

TOWN OF  
**Belleair**

**Water Rate Study**

**Draft Executive Summary / August 28, 2020**

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August 28, 2020

Honorable Mayor and Members  
of the Town Commission  
Town of Belleair  
901 Ponce de Leon Boulevard  
Belleair, FL 33756

**Subject: Water Rate Study**

Ladies and Gentlemen:

Raftelis Financial Consultants, Inc. ("Raftelis") has completed our review of the sufficiency of the water user rates (the "Study") for the Town of Belleair, Florida (the "Town"), and has summarized the results in this report for your consideration. This report summarizes the development of identified rate adjustments for water service that are considered necessary, along with other appropriate sources of funds, to meet the projected revenue requirements (expenditure and funding needs for the utility enterprise and referred to as the "revenue requirements") for the accounting period beginning October 1 and ending September 30 (the "Fiscal Year") for Fiscal Years 2020 through 2025 (the "Forecast Period"), the initial rate evaluation period and for a long-term planning period ending Fiscal Year 2035 (the "Study Period").

The most important objective of the Study was to develop proposed utility rates that fully recover the projected water utility revenue requirements in order to maintain sound financial operations and finance the anticipated capital needs of the water system (the "System"). The Town is in the process of evaluating its long-term water supply options, which includes the construction of a new reverse osmosis ("RO") treatment plant. A primary goal of the study is to assure that the System has sufficient funds to not only fully fund the cost of providing service but also to repay the additional debt that will be issued associated with the financing of this project. Other goals and objectives considered in the Study include the following:

- The proposed rates should promote and maintain an acceptable financial position consistent with performance criteria used by credit rating agencies and the utility industry to minimize financial risk. This guideline entails the following in support of promoting a sustainable rate plan:
  - Compliance with the rate covenants in the proposed loan agreements with the Florida Department of Environmental Protection (i.e., State Revolving Fund loan program).
  - Maintenance of adequate operating and capital reserves.
  - Maintenance of ongoing capital reinvestment margins to balance equity and debt financing of capital improvements.
- The proposed rates should be based on fully recovering the identified revenue requirements of the System (i.e., full cost recovery principle).

- To the extent practical, any rate adjustments should be phased in to limit customer "rate shock" (large rate adjustments due to recapturing the effects of inflation and significant capital investment impacting the cost of providing service).
- The proposed rates should be consistent with historical rate structures as appropriate.
- The proposed rates, to the extent practical, should be comparable or competitive with those of neighboring utility systems.

Additionally, the Town is evaluating the option of decommissioning the existing water treatment plant and becoming a retail customer of Pinellas County. A preliminary evaluation of the overall estimated rate impacts of becoming Pinellas County retail water customers were analyzed and compared to the RO treatment plant option.

Following this letter, we have provided an executive summary that provides an overview of the Study results and outlines our recommendations and conclusions. The remainder of the report provides additional details regarding the rate and financial analysis conducted on behalf of the Town.

We appreciate the opportunity to be of service to the Town and would like to thank the Town staff for their valuable assistance and cooperation over the course of this Study.

We appreciate the opportunity to be of service to the Town.

Respectfully submitted,

**Raftelis Financial Consultants, Inc.**

**Robert J. Ori**

*Executive Vice President*

**Nick T. Smith, CGFM**

*Consultant*

RJO/nts

Attachments

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# Executive Summary and Recommendations

## Executive Summary

The Town of Belleair's (the "Town") water utility system (the "System") provides an essential service on a continuous basis to over 1,500 water customers. Wastewater service is provided by Pinellas County (the "County"), and therefore is not discussed or evaluated in this report. The Town's utility operates in a highly regulated environment. Regulatory agencies for the utility include the Florida Department of Environmental Protection ("FDEP") and the Southwest Florida Water Management District ("SWFWMD") and permits issued through these regulatory agencies require satisfactory operating performance.

The Town's System is established as a utility enterprise fund. As such, the System should have revenues equal to the costs of the services provided, and the Town should attempt to establish rates that are always sufficient to cover the cost of operating, maintaining, repairing, and financing the System (referred to as the "revenue requirements"). According to the Governmental Accounting Standards Board:

Enterprise Funds should be used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that costs of providing services to the general public on a continuing basis should be financed or recovered primarily through user charges.

General accounting policies and prudent utility management recommend that the System have revenues (financial resources) at least equal to the costs of providing services by the System.

To help ensure that water rates on a prospective basis will be sufficient to recover the cost of operating, maintaining, and repairing, the System and meeting anticipated rate covenants associated with the financing of the System capital improvements, the Town retained Raftelis Financial Consultants, Inc. ("Raftelis") to perform a review of the sufficiency of the water user rates to meet such requirements (the "Study"). The current Study includes a multi-year projection of the System revenue requirements (i.e., the projected expenditures and funding needs of the System) and the determination of the ability of the rate revenues to fund such needs (referred to as the "revenue sufficiency evaluation"). Specifically, Raftelis was tasked to: i) provide a projection of the revenue requirements for the System for the accounting period beginning October 1 and ending September 30 (the "Fiscal Year") for Fiscal Years 2020 through 2025 (the "Forecast Period"), the initial rate evaluation period, and for a long-term planning period ending Fiscal Year 2035 (the "Study Period"); and ii) provide a projection of future annual rate adjustments considered necessary to fund the projected revenue requirements through the end of the Forecast Period and estimated for the Study Period for the Town's consideration.

Based on the assumptions and analyses reflected in this report, which should be read in its entirety, it is projected that the current water rates of the System will not be sufficient to meet projected revenue requirements identified for the Study Period. Based on our studies and evaluations, additional rate adjustments are projected to be required to fully fund the identified revenue requirements of the System.

The primary reasons for the identified rate adjustments include:

1. Providing sufficient revenues to fund the capital improvement program ("CIP") of the System. As identified by the Town's consulting engineer in *the Reverse Osmosis WTP Preliminary Engineering Report ("PER")*, there exists a need to replace the existing water treatment facilities. The proposed reverse

osmosis ("RO") water treatment plant is estimated to require funding of approximately \$11.8 million if the entire project is completed at once. However, a phased approach to the capital plan was developed by the Town's consulting engineers and which results in an estimated capital funding need of approximately \$16.1 million (engineering estimates adjusted for inflation). The phased approach has been recognized in the Study to allow rates to be adjusted over time and to avoid rate shock to the extent possible. The remainder of the CIP consists of allowances for other departmental capital such as meters and other water distribution improvements. The projected funding of the capital program during the Study Period is summarized as follows:

<b>Projected Funding Sources for Multi-Year CIP [*]</b>		
Description	Amount	Percent
<b>Identified Capital Improvements</b>	<b>\$17,623,887</b>	
<b>Assumed Funding Sources:</b>		
Rate Revenues (annual operations)	\$1,487,866	8.5%
Operating Reserves	4,024,584	22.8%
State Revolving Fund ("SRF") Loans (Three loans)	12,111,437	68.7%
<b>Total Funding Sources</b>	<b>\$17,623,887</b>	<b>100.0%</b>

[\*] Amounts derived from Table 4 at the end of this report.

2. Continuing to fund the costs of operations. Operating expenses are projected to continue to increase during the Study Period due to, among other things, the following:
  - a. Continued inflationary effects on the costs of electricity, chemicals, fuel, and other major expenditures for the utility as part of the normal cost of operations;
  - b. Increased labor costs, including additional personnel anticipated to be required to operate the proposed RO water treatment plant; and
  - c. Incremental increases to operating expenses, in addition to the cost of additional personnel, related to the implementation and bringing into service the capital improvements at the proposed RO treatment plant (e.g., increased electrical costs).

The Congressional Budget Office has projected the national consumer price index ("CPI") to increase by approximately 1.8% per year during the Study Period based on projections published as of July 2020.

3. The need to maintain appropriate debt service coverage ratios, adequate operating margins, and reserves to maintain the financial condition of the System reduce the overall financial risk to the utility and the ability to repay the allocated debt of the System. A minimum debt service coverage requirement of 115% was recognized to maintain compliance with terms of an loan agreement to be entered into associated with the financing of the RO water treatment plant through low-interest loans secured with the State Revolving Fund (SRF) loan program as administered by the FDEP. Additionally, in the development of the revenue requirements, certain financial targets or benchmarks were recognized which promotes the long-term sustainability of rates. Raftelis has recognized minimum cash reserve balances of \$450,000 within the water fund based on Town policy and a target cash or reserve balances equal to 120 days of rate revenue for working capital (operating reserves)

For the Town's water system, this Study recognizes the following annual rate revenue adjustments:

<b>Summary of Recognized Annual Rate Revenue Adjustments [1]</b>		
<u>Fiscal Year</u>	<u>Water Revenue Adjustments</u>	<u>Effective Monthly Increase for Typical Residential Customer [2]</u>
For the Forecast Period		
2021	0.00%	\$0.00
2022	6.75%	4.04
2023	6.75%	4.32
2024	6.75%	4.60
2025	6.75%	4.95
For the Remainder of the Study Period		
2026	6.75%	\$5.24
2027	6.75%	5.60
2028	6.75%	5.96
2029	4.00%	3.76
2030	4.00%	3.95
2031	4.00%	4.11
2032	4.00%	4.24
2033	4.00%	4.40
2034	4.00%	4.60
2035	4.00%	4.80

[1] The presentation of the revenue sufficiency analysis and results in the report assume that the rate adjustments shown above become effective on October 1 (beginning) of each Fiscal Year.

