that.

21 The other portion that was noted as lacking  
22 was the prior owner was using two -- they had three  
23 operators for both the water and the wastewater plant.  
24 They were two short. And what they were doing was  
25 subsidizing labor from other utilities owned two

1 Wedgefield, and they were not getting expensed to the  
2 Wedgefield, so they didn't even show up in the  
3 Wedgefield O&M expenses by Utilities Inc.

4 We went out to bid for two companies to come  
5 in and just provide the O&M. One was Utilities Inc.  
6 asked if they could continue to do the O&M, and we  
7 allowed them to provide us a bid. We also asked  
8 Utility Partners, which is based, headquartered out of  
9 Atlanta, a well known 30-year-old group that does  
10 solely O&M. We went ahead, and on the  
11 basis of the costs between those two, Utility Partners  
12 was less than the utility that owned the utility that  
13 wanted to do the O&M for us.

14 So we retained Utility Partners, and they  
15 provided the O&M at the plant, and they will still do  
16 for both water and wastewater. And they also at the  
17 time of the acquisition were doing customer care for  
18 us, as well.

19 And this is where I'm going to merge in a  
20 little bit to responding. So it is not factual that  
21 suddenly the expenses went way up just because of the  
22 acquisition. A large portion went up because the prior  
23 utility wasn't operating at and in compliance with DEP  
24 regulations on both personnel and expensables for  
25 operating the plant.

1           The corporate allocation -- so today, I'm  
2 kind of segueing into my comments, we have read the  
3 report. We really don't have too much objections to  
4 the report. We could disagree on probably every single  
5 item, but I don't think that's good use of the time,  
6 and I'm not sure the customer benefits by us arguing  
7 over the amounts that we would be, but we are  
8 specifically covering some of the same areas that OPC  
9 is, and that is Item Number 11 for the allocations  
10 amount, Item Number 13 for the call center specific  
11 amount, and Item Number 14 for the income tax. So  
12 those are the only three items that we are really  
13 having any type of discussion today before you.

14           And so with that, what I'd like to do is --  
15 unless the Commissioners have an objection to that, is  
16 to maybe just walk through Items 11, 13, and 14, and I  
17 will be happy to answer the ones that I can relative to  
18 any other questions the Commissioners may have.

19           **CHAIRMAN BRISÉ:** All right. I'm fine with  
20 you walking through 11 -- through the items that you  
21 have identified, and then once we deal with those then  
22 we will go back and go through the balance.

23           Okay. Go ahead.

24           **MR. GALLARDA:** Item Number 11 under corporate  
25 allocations, the subject surfaced specifically -- and

1 let me -- and on the page I will direct you to is --  
2 excuse me for a moment, I've got to go backwards.

3 And to that, we have a wire-bound handbook,  
4 pretty short, of what this is. We think 11 is somewhat  
5 pretty black and white with regards to our point that  
6 we'd like to make. We don't agree with the aspect of  
7 using a salary survey to determine what the  
8 compensation should be. However, having said that, the  
9 staff used the American Waterworks, AWWA salary survey,  
10 which encompassed primarily the four positions that it  
11 affected in the staff recommendation.

12 Staff had used -- and if you look at that  
13 page, the second page in, you will see a clear white  
14 table at the top that has not been filled in. And the  
15 title of that survey is the 2008 AWWA Compensation  
16 Survey. And right below it in green you will see that  
17 there is a 2011 AWW Compensation Survey which coincides  
18 with the actual test year of our filing.

19 And so using exactly the same positions, we  
20 have determined that by using the current AWWA survey  
21 that the actual amount total that would have been in  
22 the staff recommended wages had they used the 2011 is  
23 \$299,223, or roughly \$16,042 more than the 2008. We  
24 would argue that at a minimum we should at least be  
25 allowed to use the 2011 current AWWA. And I'm not

1 certain, and staff can answer that, that they would  
2 necessarily object to that. We're just using the  
3 current AWWA data.

4 **CHAIRMAN BRISÉ:** Okay. If you could stop at  
5 that point, I will allow staff to address that.

6 **MR. FLETCHER:** Yes. Commissioners, staff  
7 agrees with the use of the 2011 survey. What we do,  
8 due to budgetary reasons, we usually purchase a survey  
9 every three to four years. And what the Commission has  
10 used in the past is the Commission-approved indexes to  
11 index it forward to the appropriate test year in the  
12 case.

13 However, because of the information that is  
14 provided in a more current survey with the year that  
15 matches this test year in this case, we would have  
16 no -- we agree with the use of that and effectively  
17 that would increase it about \$1,400.

18 I just wanted to make a comment, with that  
19 use of the 2011 survey, plus OPC mentioned about the  
20 \$400 for a tax return for a personal tax return, which  
21 we would also agree with, so the net effect of that  
22 decrease of 400 and the use of that, it would be  
23 roughly about a \$1,400 increase in the revenue  
24 requirement from what is in staff's recommendation.

25 **CHAIRMAN BRISÉ:** All right. You may proceed.

1           **MR. GALLARDA:** Forgive me, Mr. Fletcher, I'm  
2 not sure I know how to get the math there. If I have  
3 \$16,000 to be added back in at the parent level,  
4 correct, and then I have a \$400 personal tax return  
5 that would come off of that --

6           **MR. FLETCHER:** If I could -- it's at the  
7 parent level and then you have the allocation down.  
8 What that does is you have a little less than around  
9 \$5,000 on both water and wastewater. So if you split  
10 that equally, and also the net effect of the other,  
11 when you consider in the income taxes of all of that,  
12 then the net effect on revenue requirement for both  
13 water and wastewater is about 1,400 a piece, about  
14 2,800 total company.

15           **CHAIRMAN BRISÉ:** Okay.

16           **MR. GALLARDA:** That explained it. Thank you,  
17 Mr. Fletcher.

18           The next item then, or the last table there,  
19 it's the -- it doesn't fall within the numbers up  
20 above. It was a pro forma controller compensation.  
21 And so the same argument, and that is using the 2008  
22 for that controller versus the 2011 result in about a  
23 \$3,938 add back in for that controller. And I'm sure  
24 Mr. Fletcher has probably got the number for what that  
25 would be using the difference.



1                   **CHAIRMAN BRISÉ:** Mr. Fletcher?

2                   **MR. FLETCHER:** I included the adjustment for  
3 the controller, as well, and the \$1,400 effect for both  
4 water and wastewater.

5                   **CHAIRMAN BRISÉ:** Okay.

6                   **MR. GALLARDA:** Fine.

7                   **CHAIRMAN BRISÉ:** Thank you.

8                   **MR. GALLARDA:** The second item is Item Number  
9 13, and Item Number 13 pertains to that during the test  
10 year, at the end of the test year, as a result of  
11 customer care issues that we believed existed, we  
12 elected to take the responsibilities for the call  
13 center in-house because the Utility Partners company  
14 was handling that during the time. This was all in our  
15 filed MFRs to reflect that taking it in-house and what  
16 are savings related to that and was there an additional  
17 cost.

18                   Whatever it was, we brought it in-house. And  
19 so our only concern relative to this, and I think --  
20 bear with me for a moment. On Page 32 there before you  
21 where -- and it would be the last paragraph just above  
22 the table marked 13-1, if everyone sees that. And in  
23 that staff went back and reviewed, okay, Mr. Gallarda,  
24 what was the third party firm charging its allocation  
25 to Wedgefield, what was that amount versus what will be

1 the amount that's charged going forward with you taking  
2 it in-house. A right question to ask.

3 And the only thing that we take issue with is  
4 that the last -- second to last sentence where staff is  
5 calculating what is the amount that Wedgefield was  
6 being charged before you took it in-house, and  
7 Wedgefield was being charged \$40,665. You can see the  
8 number there.

9 And essentially all that is doing is taking  
10 the amount of what was being charged times its  
11 allocation. What's not showing in this table is that  
12 the allocation that that company was using for  
13 determining how they billed us for the customer care  
14 center was not one that is used by the PSC. And the  
15 amount -- the percentage that they were charging for  
16 that was considerably less than if I had -- if I had  
17 taken their table and applied the equivalent dwelling  
18 units, which is used by the PSC to determine how do you  
19 get to the allocated amount, it would have been  
20 significantly larger than the \$40,000.

21 So the \$40,000 is not a real number when you  
22 are comparing it, if we are going to use the PSC EDUs.  
23 But having said that, if I go to the end on what they  
24 have at the table saying, well, the amount that frankly  
25 what you're asking for is a \$12,000 a year increase to

1 the customers of Wedgefield, but there were savings  
2 that occurred by us taking it in-house. And one of the  
3 things we heard during the customer meeting was that a  
4 number of customers were upset over the wait times that  
5 they had to wait to get to a representative to talk to  
6 about their bill or their concern.

7 And so I heard that. But we didn't rely on  
8 just the customer meeting, and staff will verify this.  
9 We went out and I personally met, along with my  
10 regional manager, with 22 of the 24 people that spoke  
11 that night. That's unheard of on utilities to go do  
12 that. And we spent the next two weeks doing nothing  
13 but interviews. And we heard it again, wait times. So  
14 I made the decision to have our call center hire two  
15 more people to come in. And so that \$12,000 -- it's  
16 not really 12,000 increase, because remember the  
17 allocation that was used before, but it is an increase.  
18 But even if I used \$12,000 over the 1,582 customers,  
19 that's 64 cents a customer per month. And I have  
20 not -- and we have not had a single call since we hired  
21 those two people with regards to hold times and wait  
22 times, and that's an improvement.

23 So my only concern is if that we are not  
24 granted that, then we can't afford to just continue to  
25 hire two people that I can't get relief on. If we let

1 those two people go, I would assume that we would see,  
2 again, an increase in the number of people saying that  
3 it is hold times. Two people makes a difference.

4 So we would ask that the amount that is real,  
5 the total added back in be added back in and not taken  
6 out for the sake of the customers. We think the  
7 customers get a benefit out of it, and we have seen it.  
8 Not one call, not a matter of two or three, not one  
9 call on customer hold times since we hired those two  
10 additional staff people. That's my Item Number 13.

11 And my last item that I have comments about  
12 is Item Number 14 for income tax. And if you'll turn  
13 to Page 36 of the recommendation, I can cut to the  
14 chase pretty quickly on it. The utility lost money,  
15 and as a result of losing money over the course of time  
16 NOL carry-forwards built up. And we sort of take  
17 exception with any kind of dealing with that other than  
18 letting the shareholders have the benefit to the NOL  
19 carry-forwards. And staff -- and forgive me, Mr.  
20 Fletcher, but I wholeheartedly disagree with the  
21 statement that the customers didn't benefit.

22 During a time that we were losing money, the  
23 customers were benefiting because they weren't paying  
24 the amount that would have allowed for us to make our  
25 allowable earnings. So they got a benefit out of that.

1 We're just wanting to get the benefit out of the tax  
2 basis that we get during that loss period. And staff  
3 has come up with kind of a novel or unique way to maybe  
4 address it, and that is, well, we're just going to let  
5 you amortize it over a four-year period. Which, by the  
6 way, only coincidentally is equated to the four-year  
7 rate case amortization of expenses. And so at the end  
8 of that four years, if logic would pursue, and in my  
9 limited opinion is that at the end of the four years,  
10 then after the NOLs have been fully amortized then I  
11 should at least, without having to come in and the  
12 customers bear the expense of a rate case to get  
13 something that is known at the beginning on an  
14 amortized basis.

15 So I think at the end of four years, just as  
16 when rate case expenses fall off and reduce the rates  
17 down, that that amount should be added back in as an  
18 amount that offsets that, because at the end of four  
19 years I would have to come back then and file a rate  
20 case, go to the expense of that just to get what we're  
21 going to have ending at the end of the four-year  
22 period.

23 So we're not disagreeing with maybe the  
24 methodology and the form of what has been done by  
25 staff, it's novel, but I think that at the end of four

1 years that that ought to come back on just like the  
2 rate case expense amortization drop off at the end of  
3 four years.

4 And that concludes my prepared remarks.

5 **CHAIRMAN BRISÉ:** All right. Thank you.

6 **MR. FRIEDMAN:** Let me just interject a couple  
7 of things here at the end to address some things that  
8 Public Counsel said. They mentioned that 10 percent  
9 bonus. That 10 percent bonus has never occurred. That  
10 discussion is a smokescreen.

11 The second issue is on the 5 percent. The  
12 5 percent doesn't apply to salaries. So when that was  
13 stated that the 5 percent applied to salaries, that's  
14 just wrong. It doesn't apply to salaries. It applies  
15 only to O&M.

16 And as Mr. Gallarda said on this NOL issue,  
17 the customers did benefit from the fact that they paid  
18 less rates than they should have paid to provide  
19 compensable rates to the utility. So the staff has  
20 come up with this novel theory about, hey, why don't we  
21 amortize it. But as Mr. Gallarda said, if you have  
22 that change and you are amortizing that known amount,  
23 at the end of that amortization period there should be  
24 an automatic rate increase to compensate for that.  
25 Otherwise, the company is going to -- you're telling

1 the company, come back in in four years and spend  
2 another \$80,000 on rate case expense. And none of us  
3 want them to do that.

4 So if you're -- I don't think the NOLs should  
5 be counted at all. But if you're going to, and if  
6 you're going to take this idea that it ought to be  
7 amortized, at least at the end of the amortization  
8 period the rates should increase by the appropriate  
9 amount. Thank you.

10 **CHAIRMAN BRISÉ:** Okay. OPC.

11 **MS. MERCHANT:** Thank you. I just wanted to  
12 clarify two things that Mr. Friedman just said.

13 The 10 percent bonus I just took that  
14 language straight from the contract. So I wasn't  
15 making a comment as to whether it had been taken or  
16 not, but I'm just reading the language in the contract  
17 that that is available for the operator.

