

TKCB, INC.
5600 NORTH COCOA, BLVD.
COCOA, FL 32927
(321) 639-1124

December 18, 2018

Office of Commission Clerk
Florida Public Service Commission
2540 Shumard Oak Blvd.
Tallahassee, Fl 32399

RECEIVED-FPSC
2018 DEC 26 AM 8:34
COMMISSION
CLERK

RE: Docket No. 20180218-SU – Application of TKCB, Inc. for Staff-Assisted Rate Case
Brevard County.

Please find attached TKCB, Inc's (Utility) request for proforma salary adjustments in the above referenced proceeding.

If you have any questions, please do not hesitate to contact me at 321-639-1134.

Respectfully Submitted,



Thad A. Terry
President
TKCB, Inc.

Cc: Jeff Small, OCBOA Consulting, LLC

Commission Staff:

In the Utility's last rate proceeding, Docket No. 20120078-SU, Order No. PSC-2013-0126-PAA-SU, issued March 14, 2003 (Order) approved annual salaries of \$3,000 and \$6,311 for the Utility's office employee and president, respectively. The amount for the office employee's salary was requested by the Utility during the field audit and subsequently approved in staff's final recommendation. The amount for the president's salary was determined by Commission staff using the American Water Works Association (AWWA) 2008 Utility Compensation Survey.

The Utility's consultant, OCBOA Consulting, LLC, has reviewed the Utility's present salary structure in relation to specific duties performed by the office employee and president. The two job duties have evolved and increased slightly since they were reviewed by staff in the prior proceeding. The new allocation percentages should now be 15% and 20% for the office employee and president, respectively, which reflects the approximate amount of time that they each now work on utility matters. A description for each job with the specific duties performed is attached.

The AWWA 2018 Utility Salary Compensation Survey for Small Water & Wastewater Utilities (Survey) indicates that the mid-point average salary range for a Small System Bookkeeper is approximately \$42,596. The job description for this position lines up with the Utility office employees' responsibilities who has been working in her position for over 18 years. The relevant pages from the Survey are attached.

The Survey indicates that the mid-point range for a Small System General Manager (Superintendent) is approximately \$78,709. The job description for this position lines up with the Utility presidents' responsibilities who has been working in his position for over 30 years. We believe, the Superintendent job description corresponds with the Accounting Manager/Controller position that was described in the 2008 AWWA Survey that was used by staff in the prior rate proceeding. The relevant pages from the Survey are attached.

The Utility respectfully request staff to consider and approve, as reasonable, the two salary levels discussed above. The annual base pay for the office employee and president when allocated to the Utility would be approximately, \$6,389 and \$15,742, respectively, using the requested mid-point range salaries and the new allocation percentages discussed above.

Our calculations and supporting documentation are attached.

TKCB, Inc.

Salary Increase Calculation

Year	Current	Office Employee		Officer	
		Monthly	Annual	Monthly	Annual
2012	Atlantis	\$2,500.00	\$30,000.00	\$3,506.11	\$42,073.33
	Allocation per order	10.00%	10.00%	15.00%	15.00%
(a) 2012	Utility	\$250.00	\$3,000.00	\$525.92	\$6,311.00
2018	Atlantis	\$2,700.00	\$32,400.00	\$3,780.00	\$45,360.00
	Allocation per order	10.00%	10.00%	15.00%	15.00%
(b) 2018	Utility	\$270.00	\$3,240.00	\$567.00	\$6,804.00

Year	Requested	Office Employee		Officer	
		Monthly	Annual	Monthly	Annual
(c) Test Year	Atlantis	\$3,549.67	\$42,596.00	\$6,559.08	\$78,709.00
	Revised Allocation	15.00%	15.00%	20.00%	20.00%
(d) Test Year	Utility	\$532.45	\$6,389.40	\$1,311.82	\$15,741.80
(e) Test Year	Increase	\$262.45	\$3,149.40	\$744.82	\$8,937.80

- (a) Per Order No. PSC-2013-0126-PAA-SU, issued March 14, 2003 in TKCB, Inc's. last SARC.
- (b) SARC order balances inflated by Commission's 2012-18 Price Index Adjustments.
- (c) The annual salaries reflect the mid-point range for Employee & Officers in the 2018 AWWA Compensation Survey for Small Water & Wastewater Utilities.
- (d) Utility allocated salaries use revised allocation percentage.
- (e) Increase for employee & officer salaries requested based on AWWA salary survey and estimated increase of time working on utility matters.

Payroll Tax Calculation

Year	Current	Office Employee		Officer	
		Monthly	Annual	Monthly	Annual
(f) 2018	Utility		\$247.86		\$520.51
(g) Test Year	Utility		\$488.79		\$1,204.25
Test Year	Increase		\$240.93		\$683.74

- (f) Calculated as 2018 Salary times Payroll Tax Rate of 7.65%.
- (g) Calculated as Test Year Salary times Payroll Tax Rate of 7.65%.