[2] Typical monthly residential bill assumed to require a billed water flow of 10,000 gallons.

We recommend that the Town perform annual rate reviews to ensure that the user rates are still sufficient given possible changes in economic conditions, customer usage trends, regulatory requirements, etc.

The Town's existing water rates are competitive with those of neighboring Florida utilities. A comparison of bills under the Town's existing water system rates with those of surveyed neighboring utilities is summarized as follows:

<b>Residential Water Service – Monthly Billed Flow (Gallons) [1]</b>							
<u>Description</u>	<u>0</u>	<u>2,000</u>	<u>5,000</u>	<u>10,000 [4]</u>	<u>15,000</u>	<u>20,000</u>	<u>50,000</u>
Town of Belleair: [2]							
Existing FY 2020	\$12.99	\$16.89	\$27.31	\$59.91	\$92.51	\$125.11	\$353.21
Utility Survey: [2]							
Survey Average	\$14.51	\$20.89	\$30.98	\$73.43	\$118.49	\$167.86	\$542.68
Minimum	6.80	16.29	25.11	58.10	83.75	109.40	391.55
Maximum	23.16	31.14	39.66	98.16	174.88	266.93	1,064.63

[1] The detailed survey can be found in Table 12 at the end of this report.

[2] Based on a survey of 11 neighboring utilities as discussed in this report and reflect rates that are currently in effect as of July 2020; with the majority of the utilities providing rates that have a base and volumetric or flow charge). The rates reflected in the development of the utility survey have not been adjusted for any possible or approved rate adjustments anticipated for the Fiscal Year 2021 or beyond; several utilities included in the survey are anticipating an increase in rates for 2021 through the application of a price index or as identified through a rate study process.

[3] 10,000 gallons represents the average monthly usage level for the typical residential customer.

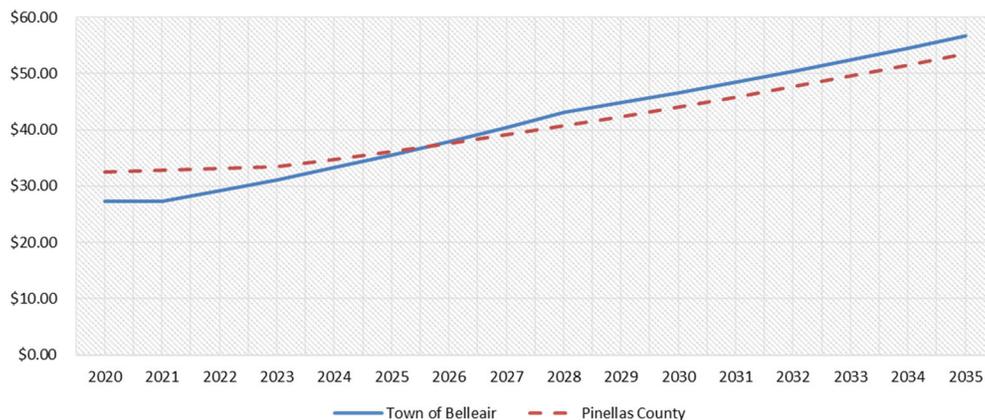
Table ES-2 at the end of this executive summary provides a graphical overview of the projected System financial results assuming the acceptance and implementation of the proposed rate adjustments by the Town (the "management dashboard"). This table indicates the following for all projected Fiscal Years, assuming the identified user rate adjustments for all Fiscal Years are implemented:

1. Maintenance of adequate debt service coverage.
2. Maintenance of adequate operating reserves (liquidity).
3. Maintenance of adequate net revenue margins necessary for debt repayment and capital reinvestment.

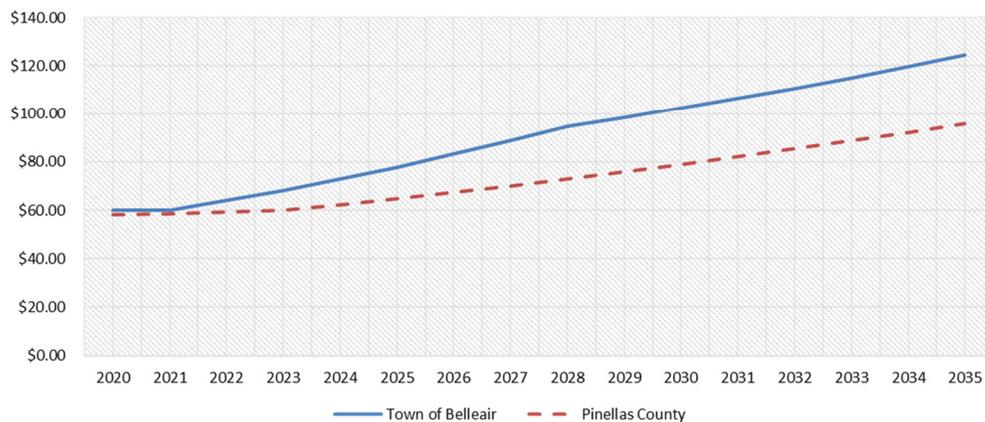
Based on the assumptions relied upon in the preparation of the financial forecast and assuming the implementation of the identified revenue adjustments and the projections as contained herein, the utility should remain in a positive financial position throughout the Study Period.

As previously mentioned, the Town is also evaluating the option of receiving retail water service from Pinellas County. Under this option the Town would no longer provide water service and existing Town water customers would become retail customers of and be charged the County's rates for service. Below are comparisons of the Town's rates, based on the identified rate adjustments, to the County's estimated rates. The comparisons represent residential water bills at 5,000 and 10,000 gallons of usage.

**Residential Bill Comparison at 5,000 Gallons**



**Residential Bill Comparison at 10,000 Gallons**



As can be seen on the charts above and based on our preliminary analysis, the Town's monthly water rates are estimated to produce bills that may be higher than the bills assumed to be incurred through the application of the County's water rates.

## Conclusions and Recommendations

Based on our studies, assumptions, considerations, and analyses as summarized herein, we are of the opinion that:

1. The Town's revenues under existing rates are not anticipated to recover the projected System revenue requirements for the Forecast Period ending Fiscal Year 2025 and for the Study Period ending 2035.
2. The Town should consider implementing the water rate adjustments identified for the Forecast Period which are anticipated to meet the projected revenue requirements of the System. The revenue requirements are based on the Town's estimated cash expenditure and funding needs and reflect the cost of operations, the financing of capital improvements, the payment of debt service on the Town's existing and anticipated utility indebtedness, and the maintenance of adequate operating reserves for the System.
3. It is projected that the Town's rates may need to be increased beyond the Forecast Period to fully fund the construction of the new RO water treatment plant based on the estimates as contained in the PER.
4. The implementation of the identified rates as reflected in the Study are projected to be adequate to meet the rate covenant requirements (e.g., debt service coverage) of the Town's outstanding and anticipated utility indebtedness.
5. The Town should perform annual rate reviews to ensure that the user rates are still sufficient given possible changes in economic conditions, the capital plan, customer usage trends, regulatory requirements, etc.

# **TABLES**

**Table ES-1**  
**Town of Belleair, Florida**  
**Water Rate Study**

**Summary of Existing and Identified Water Rates**

Line No.	Description	Existing 2020	Projected Fiscal Year Ending September 30,														
			2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
1	Identified Rate Adjustments		0.00%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
<b>Water System</b>																	
<u>Base Charges</u>																	
2	Residential	\$12.99	\$12.99	\$13.87	\$14.81	\$15.81	\$16.88	\$18.02	\$19.24	\$20.54	\$21.36	\$22.21	\$23.10	\$24.02	\$24.98	\$25.98	\$27.02
3	Commercial	25.98	25.98	27.73	29.60	31.60	33.73	36.01	38.44	41.03	42.67	44.38	46.16	48.01	49.93	51.93	54.01
<u>Usage Charges (per 1,000 Gallons)</u>																	
<u>Residential</u>																	
4	Tier 1 (1,000 - 4,000)	\$1.95	\$1.95	\$2.08	\$2.22	\$2.37	\$2.53	\$2.70	\$2.88	\$3.07	\$3.19	\$3.32	\$3.45	\$3.59	\$3.73	\$3.88	\$4.04
5	Tier 2 (4,001 - 25,000)	6.52	6.52	6.96	7.43	7.93	8.47	9.04	9.65	10.30	10.71	11.14	11.59	12.05	12.53	13.03	13.55
6	Tier 3 (Above 25,000)	7.82	7.82	8.35	8.91	9.51	10.15	10.84	11.57	12.35	12.84	13.35	13.88	14.44	15.02	15.62	16.24
7	Multi-Meter (per additional meter)	3.48	3.48	3.71	3.96	4.23	4.52	4.83	5.16	5.51	5.73	5.96	6.20	6.45	6.71	6.98	7.26
<u>Commercial</u>																	
8	Tier 1 (1,000 - 25,000)	\$6.52	\$6.52	\$6.96	\$7.43	\$7.93	\$8.47	\$9.04	\$9.65	\$10.30	\$10.71	\$11.14	\$11.59	\$12.05	\$12.53	\$13.03	\$13.55
9	Tier 2 (Above 25,000)	7.82	7.82	8.35	8.91	9.51	10.15	10.84	11.57	12.35	12.84	13.35	13.88	14.44	15.02	15.62	16.24
10	Multi-Meter (per additional meter)	3.48	3.48	3.71	3.96	4.23	4.52	4.83	5.16	5.51	5.73	5.96	6.20	6.45	6.71	6.98	7.26