18 Also, and I hope I didn't mislead you, but  
19 the 5 percent added factor is on top of the direct  
20 expenses such as purchased power, chemicals, sludge  
21 hauling, those types of direct and controllable  
22 expenses of the utility. It's a profit or an  
23 administrative fee. It's not added onto labor, but it  
24 is on top of labor that they already get in the first  
25 part of the contract.

1           And something that Mr. Gallarda said earlier  
2 was that Utilities Inc. was not in compliance with  
3 their standards when they purchased the system, and  
4 that was true. About the time before the last rate  
5 case for Utilities Inc., they had a lot of problems  
6 with trihalomethanes and whatever the other chemical  
7 component is, but they fixed all of that with the  
8 change in the MIEX system. But in their application  
9 for transfer, which was a combination between Utilities  
10 Inc. and Pluris, they made the statement that the  
11 company was in compliance with DEP standards at the  
12 point in time of the transfer. So I read that  
13 yesterday that the companies both said that, made that  
14 statement in their application for transfer.

15           **MR. GALLARDA:** I would just like to comment  
16 that Barbara Browning, the head of the DEP in Florida,  
17 can attest to the fact that subsequent to the  
18 acquisition they were not in compliance. And the  
19 reason is pretty simple. The statute states -- and  
20 it's TTHMs and HAA-5s -- those are regulated at  
21 80 milligrams per liter for TTHM and 50 milligram per  
22 liter for HAA-5 in any sampling. Utilities Inc.'s  
23 samples failed. Once you fail, you don't get a pass to  
24 go on for an annual basis of TTHM and HAA-5 testing;  
25 you go to a quarterly basis. And so there's increased



1 costs, by the way, with having to go -- those are  
2 expensive tests. So you are doing quarterly testing.

3 There is a 12-month trailing average. You  
4 are in -- you are non-compliant until you pull the  
5 12-month trailing average down below 80 milligrams per  
6 liter for TTHM and 50 for HAA-5. That didn't take  
7 place for four quarters after we acquired the utility.

8 The first quarter after we acquired the  
9 utility, we made the changes to the MIEX structurally  
10 and we bought the correct size of resin. Every quarter  
11 we had after we acquired it was in compliance on a  
12 quarterly basis. We were still not in compliance until  
13 that 12-month number was brought down below the 80 and  
14 50, and that can be verified with Ms. Browning with the  
15 DEP.

16 The other item I'd like, if it pleases the  
17 Commissioner, because it's just not going to happen,  
18 we'll be happy to strike the 10 percent language in the  
19 contract, because there has been never an occasion  
20 where it has been under budget and it's not going to  
21 happen. And we would be happy to stipulate to have  
22 that to the satisfaction of staff stricken from the  
23 contract.

24 **CHAIRMAN BRISÉ:** OPC, and then we'll go to  
25 staff.

1           **MS. MERCHANT:** I have one more comment. The  
2 customer service costs, the customer service center  
3 costs, the company -- in staff's recommendation it  
4 states that those costs were included in the fixed rate  
5 contract. And I would just like to know from the  
6 company if the contract was adjusted when they removed  
7 those services from the contract and they asked for a  
8 pro forma adjustment?

9           **MR. GALLARDA:** Yes.

10          **MS. MERCHANT:** Was that a reduction in 2011  
11 or was that some --

12          **MR. GALLARDA:** 2012, starting in 2012.

13          **CHAIRMAN BRISÉ:** All right. Mr. Fletcher.

14          **MR. FLETCHER:** Okay. Just to comment on the  
15 last question regarding the 10 percent. History --  
16 since the contract was executed, they have never gone  
17 above the 10 percent. I don't envision that that is  
18 going to be the case. But if they are willing to do  
19 that, staff has no opinion regarding whether it's  
20 omitted or not. Would you like me, at this time, to  
21 address anything other that OPC had raised?

22          **CHAIRMAN BRISÉ:** Prior to you doing that,  
23 Commissioner Graham has his light on, so I don't know  
24 if he wants to wait for that or if you have a question  
25 before that.

1                   **COMMISSIONER GRAHAM:** Actually, my light was  
2 on so Mr. Fletcher can give us his opinion on Item 13  
3 and 14.

4                   **CHAIRMAN BRISÉ:** Okay.

5                   **MR. FLETCHER:** Okay. With regard to Item 13,  
6 and that deals with the requested pro forma increase  
7 for the in-house customer service representatives, what  
8 we had at the time at the customer meeting was we had  
9 learned that -- and that was held on December 5th in  
10 this case -- we knew that the utility had switched that  
11 from the third-party vendor, Utility Partners, to  
12 in-house with about five employees, and then though we  
13 had a subsequent request after that customer meeting  
14 for two additional employees.

15                   Based on the comments that were given at the  
16 customer meeting, there were a handful of customers  
17 that addressed hold times. If you look at the  
18 attendance at the customer meeting in relation, and  
19 those who spoke regarding hold times, and the number of  
20 customers in their service territory, it was a small  
21 percentage of the customer base.

22                   We did ask additional data requests of the  
23 utility for support. The support was that it was based  
24 on management's review regarding hold times, but there  
25 was no empirical evidence of this is the hold time

1 under UP and it was reduced from, let's say, I'm using  
2 three minutes down to one minute. We had no empirical  
3 evidence to show what improvement was going to be made  
4 in their stated management review.

5 The other aspect of how we look at this  
6 whenever you are asking pro forma in additional  
7 salaries, we did ask if they had any compensation  
8 studies that they had performed in order to set the  
9 level for the seven employees. So basically it's just  
10 the burden of proof to show that their requested costs  
11 are reasonable.

12 Now, I will say that staff -- what happened  
13 in this case, what's in the MFRs was the allocated  
14 amount that was for UP, which was \$40,000. And the  
15 statements that were made that it was different than  
16 the EDU, this is the first time I've heard of that with  
17 regards to the allocation of the customer service that  
18 was provided by Utility Partners, that it was used over  
19 a different allocation method.

20 I can tell you that what is in there now in  
21 the test year in revenue requirement is 40,000, and I  
22 know the contract provides -- for UP provides for the  
23 labor component of 15 percent markup. That, to me, is  
24 about \$6,100. And that was staff without any -- we  
25 kept it the same, didn't make a recommended reduction,

1 because if you are switching -- all things equal, if  
2 they could do it the same as the number of employees  
3 that UP was devoting to carry out that function, to  
4 move it in-house you would strip away that 15 percent  
5 markup. And theoretically you would say that it can be  
6 done for \$6,100 less.

7 We did not make that just in case the  
8 transition -- just in case they needed maybe additional  
9 time, overtime or whatever to bring down the hold  
10 times. We recommended no adjustment to what was  
11 originally in the MFRs whenever UP provided that  
12 function. But with the documentation that we are  
13 provided, or in the staff's mind lack thereof for  
14 justification for a \$34,000 increase at the parent  
15 level, and about a \$12,000 increase at the Pluris  
16 allocated level, we just didn't think that they met  
17 that burden.

18 **MR. GALLARDA:** I would only comment relative  
19 to the statement that the staff was not -- did not  
20 receive, in fact, an e-mail that has the letter from  
21 Utility Partners outlining in the table what their  
22 percentages were. Adding up to their total was  
23 included along with the table that we had for  
24 demonstrating what our costs were going to be.

25 But one thing that is novel is -- and as an

1 engineer when you use the term empirical, I use the  
2 term quantifiable and empirical. Empirical being not  
3 necessarily something you can quantify quantitatively,  
4 but I guess I could argue empirically we have answered  
5 that because we have not had a single call from  
6 customers complaining about hold times. But we are  
7 more than happy to reduce that group of people down two  
8 again, but I don't think that people are going to be  
9 happy about that. And that's something that we do take  
10 the customer care very seriously, and staff knows that,  
11 by going out and meeting with the number of people we  
12 met with that spoke.

13 But the other issue is relative to using a  
14 compensation survey to determine need. Mr. Fletcher  
15 just shared that, well, we asked them to produce a  
16 survey to review. That survey that was asked from us  
17 empirically had nothing to do with the call center  
18 people. It only had to do with us at the corporate  
19 parent level. And I think I can support that, because  
20 had there been a concern about the call center employee  
21 labor costs, staff would have produced that in an AWWA  
22 survey just like they produced at the corporate.

23 The request for the corporate -- or the  
24 survey had only to do with the corporate parent people.  
25 It had nothing to do with the call center people. And

1 we don't use a survey to determine the need, we just  
2 went out and listened to the customers. That's what  
3 they wanted.

4 **CHAIRMAN BRISÉ:** Commissioner Graham.

5 **COMMISSIONER GRAHAM:** Either Mr. Fletcher or  
6 the utility, how much are we talking about with these  
7 two employees?

8 **MR. FLETCHER:** I can't isolate the two  
9 employees, because it was brought in at a total level.  
10 I can tell you the difference between the UP doing it  
11 and the seven customer -- seven employees that's  
12 performing the function in-house is 34,000 at the  
13 parent level.

14 **MR. GALLARDA:** And just following up on that,  
15 the UP total cost for customer care was \$271,000 with  
16 five employees annually. The customer care cost  
17 in-house with seven employees, because you realize that  
18 saving is 249,000. So although we are asking for a  
19 34,000 increase of -- and we are actually, just to put  
20 the 34,000 back into what our request was, our  
21 operation is 249,000 for seven employees. It was  
22 271,000 for five under UP.

23 **MR. FRIEDMAN:** And we did provide the staff  
24 in a data request response with the analysis by Utility  
25 Partners of how they allocated the customer care

1 portion between utilities, and they had a table there  
2 and it said the amount that was allocated to Wedgefield  
3 was 14.99 percent. And that could -- if I saw that and  
4 I knew that the staff was now saying that allocation  
5 should be 19.9 percent, then I would naturally see that  
6 there was a difference in the way that you did that  
7 allocation. And I think that by using an allocation  
8 factor that is inconsistent with what this Commission  
9 uses, I think you start with a false position. And I  
10 think that the seven customer care people is a  
11 reasonable amount to have. And like Mr. Gallarda said,  
12 we haven't had complaints about call times from this or  
13 any of the other systems since we added those new folks  
14 the first of the year. Thank you.

15 **COMMISSIONER GRAHAM:** Mr. Fletcher, if I can  
16 get you to address Item 14.

17 **MR. FLETCHER:** Yes, Commissioner. Item 14  
18 deals with the staff's recommended treatment of net  
19 loss carry-forwards with regards to the income tax  
20 provision recommended in our revenue requirement.  
21 Available to the utility now is about \$105,000 of net  
22 loss carry-forwards. You can carry that forward back a  
23 few years and forward about 15 years.

24 When faced with this, what the Commission has  
25 done with determining and rate-setting, ratemaking is



1 what is your tax liability going to be? Are you going  
2 to truly pay that much once you run all the numbers and  
3 get a revenue requirement and you apply the composite  
4 tax rate, are you actually going to pay that? Well,  
5 you're not because -- for this company, because you are  
6 going to have some kind of offset with the net loss  
7 carry-forwards. And that is how the Commission has  
8 treated it in the past is you offset that.

9 In this case, it's only going to go forward  
10 probably sometime in the first quarter of 2014 is when  
11 they will probably be expired. And that's only a  
12 guess, because you never know how consumption patterns  
13 are going to change and the revenue stream is going to  
14 be. It's hard to predict that. And that was one  
15 aspect of why staff strayed away from doing, like, a  
16 step increase, if you will, or, excuse me, a step  
17 decrease in this case, because it's very hard to  
18 predict when that is exactly going to expire and they  
19 are going to use all those up.

20 So what we looked at is let's amortize it  
21 over a four-year period, because in the first year they  
22 are going to offset -- they're going to use a lot of  
23 the NOLs, and that is going to be completely different  
24 than what we have, 1/4th of that -- or, excuse me, the  
25 income tax provision that we are using to set the

1 revenue requirement on, that's going to be much less  
2 than what they are going to have to actually -- let me  
3 get that back.

4 The income tax provision that we recommended  
5 for the very first year in the rec is going to be more  
6 than what they are actually going to have to pay for  
7 the first year. In year two it's going to be a little  
8 bit less. They are going to pay a little bit less in  
9 2014 than they would in a tax provision that we have  
10 embedded in the revenue requirement.

11 Now, it starts reversing in years three and  
12 four, so I will admit that, because it's being  
13 amortized over time. They are getting to use up those  
14 NOL carry-forwards. Staff just felt it best to pick a  
15 time to amortize those, because we didn't know of a  
16 certain date when they would expire. And that was our  
17 best approach in order to normalize, if you will, the  
18 income, the income tax provision that they were  
19 actually going to have to pay over a four-year period.

20 **MR. GALLARDA:** And we're not going to argue  
21 with him on that methodology. We're just saying at the  
22 end of the four years of doing that, that that amount  
23 should be added back into rates.

24 **MS. MERCHANT:** And we would disagree with  
25 that, too, because there are a lot of other things that

1 are going to change between now and four years. I was  
2 looking at property taxes. The property tax assessment  
3 has already gone down for 2013, so there's a lot of  
4 items that can decrease.

5 Things can change both ways. Rate base  
6 decreases if they don't put a lot of plant in. So, you  
7 know, that's one of the things. Rate case expense is  
8 the only thing statutorily provided for on an automatic  
9 reduction. Everything else is whatever your earnings  
10 are. They can get indexes and pass-throughs if they  
11 can show their direct expenses, so the company can have  
12 other means of increasing their rates in between rate  
13 cases.

