



IDA General & Administrative Costs Allocation 3 Factor Formula

- Factor # 1 = Value of Utility Plant (Fixed Assets)
- Factor # 2 = Number of Customers (Meters)
- Factor # 3 = Percent of Hours Worked

		YUIMA	%	IDA	%
Value of Utility Plant		\$9,497,558.80	39.9%	\$14,317,115.20	60.1%
Number of Customers		148	39.3%	229	60.7%
Yuima	105				
Lazy H	43				
Rancho	0				
IDA	229				
% of Direct Hours Worked:					
2016	July		75.1%		24.9%
	August		74.1%		25.9%
	September		82.5%		17.5%
	October		81.7%		18.3%
	November		87.7%		12.3%
	December		78.4%		21.6%
2017	January		80.0%		20.0%
	February		80.1%		19.9%
Three Factor %					
2016	July		51.4%		48.6%
	August		51.1%		48.9%
	September		53.9%		46.1%
	October		53.6%		46.4%
	November		55.6%		44.4%
	December		52.5%		47.5%
2017	January		53.0%		47.0%
	February		53.1%		46.9%

**Formula = Utility% +
Customer % + Hours
Worked % divided by
3= 3 Factor % Cost
Allocation**

Problems with Current Formula

- Percentage of Direct Hours Worked – significant room for error.
 - On Call hours were only being charged to General District when the duty man is on call for both General and IDA
- 43 Lazy H Meters should not be included in number of meters for General District because Yuima does not own the meters or infrastructure past the Lazy H master meter and does not collect the revenue.

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	November		87.7%		12.3%
	December		78.4%		21.6%
2017	January		80.0%		20.0%
	February		80.1%		19.9%
Three Factor %					
2016	July		51.4%		48.6%
	August		51.1%		48.9%
	September		53.9%		46.1%
	October		53.6%		46.4%
	November		55.6%		44.4%
	December		52.5%		47.5%
2017	January		53.0%		47.0%
	February		53.1%		46.9%

If staff does not properly code time sheets, percentage of Direct Hours Worked will be wrong.

IDA contains 68% of our customers and 82% of our facilities and 67.1% of total sales: The percentage of time work should be higher just based these factors.

Between July 2016 and January 2017 1852.63 hours were incorrectly charged to General District for on call hours alone.

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Value of Utility Plant		\$9,497,558.80	39.9%	\$14,317,115.20	60.1%	
Number of Customers		148	39.3%	229	60.7%	
Yuima	105					
Lazy H	43					
Rancho	0					
IDA	229					
% of Direct Hours Worked:						
2016	July		62.3%		37.7%	231.63
	August		61.8%		38.2%	347.75
	September		72.0%		28.0%	230.75
	October		69.7%		30.3%	236.75
	November		80.7%		19.3%	227.75
	December		62.0%		38.0%	328.50
2017	January		71.9%		28.1%	249.50
	February		69.0%		31.0%	1852.63
Three Factor %						
2016	July		47.1%		52.9%	4.3%
	August		47.0%		53.0%	4.1%
	September		50.4%		49.6%	3.5%
	October		49.6%		50.4%	4.0%
	November		53.3%		46.7%	2.3%
	December		47.1%		52.9%	5.5%
2017	January		50.4%		49.6%	2.7%
	February		49.4%		50.6%	

When the correct number of General District meters is used the percentage increases between 6 and 8 percent from the original percentage allocation.

		YUIMA	%	IDA	%	
Value of Utility Plant		\$9,497,558.80	39.9%	\$14,317,115.20	60.1%	
Number of Customers		105	31.4%	229	68.6%	
Yuima	105					
Lazy H	43					
Rancho	0					
IDA	229					
% of Direct Hours Worked:						
2016	July		62.3%		37.7%	
	August		61.8%		38.2%	
	September		72.0%		28.0%	
	October		69.7%		30.3%	
	November		80.7%		19.3%	
	December		62.0%		38.0%	
2017	January		71.9%		28.1%	
	February		69.0%		31.0%	
Three Factor %						
2016	July		44.5%		55.5%	6.9%
	August		44.4%		55.6%	6.7%
	September		47.8%		52.2%	6.1%
	October		47.0%		53.0%	6.6%
	November		50.7%		49.3%	4.9%
	December		44.5%		55.5%	8.1%
2017	January		47.7%		52.3%	5.3%
	February		46.8%		53.2%	

Three Alternatives for IDA General & Administrative Expense Allocation

- Percentage of Total Sales
 - Currently all SDCWA Fixed Charges are tied to this nexus.
 - First of the two recommendations from Raftelis

- Percentage of Total Customers
 - Closely follows the same percentage of total sales.
 - More consistent, less fluctuation. No matter how much water is sold, the number of customers and facilities doesn't change.
 - Second of the two recommendations from Raftelis.

- Percentage of Capacity

IDA Costs Allocation Comparison

		Current	Revised			
	Total Expense	3 Factor Formula	3 Factor Formula	% of Sales	% of Customers	% of Capacity
July	\$ 344,821	\$ 166,918	\$ 191,375.87	\$ 231,271	\$ 236,419	\$ 208,487
August	\$ 100,297	\$ 48,748	\$ 55,765.04	\$ 67,269	\$ 68,766	\$ 60,642
September	\$ 90,032	\$ 41,507	\$ 46,996.57	\$ 60,384	\$ 61,728	\$ 54,435
October	\$ 98,484	\$ 45,225	\$ 52,196.26	\$ 66,053	\$ 67,523	\$ 59,546
November	\$ 156,720	\$ 68,860	\$ 76,793.02	\$ 105,112	\$ 107,452	\$ 94,757
December	\$ 55,597	\$ 26,382	\$ 30,856.06	\$ 37,288	\$ 38,119	\$ 33,615
January	\$ 128,994	\$ 60,789	\$ 67,463.92	\$ 86,516	\$ 88,442	\$ 77,993
	Total	General District	General District %	IDA	IDA %	
Current 3 Factor Formula			46.6%		53.4%	
15-16 Sales in AF	5,888	1938.8	32.9%	3948.8	67.1%	
Customers	334	105	31.44%	229	68.56%	
Capacity (GPM)	60,980	24,110	39.54%	36,870	60.46%	