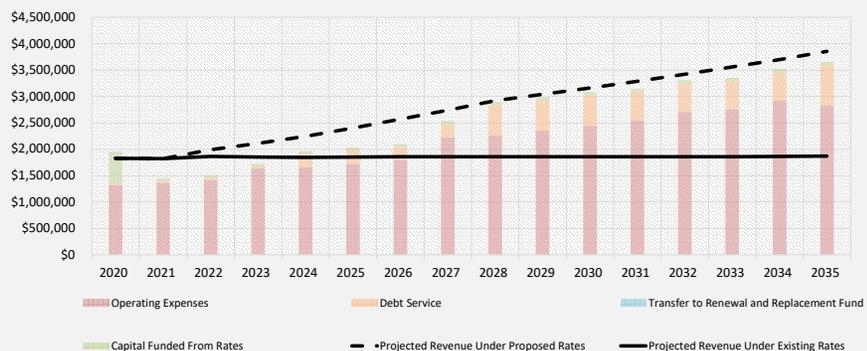


**Table ES-2**  
**Town of Belleair, Florida**  
**Water Rate Study**  
**Utility System Financial Overview**

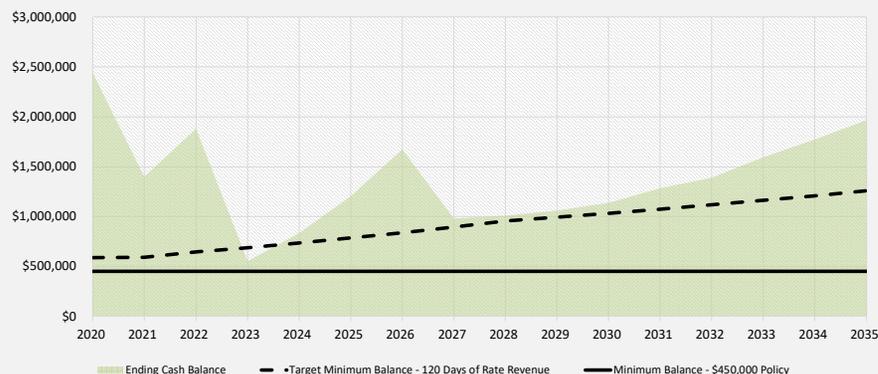


	Fiscal Year Ending September 30,															
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>CURRENT YEAR REVENUE ADJUSTMENTS</b>																
Water System Rate Revenue Adjustments	0.00%	0.00%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Effective Months	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
<b>Residential Rates</b>																
Base Charge	\$12.99	\$12.99	\$13.87	\$14.81	\$15.81	\$16.88	\$18.02	\$19.24	\$20.54	\$21.36	\$22.21	\$23.10	\$24.02	\$24.98	\$25.98	\$24.98
Tier 1 Usage Charge	\$1.95	\$1.95	\$2.08	\$2.22	\$2.37	\$2.53	\$2.70	\$2.88	\$3.07	\$3.19	\$3.32	\$3.45	\$3.59	\$3.73	\$3.88	\$3.73
Tier 2 Usage Charge	\$6.52	\$6.52	\$6.96	\$7.43	\$7.93	\$8.47	\$9.04	\$9.65	\$10.30	\$10.71	\$11.14	\$11.59	\$12.05	\$12.53	\$13.03	\$12.53
Tier 3 Usage Charge	\$7.82	\$7.82	\$8.35	\$8.91	\$9.51	\$10.15	\$10.84	\$11.57	\$12.35	\$12.84	\$13.35	\$13.88	\$14.44	\$15.02	\$15.62	\$15.02
Average Residential Bill (5,000 Gallons)	\$27.31	\$27.31	\$29.15	\$31.12	\$33.22	\$35.47	\$37.86	\$40.41	\$43.12	\$44.83	\$46.63	\$48.49	\$50.43	\$52.43	\$54.53	\$52.43
<b>Unrestricted Cash Position - End of Year -Working Capital</b>	\$2,441,457	\$1,398,581	\$1,881,941	\$553,165	\$835,456	\$1,206,067	\$1,674,648	\$982,673	\$1,009,126	\$1,060,724	\$1,138,559	\$1,283,510	\$1,391,547	\$1,594,371	\$1,773,478	\$1,967,601
Debt Service Coverage- Senior	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Debt Service Coverage- Junior	0%	0%	0%	0%	278%	321%	368%	244%	123%	128%	133%	139%	132%	150%	146%	135%
Debt Service Coverage- All-in	1292%	1149%	1437%	1194%	234%	270%	309%	205%	115%	119%	124%	139%	132%	150%	146%	135%

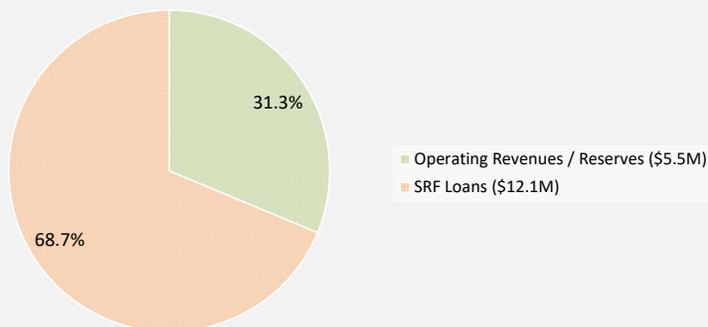
**Figure ES-1. Revenue Requirements**



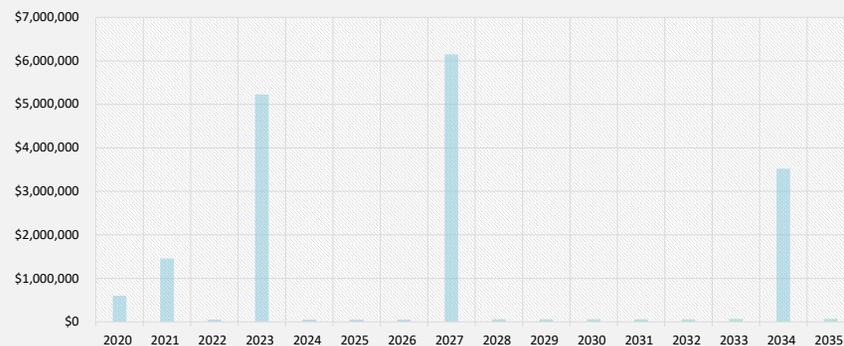
**Figure ES-2. Ending Cash Balance - Operating Fund**