14 **MR. FLETCHER:** If I may, I would tend to  
15 agree with that, because over time we have embedded in  
16 there a return on their rate base. It's not going to  
17 be the same four years from now as it is -- what you  
18 see in the recommendation. Because you are going to  
19 have your plant investment is going to be depreciated,  
20 and then you are going to have less -- if they don't  
21 make plant additions, then the return on that, the  
22 revenue requirement for that return is going to go down  
23 from what rates are set on.

24 So not everything is going to be equal. If  
25 you were to say, theoretically, everything the same,

1 then, yes, it would appear that that would be the case.  
2 But things are going to change with the amount of  
3 revenue for their investment, because it's going to be  
4 depreciated. It's going down. Expenses are going to  
5 fluctuate. And there is no way you can tell for  
6 certain at the end of four years that -- that is going  
7 to put them in an underearnings posture.

8 **COMMISSIONER GRAHAM:** Mr. Chairman, I guess  
9 my question is more procedure. If we are going to deal  
10 with Items 11, 13, and 14 first, or are we going to go  
11 back to the beginning?

12 **CHAIRMAN BRISÉ:** I think we are going to go  
13 back to the beginning soon, but I think Commissioner  
14 Balbis has a few questions.

15 **COMMISSIONER BALBIS:** Thank you, Mr.  
16 Chairman. And I could ask them now or when we get back  
17 to it, but I would like --

18 **CHAIRMAN BRISÉ:** Go ahead and ask them now,  
19 because then we are just going to go through it.

20 **COMMISSIONER BALBIS:** Yes, I think that would  
21 help me out, too, so I keep the proper train of  
22 thought.

23 I have some questions for the utility  
24 concerning the O&M costs, and I want to focus a little  
25 bit on the MIEX system and the increase in resin usage.

1           Is the MIEX system that is there -- is it the  
2 or Orica system?

3           **MR. GALLARDA:** Yes.

4           **COMMISSIONER BALBIS:** Okay. And I'm just  
5 kind of confused as to why the amount of resin being  
6 used has increased so much. Because it's my  
7 understanding that the Orica system comes as a package  
8 component, and that Orica designs the virgin resin seed  
9 system, the regeneration, the brine contact chamber, et  
10 cetera. So what improvements did you make, and to  
11 which component and why?

12           **MR. GALLARDA:** The Orica -- and we have  
13 actually talked with St. Cloud who has an Orica system  
14 also, just to kind of collaborate or corroborate  
15 between ourselves. And one of the things that is  
16 starting to -- that has been noted, not just in ours,  
17 but also their system is just the resin loss itself  
18 during the backwash process that occurs.

19           The box where the resin sits in is a chamber  
20 that has feeds along the bottom that are irregular in  
21 shape. And it looked -- what was taking place was  
22 there was not good flow across those plates. It  
23 allowed water to mix back through with the resin.  
24 Orica, when we -- because we pulled the system apart to  
25 take a detailed look inside the resin, why we thought

1 we were losing it and whatnot, and we found this  
2 subsequently.

3           Orica had made some upgrades to their system  
4 subsequent to this one being put online like back in  
5 '07. So structurally there were changes made inside  
6 the contact time box that we believe had probably -- it  
7 cost some money to do that, but we think probably was  
8 the minor reason in all respect engineering-wise to the  
9 reason why the numbers were being blown with the TTHM  
10 and HAA-5. And that we really -- it was 25 percent of  
11 the volume.

12           They have a set manufactured amount that they  
13 require in their system. We are just meeting what they  
14 required. What was done before was not meeting that.  
15 And we think it just had to do -- I don't know if it  
16 was towards the end and the utility just decided, hey,  
17 we're selling the system, so let's not put any more  
18 money in it. I don't know what it was, but that  
19 process was taking place well in advance of 12-months  
20 before we took a look at the utility. Because it  
21 didn't just all happen within a short period of time,  
22 Commissioner Balbis.

23           **COMMISSIONER BALBIS:** Okay. And this  
24 question may be more appropriate for staff, but I  
25 assume that the utility provided documentation for the

1 test year or pro forma on the amount of resin being  
2 used for their chemical costs?

3 **MR. McROY:** James McRoy with staff. Yes,  
4 Commissioner, they provided all that information to us.

5 **COMMISSIONER BALBIS:** Okay. I believe my  
6 other questions on -- this group of issues have been  
7 answered, so we can go to the beginning and go back  
8 to --

9 **CHAIRMAN BRISÉ:** Since we're here, I'll just  
10 ask one more question. I wasn't sure if I got a clear  
11 answer when Commissioner Graham asked the question  
12 about the two additional employees, what that amount  
13 would actually be for the call center?

14 **MR. GALLARDA:** Yes, sir. The actual  
15 salary -- let me see if I have it. I can boot up my  
16 laptop, but it was 28,000 and some change for one and  
17 29,000 and some change for the other, that I know.

18 **CHAIRMAN BRISÉ:** Okay. That's fine. All  
19 right. Thank you. If we are prepared, we'll go back  
20 to the beginning, and you're welcome to take them in  
21 groups as we move along and go with them that way.

22 I saw your light, Commissioner Balbis.

23 **COMMISSIONER BALBIS:** Thank you, Mr.  
24 Chairman. I have one question for the utility on Issue  
25 1.

1           **CHAIRMAN BRISÉ:** Sure.

2           **COMMISSIONER BALBIS:** And it has to do with  
3 the 19,200 lineal feet of AC pipe. And one of the  
4 concerns that I have is that the utility has taken  
5 steps to reduce the impact of any breaks, but are there  
6 any plans for the replacement of that pipe, knowing  
7 that it is going to continue to deteriorate, or is it  
8 just outside of the test year?

9           **MR. GALLARDA:** And forgive me, Commissioner,  
10 which item is that, so I can turn to it, please?

11           **COMMISSIONER BALBIS:** Issue 1, Page 5, second  
12 paragraph.

13           **MR. GALLARDA:** Okay. I've got you. Yes.  
14 One of the reasons -- the utility dates back to the  
15 late '60/'70 time frame, and I understand you're an  
16 engineer, so you would understand that back then they  
17 were using AC most of the time, and they weren't using  
18 steel, or PVC, or HDP that we use today.

19           Those sections are in the older parts of --  
20 and we had two breaks which was the subject of a lot of  
21 discussion back in last year. And whenever we have a  
22 break in an AC line, you never end up just fixing that  
23 section because as soon as you try to square off the  
24 end, it breaks back further because it's brittle after  
25 being in the ground for 30 years.



1           So we replace somewhere in the neighborhood  
2 of 100 to 200 feet when we do that. But our plan is,  
3 and it was a result of these breaks, is we really  
4 didn't have a quantitative number of the 19,000 until  
5 we actually did the inventory to find out how much was  
6 in that area.

7           Well, our plan is to go back in and replace  
8 sections starting in the older section, and that's  
9 starting in '14. And the plan is to just take  
10 neighborhood streets, just single streets, and we know  
11 where it is all at at this point in time. We know. We  
12 have got it labeled.

13           What we have done since that time, though,  
14 because the real issue is how do you prevent, you know,  
15 just a wholesale break? We installed, and staff was  
16 present for the installation of one of them, because we  
17 did one the day after the customer hearing, and that is  
18 actual isolation valves, new ones placed. Even though  
19 we exercised the old ones, we had the perfect storm  
20 happen out there when we had an isolation valve break  
21 which then engulfed the entire system with the one --  
22 the break.

23           We are replacing isolation valves to ensure  
24 that if we do have another break, it will be a limited  
25 break, affecting maybe 30 to 50 homes and not

1 system-wide. So the plan in '14 is to start -- and we  
2 already do a 10 percent, by the way, for wastewater.  
3 Each year we go out and TV and line clean with a Vactor  
4 10 percent of the wastewater line, because we have got  
5 some old lines there, to determine which ones we think  
6 are suspect so we can address an INI issue.

7 On the pipes it's a little more difficult.  
8 You can either go to the extent of saying we will  
9 replace all 19,200 feet -- and we have the means to do  
10 that -- but that's not fair to the ratepayers, because  
11 that would be a rate shock if we went in and replaced  
12 it all at once.

13 The idea is that we may end up taking  
14 somewhere in the order of 2 percent replacement per  
15 year, or when it breaks replacing the system, a section  
16 at that time. But it's difficult in the distribution  
17 line to just go out and wholesale replace it because of  
18 the rate shock that would occur in doing that. But we  
19 are taking a proactive -- we really are taking a  
20 proactive role in the replacements of the 19,000 feet.

21 **COMMISSIONER BALBIS:** Okay. So this two  
22 percent program that you mentioned, approximately  
23 2 percent, so the revenues included in this rate  
24 request will fund that program?

25 **MR. GALLARDA:** The revenues -- no, we don't

1 have that. That will be an investment on our part  
2 until the next rate case. That is not in this rate  
3 proceeding.

4 **COMMISSIONER BALBIS:** Okay. And I'd just  
5 like to make a comment. I mean, this is something that  
6 we have come across several times with this aging  
7 infrastructure is that apparently our current rules or  
8 statutes do not allow these types of long-term programs  
9 to be put in place so that there either isn't a rate  
10 shock or the utility doesn't have to come in for  
11 another rate request in order to pay for these  
12 programs, which I think we all can agree the crumbling  
13 infrastructure needs to be replaced at some time.

14 Unfortunately I don't think there is anything  
15 we can do with this case, but, you know, it just jumped  
16 out at me is that here is another example of that issue  
17 that maybe we can get addressed soon enough.

18 **CHAIRMAN BRISÉ:** All right. Any further  
19 questions on Item Number 1, or are we ready to begin  
20 going through the items?

21 Okay. Commissioner Edgar.

22 **COMMISSIONER EDGAR:** Mr. Chairman, if this is  
23 the appropriate time, I will go ahead and make a motion  
24 to approve the staff recommendation for Issue 1,  
25 recognizing the discussion and the information we have

1 regarding the customer meeting and the work that our  
2 staff has done examining information that we have from  
3 consumers.

4 **CHAIRMAN BRISÉ:** Okay. It has been moved.

5 Is there a second?

6 **COMMISSIONER GRAHAM:** Second.

7 **CHAIRMAN BRISÉ:** We have a second. Any  
8 further discussion on Issue Number 1? Okay. Seeing  
9 none, all in favor say aye.

10 (Vote taken.)

11 **CHAIRMAN BRISÉ:** Okay. We are ready to move  
12 on.

13 Commissioner Edgar.

14 **COMMISSIONER EDGAR:** Then, Mr. Chairman, I  
15 can go ahead and move the staff recommendation as a  
16 group for Issues 2 through 7 that address rate base,  
17 and also Issues 8 and 9 that regard cost of capital and  
18 the use of the leverage formula.

19 **CHAIRMAN BRISÉ:** Okay. So that will be  
20 Issues 2 through 9. Is there a second?

21 **COMMISSIONER GRAHAM:** Second.

22 **CHAIRMAN BRISÉ:** Okay. Any further  
23 discussion on Issues 2 through 9?

24 Okay. Seeing none, all in favor say aye.

25 (Vote taken.)

1           **CHAIRMAN BRISÉ:** Okay. Now we are moving on  
2 to Issue Number 10.

3           Commissioner Edgar.

4           **COMMISSIONER EDGAR:** Mr. Chairman, I believe  
5 that Issue 10 may be impacted if there are adjustments  
6 that we, as a group, want to make regarding some of the  
7 information and discussion that we have had. So, I  
8 would ask my fellow Commissioners if there are points  
9 that you would like to bring out, and then I guess I  
10 would think it appropriate to turn to our staff to see  
11 how best to incorporate those adjustments, if any.

12          **CHAIRMAN BRISÉ:** Okay. Thank you.

13          Commissioner Balbis.

14          **COMMISSIONER BALBIS:** Mr. Chairman, I agree  
15 with that approach. I think it would be more  
16 efficient.

17          **CHAIRMAN BRISÉ:** Okay.

18          Commissioner Graham.

19          **COMMISSIONER GRAHAM:** Thank you, Mr.  
20 Chairman.

21                 I guess that moves us to Issue Number 11, if  
22 we're going to come back to Issue 10. Is that correct?

23          **CHAIRMAN BRISÉ:** That's correct.

24          **COMMISSIONER GRAHAM:** I move the, I guess for  
25 lack of a better term, the Fletcher amendment for Issue

1 Number 11.

2 **CHAIRMAN BRISÉ:** He said he moves the  
3 Fletcher amendment. Okay.

4 Commissioner Balbis.

5 **COMMISSIONER BALBIS:** I just want to clarify  
6 what the Fletcher amendment is.

7 **MS. MERCHANT:** Commissioners, can we get that  
8 dollar amount again for Issue 11 on the record, please?

9 **CHAIRMAN BRISÉ:** Sure.

10 **MR. FLETCHER:** If I may, that was to agree  
11 with OPC's concern regarding \$400 related to the  
12 personal tax return of an officer, and also to agree  
13 with the use of the 2011 AWWA study and the affect on  
14 the salaries there. That would also affect not only  
15 11, but 13 in relation to the controller's salary for  
16 the use of that survey. The effect of that was  
17 approximately a \$1,400 increase for both water and  
18 wastewater.

19 **MS. MERCHANT:** And that is net of the \$400?

20 **MR. FLETCHER:** Yes.

21 **MS. MERCHANT:** Okay. Thank you.

22 **MR. FLETCHER:** If I could, one thing?

23 **CHAIRMAN BRISÉ:** Sure.

24 **MR. FLETCHER:** If that is the Commission's  
25 will, that we be given administrative authority with

1 regards to the working capital issue, because it's  
2 1/8th of O&M, and that would flow through to rate base  
3 to change those, as well.

4 **CHAIRMAN BRISÉ:** Okay.