Payroll Tax Rate:	
Social Security:	6.20%
Medicare:	1.45%
Total:	7.65%

Office Employee:

Name

- Pam Bolten

Responsibilities

- Maintains the Utility's Quick Books Financial Account System.
- Receive, process and pay vendor and utility bills.
- Receive and process receivables from the City of Cocoa.
- Posts and deposits cash receipts with financial institutions.
- Receive and process incoming correspondence for utility matters.
- Prepare and process outgoing correspondence for utility matters.
- Provide administrative support to utility officers and directors.
- Works with Utility consultant by providing information and documents required to compile the Utility's Annual Report, RAF and Price Index filings with the Commission.

Time

- Works on average 6 hours per week or approximately 15% of her time on utility related business.

Tenure

- Pam Bolton has worked for Atlantis Investments, Inc. since April 2000.

+++++

President/Majority Owner:

Name

- Thad A Terry

Responsibilities

- Responsible for administrative duties to manage the Utility's accounting, customer service, contract vendors and overall service operations.
- Oversees utility planning, reporting and policy administration
- Supervises employees and determines financial compensation.
- Responsible for utility public relations and regulatory compliance.
- Provide personal financial support to ensure utility liquidity.

Time

- Works on average 8 hours per week or approximately 20% of his time on utility related business.

Tenure

- Thad Terry has overseen and operated the Utility for over 30 years.

JOB DESCRIPTIONS

Following is a list of job descriptions for which survey data are provided.

S100 Small System General Manager (Superintendent)

Responsible for office and field administration, planning, reporting, and policy administration. Hires and terminates employees and determines compensation. Responsible for public relations and compliance policies. Reports directly to board of directors or city council and may supervise contract, office, plant, distribution, and operations employees.

S110 Small System Assistant General Manager

Reports directly to the General Manager and is responsible for specific projects and acts as supervisor in the absence of the General Manager.

S120 Small System Manager

Supervises all aspects of the water or wastewater system's operations, including compiling operating reports and assigning tasks to plant and maintenance personnel. May also be responsible for general water and/or wastewater system operations and repairs and therefore may be required to possess a state operator's license.

S130 Small System Plant Manager (Plant Superintendent)

Responsible for all aspects of the water or wastewater plant's operations, process controls, delegation of shift duties, and human resource and evaluation recommendations for plant employees. Plant superintendents coordinate with the General Manager, System Manager, Public Works Director, or board or city council and consultants to make decisions regarding plant upgrades or plant modifications. Responsible for compliance and monitoring reports. Must possess a state operator's license.

S140 Small System Office Manager

Responsible for supervision of all administrative functions at the utility, including maintaining office supplies and coordinating office administrative schedules. Supervises other administrative personnel. May also be responsible for certain accounting activities, including billing, processing utility payments, bank deposits, drawing warrants for payment of delinquent bills, and processing payroll, along with taking minutes at meetings and serving as receptionist.

S150 Small System Bookkeeper (Accountant, if certified)

Responsible for maintaining the system's financial accounts. Typically pays vendor and utility bills, processes receivables and deposits, and maintains accurate records of all financial transactions. Is not required to possess an accounting certificate.

S160 Small System Accounting Clerk

Responsible for assisting the bookkeeper or office manager with billing functions. May assist customers who pay in person by collecting cash and checks, processing credit cards, issuing receipts, and fielding questions and complaints. May also collect and process meter readers' reports.

S170 Small System Administrative Assistant

Responsible for performing administrative and secretarial duties for a direct supervisor, including correspondence, word processing, and scheduling. In systems that do not employ an accounting clerk, may also be responsible for certain accounting activities.

JOB DESCRIPTIONS

S180 Small System Receptionist

Responsible for answering phones, taking messages, and greeting visitors. May be responsible for typing correspondence for the General Manager or other office staff or other clerical duties.

S190 Small System Field Manager (Field Crew Leader)

Responsible for all managerial tasks for the distribution and/or collection system, including human resource recommendations for field staff and the maintenance, repair, and construction of facilities in the distribution and/or collection system. Must have a state operator's license or be directly supervised by a licensed operator.

S200 Small System Maintenance Technician

Responsible for planning, scheduling, and performing preventive and regular maintenance work. May hold a state operator's license or operate water and wastewater components under the supervision of a licensed operator. Must possess strong working knowledge of line maintenance, valves, meters, chemicals, controls, and other treatment procedures.

S210 Small System Laborer (Utility Service Worker)

Responsible for grounds maintenance, system repairs, excavation equipment operation, and meter installation and replacement. Must maintain a state operator's license or be directly supervised by a licensed operator.