**Figure ES-3. Capital Improvement Program Projected Funding Sources (Total CIP = \$17,623,887)**



**Figure ES-4. Capital Improvement Program Spending Curve**



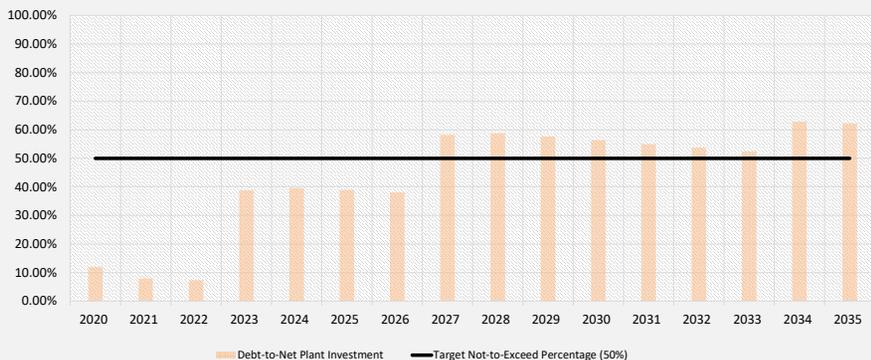


**Table ES-2**  
**Town of Belleair, Florida**  
**Water Rate Study**  
**Utility System Financial Overview**

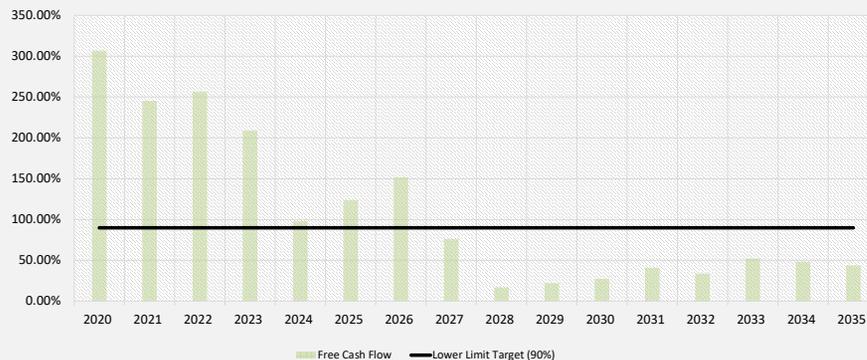


	Fiscal Year Ending September 30,																
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	
<b>CURRENT YEAR REVENUE ADJUSTMENTS</b>																	
Water System Rate Revenue Adjustments	0.00%	0.00%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	
Effective Months	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	
<b>Residential Rates</b>																	
Base Charge	\$12.99	\$12.99	\$13.87	\$14.81	\$15.81	\$16.88	\$18.02	\$19.24	\$20.54	\$21.36	\$22.21	\$23.10	\$24.02	\$24.98	\$25.98	\$24.98	
Tier 1 Usage Charge	\$1.95	\$1.95	\$2.08	\$2.22	\$2.37	\$2.53	\$2.70	\$2.88	\$3.07	\$3.19	\$3.32	\$3.45	\$3.59	\$3.73	\$3.88	\$3.73	
Tier 2 Usage Charge	\$6.52	\$6.52	\$6.96	\$7.43	\$7.93	\$8.47	\$9.04	\$9.65	\$10.30	\$10.71	\$11.14	\$11.59	\$12.05	\$12.53	\$13.03	\$12.53	
Tier 3 Usage Charge	\$7.82	\$7.82	\$8.35	\$8.91	\$9.51	\$10.15	\$10.84	\$11.57	\$12.35	\$12.84	\$13.35	\$13.88	\$14.44	\$15.02	\$15.62	\$15.02	
Average Residential Bill (5,000 Gallons)	\$27.31	\$27.31	\$29.15	\$31.12	\$33.22	\$35.47	\$37.86	\$40.41	\$43.12	\$44.83	\$46.63	\$48.49	\$50.43	\$52.43	\$54.53	\$52.43	
<b>Unrestricted Cash Position - End of Year -Working Capital</b>	\$2,441,457	\$1,398,581	\$1,881,941	\$553,165	\$835,456	\$1,206,067	\$1,674,648	\$982,673	\$1,009,126	\$1,060,724	\$1,138,559	\$1,283,510	\$1,391,547	\$1,594,371	\$1,773,478	\$1,967,601	
Debt Service Coverage- Senior	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	
Debt Service Coverage- Junior	0%	0%	0%	0%	278%	321%	368%	244%	123%	128%	133%	139%	132%	150%	146%	135%	
Debt Service Coverage- All-in	1292%	1149%	1437%	1194%	234%	270%	309%	205%	115%	119%	124%	139%	132%	150%	146%	135%	

**Figure ES-5. Debt to Net Plant Investment**



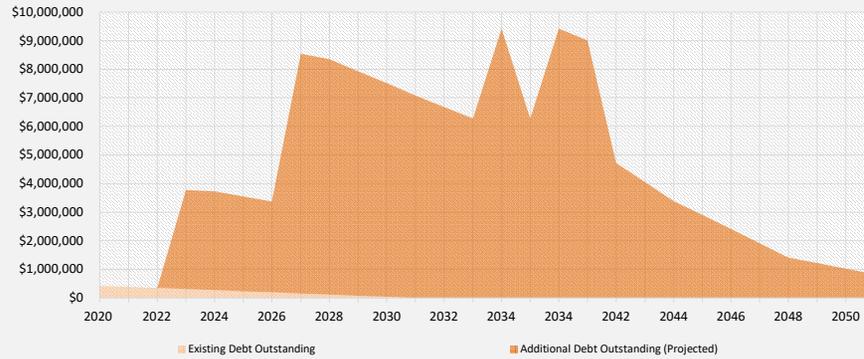
**Figure ES-6. Free Cash Flow to Depreciation**



**Figure ES-7. Net Revenue Margin**



**Figure ES-8. Total Existing and Projected Debt Outstanding - Start of Year**



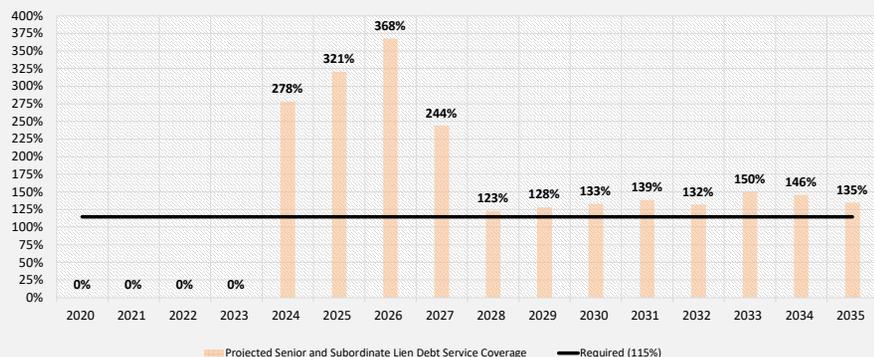


**Table ES-2**  
**Town of Belleair, Florida**  
**Water Rate Study**  
**Utility System Financial Overview**

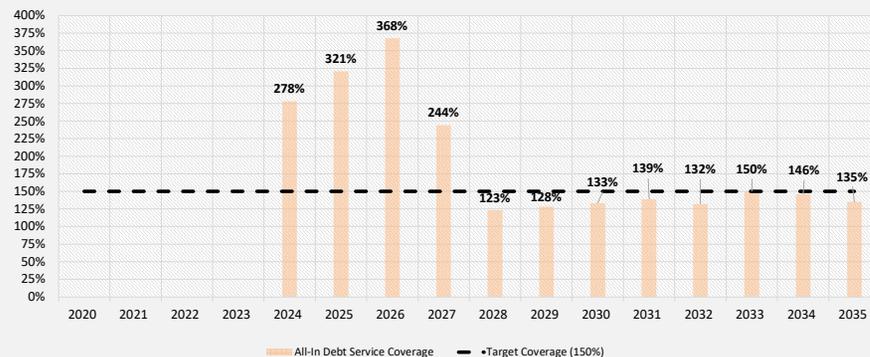


	2020	2021	2022	2023	2024	2025	2026	Fiscal Year Ending September 30,		2029	2030	2031	2032	2033	2034	2035
								2027	2028							
<b>CURRENT YEAR REVENUE ADJUSTMENTS</b>																
Water System Rate Revenue Adjustments	0.00%	0.00%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Effective Months	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
<b>Residential Rates</b>																
Base Charge	\$12.99	\$12.99	\$13.87	\$14.81	\$15.81	\$16.88	\$18.02	\$19.24	\$20.54	\$21.36	\$22.21	\$23.10	\$24.02	\$24.98	\$25.98	\$24.98
Tier 1 Usage Charge	\$1.95	\$1.95	\$2.08	\$2.22	\$2.37	\$2.53	\$2.70	\$2.88	\$3.07	\$3.19	\$3.32	\$3.45	\$3.59	\$3.73	\$3.88	\$3.73
Tier 2 Usage Charge	\$6.52	\$6.52	\$6.96	\$7.43	\$7.93	\$8.47	\$9.04	\$9.65	\$10.30	\$10.71	\$11.14	\$11.59	\$12.05	\$12.53	\$13.03	\$12.53
Tier 3 Usage Charge	\$7.82	\$7.82	\$8.35	\$8.91	\$9.51	\$10.15	\$10.84	\$11.57	\$12.35	\$12.84	\$13.35	\$13.88	\$14.44	\$15.02	\$15.62	\$15.02
Average Residential Bill (5,000 Gallons)	\$27.31	\$27.31	\$29.15	\$31.12	\$33.22	\$35.47	\$37.86	\$40.41	\$43.12	\$44.83	\$46.63	\$48.49	\$50.43	\$52.43	\$54.53	\$52.43
Unrestricted Cash Position - End of Year -Working Capital	\$2,441,457	\$1,398,581	\$1,881,941	\$553,165	\$835,456	\$1,206,067	\$1,674,648	\$982,673	\$1,009,126	\$1,060,724	\$1,138,559	\$1,283,510	\$1,391,547	\$1,594,371	\$1,773,478	\$1,967,601
Debt Service Coverage- Senior	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Debt Service Coverage- Junior	0%	0%	0%	0%	278%	321%	368%	244%	123%	128%	133%	139%	132%	150%	146%	135%
Debt Service Coverage- All-in	1292%	1149%	1437%	1194%	234%	270%	309%	205%	115%	119%	124%	139%	132%	150%	146%	135%

**Figure ES-9. Projected Subordinate Lien Debt Service Coverage**



**Figure ES-10. Projected All-In Debt Service Coverage**



**Figure ES-11. Comparison of Monthly Charges for Residential Water Service for Customers Using 5,000 Gallons per Month**



**Figure ES-12. Comparison of Monthly Charges for Residential Water Service for Customers Using 10,000 Gallons per Month**