5 **COMMISSIONER GRAHAM:** Yes, that would be part  
6 of my amendment, as well.

7 **CHAIRMAN BRISÉ:** Okay.

8 Commissioner Balbis.

9 **COMMISSIONER BALBIS:** Yes. I also wanted to  
10 clarify with Mr. Fletcher, or with the Commission, I  
11 believe the utility did offer to remove from the  
12 contract the provision of a 10 percent bonus if it's  
13 under, and so I would like that incorporated in, since  
14 it seems like both parties are agreeable to that.

15 **CHAIRMAN BRISÉ:** Okay.

16 **COMMISSIONER GRAHAM:** Is that appropriate in  
17 Issue Number 11?

18 **COMMISSIONER BALBIS:** I believe it is.

19 **COMMISSIONER GRAHAM:** Okay.

20 **CHAIRMAN BRISÉ:** All right. So the motion  
21 incorporates administrative authority in addition to  
22 the actual substance of it, and the 10 percent bonus  
23 component. Okay.

24 **COMMISSIONER BALBIS:** I will second that  
25 motion.

1           **CHAIRMAN BRISÉ:** Okay. It has been moved and  
2 seconded.

3           Any further discussion?

4           Okay. Seeing none, all in favor say aye.

5           (Vote taken.)

6           **CHAIRMAN BRISÉ:** Okay. Thank you. Moving on  
7 to --

8           **COMMISSIONER GRAHAM:** 12.

9           **CHAIRMAN BRISÉ:** -- 12.

10          **COMMISSIONER GRAHAM:** Unless I missed it, I  
11 think that 12 is fine. If we move on to 13, the  
12 customer service is more of Issue 13, is that correct?

13          **CHAIRMAN BRISÉ:** Yes. Issue 13 is the  
14 customer service issue. Okay. So we are ready to move  
15 to Issue Number 13, and we will come back to those  
16 other two issues. Unless, Commissioner Balbis, you had  
17 an issue on 12?

18          **COMMISSIONER BALBIS:** No. I move staff's  
19 recommendation on Issue 12.

20          **COMMISSIONER GRAHAM:** I'll second it.

21          **CHAIRMAN BRISÉ:** Okay. It has been moved and  
22 seconded.

23          Any further comments on 12?

24          Okay. All in favor say aye.

25          (Vote taken.)



1           **CHAIRMAN BRISÉ:** Okay. Thank you. Moving on  
2 to Issue Number 13.

3           Commissioner Graham.

4           **COMMISSIONER GRAHAM:** Thank you, Mr.  
5 Chairman.

6           Issue 13, I guess this goes back to some of  
7 the other water cases that we have had in the past, and  
8 I guess some of the things that we have been preaching  
9 to the people that come before us. One of the things  
10 that I think the utility companies have control over is  
11 customer service, and when they come in here and they  
12 ask for different things and for the different rate  
13 increases it's easier for us to see that they are doing  
14 their job more than just test results, but depending on  
15 how the customers come off us and if they are pleased  
16 or not pleased, if they are getting feedback or not  
17 getting their feedback. And it sounds to me that this  
18 company is doing more of the right things and moving in  
19 the right direction.

20           And if they are asking for a little bit more  
21 help customer service-wise to help ease some of the  
22 pain and help them do their jobs, I think it may be  
23 something -- I think, in my opinion, that it's  
24 worthwhile and something we should move forward with.  
25 I don't know if there needs to be contingencies here

1 that we look at it in the next rate case, and so,  
2 therefore, this doesn't set a new -- a new base, or if  
3 we just want to move forward and give them these two  
4 extra employees, but I think something needs to happen  
5 here to help encourage this kind of movement.

6 **CHAIRMAN BRISÉ:** Okay. Commissioner Balbis.

7 **COMMISSIONER BALBIS:** Thank you, Mr.

8 Chairman. And I agree with Commissioner Graham. I  
9 think, especially in water and wastewater cases, we  
10 spend a lot of time on utilities, you know, attempting  
11 to satisfy customers and have good customer service.  
12 And here we have a utility that is being proactive and  
13 addressing these issues. And not only on the customer  
14 service side, but even in the treatment processes that  
15 they are looking to use.

16 I mean, the MIEX process I'm familiar with.  
17 It is the state of the art best treatment for TOC and  
18 DOC removal. That provides good water quality. And we  
19 have struggled with that as a Commission. How do we go  
20 to these secondary water quality standards and  
21 encourage them while I think, you know, acknowledging  
22 that this utility is not only addressing customer  
23 satisfaction with good customer service, but also  
24 implementing technology that is appropriate.

25 So I believe that these two additional

1 employees are justified. They provided the  
2 documentation as far as the salaries for it, so I would  
3 support adding them back into or agreeing with the  
4 utility's request that it's included in their MFRs.

5 **CHAIRMAN BRISÉ:** Okay. Mr. Fletcher.

6 **MR. FLETCHER:** I just wanted to comment,  
7 because the Commission has a practice that you limit  
8 the utility to the revenue requirement that it  
9 requested in its filing. They are, for the water side,  
10 even with the \$1,400 increase, that leaves about \$2,000  
11 for -- until they reach that maximum, that limit that  
12 they requested.

13 I just wanted to put that out there and make  
14 you aware that even with this increase for the water  
15 side, because if my calculations are correct, that is  
16 probably about a \$12,000 increase to total company.  
17 Half of that would go to the water. So you're looking  
18 at about 6,200 to take into account those additional  
19 two customers.

20 I just wanted to know -- just let everyone  
21 know that they will be limited, at least in the water  
22 side, that they wouldn't get that full recovery because  
23 of the Commission's practice that you limit it to the  
24 revenue requirement that the utility had requested. I  
25 just wanted to make that point.

1           **CHAIRMAN BRISÉ:** So just so that I'm clear,  
2 the cap, in essence, is we're off by \$2,000. In  
3 essence, there is about \$2,000 left there.

4           **MR. FLETCHER:** Yes, that's the range of what  
5 we have left. So you're looking at they probably  
6 wouldn't achieve that recovery of about \$4,000 on the  
7 water side. There's plenty for the wastewater side to  
8 take on those two additional employees, just by rough  
9 calculations.

10          **CHAIRMAN BRISÉ:** Okay.

11          **MR. GALLARDA:** The utility is willing to work  
12 with staff that in the event that it hits that portion,  
13 then we'll accept that limit.

14          **CHAIRMAN BRISÉ:** Okay. Office of Public  
15 Counsel.

16          **MS. MERCHANT:** We're concerned that the  
17 company reduce the cost of the contract in 2012, which  
18 is the year after -- they reduced the contract for the  
19 labor that was included for the customer service  
20 component in 2012. We're looking at a 2011 test year  
21 that we are making a pro forma adjustment to, so we  
22 were concerned about going-forward costs being reduced  
23 but not reflected in the test year with the  
24 implementation of the pro forma adjustment.

25          **CHAIRMAN BRISÉ:** Okay. Thank you.

1 Commissioner Graham.

2 **COMMISSIONER GRAHAM:** Thank you, Mr.  
3 Chairman.

4 I guess my question is to Ms. Merchant. You  
5 understand where we are and what we're trying to get  
6 to. Do you have a better suggestion on how to get  
7 there?

8 **MS. MERCHANT:** Well, I understand what staff  
9 did in their recommendation. They took that into  
10 account that there was a reduction in the contract in  
11 2012, and that's the reason why they did not allow  
12 those pro forma adjustments in the test year. It was  
13 compensation for that.

14 **COMMISSIONER GRAHAM:** I think I'm missing  
15 something. Staff? Somebody?

16 **MR. FLETCHER:** With regard to Ms. Merchant's  
17 concern, I don't think that that -- it's going to play  
18 into it. What we are looking at is the incremental  
19 amount of what was embedded in their filing, and that's  
20 what you're -- Commissioner Graham, about the two  
21 additional employees, you're looking at an incremental  
22 amount in the pro forma. And I think encompassed with  
23 the discussion here you're going to get there with  
24 allowing about 12,000 more in allocated cost down with  
25 the limit on the water side for revenue requirement. I

1 think you get there.

2 **COMMISSIONER GRAHAM:** So I guess my question  
3 to you, Mr. Fletcher -- we'll call this the Fletcher II  
4 amendment -- if you can articulate what the amendment  
5 needs to read so we can make sure that our customer  
6 service in this utility is up to the standard of what  
7 we want for it to be.

8 **MR. FLETCHER:** Basically, it would be on Page  
9 32 of the recommendation -- what it would be is the  
10 allowance of the incremental amount of Pluris  
11 Wedgefield of about 12,470 -- or \$457 that would be  
12 split equally between water and wastewater, recognizing  
13 there would be a limit on the water side of the  
14 utility, but be limited to the revenue requirement that  
15 they requested in their filing. But that would be the  
16 recommended pro forma adjustment for bringing the  
17 customer service function in-house.

18 **COMMISSIONER GRAHAM:** Ms. Helton, is that  
19 sufficient for an amendment?

20 **MS. HELTON:** I think we heard the company say  
21 that they were willing to work with staff with respect  
22 to what we can give them. I agree with what Mr.  
23 Fletcher has said with respect to it is not our  
24 practice, and actually I don't think it is lawful to  
25 give them more than they asked for in their original

1 request. So it sounds like we have a fix that will  
2 give them the maximum amount that we can under our  
3 process.

4 **COMMISSIONER GRAHAM:** So this is sufficient  
5 for an amendment?

6 **MS. HELTON:** I think so.

7 **COMMISSIONER GRAHAM:** Well, then that's my  
8 amendment.

9 **CHAIRMAN BRISÉ:** Commissioner Balbis.

10 **COMMISSIONER BALBIS:** I think I'm going to  
11 leave this one alone, because I think we're at a good  
12 point. I'm not sure if that addressed OPC's concern,  
13 but as far as if the utility reduces the cost of this  
14 contract or any contract, I mean, that is why this  
15 Commission approves an authorized rate of return with  
16 plus or minus 100 basis points as far as an earnings  
17 standpoint. So I think that would provide a safety net  
18 for the customers as well, and with the amendment it  
19 would cover the other issues. So I'm supportive of the  
20 Graham-Fletcher III amendment.

21 **CHAIRMAN BRISÉ:** Okay. All right. Are we  
22 clear on what the motion is? Okay. Everyone is clear  
23 on what motion is? Okay. It has been moved. Is there  
24 a second?

25 **COMMISSIONER EDGAR:** Second.

1           **CHAIRMAN BRISÉ:** Okay. It has been moved and  
2 seconded. All in favor say aye.

3           (Vote taken.)

4           **CHAIRMAN BRISÉ:** Thank you. It has been  
5 carried.

6           Let's move on to Item 14, and deal with 14,  
7 and then we'll go back, because I think this may have  
8 some sort of impact if we make any changes there.

9           Item 14. Commissioner Graham.

10          **COMMISSIONER GRAHAM:** Unless I hear something  
11 different from my colleagues, I was fine with staff  
12 recommendation on Item Number 14.

13          **COMMISSIONER BALBIS:** Second.

14          **CHAIRMAN BRISÉ:** Okay. It has been moved and  
15 seconded.

16          Any further comments or questions on Item  
17 Number 14?

18          Okay. Seeing none, all in favor say aye.

19          (Vote taken.)

20          **CHAIRMAN BRISÉ:** Okay. I think now we are  
21 prepared to go back to Item Number -- was it 10?  
22 Yes, 10.

23          Commissioner Edgar.

24          **COMMISSIONER EDGAR:** I would move staff  
25 recommendation on Item 10 with the direction that if



1 any changes need to be made in light of the other  
2 decisions that we have made today administratively that  
3 staff be directed to do so.

4 **CHAIRMAN BRISÉ:** All right.

5 **COMMISSIONER GRAHAM:** Second.

6 **CHAIRMAN BRISÉ:** It has been moved and  
7 seconded.

8 All in favor say aye.

9 (Vote taken.)

10 **CHAIRMAN BRISÉ:** Okay. So we have taken care  
11 of Item Number 11, Number 12, 13, and 14.

12 Now we are on Item Number 15. And,  
13 Commissioner Graham.

14 **COMMISSIONER GRAHAM:** I move the staff  
15 recommendation on all the remaining items with their  
16 administrative ability to correct or follow through  
17 anything that needs to be followed through.

18 **CHAIRMAN BRISÉ:** Okay. We have a motion on  
19 the remaining items which, in essence, are Items Number  
20 15 through 22.

21 Commissioner Balbis.

22 **COMMISSIONER BALBIS:** Thank you, Mr.  
23 Chairman.

24 I'm supportive of the motion. I just do want  
25 to respond. The Office of Public Counsel made a

1 comment that there is no incentive for the customers to  
2 reduce their water consumption. And I'm not sure I  
3 understood that correctly, but in staff's  
4 recommendation as with most of our recommendations for  
5 water and wastewater there is an inclining block rate  
6 structure which discourages high consumption, so I  
7 believe those issues are addressed. So with that, I  
8 support the motion.

9 **CHAIRMAN BRISÉ:** Was that a second?

10 **COMMISSIONER EDGAR:** Second.

11 **CHAIRMAN BRISÉ:** All right. That was a  
12 second, and then we got a third.

13 Any further discussion?

14 Okay. Seeing none, all in favor say aye.

15 (Vote taken.)

16 **CHAIRMAN BRISÉ:** Thank you very much. We are  
17 done with Item Number 4.

18 **MS. MERCHANT:** Thank you, Commissioners.

19 **CHAIRMAN BRISÉ:** Thank you.  
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STATE OF FLORIDA )

: CERTIFICATE OF REPORTER

COUNTY OF LEON )

I, JANE FAUROT, RPR, Chief, Hearing Reporter Services Section, FPSC Division of Commission Clerk, do hereby certify that the foregoing proceeding was heard at the time and place herein stated.