S220 Small System Meter Reader

Responsible for reading water meters and accurately recording water usage. Typically must hold a valid driver's license. May also be responsible for detecting and reporting system problems such as leaks, defects, and illegal connections and for locking meters for nonpayment.

S230 Small System Manager/Operator

Most common in smaller systems with limited staff. Responsible for supervising utility operations and personnel. Also responsible for oversight, operations, and maintenance of water and/or wastewater facilities including water and wastewater sampling and compliance reporting. Position requires a state operator's license.

S240 Small System Operator I (Lead Operator, Shift Supervisor, Crew Leader)

In addition to plant and system operator duties, lead operators are responsible for oversight and collection of water or wastewater samples, compiling data for monthly operating reports, and crew oversight. Position requires a state operator's license.

S250 Small System Operator II (Plant Operator)

Responsible for routine operation and maintenance of water and wastewater facilities including treatment, processes, wells, facility repairs, compliance sampling and testing, and possible repairs in the distribution or collection system. May provide supervision for contract and nonlicensed workers. Position requires a state operator's license.

American Water Works Association - Small - 2018

All Participants

Job S100 - Small System General Manager (Superintendent)

Responsible for office and field administration, planning, reporting, and policy administration. Hires and terminates employees and determines compensation. Responsible for public relations and compliance policies. Reports directly to board of directors or city council and may supervise contract, office, plant, distribution, and operations employees.

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E/N/U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
All	173	271	9	68% 16% 16%	\$77,810	\$84,161	\$85,420	\$70,513	\$84,809	\$100,016	7
Board Operated	89	107	8	72% 17% 11%	\$85,500	\$92,827	\$88,312	\$77,275	\$91,699	\$106,616	7
City/County	59	126	11	66% 12% 22%	\$67,500	\$72,155	\$83,977	\$62,175	\$77,209	\$90,351	7
Private	5	5	*	20% 40% 40%	\$62,000	\$66,321	\$66,321	*	*	*	*
Other	16	25	9	63% 13% 24%	\$73,500	\$78,940	\$80,762	*	*	*	6

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E/N/U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
5,000 - 9,999	81	136	12	74% 15% 11%	\$85,000	\$95,222	\$101,910	\$75,366	\$89,800	\$105,259	7
< 5,000	92	135	7	62% 16% 22%	\$70,006	\$74,574	\$68,808	\$64,599	\$78,709	\$93,626	7

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E/N/U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
100 - 200	1	1	*	* * *	*	*	*	*	*	*	*
50 - 100	4	3	*	* * *	*	*	*	*	*	*	*
25 - 50	10	40	22	90% 0% 10%	\$116,023	\$109,451	\$134,423	\$75,877	\$95,401	\$114,705	*
< 25	158	227	8	66% 16% 18%	\$77,045	\$82,078	\$76,509	\$69,698	\$83,087	\$98,070	7

American Water Works Association - Small - 2018.

All Participants

Job S150 - Small System Bookkeeper (Accountant, if certified)

Responsible for maintaining the system's financial accounts. Typically pays vendor and utility bills, processes receivables, and deposits and maintains accurate records of all financial transactions. Is not required to possess an accounting certificate.

Summary of All Reported Data by Ownership/Management Type

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
All	50	55	2	26% 60% 14%	\$46,700	\$50,715	\$50,355	\$41,549	\$48,866	\$57,058	4
Board Operated	27	30	3	33% 52% 15%	\$49,000	\$54,410	\$54,720	\$43,162	\$49,644	\$58,889	5
City/County	15	18	*	13% 73% 14%	\$40,768	\$44,062	\$42,940	\$39,423	\$47,085	\$54,030	*
Private	3	2	*	* * *	*	*	*	*	*	*	*
Other	4	4	*	* * *	*	*	*	*	*	*	*

Summary of All Reported Data by Population Size

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
5,000 - 9,999	27	30	3	26% 67% 7%	\$50,000	\$54,904	\$54,062	\$45,019	\$52,724	\$59,631	4
< 5,000	23	25	*	26% 52% 22%	\$45,924	\$45,574	\$45,908	\$35,766	\$42,596	\$52,769	*

Summary of All Reported Data by Total Employment

Scope	# of Utilities	# of Employees	Avg. # of Ees Sup	Exempt E / N / U	50th Percentile	Co Wtd Avg Pay	Employee Wtd Avg Pay	Average Salary Range			Avg Weekly Overtime
								Min	Mid	Max	
100 - 200	0	0	*	* * *	*	*	*	*	*	*	*
50 - 100	1	1	*	* * *	*	*	*	*	*	*	*
25 - 50	3	4	*	* * *	*	*	*	*	*	*	*
< 25	46	50	2	26% 59% 15%	\$46,405	\$49,758	\$49,598	\$40,236	\$46,251	\$54,523	4