**Table ES-3**

**Town of Belleair, Florida  
Water Rate Study**

**Comparison of Typical Monthly Residential Bills for Water Service to Pinellas County**

		Residential Service for a 5/8" or 3/4" Meter										
Line No.	Description	0 Gallons	2,000 Gallons	4,000 Gallons	5,000 Gallons	7,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons	50,000 Gallons	75,000 Gallons	100,000 Gallons
<b>Town of Belleair</b>												
1	2020	\$12.99	\$16.89	\$20.79	\$27.31	\$40.35	\$59.91	\$92.51	\$125.11	\$353.21	\$548.71	\$744.21
2	2021	12.99	16.89	20.79	27.31	40.35	59.91	92.51	125.11	353.21	548.71	744.21
3	2022	13.87	18.03	22.19	29.15	43.07	63.95	98.75	133.55	377.10	585.85	794.60
4	2023	14.81	19.25	23.69	31.12	45.98	68.27	105.42	142.57	402.47	625.22	847.97
5	2024	15.81	20.55	25.29	33.22	49.08	72.87	112.52	152.17	429.57	667.32	905.07
6	2025	16.88	21.94	27.00	35.47	52.41	77.82	120.17	162.52	458.62	712.37	966.12
7	2026	18.02	23.42	28.82	37.86	55.94	83.06	128.26	173.46	489.66	760.66	1,031.66
8	2027	19.24	25.00	30.76	40.41	59.71	88.66	136.91	185.16	522.66	811.91	1,101.16
9	2028	20.54	26.68	32.82	43.12	63.72	94.62	146.12	197.62	557.87	866.62	1,175.37
10	2029	21.36	27.74	34.12	44.83	66.25	98.38	151.93	205.48	580.03	901.03	1,222.03
11	2030	22.21	28.85	35.49	46.63	68.91	102.33	158.03	213.73	603.18	936.93	1,270.68
12	2031	23.10	30.00	36.90	48.49	71.67	106.44	164.39	222.34	627.29	974.29	1,321.29
13	2032	24.02	31.20	38.38	50.43	74.53	110.68	170.93	231.18	652.43	1,013.43	1,374.43
14	2033	24.98	32.44	39.90	52.43	77.49	115.08	177.73	240.38	678.53	1,054.03	1,429.53
15	2034	25.98	33.74	41.50	54.53	80.59	119.68	184.83	249.98	705.63	1,096.13	1,486.63
16	2035	27.02	35.10	43.18	56.73	83.83	124.48	192.23	259.98	733.73	1,139.73	1,545.73
<b>Pinellas County</b>												
17	2020	6.80	17.06	27.32	32.45	42.71	58.10	83.75	109.40	263.30	391.55	519.80
18	2021	6.87	17.23	27.59	32.77	43.13	58.67	84.57	110.47	265.87	395.37	524.87
19	2022	6.94	17.40	27.86	33.09	43.55	59.24	85.39	111.54	268.44	399.19	529.94
20	2023	7.01	17.57	28.13	33.41	43.97	59.81	86.21	112.61	271.01	403.01	535.01
21	2024	7.29	18.27	29.25	34.74	45.72	62.19	89.64	117.09	281.79	419.04	556.29
22	2025	7.58	19.00	30.42	36.13	47.55	64.68	93.23	121.78	293.08	435.83	578.58
23	2026	7.88	19.76	31.64	37.58	49.46	67.28	96.98	126.68	304.88	453.38	601.88
24	2027	8.20	20.56	32.92	39.10	51.46	70.00	100.90	131.80	317.20	471.70	626.20
25	2028	8.53	21.39	34.25	40.68	53.54	72.83	104.98	137.13	330.03	490.78	651.53
26	2029	8.87	22.25	35.63	42.32	55.70	75.77	109.22	142.67	343.37	510.62	677.87
27	2030	9.22	23.14	37.06	44.02	57.94	78.82	113.62	148.42	357.22	531.22	705.22
28	2031	9.59	24.07	38.55	45.79	60.27	81.99	118.19	154.39	371.59	552.59	733.59
29	2032	9.97	25.03	40.09	47.62	62.68	85.27	122.92	160.57	386.47	574.72	762.97
30	2033	10.37	26.03	41.69	49.52	65.18	88.67	127.82	166.97	401.87	597.62	793.37
31	2034	10.78	27.06	43.34	51.48	67.76	92.18	132.88	173.58	417.78	621.28	824.78
32	2035	11.21	28.15	45.09	53.56	70.50	95.91	138.26	180.61	434.71	646.46	858.21

**Table 1**  
**Town of Belleair, Florida**  
**Water Rate Study**

**Projected System Net Revenue Requirements**

Line No.	Description	Fiscal Year Ending September 30,															
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Operating Expenses:																	
1	Total Operating Expenses	\$1,314,948	\$1,363,157	\$1,416,031	\$1,634,513	\$1,661,760	\$1,726,868	\$1,794,731	\$2,226,833	\$2,261,453	\$2,351,595	\$2,445,649	\$2,543,763	\$2,711,890	\$2,753,101	\$2,919,360	\$2,836,110
Other Revenue Requirements:																	
Debt Service																	
SRF Loans																	
2	2023 SRF Loan Issue	\$0	\$0	\$0	\$0	\$210,779	\$210,779	\$210,779	\$210,779	\$210,779	\$210,779	\$210,779	\$210,779	\$210,779	\$210,779	\$210,779	\$210,779
3	2027 SRF Loan Issue	0	0	0	0	0	0	0	0	326,186	326,186	326,186	326,186	326,186	326,186	326,186	326,186
4	2034 SRF Loan Issue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	216,887
Subordinate Lien																	
5	Interfund Loan - General Fund	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	0	0	0	0	0
6	Total Debt Service	\$40,000	\$40,000	\$40,000	\$40,000	\$250,779	\$250,779	\$250,779	\$250,779	\$576,966	\$576,966	\$576,966	\$536,966	\$536,966	\$536,966	\$536,966	\$753,853
Other Miscellaneous Revenue Requirements:																	
7	Departmental Capital Funded from Rate Revenues	\$603,066	\$50,450	\$51,300	\$52,400	\$53,550	\$54,800	\$56,050	\$57,350	\$58,650	\$60,000	\$61,400	\$62,800	\$64,250	\$65,750	\$67,250	\$68,800
8	Total Other Miscellaneous Revenue Requirements	\$603,066	\$50,450	\$51,300	\$52,400	\$53,550	\$54,800	\$56,050	\$57,350	\$58,650	\$60,000	\$61,400	\$62,800	\$64,250	\$65,750	\$67,250	\$68,800
9	Gross Revenue Requirements	\$1,958,014	\$1,453,607	\$1,507,331	\$1,726,913	\$1,966,089	\$2,032,447	\$2,101,561	\$2,534,962	\$2,897,069	\$2,988,561	\$3,084,015	\$3,143,529	\$3,313,106	\$3,355,816	\$3,523,576	\$3,658,763
Less Other Income and Funds from Other Sources:																	
10	Unrestricted Interest Earnings	\$32,200	\$21,800	\$17,600	\$12,900	\$7,700	\$11,200	\$15,900	\$16,100	\$14,100	\$14,400	\$15,100	\$15,900	\$17,700	\$19,100	\$21,600	\$24,600
11	Other Revenues	6,600	2,511	7,694	1,000	1,000	1,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
12	Total Other Income	\$38,800	\$24,311	\$25,294	\$13,900	\$8,700	\$12,200	\$17,900	\$17,100	\$15,100	\$15,400	\$16,100	\$16,900	\$18,700	\$20,100	\$22,600	\$25,600
13	Total Net Revenue Requirements	\$1,919,214	\$1,429,296	\$1,482,036	\$1,713,013	\$1,957,389	\$2,020,247	\$2,083,661	\$2,517,862	\$2,881,969	\$2,973,161	\$3,067,915	\$3,126,629	\$3,294,406	\$3,335,716	\$3,500,976	\$3,633,163
14	Revenue Under Existing Rates	\$1,793,006	\$1,798,550	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121
15	Prior Year Rate Adjustments	0	0	0	124,276	256,940	398,559	549,737	711,120	883,397	1,067,302	1,183,639	1,304,629	1,430,459	1,561,322	1,697,420	1,838,961
16	Total Applicable Rate Revenue	\$1,793,006	\$1,798,550	\$1,841,121	\$1,965,397	\$2,098,061	\$2,239,680	\$2,390,858	\$2,552,241	\$2,724,518	\$2,908,423	\$3,024,760	\$3,145,750	\$3,271,580	\$3,402,443	\$3,538,541	\$3,680,082
17	Rate Adjustments	0.00%	0.00%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	6.75%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
18	Effective Months	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
19	Percent of Current Year Effective	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
20	Revenue From Current Rate Adjustment	\$0	\$0	\$124,276	\$132,664	\$141,619	\$151,178	\$161,383	\$172,276	\$183,905	\$116,337	\$120,990	\$125,830	\$130,863	\$136,098	\$141,542	\$147,203
21	Total Rate Revenue	\$1,793,006	\$1,798,550	\$1,965,397	\$2,098,061	\$2,239,680	\$2,390,858	\$2,552,241	\$2,724,518	\$2,908,423	\$3,024,760	\$3,145,750	\$3,271,580	\$3,402,443	\$3,538,541	\$3,680,082	\$3,827,286
Revenue Surplus/(Deficiency) Under Proposed Rates																	
22	Amount	(\$126,208)	\$369,254	\$483,360	\$385,048	\$282,291	\$370,611	\$468,581	\$206,655	\$26,453	\$51,598	\$77,835	\$144,951	\$108,037	\$202,824	\$179,107	\$194,123
23	% Rate Increase	(7.04%)	20.53%	24.59%	18.35%	12.60%	15.50%	18.36%	7.59%	0.91%	1.71%	2.47%	4.43%	3.18%	5.73%	4.87%	5.07%