IT IS FURTHER CERTIFIED that I stenographically reported the said proceedings; that the same has been transcribed under my direct supervision; and that this transcript constitutes a true transcription of my notes of said proceedings.

I FURTHER CERTIFY that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED THIS 17th day of April, <sup>2013</sup>~~2011~~. *JF*

*Jane Faurot*  
-----  
JANE FAUROT, RPR  
Official FPSC Hearings Reporter  
(850) 413-6732

**Issue 13:** Should the Commission approve any proforma expense items for the Utility?

**Recommendation:** Yes. O&M expense should be increased by \$9,439 for both water and wastewater. Additionally, property taxes should be increased by \$29,091 for water and \$31,245 for wastewater. (VanEsselstine, Fletcher)

**Staff Analysis:** The Utility requested several pro forma expenses be included in the instant docket subsequent to its MFR filing. The Utility requested additional pro forma expenses relating to the addition of call center staff, the addition of a Controller, and an increase in the Utility's property taxes. Staff reviewed the support documentation for the requested pro forma expenses and believes there are necessary adjustments.

Pro Forma Salaries

During the course of its review, staff determined that the call center staff was left out of the expenses allocated to Wedgefield from its parent. In response to a staff data request, the Utility stipulated that the MFRs were filed prior to the customer call center services being performed by Pluris. Utility Partners provided the services through the end of 2011 based on a verbal agreement outside its contract.

In reviewing the Utility's request, staff analyzed whether any cost savings were realized by bringing the call center services in-house. Staff reviewed the total requested compensation package for seven call center employees, which equated to an allocated amount of \$75,432 (\$249,694 x 30.21 percent) to Wedgefield. Based on the methodology described in Issue 11, staff believes the requested in-house call center employees would result in an allocated increase of \$12,457 (\$41,661 x 29.90 percent) to Wedgefield above the \$40,665 amount charged by UP and included in test year expenses. Table 13-1 outlines the requested post-filing pro forma customer care center compensation analysis.

Table 13-1

Customer Care Center Compensation	
Call Center Service Charged by UP	\$40,665
Additional Requested Amount for 7 Employees	\$34,767
Total Adjusted Customer Care Center Compensation	\$75,432
Percentage Available without Southgate	55%
Total Amount Available to be Allocated	\$41,661
Allocation Factor	29.9%
Increment Amount to Pluris Wedgefield	\$12,457

Parties/Staff Handout  
Internal Affairs Agenda  
on 4/9/13  
Item No. 4  
120152-WS

In response to a staff data request, Wedgefield stated that its requested pro forma expenses for call center employees was due to comments about hold times by Wedgefield ratepayers at the customer meeting held in this case and the need based on management's review. Staff notes there were a few comments expressed at the customer meeting regarding hold times. To follow-up Pluris' management review as an additional basis for the in-house call center employees, staff requested any compensation studies for all Pluris positions. However, the Utility stated there were no such studies done. Although providing superior customer service is extremely important, staff believes a pro forma increase is realized by the shift to providing the services in-house. Based on the above, staff recommends that the requested additional pro forma labor costs of \$34,767 (\$75,432 - \$40,665) be disallowed.

### Pluris response

*It is difficult for Pluris to believe that according to Staff that a "Compensation Survey" is the basis for determining staffing needs in a call center.*

*Pluris believed the request for a salary compensation survey in the parent pertained solely to four employees, including Maurice Gallarda, Kenneth Pratt, Dan Winters and Tina Odisho.*

*This belief is supported by the fact that Staff performed its own salary survey using the AWWA Compensation Survey and applied it only to the positions held by the 4 referenced employees. Staff made no attempt to use the AWWA salary survey or even comment on the salaries related to the call center employees.*

*The increase in the call center costs of \$34,767 of which the charge to Wedgefield by allocation is \$12,457 has only to do with responding to the requests at Wedgefield from customers complaining about hold times as. Pluris interviewed all but two customers who testified at the customer hearing and most of the 23 customers complained about wait times. Pluris responded by adding call center staff.*

*The \$12,457 allocation means a \$0.64/month charge to Wedgefield customers to insure wait times have been reduced and should be allowed to remain in to be able to provide satisfactory service to customers. Since the addition of call center staff, there has not been a complaint regarding excessive wait times in reaching Pluris.*



AWWA

2008 & 2011

Water Utility Compensation Survey

Comparison

Parties Staff Handout  
Internal Affairs/Agenda  
on 419113  
Item No. 4  
120152-WS

Presented in the following are several tables relating to the Staff Recommendation on Proposed Agency Action ("Recommendation"), dated March 28, 2013.

The first table below is a reproduction of Table 11-2 as shown on page 25 of the Recommendation. The Staff used data used from the 2008 AWWA Water Utility Compensation Survey ("WUC"). Per the PSC regulatory analyst, PSC Staff used the maximum value in the average salary range for the population size of 10-25,000 for all of the positions. The PSC Staff grossed up the 2008 data 4.34% and the values in the table reflect the gross up before applying payroll related expenses and employee benefits.

Presented in the second table (highlighted in green) is the 2011 AWWA WUC (coinciding with the Test Year period) using the same PSC maximum average salary value for the population size of 10-25,000 for all of the positions.

2008 AWWA Compensation Survey						
Work Performed	Parent Compensation per Utility	Top Executive*	Top Admin Executive*	Office/Adm Mgrm*	Staff Adjustment to Parent	Staff Recommended Wages
Salary	\$ 326,812	\$ 112,155	\$ 80,995	\$ 52,762	\$ (80,900)	\$ 245,912
Payroll Expense	\$ 3,314	\$ 1,137	\$ 821	\$ 535	\$ (821)	\$ 2,493
Payroll Tax Expense	\$ 20,267	\$ 6,955	\$ 5,023	\$ 3,272	\$ (5,017)	\$ 15,250
Employee Benefits	\$ 25,950	\$ 8,906	\$ 6,431	\$ 4,189	\$ (6,424)	\$ 19,526
Total	\$ 376,343				\$ (93,162)	\$ 283,181

\* Amount has been adjusted up from the AWWA printed salary by 1.0434 to account for the PSC gross up.

2011 AWWA Compensation Survey ("Test Year")						
Work Performed	Parent Compensation per Utility	Top Executive	Top Admin Executive	Office/Adm Mgrm	Staff Adjustment to Parent	Staff Recommended Wages
Salary	\$ 326,812	\$ 112,477	\$ 93,890	\$ 53,475	\$ (66,970)	\$ 259,842
Payroll Expense	\$ 3,314	\$ 1,140	\$ 952	\$ 542	\$ (680)	\$ 2,634
Payroll Tax Expense	\$ 20,267	\$ 6,975	\$ 5,822	\$ 3,316	\$ (4,154)	\$ 16,113
Employee Benefits	\$ 25,950	\$ 8,932	\$ 7,456	\$ 4,246	\$ (5,316)	\$ 20,634
Total	\$ 376,343				\$ (77,120)	\$ 299,223

Table 13-2 on page 33 of the Recommendation which reflects the salary for a Top Finance Executive according to the 2008 AWWA Water Utility Compensation Survey ("WUC") using the maximum average salary range for the population size of 10-25,000 for the position. Highlighted in green is a column reflecting the 2011 AWWA Water Utility Compensation Survey ("WUC") value for a Top Finance Executive.

Pro Forma Controller Compensation		
Top Finance Executive	2008 Top Finance Executive	2011 Top Finance Executive
AWWA Compensation Survey	\$ 92,903	\$ 102,692
Gross-up Factor	1.0434	NA
2011 Compensation	\$ 99,272	\$ 102,692
Benefits (Payroll and Payroll tax expenses, Employee Benefits)	15.16%	15.16%
Total Adjusted Salary	\$ 114,318	\$ 118,256
Percentage Available without Southgate	55%	55%
Total Amount Available to be Allocated	\$ 63,138	\$ 65,313
Allocation Factor	29.90%	29.90%
Total Amount to Pluris Wedgefield	\$ 18,878	\$ 19,529

The 2008 and 2011 individual WUC sheets are also provided as attached PDFs for PSC Staff review.



# Water Utility Compensation Survey - 2008

**All Participants**

## Job 01 - Top Executive

Under general direction of the city, managing Board of Directors, mayor, or Board of Water Commissioners is responsible for managing, planning, coordinating and administering all activities of the Water Department and/or water company. Responsible for the short and long range strategy of the organization subject to review by the Board.

### Summary of All Reported Data by Ownership/Management Type

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Board Operated	382	375	83	\$99,576	\$114,808	\$114,808	\$91,209	\$112,012	\$130,661
City/County	277	262	128	\$96,159	\$100,190	\$100,190	\$79,121	\$97,358	\$114,773
Private	18	16	31	\$92,500	\$133,005	\$133,005			
Other	23	23	64	\$110,000	\$123,892	\$123,892	\$124,475	\$158,576	\$180,957
All	700	678	99	\$98,440	\$109,833	\$109,833	\$85,280	\$104,806	\$123,161

### Summary of All Reported Data by Population Size

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250,000	71	88	551	\$168,360	\$193,721	\$193,721	\$125,349	\$156,939	\$189,492
100 - 250,000	75	70	202	\$128,890	\$134,550	\$134,550	\$97,584	\$122,282	\$141,142
50 - 100,000	116	110	85	\$110,343	\$123,048	\$123,048	\$87,525	\$103,848	\$126,085
25 - 50,000	98	83	53	\$98,811	\$103,735	\$103,735	\$80,711	\$98,904	\$115,437
10 - 25,000	178	176	32	\$90,420	\$95,473	\$95,473	\$78,848	\$92,836	\$107,469
< 10,000	162	161	13	\$70,532	\$73,847	\$73,847	\$57,036	\$67,993	\$79,509

### Summary of All Reported Data by Average Gallons Managed

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250	18	17	838	\$167,643	\$221,599	\$221,599	\$143,842		\$216,507
100 - 250 Mil	25	23	824	\$169,076	\$195,745	\$195,745	\$109,959	\$140,262	\$175,910
60 - 100 Mil	40	39	282	\$158,017	\$183,181	\$183,181	\$118,142	\$138,268	\$170,792
25 - 50 Mil	67	62	198	\$133,804	\$137,893	\$137,893	\$97,069	\$121,545	\$142,361
10 - 25 Mil	107	104	86	\$116,332	\$124,279	\$124,279	\$90,512	\$108,015	\$132,006
< 10 Mil	443	433	31	\$85,000	\$88,589	\$88,589	\$72,050	\$87,540	\$101,690

### Summary of All Reported Data by Total Employment

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 500	36	33	911	\$179,998	\$208,015	\$208,015	\$127,755	\$158,896	\$198,148
200 - 500	64	61	321	\$140,500	\$157,397	\$157,397	\$110,883	\$138,855	\$163,569
100 - 200	80	78	141	\$130,316	\$137,603	\$137,603	\$95,530	\$113,857	\$137,084
50 - 100	114	107	71	\$116,832	\$121,108	\$121,108	\$89,390	\$110,452	\$131,400
25 - 50	132	128	35	\$93,945	\$98,442	\$98,442	\$77,166	\$94,480	\$109,505
< 25	274	271	11	\$78,365	\$80,106	\$80,106	\$64,953	\$77,922	\$90,746



# Water Utility Compensation Survey - 2008

All Participants

## Job 07 - Top Finance Executive

Responsible for management of the Department's financial resources, including acting as the dispersing authority for the Top Executive. Directs and manages the Accounting, Treasury and Budget Operations, Rate Administration, Contract and Information Services Sections.

### Summary of All Reported Data by Ownership/Management Type

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Board Operated	202	192	16	\$80,447	\$97,952	\$97,952	\$79,338	\$97,442	\$113,224
City/County	122	115	17	\$82,764	\$84,990	\$84,990	\$87,713	\$84,831	\$98,650
Private	5	5	2	\$118,000	\$153,342	\$153,342	.	.	.
Other	9	9	7	\$102,492	\$117,722	\$117,722	\$88,752	\$107,470	\$120,316
All	338	321	16	\$88,797	\$94,725	\$94,725	\$74,922	\$92,875	\$107,561

### Summary of All Reported Data by Population Size

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250,000	82	60	31	\$121,097	\$127,307	\$127,307	\$90,304	\$113,868	\$135,482
100 - 250,000	57	53	23	\$89,112	\$97,408	\$97,408	\$75,108	\$91,358	\$108,410
50 - 100,000	62	58	13	\$93,161	\$96,770	\$96,770	\$77,107	\$92,505	\$109,435
25 - 50,000	47	44	8	\$89,309	\$88,755	\$88,755	\$73,733	\$89,862	\$104,446
10 - 25,000	72	69	8	\$79,045	\$81,540	\$81,540	\$66,851	\$81,882	\$92,903
< 10,000	38	37	4	\$63,746	\$63,398	\$63,398	\$53,244	\$63,952	\$74,117

### Summary of All Reported Data by Average Gallons Managed

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250	18	15	31	\$126,400	\$147,805	\$147,805	\$100,285	\$128,310	\$147,818
100 - 250 Mil	21	20	42	\$123,427	\$129,417	\$129,417	\$88,324	\$113,516	\$139,428
50 - 100 Mil	33	32	30	\$112,518	\$118,594	\$118,594	\$91,359	\$108,136	\$130,413
25 - 50 Mil	49	47	22	\$94,285	\$101,987	\$101,987	\$77,728	\$93,588	\$113,065
10 - 25 Mil	59	54	10	\$89,226	\$91,814	\$91,814	\$73,472	\$82,492	\$104,089
< 10 Mil	160	153	8	\$76,386	\$78,791	\$78,791	\$66,135	\$80,296	\$93,027

### Summary of All Reported Data by Total Employment

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 500	32	30	53	\$124,767	\$138,090	\$138,090	\$94,231	\$120,628	\$143,372
200 - 500	54	51	28	\$108,300	\$112,253	\$112,253	\$84,182	\$106,729	\$124,144
100 - 200	60	59	9	\$95,800	\$101,195	\$101,195	\$76,737	\$92,235	\$108,560
50 - 100	71	66	10	\$88,505	\$89,050	\$89,050	\$71,810	\$89,070	\$103,028
25 - 50	58	54	7	\$78,150	\$82,131	\$82,131	\$68,415	\$79,580	\$94,878
< 25	63	61	4	\$67,530	\$69,774	\$69,774	\$59,162	\$71,502	\$81,573

# Water Utility Compensation Survey - 2008

All Participants

## Job 08 - Top Administration Executive

Under general direction of the Top Executive, is responsible for all administrative functions, including Human Resources, the Affirmative Action Program, Customer Services, General Services, Administrative Services and Property Administration.