**Table 2**  
**Town of Belleair, Florida**  
**Water Rate Study**  
**Projected Operating Expenses**

Line No.	Code	Description	Adjusted 2020	Escalation Reference	Fiscal Year Ending September 30,														
					2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
121	54315	Energy-Street Light	0	Electric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
122	54400	Equip. Rental	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
123	54614	Drainage	57,000	Inflation	57,513	58,491	59,719	61,033	62,437	63,873	65,342	66,845	68,382	69,955	71,564	73,210	74,894	76,616	74,894
124	54620	Maintenance - Vehicle	1,000	Repair	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513	1,469
125	54630	Maintenance - Building	0	Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
126	54670	Maintenance - Equipment	0	Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
127	54900	Ordinance Codes	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
128	55100	Office Supplies	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
129	55210	Operating Supplies	2,000	Inflation	2,018	2,052	2,095	2,142	2,191	2,241	2,293	2,345	2,399	2,455	2,511	2,569	2,628	2,688	2,628
130	55213	Meter Replacement	0	Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
131	55214	Meter Replacement	0	Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
132	55220	Gasoline & Oil	0	Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
133	55221	Tools	550	Inflation	555	564	576	589	602	616	630	645	660	675	691	706	723	739	723
134	55230	Chemicals	0	Chemicals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
135	55240	Uniforms	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
136	55260	Protective Clothing	700	Inflation	706	718	733	750	767	784	802	821	840	859	879	899	920	941	920
137	55410	Memberships	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
138	55420	Training, Aids	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
139	56405	Computer System	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
140	57301	Miscellaneous	8,000	Inflation	8,072	8,209	8,382	8,566	8,763	8,965	9,171	9,382	9,597	9,818	10,044	10,275	10,511	10,753	10,511
141	59200	Repay Loan to General Fund	0	Eliminate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
142		Subtotal	\$108,750		\$109,750	\$111,629	\$113,983	\$116,499	\$119,186	\$121,936	\$124,749	\$127,626	\$130,571	\$133,583	\$136,665	\$139,818	\$143,044	\$146,344	\$143,044
143	58101	Capital Purchase	\$0	Eliminate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
144	59900	Depreciation	0	Eliminate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
145		Subtotal	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
146	58001	Transfer of Reserves	\$0	Eliminate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
147	59904	Support Service Fees	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
148	59906	Admin Fees	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
149		Subtotal	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
150		Total Meter Management	\$331,000		\$342,144	\$354,660	\$368,171	\$382,391	\$397,358	\$412,993	\$429,330	\$446,405	\$464,255	\$482,920	\$502,442	\$522,866	\$544,238	\$566,608	\$544,238
<b>Distribution - 640</b>																			
151	51200	Personnel Salaries	\$99,750	Labor	\$103,740	\$107,890	\$112,205	\$116,693	\$121,361	\$126,216	\$131,264	\$136,515	\$141,975	\$147,654	\$153,561	\$159,703	\$166,091	\$172,735	\$166,091
152	51201	Part-time Salaries	4,500	Labor	4,680	4,867	5,062	5,264	5,475	5,694	5,922	6,159	6,405	6,661	6,928	7,205	7,493	7,793	7,493
153	51210	Unused Medical	0	Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
154	51400	Overtime	0	Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
155	51500	Sick Leave	1,150	Labor	1,196	1,244	1,294	1,345	1,399	1,455	1,513	1,574	1,637	1,702	1,770	1,841	1,915	1,991	1,915
156	52100	FICA	7,800	Labor	8,112	8,436	8,774	9,125	9,490	9,869	10,264	10,675	11,102	11,546	12,008	12,488	12,988	13,507	12,988
157	52200	Retirement - 401K General Pension	8,950	Labor	9,308	9,680	10,068	10,470	10,889	11,325	11,778	12,249	12,739	13,248	13,778	14,329	14,902	15,499	14,902
158	52300	Life/Hosp. Insurance	22,500	MedIns	24,075	25,760	27,563	29,493	31,557	33,766	36,130	38,659	41,365	44,261	47,359	50,674	54,222	58,017	54,222
159	52301	Medical Benefit	2,650	MedIns	2,836	3,034	3,246	3,474	3,717	3,977	4,255	4,553	4,872	5,213	5,578	5,968	6,386	6,833	6,386
160	53100	Physical Exams	0	Labor	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
161	AddPer	Additional Personnel	0	Calculated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
162		Subtotal	\$147,300		\$153,947	\$160,912	\$168,212	\$175,865	\$183,888	\$192,302	\$201,126	\$210,383	\$220,095	\$230,286	\$240,981	\$252,209	\$263,996	\$276,374	\$263,996
163	53151	Operating Professional Services	\$0	Inflation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
164	54000	Travel & Per Diem	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
165	54100	Telephone	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
166	54200	Postage	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
167	54300	Electricity	0	Electric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
168	54301	Water	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
169	54302	Sanitation	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
170	54303	Sewer	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
171	54315	Energy-Street Light	18,000	WatProdInfl	18,204	18,703	19,096	19,516	19,965	20,424	20,894	21,374	21,866	22,369	22,883	23,410	23,948	24,499	23,948
172	54400	Equip. Rental	2,750	Inflation	2,775	2,822	2,881	2,945	3,012	3,082	3,152	3,225	3,299	3,375	3,453	3,532	3,613	3,696	3,613
173	54614	Drainage	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
174	54620	Maintenance - Vehicle	1,000	Repair	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513	1,469
175	54630	Maintenance - Building	0	Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
176	54670	Maintenance - Equipment	10,000	Repair	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,258	14,685	15,126	14,685
177	54900	Ordinance Codes	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
178	55100	Office Supplies	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
179	55210	Operating Supplies	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
180	55213	Meter Replacement	0	Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
181	55214	Meter Replacement	0	Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
182	55220	Gasoline & Oil	0	Gas	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
183	55221	Tools	3,000	Inflation	3,027	3,078	3,143	3,212	3,286	3,362	3,439	3,518	3,599	3,682	3,767	3,853	3,942	4,032	3,942

**Table 2**  
**Town of Belleair, Florida**  
**Water Rate Study**  
**Projected Operating Expenses**

Line No.	Code	Description	Adjusted 2020	Escalation Reference	Fiscal Year Ending September 30,														
					2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
184	55230	Chemicals	0	Chemicals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
185	55240	Uniforms	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
186	55260	Protective Clothing	700	Inflation	706	718	733	750	767	784	802	821	840	859	879	899	920	941	
187	55410	Memberships	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
188	55420	Training, Aids	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
189	56405	Computer System	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
190	57301	Miscellaneous	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
191	59200	Repay Loan to General Fund	0	Eliminate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
192		Subtotal	\$35,450		\$36,042	\$36,992	\$37,873	\$38,803	\$39,782	\$40,786	\$41,816	\$42,873	\$43,956	\$45,068	\$46,208	\$47,377	\$48,577	\$49,807	\$48,577
193	58101	Capital Purchase	\$0	Eliminate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
194	59900	Depreciation	0	Eliminate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
195		Subtotal	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
196	58001	Transfer of Reserves	\$0	Eliminate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
197	59904	Support Service Fees	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
198	59906	Admin Fees	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
199		Subtotal	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
200		Total Meter Management	\$182,750		\$189,988	\$197,903	\$206,085	\$214,668	\$223,670	\$233,088	\$242,943	\$253,256	\$264,051	\$275,353	\$287,189	\$299,586	\$312,573	\$326,181	\$312,573
<b>Employee Administration</b>																			
<b>Personnel</b>																			
201	51200	Salaries	\$56,050	Labor	\$58,292	\$60,624	\$63,049	\$65,571	\$68,193	\$70,921	\$73,758	\$76,708	\$79,777	\$82,968	\$86,286	\$89,738	\$93,327	\$97,060	\$93,327
202	51201	Part-time Salaries	2,500	Labor	2,600	2,704	2,812	2,925	3,042	3,163	3,290	3,421	3,558	3,701	3,849	4,003	4,163	4,329	4,163
203	51210	Unused Medical	1,361	Labor	1,415	1,472	1,531	1,592	1,656	1,722	1,791	1,863	1,937	2,015	2,095	2,179	2,266	2,357	2,266
204	51400	Overtime	8,000	Labor	8,320	8,653	8,999	9,359	9,733	10,123	10,527	10,949	11,386	11,842	12,316	12,808	13,321	13,853	13,321
205	51500	Sick Leave	750	Labor	780	811	844	877	912	949	987	1,026	1,067	1,110	1,155	1,201	1,249	1,299	1,249
206	52100	FICA	4,450	Labor	4,628	4,813	5,006	5,206	5,414	5,631	5,856	6,090	6,334	6,587	6,851	7,125	7,410	7,706	7,410
207	52200	Retirement - 401K General Pension	5,050	Labor	5,252	5,462	5,681	5,908	6,144	6,390	6,645	6,911	7,188	7,475	7,774	8,085	8,409	8,745	8,409
208	52300	Life/Hosp. Insurance	10,850	MedIns	11,610	12,422	13,292	14,222	15,218	16,283	17,423	18,642	19,947	21,344	22,838	24,436	26,147	27,977	26,147
209	52301	Medical Benefit	1,250	MedIns	1,338	1,431	1,531	1,638	1,753	1,876	2,007	2,148	2,298	2,459	2,631	2,815	3,012	3,223	3,012
210	53100	Physical Exams	300	MedIns	321	343	368	393	421	450	482	515	552	590	631	676	723	774	723
211	AddPer	Additional Personnel	0	Calculated	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
212		Subtotal	\$90,561		\$94,555	\$98,736	\$103,111	\$107,691	\$112,486	\$117,508	\$122,766	\$128,274	\$134,044	\$140,090	\$146,425	\$153,065	\$160,026	\$167,323	\$160,026
<b>Operating</b>																			
213	53151	Professional Services	\$0	Inflation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
214	54000	Travel & Per Diem	2,500	Inflation	2,523	2,565	2,619	2,677	2,738	2,801	2,866	2,932	2,999	3,068	3,139	3,211	3,285	3,360	3,285
215	54100	Telephone	4,000	Inflation	4,036	4,105	4,191	4,283	4,382	4,482	4,585	4,691	4,799	4,909	5,022	5,138	5,256	5,377	5,256
216	54200	Postage	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
217	54300	Electricity	60,000	ElecTreatW	61,642	63,830	65,426	67,062	68,738	70,457	72,218	74,023	75,874	77,771	79,715	81,708	83,751	85,844	83,751
218	54301	Water	300	Inflation	303	308	314	321	329	336	344	352	360	368	377	385	394	403	394
219	54302	Sanitation	2,300	Inflation	2,321	2,360	2,410	2,463	2,519	2,577	2,637	2,697	2,759	2,823	2,888	2,954	3,022	3,092	3,022
220	54303	Sewer	200	Inflation	202	205	210	214	219	224	229	235	240	245	251	257	263	269	263
221	54315	Energy-Street Light	0	Electric	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
222	54400	Equip. Rental	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
223	54614	Drainage	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
224	54620	Maintenance - Vehicle	1,000	Repair	1,030	1,061	1,093	1,126	1,159	1,194	1,230	1,267	1,305	1,344	1,384	1,426	1,469	1,513	1,469
225	54630	Maintenance - Building	8,000	Repair	8,240	8,487	8,742	9,004	9,274	9,552	9,839	10,134	10,438	10,751	11,074	11,406	11,748	12,101	11,748
226	54670	Maintment - Equipment	10,000	Repair	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,258	14,685	15,126	14,685
227	54900	Ordinance Codes	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
228	55100	Office Supplies	2,500	Inflation	2,523	2,565	2,619	2,677	2,738	2,801	2,866	2,932	2,999	3,068	3,139	3,211	3,285	3,360	3,285
229	55210	Operating Supplies	2,000	Inflation	2,018	2,052	2,095	2,142	2,191	2,241	2,293	2,345	2,399	2,455	2,511	2,569	2,628	2,688	2,628
230	55213	Meter Replacement	0	Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
231	55214	Meter Replacement	0	Repair	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
232	55220	Gasoline & Oil	7,500	Gas	7,875	8,269	8,682	9,116	9,572	10,051	10,553	11,081	11,635	12,217	12,828	13,469	14,142	14,849	14,142
233	55221	Tools	3,000	Inflation	3,027	3,078	3,143	3,212	3,286	3,362	3,439	3,518	3,599	3,682	3,767	3,853	3,942	4,032	3,942
234	55230	Chemicals	0	Chemicals	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
235	55240	Uniforms	2,000	Inflation	2,018	2,052	2,095	2,142	2,191	2,241	2,293	2,345	2,399	2,455	2,511	2,569	2,628	2,688	2,628
236	55260	Protective Clothing	700	Inflation	706	718	733	750	767	784	802	821	840	859	879	899	920	941	920
237	55410	Memberships	3,000	Inflation	3,027	3,078	3,143	3,212	3,286	3,362	3,439	3,518	3,599	3,682	3,767	3,853	3,942	4,032	3,942
238	55420	Training, Aids	5,000	Inflation	5,045	5,131	5,239	5,354	5,477	5,603	5,732	5,864	5,998	6,136	6,278	6,422	6,570	6,721	6,570
239	56405	Computer System	13,250	Inflation	13,369	13,597	13,882	14,187	14,514	14,848	15,189	15,538	15,896	16,261	16,635	17,018	17,409	17,810	17,409
240	57301	Miscellaneous	0	Inflation	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
241	59200	Repay Loan to General Fund	0	Eliminate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
242		Subtotal	\$127,250		\$130,204	\$134,072	\$137,564	\$141,196	\$144,973	\$148,858	\$152,852	\$156,961	\$161,187	\$165,534	\$170,005	\$174,605	\$179,338	\$184,207	\$179,338

**Table 2**  
**Town of Belleair, Florida**  
**Water Rate Study**  
Projected Operating Expenses

Line No.	Code	Description	Adjusted 2020	Escalation Reference	Fiscal Year Ending September 30,														
					2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
243	58101	Capital	\$0	Eliminate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
244	59900	Capital Purchase Depreciation	0	Eliminate	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
245		Subtotal	\$0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
246	58001	Fees	\$0	Eliminate	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
247	59904	Transfer of Reserves	275,300	Labor	286,312	297,764	309,675	322,062	334,945	348,342	362,276	376,767	391,838	407,511	423,812	440,764	458,395	476,731	458,395
248	59906	Support Service Fees	88,750	Labor	92,300	95,992	99,832	103,825	107,978	112,297	116,789	121,461	126,319	131,372	136,627	142,092	147,775	153,686	147,775
249		Admin Fees																	
249		Subtotal	\$364,050		\$378,612	\$393,756	\$409,507	\$425,887	\$442,922	\$460,639	\$479,065	\$498,228	\$518,157	\$538,883	\$560,438	\$582,856	\$606,170	\$630,417	\$606,170
250		Total Employee Administration	\$581,861		\$603,371	\$626,564	\$650,182	\$674,774	\$700,382	\$727,005	\$754,684	\$783,463	\$813,388	\$844,506	\$876,869	\$910,526	\$945,533	\$981,947	\$945,533
251		<b>Other Adjustments</b>																	
251		Contingency	\$12,975	Calculated	\$13,452	\$13,971	\$15,785	\$16,398	\$17,039	\$17,706	\$21,475	\$22,328	\$23,218	\$24,146	\$25,115	\$26,776	\$27,181	\$28,478	\$27,996
252		Bad Debt	4,483	Calculated	4,496	4,913	5,245	5,599	5,977	6,381	6,811	7,271	7,562	7,864	8,179	8,506	8,846	9,200	9,568
253		Incremental Operating Expenses	0	Calculated	0	0	127,276	132,006	136,939	142,051	276,888	288,026	299,640	311,789	324,465	402,803	351,651	385,647	414,782
254		Other Debt Issuance Expenses	0	Calculated	0	0	35,000	0	0	0	52,000	0	0	0	0	0	0	35,000	0
255		Subtotal	\$17,457		\$17,948	\$18,885	\$183,306	\$154,003	\$159,954	\$166,138	\$357,174	\$317,625	\$330,419	\$343,799	\$357,758	\$438,085	\$387,679	\$458,325	\$452,346
256		<b>TOTAL UTILITY SYSTEM</b>	\$1,314,948		\$1,363,157	\$1,416,031	\$1,634,513	\$1,661,760	\$1,726,868	\$1,794,731	\$2,227,739	\$2,262,382	\$2,352,547	\$2,446,625	\$2,544,763	\$2,712,915	\$2,754,151	\$2,920,437	\$2,837,160

**Table 3**  
**Town of Belleair, Florida**  
**Water Rate Study**  
Escalation Factors

Line No.	Description	Reference	Fiscal Year Ending September 30,													
			2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
<b>Operating Escalation Factors</b>																
1	Constant Factor	Constant	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
2	Inflation (CPI Price Index) [*]	Inflation	1.0090	1.0170	1.0210	1.0220	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230
3	Labor	Labor	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400	1.0400
4	Repair and Maintenance	Repair	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300
5	Insurance - Medical	MedIns	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	1.0700	
6	Insurance - General	GenIns	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	
7	Electricity Commodity	Electric	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	
8	Electricity - Water Treatment	ElecTreatW	1.0274	1.0355	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	1.0250	
9	Gas and Fuel	Gas	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	
10	Chemicals Commodity	Chemicals	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	
11	Chemicals - Water Treatment	ChemTreatW	1.0524	1.0608	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	1.0500	
12	Elimination Factor	Eliminate	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	
13	Customer Growth	WatCust	1.0052	1.0232	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
14	Change in Rate of Growth	WatUnit	0.2698	4.4313	0.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
15	Customer Growth + Inflation CPI	WatCustInfl	1.0143	1.0406	1.0210	1.0220	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	
16	Production Growth + Inflation CPI	WatProdInfl	1.0113	1.0274	1.0210	1.0220	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	1.0230	
17	Sales Revenues	WatRev	1.0031	1.0237	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	
18	Engineering News Record Index	ENR	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	1.0300	

**Footnotes:**

[\*] Estimates based on projections contained in "The Budget and Economic Outlook: An Update" published by the Congressional Budget Office in July 2020.