### Summary of All Reported Data by Ownership/Management Type

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Board Operated	86	82	24	\$72,698	\$86,080	\$86,080	\$76,368	\$91,194	\$107,413
City/County	64	57	51	\$83,772	\$84,309	\$84,309	\$69,874	\$84,897	\$101,516
Private	4	4	-	-	-	-	-	-	-
Other	5	5	6	\$65,000	\$79,377	\$79,377	-	-	-
All	159	148	33	\$79,401	\$84,609	\$84,609	\$73,384	\$88,498	\$104,528

### Summary of All Reported Data by Population Size

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250,000	31	28	81	\$120,772	\$125,603	\$125,603	\$88,389	\$107,301	\$129,899
100 - 250,000	20	17	44	\$100,942	\$105,578	\$105,578	\$84,951	\$100,584	\$121,314
50 - 100,000	29	27	29	\$84,853	\$91,780	\$91,780	\$74,283	\$87,689	\$104,669
25 - 50,000	20	19	9	\$87,280	\$75,791	\$75,791	\$63,890	\$81,084	\$90,089
10 - 25,000	28	28	9	\$84,942	\$84,636	\$84,636	\$54,938	\$66,454	\$77,625
< 10,000	33	31	4	\$49,167	\$51,993	\$51,993	\$50,397	\$59,344	\$65,261

### Summary of All Reported Data by Average Gallons Managed

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250	11	9	57	\$129,132	\$137,481	\$137,481	\$84,863	\$106,335	\$127,956
100 - 250 Mil	9	8	131	\$116,126	\$119,637	\$119,637	\$86,723	\$108,195	\$129,280
50 - 100 Mil	11	10	25	\$109,433	\$109,206	\$109,206	\$93,446	\$111,727	\$131,220
25 - 50 Mil	20	18	82	\$94,555	\$101,339	\$101,339	\$80,505	\$92,312	\$118,071
10 - 25 Mil	25	25	19	\$97,812	\$99,748	\$99,748	\$80,242	\$98,566	\$110,720
< 10 Mil	82	78	8	\$60,000	\$63,052	\$63,052	\$57,020	\$69,506	\$80,207

### Summary of All Reported Data by Total Employment

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 500	15	12	111	\$130,346	\$139,861	\$139,861	\$87,905	\$114,377	\$133,958
200 - 500	27	26	74	\$110,278	\$109,811	\$109,811	\$85,221	\$104,130	\$128,213
100 - 200	22	20	18	\$91,211	\$96,622	\$96,622	\$78,547	\$84,566	\$105,843
50 - 100	26	25	11	\$71,980	\$77,810	\$77,810	\$68,096	\$82,623	\$94,283
25 - 50	23	21	7	\$69,000	\$70,029	\$70,029	\$60,261	\$71,472	\$85,620
< 25	46	44	5	\$52,486	\$59,918	\$59,918	\$58,481	\$70,900	\$76,717



# Water Utility Compensation Survey - 2008

All Participants

## Job 20 - Office/Administrative Services Manager

Responsible for direction of the functions of graphics and reproduction, records and facility mapping, mail and messenger services, switchboard and other general office functions.

### Summary of All Reported Data by Ownership/Management Type

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Board Operated	134	128	4	\$42,050	\$45,918	\$45,918	\$41,061	\$50,994	\$57,909
City/County	98	93	5	\$43,680	\$47,649	\$47,649	\$39,024	\$47,023	\$54,844
Private	7	7	*	\$41,322	\$47,539	\$47,539	.	.	.
Other	6	6	*	\$43,880	\$45,223	\$45,223	.	.	.
All	245	234	4	\$43,000	\$46,637	\$46,637	\$40,520	\$48,995	\$56,523

### Summary of All Reported Data by Population Size

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250,000	23	23	6	\$67,490	\$66,344	\$66,344	\$52,297	\$61,081	\$72,809
100 - 250,000	23	20	5	\$53,476	\$59,183	\$59,183	\$46,483	\$57,396	\$64,440
50 - 100,000	33	29	4	\$51,506	\$52,016	\$52,016	\$43,173	\$51,968	\$61,528
25 - 50,000	35	35	5	\$40,488	\$42,760	\$42,760	\$35,528	\$44,513	\$60,058
10 - 25,000	58	56	3	\$42,613	\$44,923	\$44,923	\$36,770	\$42,959	\$60,587
< 10,000	73	71	2	\$36,000	\$37,785	\$37,785	\$31,510	\$37,785	\$43,655

### Summary of All Reported Data by Average Gallons Managed

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250	4	4	*	.	.	.	.	.	.
100 - 250 Mil	6	6	7	\$65,014	\$59,148	\$59,148	.	.	.
60 - 100 Mil	16	16	5	\$52,930	\$57,673	\$57,673	\$49,074	\$56,156	\$65,146
25 - 50 Mil	21	19	4	\$55,901	\$57,087	\$57,087	\$45,213	\$55,111	\$63,905
10 - 25 Mil	34	31	5	\$49,500	\$53,752	\$53,752	\$45,002	\$55,587	\$63,641
< 10 Mil	164	158	3	\$40,302	\$41,773	\$41,773	\$35,192	\$42,159	\$48,936

### Summary of All Reported Data by Total Employment

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 500	7	7	10	\$65,569	\$68,355	\$68,355	\$55,379	\$70,037	\$77,813
200 - 500	18	18	6	\$59,438	\$59,665	\$59,665	\$48,521	\$55,368	\$67,952
100 - 200	20	18	4	\$57,207	\$61,444	\$61,444	\$45,618	\$56,199	\$63,997
60 - 100	36	33	4	\$49,500	\$50,167	\$50,167	\$41,605	\$52,830	\$58,458
25 - 60	41	39	4	\$45,490	\$47,040	\$47,040	\$38,707	\$46,412	\$54,239
< 25	123	119	3	\$38,800	\$40,041	\$40,041	\$33,874	\$38,420	\$46,791

# Water Utility Compensation Survey - 2011

All Participants

## Job 01 - Top Executive

Under general direction of the city, managing Board of Directors, mayor, or Board of Water Commissioners is responsible for managing, planning, coordinating and administering all activities of the Water Department and/or water company. Responsible for the short and long range strategy of the organization subject to review by the Board.

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
All	318	310	40	\$101,000	\$107,169	\$107,125	\$87,380	\$105,300	\$124,642
Board Operated	180	180	35	\$105,000	\$111,181	\$111,093	\$94,109	\$119,558	\$137,033
City/County	103	99	50	\$94,840	\$99,602	\$99,602	\$79,907	\$91,036	\$110,867
Private	8	8	23	\$107,500	\$108,740	\$108,740	.	.	.
Other	25	23	33	\$98,350	\$107,548	\$107,548	\$88,084	\$95,795	\$126,256

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
50,000 - 100,000	58	58	80	\$134,823	\$139,953	\$139,953	\$105,100	\$127,570	\$154,308
25,000 - 50,000	62	57	47	\$120,071	\$128,604	\$128,604	\$99,667	\$117,322	\$141,987
10,000 - 25,000	78	78	37	\$105,000	\$108,772	\$108,603	\$82,327	\$100,775	\$112,477
< 10,000	118	117	17	\$78,000	\$81,710	\$81,710	\$65,362	\$77,776	\$94,129

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 1,000	0	0	.	.	.	.	.	.	.
500 - 1,000	0	0	.	.	.	.	.	.	.
200 - 500	11	11	148	\$183,550	\$174,185	\$174,185	\$137,731	\$180,017	\$202,784
100 - 200	17	16	111	\$162,588	\$156,357	\$156,357	\$107,798	\$129,341	\$153,037
50 - 100	46	46	61	\$118,900	\$124,406	\$124,406	\$94,184	\$117,482	\$140,236
25 - 50	72	68	38	\$113,442	\$118,167	\$117,805	\$98,010	\$111,602	\$137,350
< 25	170	169	21	\$86,000	\$89,098	\$89,098	\$71,955	\$84,947	\$101,453

# Water Utility Compensation Survey - 2011

All Participants

## Job 07 - Top Finance Executive

Responsible for management of the Department's financial resources, including acting as the dispersing authority for the Top Executive. Directs and manages the Accounting, Treasury and Budget Operations, Rate Administration, Contract and Information Services Sections.

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
All	158	148	12	\$88,747	\$91,696	\$91,696	\$78,653	\$94,874	\$111,306
Board Operated	94	89	11	\$88,969	\$93,238	\$93,238	\$81,088	\$99,430	\$115,228
City/County	48	44	14	\$88,130	\$86,427	\$86,427	\$72,388	\$83,481	\$101,427
Private	5	5	*	\$106,020	\$88,437	\$88,437	.	.	.
Other	11	10	15	\$96,500	\$102,784	\$102,784	\$79,693	\$99,284	\$112,094

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
\$0,000 - 100,000	43	42	18	\$105,136	\$109,440	\$109,440	\$86,639	\$104,922	\$123,855
25,000 - 50,000	36	30	9	\$106,920	\$109,005	\$109,005	\$83,277	\$99,519	\$115,741
10,000 - 25,000	39	37	10	\$88,600	\$87,834	\$87,834	\$71,926	\$87,578	\$102,692
< 10,000	40	39	9	\$60,000	\$62,936	\$62,936	\$56,894	\$69,920	\$80,127

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 1,000	0	0	.	.	.	.	.	.	.
500 - 1,000	0	0	.	.	.	.	.	.	.
200 - 500	12	11	32	\$126,965	\$127,354	\$127,354	\$91,227	\$120,981	\$135,499
100 - 200	16	13	15	\$112,371	\$115,374	\$115,374	\$92,317	\$110,401	\$127,880
50 - 100	32	28	15	\$96,242	\$96,844	\$96,844	\$76,120	\$91,767	\$111,816
25 - 50	47	46	8	\$88,575	\$93,436	\$93,436	\$76,425	\$91,276	\$107,630
< 25	51	50	8	\$65,500	\$73,211	\$73,211	\$70,430	\$81,419	\$95,118



# Water Utility Compensation Survey - 2011

All Participants

## Job 08 - Top Administration Executive

Under general direction of the Top Executive, is responsible for all administrative functions, including Human Resources, the Affirmative Action Program, Customer Services, General Services, Administrative Services and Property Administration.

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
All	58	53	11	\$72,008	\$74,357	\$74,357	\$55,428	\$78,967	\$95,564
Board Operated	35	32	11	\$78,869	\$79,435	\$79,435	\$56,256	\$83,256	\$98,043
City/County	14	12	13	\$74,213	\$71,789	\$71,789	\$67,027	\$71,265	\$95,625
Private	1	1	-	-	-	-	-	-	-
Other	8	8	10	\$52,517	\$55,224	\$55,224	-	-	-

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
50,000 - 100,000	11	11	21	\$78,408	\$86,993	\$86,993	\$68,419	\$81,145	\$98,267
25,000 - 50,000	16	12	6	\$74,980	\$75,133	\$75,133	\$68,044	\$82,765	\$97,397
10,000 - 25,000	10	9	9	\$73,727	\$71,988	\$71,988	\$68,167	\$71,120	\$93,890
< 10,000	21	21	8	\$63,475	\$68,312	\$68,312	\$55,828	\$78,214	\$90,474

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 1,000	0	0	-	-	-	-	-	-	-
500 - 1,000	0	0	-	-	-	-	-	-	-
200 - 500	5	4	-	-	-	-	-	-	-
100 - 200	7	7	9	\$81,723	\$84,809	\$84,809	\$67,720	\$78,315	\$94,108
50 - 100	8	7	-	\$78,252	\$74,399	\$74,399	\$61,154	-	\$92,001
25 - 50	16	13	11	\$77,189	\$78,226	\$78,226	\$68,677	\$76,881	\$91,676
< 25	22	22	6	\$60,722	\$64,763	\$64,763	\$53,716	\$77,251	\$88,687

# Water Utility Compensation Survey - 2011

All Participants

## Job 20 - Office/Administrative Services Manager

Responsible for direction of the functions of graphics and reproduction, records and facility mapping, mail and messenger services, switchboard and other general office functions.

### Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
All	106	100	3	\$44,950	\$45,543	\$45,543	\$40,429	\$48,311	\$56,600
Board Operated	55	53	3	\$42,453	\$44,298	\$44,298	\$40,478	\$50,827	\$57,445
City/County	39	35	4	\$47,874	\$46,958	\$46,958	\$40,314	\$48,808	\$55,098
Private	4	4	-	-	-	-	-	-	-
Other	8	8	5	\$46,672	\$52,113	\$52,113	-	-	-

### Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
50,000 - 100,000	12	12	5	\$55,148	\$55,842	\$55,842	\$45,638	\$53,880	\$63,679
25,000 - 50,000	13	8	6	\$48,800	\$49,801	\$49,801	\$42,898	\$51,183	\$62,895
10,000 - 25,000	40	38	3	\$44,700	\$45,982	\$45,982	\$38,714	\$47,006	\$53,475
< 10,000	41	41	2	\$39,124	\$41,186	\$41,186	\$37,929	\$44,055	\$53,023

### Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 1,000	0	0	-	-	-	-	-	-	-
800 - 1,000	0	0	-	-	-	-	-	-	-
200 - 800	4	3	-	-	-	-	-	-	-
100 - 200	4	3	-	-	-	-	-	-	-
50 - 100	12	9	5	\$51,000	\$51,493	\$51,493	\$40,334	\$49,000	\$56,977
25 - 50	15	14	5	\$48,800	\$52,023	\$52,023	\$42,680	\$50,947	\$59,682
< 25	71	71	3	\$39,500	\$43,031	\$43,031	\$39,105	\$45,593	\$53,309



Presented in the following are several tables relating to the Staff Recommendation on Proposed Agency Action ("Recommendation"), dated March 28, 2013.

The first table below is a reproduction of Table 11-2 as shown on page 25 of the Recommendation. The Staff used data used from the 2008 AWWA Water Utility Compensation Survey ("WUC"). Per the PSC regulatory analyst, PSC Staff used the maximum value in the average salary range for the population size of 10-25,000 for all of the positions. The PSC Staff grossed up the 2008 data 4.34% and the values in the table reflect the gross up before applying payroll related expenses and employee benefits.

Presented in the second table (highlighted in green) is the 2011 AWWA WUC (coinciding with the Test Year period) using the same PSC maximum average salary value for the population size of 10-25,000 for all of the positions.

2008 AWWA Compensation Survey						
Work Performed	Parent Compensation per Utility	Top Executive*	Top Admin Executive*	Office/Adm Mgrm*	Staff Adjustment to Parent	Staff Recommended Wages
Salary	\$ 326,812	\$ 112,155	\$ 80,995	\$ 52,762	\$ (80,900)	\$ 245,912
Payroll Expense	\$ 3,314	\$ 1,137	\$ 821	\$ 535	\$ (821)	\$ 2,493
Payroll Tax Expense	\$ 20,267	\$ 6,955	\$ 5,023	\$ 3,272	\$ (5,017)	\$ 15,250
Employee Benefits	\$ 25,950	\$ 8,906	\$ 6,431	\$ 4,189	\$ (6,424)	\$ 19,526
Total	\$ 376,343				\$ (93,162)	\$ 283,181

\* Amount has been adjusted up from the AWWA printed salary by 1.0434 to account for the PSC gross up.

2011 AWWA Compensation Survey ("Test Year")						
Work Performed	Parent Compensation per Utility	Top Executive	Top Admin Executive	Office/Adm Mgrm	Staff Adjustment to Parent	Staff Recommended Wages
Salary	\$ 326,812	\$ 112,477	\$ 93,890	\$ 53,475	\$ (66,970)	\$ 259,842
Payroll Expense	\$ 3,314	\$ 1,140	\$ 952	\$ 542	\$ (680)	\$ 2,634
Payroll Tax Expense	\$ 20,267	\$ 6,975	\$ 5,822	\$ 3,316	\$ (4,154)	\$ 16,113
Employee Benefits	\$ 25,950	\$ 8,932	\$ 7,456	\$ 4,246	\$ (5,316)	\$ 20,634
Total	\$ 376,343				\$ (77,120)	\$ 299,223

Table 13-2 on page 33 of the Recommendation which reflects the salary for a Top Finance Executive according to the 2008 AWWA Water Utility Compensation Survey ("WUC") using the maximum average salary range for the population size of 10-25,000 for the position. Highlighted in green is a column reflecting the 2011 AWWA Water Utility Compensation Survey ("WUC") value for a Top Finance Executive.

Pro Forma Controller Compensation		
Top Finance Executive	2008 Top Finance Executive	2011 Top Finance Executive
AWWA Compensation Survey	\$ 92,903	\$ 102,692
Gross-up Factor	1.0434	NA
2011 Compensation	\$ 99,272	\$ 102,692
Benefits (Payroll and Payroll tax expenses, Employee Benefits)	15.16%	15.16%
Total Adjusted Salary	\$ 114,318	\$ 118,256
Percentage Available without Southgate	55%	55%
Total Amount Available to be Allocated	\$ 63,138	\$ 65,313
Allocation Factor	29.90%	29.90%
Total Amount to Pluris Wedgefield	\$ 18,878	\$ 19,529

The 2008 and 2011 individual WUC sheets are also provided as attached PDFs for PSC Staff review.

Parties/Staff Handout  
 Internal Affairs/Agenda  
 on 4/19/13  
 Item No. 4  
 120152-WS



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# AMERICAN WATER WORKS ASSOCIATION 2011 WATER UTILITY COMPENSATION SURVEY

Reporting Data for Utilities Serving Populations Below 100,000

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Sixteenth Annual

Data Effective: August 2011

Date Published: December 2011

Prepared By:

**Verisight, Inc**  
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## SURVEY HIGHLIGHTS

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The American Water Works Association (AWWA) and Verisight, Inc. are pleased to present the sixteenth annual Water Utility Compensation Survey. Data for this survey were collected as of August 1, 2011.

### INTRODUCTION

This Water Utility Compensation Survey continues to provide the most extensive study of salaries, salary ranges and compensation practices in the water utility industry. This year, 602 organizations participated, supplying data for more than 14,000 employees. Based on member feedback, there are two versions of the survey report that more accurately reflect competitive labor markets. The two versions are based on utility defined by population served as follows:

- Large Utility Report – Population served above 100,000
- Small/Medium Utility Report – Population served below 100,000

Forty-five (45) jobs are included in this survey. Job descriptions are found later in this report. *Please Note:* As in past years, job number 29 is not used in this year's survey.

Salary data is summarized for the following categories:

- All Participants
- Water Only Participants
- Water and Wastewater Participants

Within these major categories, data is further broken down by specific demographics supplied by the participants. These breakouts are described in the following sections.

### OBSERVATIONS

As suspected, there were significant differences between large and small/medium sized utilities. A comparison of salary data between the two groups indicates that larger utilities, on average, pay higher for all jobs included in the survey. Differences range from 10% higher for Entry Level Water Plant Operators to large utilities paying 30%+ more for Conservation Managers, Top Administrative Executives, and Top Executives.

The survey also provides salary comparisons by job. The analysis is based on common companies which matched jobs in multiple years. Every indication is that salary movement overall has slowed since 2010. From 2008 to 2010, larger utility salaries moved 2.6% on average, while small/medium sized utilities moved 2.9% on an annualized basis. Based on a comparison from 2010 to 2011, larger utility salaries only moved 2.2% and small/medium sized utilities moved 2.4%, which is lower than the previous couple of years. Regardless of utility size, it is clear that salaries are not increasing as quickly as they were prior to 2010. There are likely many reasons for the slow down, including reduced salary increase budget dollars and/or recent salary freezes and retirement of long-tenured employees who may be replaced with less expensive talent.

# Water Utility Compensation Survey - 2008

**All Participants**

## Job 01 - Top Executive

Under general direction of the city, managing Board of Directors, mayor, or Board of Water Commissioners is responsible for managing, planning, coordinating and administering all activities of the Water Department and/or water company. Responsible for the short and long range strategy of the organization subject to review by the Board.

Summary of All Reported Data by Ownership/Management Type

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Board Operated	382	375	83	\$99,576	\$114,808	\$114,808	\$91,209	\$112,012	\$130,861
City/County	277	262	128	\$96,158	\$100,190	\$100,190	\$79,121	\$97,356	\$114,773
Private	18	18	31	\$92,500	\$133,005	\$133,005			
Other	23	23	84	\$110,000	\$123,892	\$123,892	\$124,475	\$156,576	\$180,857
All	700	678	99	\$98,440	\$109,833	\$109,833	\$85,280	\$104,806	\$123,161

Summary of All Reported Data by Population Size

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250,000	71	88	551	\$168,360	\$193,721	\$193,721	\$125,349	\$156,939	\$189,492
100 - 250,000	75	70	202	\$128,890	\$134,550	\$134,550	\$97,584	\$122,282	\$141,142
50 - 100,000	116	110	86	\$110,343	\$123,048	\$123,048	\$87,525	\$103,848	\$126,095
25 - 50,000	98	93	53	\$96,811	\$103,735	\$103,735	\$80,711	\$98,904	\$115,437
10 - 25,000	178	178	32	\$90,420	\$95,473	\$95,473	\$75,846	\$92,836	\$107,489
< 10,000	162	161	13	\$70,532	\$73,847	\$73,847	\$57,036	\$67,993	\$79,509

Summary of All Reported Data by Average Gallons Managed

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250	18	17	838	\$187,643	\$221,599	\$221,599	\$143,842		\$216,507
100 - 250 Mil	25	23	624	\$169,076	\$195,745	\$195,745	\$109,859	\$140,282	\$175,910
50 - 100 Mil	40	39	282	\$158,017	\$163,181	\$163,181	\$118,142	\$138,286	\$170,792
25 - 50 Mil	67	62	198	\$133,604	\$137,893	\$137,893	\$97,059	\$121,545	\$142,381
10 - 25 Mil	107	104	86	\$116,332	\$124,279	\$124,279	\$90,512	\$108,015	\$132,006
< 10 Mil	443	433	31	\$85,000	\$88,589	\$88,589	\$72,050	\$87,540	\$101,680

Summary of All Reported Data by Total Employment

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 500	36	33	911	\$179,898	\$208,015	\$208,015	\$127,755	\$158,896	\$198,148
200 - 500	64	61	321	\$140,500	\$157,397	\$157,397	\$110,883	\$138,855	\$163,589
100 - 200	80	78	141	\$130,316	\$137,603	\$137,603	\$95,530	\$113,657	\$137,084
50 - 100	114	107	71	\$116,832	\$121,108	\$121,108	\$89,390	\$110,462	\$131,400
25 - 50	132	128	35	\$93,945	\$98,442	\$98,442	\$77,166	\$94,460	\$109,505
< 25	274	271	11	\$78,385	\$80,106	\$80,106	\$64,953	\$77,922	\$90,746



# Water Utility Compensation Survey - 2008

All Participants

## Job 07 - Top Finance Executive

Responsible for management of the Department's financial resources, including acting as the dispersing authority for the Top Executive. Directs and manages the Accounting, Treasury and Budget Operations, Rate Administration, Contract and Information Services Sections.

Summary of All Reported Data by Ownership/Management Type

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Board Operated	202	192	16	\$90,447	\$97,952	\$97,952	\$79,338	\$97,442	\$113,224
City/County	122	115	17	\$82,764	\$84,990	\$84,990	\$67,713	\$84,831	\$98,650
Private	5	5	2	\$118,000	\$153,342	\$153,342	-	-	-
Other	9	9	7	\$102,492	\$117,722	\$117,722	\$88,752	\$107,470	\$120,318
All	338	321	16	\$88,797	\$94,725	\$94,725	\$74,922	\$92,875	\$107,561

Summary of All Reported Data by Population Size

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250,000	62	60	31	\$121,087	\$127,307	\$127,307	\$90,304	\$113,868	\$135,482
100 - 250,000	57	53	23	\$89,112	\$97,408	\$97,408	\$75,108	\$91,358	\$108,410
50 - 100,000	62	58	13	\$93,181	\$98,770	\$98,770	\$77,107	\$92,505	\$109,435
25 - 50,000	47	44	8	\$89,309	\$88,755	\$88,755	\$73,733	\$89,862	\$104,446
10 - 25,000	72	69	8	\$79,045	\$81,540	\$81,540	\$66,851	\$81,862	\$92,903
< 10,000	38	37	4	\$63,746	\$63,398	\$63,398	\$53,244	\$63,952	\$74,117

Summary of All Reported Data by Average Gallons Managed

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250	18	15	31	\$126,400	\$147,805	\$147,805	\$100,285	\$128,310	\$147,618
100 - 250 Mil	21	20	42	\$123,427	\$129,417	\$129,417	\$88,324	\$113,516	\$139,426
50 - 100 Mil	33	32	30	\$112,518	\$118,594	\$118,594	\$91,359	\$108,136	\$130,413
25 - 50 Mil	49	47	22	\$94,285	\$101,987	\$101,987	\$77,728	\$93,588	\$113,065
10 - 25 Mil	59	54	10	\$89,226	\$91,814	\$91,814	\$73,472	\$92,492	\$104,089
< 10 Mil	160	153	8	\$76,386	\$78,791	\$78,791	\$66,135	\$80,296	\$93,027

Summary of All Reported Data by Total Employment

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 500	32	30	53	\$124,767	\$138,090	\$138,090	\$94,231	\$120,628	\$143,372
200 - 500	54	51	28	\$106,300	\$112,253	\$112,253	\$84,182	\$106,729	\$124,144
100 - 200	60	59	9	\$95,800	\$101,195	\$101,195	\$78,737	\$92,235	\$108,560
50 - 100	71	68	10	\$88,505	\$99,050	\$99,050	\$71,810	\$89,070	\$103,028
25 - 50	58	54	7	\$78,150	\$82,131	\$82,131	\$68,415	\$79,580	\$94,678
< 25	63	61	4	\$67,530	\$69,774	\$69,774	\$59,162	\$71,502	\$81,573

# Water Utility Compensation Survey - 2008

All Participants

## Job 08 - Top Administration Executive

Under general direction of the Top Executive, is responsible for all administrative functions, including Human Resources, the Affirmative Action Program, Customer Services, General Services, Administrative Services and Property Administration.

### Summary of All Reported Data by Ownership/Management Type

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Board Operated	86	82	24	\$72,698	\$86,080	\$86,080	\$76,368	\$91,194	\$107,413
City/County	64	57	51	\$83,772	\$84,309	\$84,309	\$89,874	\$84,897	\$101,516
Private	4	4	.	.	.	.	.	.	.
Other	5	5	6	\$65,000	\$79,377	\$79,377	.	.	.
All	159	148	33	\$78,401	\$84,609	\$84,609	\$73,384	\$88,498	\$104,528

### Summary of All Reported Data by Population Size

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250,000	31	28	61	\$120,772	\$125,603	\$125,603	\$86,389	\$107,301	\$129,899
100 - 250,000	20	17	44	\$100,942	\$105,578	\$105,578	\$84,951	\$100,584	\$121,314
50 - 100,000	29	27	29	\$84,853	\$91,780	\$91,780	\$74,283	\$87,889	\$104,669
25 - 50,000	20	19	9	\$67,280	\$75,791	\$75,791	\$63,890	\$81,084	\$90,089
10 - 25,000	28	26	9	\$64,942	\$64,638	\$64,638	\$54,036	\$66,454	\$77,625
< 10,000	33	31	4	\$49,187	\$51,993	\$51,993	\$50,397	\$59,344	\$65,261

### Summary of All Reported Data by Average Gallons Managed

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250	11	9	57	\$129,132	\$137,461	\$137,461	\$84,883	\$106,335	\$127,956
100 - 250 Mil	9	8	131	\$118,126	\$119,637	\$119,637	\$86,723	\$108,195	\$129,280
50 - 100 Mil	11	10	25	\$109,433	\$109,206	\$109,206	\$93,446	\$111,727	\$131,220
25 - 50 Mil	20	18	82	\$94,555	\$101,339	\$101,339	\$80,505	\$82,312	\$116,071
10 - 25 Mil	26	25	19	\$97,812	\$99,746	\$99,746	\$80,242	\$98,566	\$110,720
< 10 Mil	82	78	8	\$60,000	\$63,052	\$63,052	\$57,020	\$69,506	\$80,207

### Summary of All Reported Data by Total Employment

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 500	15	12	111	\$130,346	\$139,861	\$139,861	\$87,905	\$114,377	\$133,958
200 - 500	27	26	74	\$110,278	\$108,811	\$108,811	\$85,221	\$104,130	\$126,213
100 - 200	22	20	18	\$91,211	\$98,822	\$98,822	\$78,547	\$84,566	\$105,843
50 - 100	26	25	11	\$71,990	\$77,810	\$77,810	\$66,096	\$82,623	\$94,283
25 - 50	23	21	7	\$69,000	\$70,029	\$70,029	\$60,281	\$71,472	\$85,620
< 25	46	44	5	\$52,486	\$59,918	\$59,918	\$59,481	\$70,900	\$76,717



# Water Utility Compensation Survey - 2008

All Participants

## Job 20 - Office/Administrative Services Manager

Responsible for direction of the functions of graphics and reproduction, records and facility mapping, mail and messenger services, switchboard and other general office functions.

### Summary of All Reported Data by Ownership/Management Type

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Board Operated	134	128	4	\$42,060	\$45,918	\$45,918	\$41,661	\$50,994	\$57,909
City/County	98	93	5	\$43,680	\$47,649	\$47,649	\$39,024	\$47,023	\$54,844
Private	7	7	*	\$41,322	\$47,539	\$47,539	.	.	.
Other	6	6	*	\$43,860	\$45,223	\$45,223	.	.	.
All	245	234	4	\$43,000	\$46,637	\$46,637	\$40,520	\$48,995	\$56,523

### Summary of All Reported Data by Population Size

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250,000	23	23	6	\$67,490	\$66,344	\$66,344	\$52,297	\$61,081	\$72,809
100 - 250,000	23	20	5	\$53,476	\$59,183	\$59,183	\$46,483	\$57,396	\$64,440
50 - 100,000	33	29	4	\$51,508	\$52,016	\$52,016	\$43,173	\$51,968	\$61,528
25 - 50,000	35	35	5	\$40,468	\$42,760	\$42,760	\$35,528	\$44,513	\$60,058
10 - 25,000	58	56	3	\$42,813	\$44,923	\$44,923	\$36,770	\$42,959	\$50,567
< 10,000	73	71	2	\$36,000	\$37,785	\$37,785	\$31,510	\$37,795	\$43,655

### Summary of All Reported Data by Average Gallons Managed

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 250	4	4	*	.	.	.	.	.	.
100 - 250 Mil	6	6	7	\$65,014	\$59,148	\$59,148	.	.	.
50 - 100 Mil	16	16	5	\$52,930	\$57,673	\$57,673	\$49,074	\$56,166	\$65,146
25 - 50 Mil	21	19	4	\$55,801	\$57,087	\$57,087	\$45,213	\$55,111	\$63,905
10 - 25 Mil	34	31	5	\$49,500	\$53,752	\$53,752	\$45,002	\$55,567	\$63,541
< 10 Mil	164	158	3	\$40,302	\$41,773	\$41,773	\$35,192	\$42,159	\$48,936

### Summary of All Reported Data by Total Employment

Type	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 500	7	7	10	\$65,569	\$68,355	\$68,355	\$55,379	\$70,037	\$77,813
200 - 500	18	18	6	\$59,438	\$59,865	\$59,865	\$48,521	\$55,388	\$67,952
100 - 200	20	18	4	\$57,207	\$61,444	\$61,444	\$45,618	\$56,169	\$63,997
50 - 100	36	33	4	\$49,500	\$50,157	\$50,157	\$41,605	\$52,630	\$58,456
25 - 50	41	39	4	\$45,480	\$47,040	\$47,040	\$38,707	\$46,412	\$54,239
< 25	123	119	3	\$38,600	\$40,041	\$40,041	\$33,874	\$38,420	\$46,791

# Water Utility Compensation Survey - 2011

All Participants

## Job 01 - Top Executive

Under general direction of the city, managing Board of Directors, mayor, or Board of Water Commissioners is responsible for managing, planning, coordinating and administering all activities of the Water Department and/or water company. Responsible for the short and long range strategy of the organization subject to review by the Board.

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
All	316	310	40	\$101,000	\$107,169	\$107,125	\$87,360	\$105,300	\$124,642
Board Operated	180	180	35	\$105,000	\$111,191	\$111,093	\$94,109	\$119,556	\$137,033
City/County	103	99	50	\$94,640	\$99,602	\$99,602	\$79,907	\$91,036	\$110,867
Private	8	8	23	\$107,500	\$109,740	\$109,740	-	-	-
Other	25	23	33	\$96,350	\$107,548	\$107,548	\$88,084	\$96,795	\$126,256

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
50,000 - 100,000	58	58	80	\$134,623	\$139,953	\$139,953	\$105,100	\$127,570	\$154,308
25,000 - 50,000	62	57	47	\$120,071	\$126,604	\$126,604	\$99,667	\$117,322	\$141,987
10,000 - 25,000	78	78	37	\$105,000	\$106,772	\$106,603	\$82,327	\$100,775	\$112,477
< 10,000	118	117	17	\$78,000	\$81,710	\$81,710	\$65,362	\$77,776	\$94,129

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 1,000	0	0	.	.	.	.	.	.	.
500 - 1,000	0	0	.	.	.	.	.	.	.
200 - 500	11	11	148	\$163,550	\$174,185	\$174,185	\$137,731	\$180,017	\$202,784
100 - 200	17	16	111	\$162,586	\$156,357	\$156,357	\$107,756	\$129,341	\$153,037
50 - 100	46	46	61	\$118,900	\$124,406	\$124,406	\$94,184	\$117,482	\$140,236
25 - 50	72	68	38	\$113,442	\$118,167	\$117,805	\$98,010	\$111,602	\$137,350
< 25	170	169	21	\$86,000	\$89,098	\$89,098	\$71,955	\$84,947	\$101,453

# Water Utility Compensation Survey - 2011

All Participants

## Job 07 - Top Finance Executive

Responsible for management of the Department's financial resources, including acting as the dispersing authority for the Top Executive. Directs and manages the Accounting, Treasury and Budget Operations, Rate Administration, Contract and Information Services Sections.

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
All	158	148	12	\$88,747	\$91,696	\$91,696	\$78,653	\$94,874	\$111,306
Board Operated	94	89	11	\$88,969	\$93,238	\$93,238	\$81,066	\$99,430	\$115,228
City/County	48	44	14	\$88,130	\$86,427	\$86,427	\$72,388	\$83,481	\$101,427
Private	5	5	-	\$106,020	\$88,437	\$88,437	-	-	-
Other	11	10	15	\$96,500	\$102,784	\$102,784	\$79,693	\$99,284	\$112,094

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
50,000 - 100,000	43	42	18	\$105,136	\$109,440	\$109,440	\$86,639	\$104,922	\$123,855
25,000 - 50,000	36	30	9	\$106,920	\$109,005	\$109,005	\$83,277	\$99,519	\$115,741
10,000 - 25,000	39	37	10	\$86,600	\$87,834	\$87,834	\$71,928	\$87,578	\$102,692
< 10,000	40	39	9	\$60,000	\$62,936	\$62,936	\$56,694	\$69,920	\$80,127

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 1,000	0	0	-	-	-	-	-	-	-
500 - 1,000	0	0	-	-	-	-	-	-	-
200 - 500	12	11	32	\$126,965	\$127,354	\$127,354	\$91,227	\$120,981	\$135,499
100 - 200	16	13	15	\$112,371	\$115,374	\$115,374	\$92,317	\$110,401	\$127,860
50 - 100	32	28	15	\$96,242	\$96,844	\$96,844	\$76,120	\$91,767	\$111,816
25 - 50	47	46	8	\$88,575	\$93,436	\$93,436	\$76,425	\$91,276	\$107,630
< 25	51	50	8	\$65,500	\$73,211	\$73,211	\$70,430	\$81,419	\$95,118



# Water Utility Compensation Survey - 2011

All Participants

## Job 08 - Top Administration Executive

Under general direction of the Top Executive, is responsible for all administrative functions, including Human Resources, the Affirmative Action Program, Customer Services, General Services, Administrative Services and Property Administration.

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
All	58	53	11	\$72,008	\$74,357	\$74,357	\$65,428	\$78,967	\$95,564
Board Operated	35	32	11	\$78,669	\$79,435	\$79,435	\$66,256	\$83,256	\$98,043
City/County	14	12	13	\$74,213	\$71,769	\$71,769	\$67,027	\$71,265	\$95,625
Private	1	1	-	-	-	-	-	-	-
Other	8	8	10	\$52,517	\$55,224	\$55,224	-	-	-

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
50,000 - 100,000	11	11	21	\$78,408	\$86,993	\$86,993	\$68,419	\$81,145	\$98,267
25,000 - 50,000	16	12	6	\$74,980	\$75,133	\$75,133	\$68,044	\$82,765	\$97,397
10,000 - 25,000	10	9	9	\$73,727	\$71,988	\$71,988	\$66,167	\$71,120	\$93,890
< 10,000	21	21	8	\$63,475	\$68,312	\$68,312	\$55,828	\$78,214	\$90,474

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 1,000	0	0	-	-	-	-	-	-	-
500 - 1,000	0	0	-	-	-	-	-	-	-
200 - 500	5	4	-	-	-	-	-	-	-
100 - 200	7	7	9	\$81,723	\$84,809	\$84,809	\$67,720	\$78,315	\$94,108
50 - 100	8	7	-	\$78,252	\$74,399	\$74,399	\$61,154	-	\$92,001
25 - 50	16	13	11	\$77,189	\$78,226	\$78,226	\$66,677	\$76,881	\$91,676
< 25	22	22	6	\$60,722	\$64,763	\$64,763	\$53,716	\$77,251	\$88,667

# Water Utility Compensation Survey - 2011

All Participants

## Job 20 - Office/Administrative Services Manager

Responsible for direction of the functions of graphics and reproduction, records and facility mapping, mail and messenger services, switchboard and other general office functions.

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
All	106	100	3	\$44,950	\$45,543	\$45,543	\$40,429	\$48,311	\$56,600
Board Operated	55	53	3	\$42,453	\$44,298	\$44,298	\$40,478	\$50,827	\$57,445
City/County	39	35	4	\$47,874	\$46,958	\$46,958	\$40,314	\$46,806	\$55,096
Private	4	4	-	-	-	-	-	-	-
Other	8	8	5	\$46,672	\$52,113	\$52,113	-	-	-

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
50,000 - 100,000	12	12	5	\$55,148	\$55,842	\$55,842	\$45,638	\$53,880	\$63,679
25,000 - 50,000	13	9	6	\$48,800	\$49,801	\$49,801	\$42,996	\$51,183	\$62,895
10,000 - 25,000	40	38	3	\$44,700	\$45,982	\$45,982	\$38,714	\$47,006	\$53,475
< 10,000	41	41	2	\$39,124	\$41,186	\$41,186	\$37,929	\$44,055	\$53,023

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range		
							Min	Mid	Max
Over 1,000	0	0	-	-	-	-	-	-	-
500 - 1,000	0	0	-	-	-	-	-	-	-
200 - 500	4	3	-	-	-	-	-	-	-
100 - 200	4	3	-	-	-	-	-	-	-
50 - 100	12	9	5	\$51,000	\$51,493	\$51,493	\$40,334	\$49,000	\$58,977
25 - 50	15	14	5	\$48,800	\$52,023	\$52,023	\$42,560	\$50,947	\$59,682
< 25	71	71	3	\$39,500	\$43,031	\$43,031	\$39,105	\$45,593	\$53,309