**Table 4**  
**Town of Belleair, Florida**  
**Water Rate Study**  
**Estimated Multi-Year Capital Improvement Program and Funding Source**

Line No.	Description	Escalation Factor	Funding Source	Projected Fiscal Year Ending September 30,														Total		
				2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033		2034	2035
<b>CAPITAL IMPROVEMENT PROGRAM</b>																				
<b>System Improvements</b>																				
<b>Phase 1 - Clearwell Roof Rehab and Additional Well</b>																				
1	Mobilization/Demobilization	ENR	Operating	\$0	\$20,600	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,600	
2	Instrumentation	ENR	Operating	0	128,750	0	0	0	0	0	0	0	0	0	0	0	0	0	128,750	
3	Upper Floridian Well	ENR	Operating	0	257,500	0	0	0	0	0	0	0	0	0	0	0	0	0	257,500	
4	6" Raw Water Main (200 ft)	ENR	Operating	0	20,600	0	0	0	0	0	0	0	0	0	0	0	0	0	20,600	
5	Phase 1 Contingency	ENR	Operating	0	128,750	0	0	0	0	0	0	0	0	0	0	0	0	0	128,750	
6	Phase 1 Engineering	ENR	Operating	0	83,430	0	0	0	0	0	0	0	0	0	0	0	0	0	83,430	
<b>Phase 2 - Multimedia Pressure Filters</b>																				
7	Mobilization/Demobilization	ENR	SD1	\$0	\$0	\$0	\$10,930	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,930	
8	Sitework	ENR	SD1	0	0	0	81,975	0	0	0	0	0	0	0	0	0	0	0	81,975	
9	Booster Pump Station	ENR	SD1	0	0	0	155,206	0	0	0	0	0	0	0	0	0	0	0	155,206	
10	Pressurized Filters and Backwash Holding Tank	ENR	SD1	0	0	0	1,059,117	0	0	0	0	0	0	0	0	0	0	0	1,059,117	
11	Chemical Building	ENR	SD1	0	0	0	91,812	0	0	0	0	0	0	0	0	0	0	0	91,812	
12	Chemical Systems	ENR	SD1	0	0	0	219,693	0	0	0	0	0	0	0	0	0	0	0	219,693	
13	High Service Pump Station Rehab	ENR	SD1	0	0	0	184,717	0	0	0	0	0	0	0	0	0	0	0	184,717	
14	Yard Piping	ENR	SD1	0	0	0	292,924	0	0	0	0	0	0	0	0	0	0	0	292,924	
15	Electrical	ENR	SD1	0	0	0	342,109	0	0	0	0	0	0	0	0	0	0	0	342,109	
16	Instrumentation	ENR	SD1	0	0	0	256,855	0	0	0	0	0	0	0	0	0	0	0	256,855	
17	Upper Floridian Well (includes transmission line)	ENR	SD1	0	0	0	273,250	0	0	0	0	0	0	0	0	0	0	0	273,250	
18	Well Rehabilitation	ENR	SD1	0	0	0	491,850	0	0	0	0	0	0	0	0	0	0	0	491,850	
19	Phase 2 Contingency	ENR	Operating	0	0	0	1,038,350	0	0	0	0	0	0	0	0	0	0	0	1,038,350	
20	Phase 2 Engineering	ENR	Operating	0	0	0	675,474	0	0	0	0	0	0	0	0	0	0	0	675,474	
<b>Phase 3 - Reverse Osmosis (without new HSPS)</b>																				
21	Mobilization/Demobilization	ENR	Operating	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$147,720	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$147,720	
22	Sitework	ENR	Operating	0	0	0	0	0	0	0	307,750	0	0	0	0	0	0	0	307,750	
23	RO System (2 skids)	ENR	SD2	0	0	0	0	0	0	0	812,460	0	0	0	0	0	0	0	812,460	
24	RO Building	ENR	SD2	0	0	0	0	0	0	0	400,075	0	0	0	0	0	0	0	400,075	
25	Chemical Systems	ENR	SD2	0	0	0	0	0	0	0	198,191	0	0	0	0	0	0	0	198,191	
26	Deep Injection Well	ENR	Operating	0	772,500	0	0	0	0	0	0	0	0	0	0	0	0	0	772,500	
27	Yard Piping	ENR	SD2	0	0	0	0	0	0	0	254,817	0	0	0	0	0	0	0	254,817	
28	Electrical	ENR	SD2	0	0	0	0	0	0	0	590,880	0	0	0	0	0	0	0	590,880	
29	Instrumentation	ENR	Operating	0	0	0	0	0	0	0	443,160	0	0	0	0	0	0	0	443,160	
30	Upper Floridian Wells	ENR	SD2	0	0	0	0	0	0	0	615,500	0	0	0	0	0	0	0	615,500	
31	Phase 3 Contingency	ENR	SD2	0	0	0	0	0	0	0	1,408,264	0	0	0	0	0	0	0	1,408,264	
32	Phase 3 Engineering	ENR	SD2	0	0	0	0	0	0	0	915,864	0	0	0	0	0	0	0	915,864	
<b>Phase 4 - New HSPS</b>																				
33	Mobilization/Demobilization	ENR	SD3	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$113,550	\$113,550	
34	Sitework	ENR	SD3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	302,800	302,800	
35	RO System (1 skid)	ENR	SD3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	581,376	581,376	
36	RO Building	ENR	SD3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	165,026	165,026	
37	High Service Pump Station Rehab	ENR	SD3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	511,732	511,732	
38	Yard Piping	ENR	SD3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	193,792	193,792	
39	Electrical	ENR	SD3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	252,838	252,838	
40	Instrumentation	ENR	SD3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	189,250	189,250	
41	Phase 4 Contingency	ENR	SD3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	693,412	693,412	
42	Phase 4 Engineering	ENR	SD3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	451,172	451,172	
43	Capital Purchases / Capital Outlay	Inflation	Rates	603,066	50,450	51,300	52,400	53,550	54,800	56,050	57,350	58,650	60,000	61,400	62,800	64,250	65,750	67,250	68,800	\$1,487,866
44	<b>TOTAL WATER CAPITAL IMPROVEMENT PROGRAM</b>			<b>\$603,066</b>	<b>\$1,462,580</b>	<b>\$51,300</b>	<b>\$5,226,662</b>	<b>\$53,550</b>	<b>\$54,800</b>	<b>\$56,050</b>	<b>\$6,152,031</b>	<b>\$58,650</b>	<b>\$60,000</b>	<b>\$61,400</b>	<b>\$62,800</b>	<b>\$64,250</b>	<b>\$65,750</b>	<b>\$3,522,198</b>	<b>\$68,800</b>	<b>\$17,623,887</b>

**Table 4**  
**Town of Belleair, Florida**  
**Water Rate Study**  
**Estimated Multi-Year Capital Improvement Program and Funding Source**

Line No.	Description	Escalation Factor	Funding Source	Projected Fiscal Year Ending September 30,													Total			
				2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032		2033	2034	2035
<b>FUNDING SOURCES:</b>																				
<b>Water System Funding Sources</b>																				
45	Operating Revenue		Rates	\$ 603,066	\$ 50,450	\$ 51,300	\$ 52,400	\$ 53,550	\$ 54,800	\$ 56,050	\$ 57,350	\$ 58,650	\$ 60,000	\$ 61,400	\$ 62,800	\$ 64,250	\$ 65,750	\$ 67,250	\$ 68,800	\$ 1,487,866
46	Operating Fund		Operating	-	1,412,130	-	1,713,824	-	-	-	898,630	-	-	-	-	-	-	-	-	4,024,584
53	Subordinate Lien Debt 1		SD1	-	-	-	3,460,438	-	-	-	-	-	-	-	-	-	-	-	-	3,460,438
54	Subordinate Lien Debt 2		SD2	-	-	-	-	-	-	-	5,196,051	-	-	-	-	-	-	-	-	5,196,051
55	Subordinate Lien Debt 3		SD3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,454,948	-	3,454,948
56	Subordinate Lien Debt 4		SD4	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
58	<b>TOTAL WATER CAPITAL IMPROVEMENT PROGRAM</b>			<b>\$603,066</b>	<b>\$1,462,580</b>	<b>\$51,300</b>	<b>\$5,226,662</b>	<b>\$53,550</b>	<b>\$54,800</b>	<b>\$56,050</b>	<b>\$6,152,031</b>	<b>\$58,650</b>	<b>\$60,000</b>	<b>\$61,400</b>	<b>\$62,800</b>	<b>\$64,250</b>	<b>\$65,750</b>	<b>\$3,522,198</b>	<b>\$68,800</b>	<b>\$17,623,887</b>

**Table 5**  
**Town of Belleair, Florida**  
**Water Rate Study**  
**Projected Cash Balances By Fund and Interest Earnings**

Line No.	Description	Investment Reference [*]	Fiscal Year Ending September 30,															
			2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>ENDING CASH BALANCE BY FUND SUMMARY</b>																		
1	OPERATING FUND	(U)	\$2,441,457	\$1,398,581	\$1,881,941	\$553,165	\$835,456	\$1,206,067	\$1,674,648	\$982,673	\$1,009,126	\$1,060,724	\$1,138,559	\$1,283,510	\$1,391,547	\$1,594,371	\$1,773,478	\$1,967,601
2	CUSTOMER DEPOSITS	(R)	23,504	23,804	24,104	24,404	24,704	25,004	25,304	25,604	25,904	26,204	26,504	26,804	27,104	27,404	27,704	28,004
3	TOTAL PROJECTED YEAR-END BALANCE		<u>\$2,464,961</u>	<u>\$1,422,385</u>	<u>\$1,906,045</u>	<u>\$577,569</u>	<u>\$860,160</u>	<u>\$1,231,071</u>	<u>\$1,699,952</u>	<u>\$1,008,277</u>	<u>\$1,035,030</u>	<u>\$1,086,928</u>	<u>\$1,165,063</u>	<u>\$1,310,314</u>	<u>\$1,418,651</u>	<u>\$1,621,775</u>	<u>\$1,801,182</u>	<u>\$1,995,605</u>
<b>OPERATING FUND</b>																		
4	Beginning Balance		\$2,567,665	\$2,441,457	\$1,398,581	\$1,881,941	\$553,165	\$835,456	\$1,206,067	\$1,674,648	\$982,673	\$1,009,126	\$1,060,724	\$1,138,559	\$1,283,510	\$1,391,547	\$1,594,371	\$1,773,478
5	Transfers In - Operations		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
6	Transfers In - General Fund		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Total Funds Available		<u>\$2,567,665</u>	<u>\$2,441,457</u>	<u>\$1,398,581</u>	<u>\$1,881,941</u>	<u>\$553,165</u>	<u>\$835,456</u>	<u>\$1,206,067</u>	<u>\$1,674,648</u>	<u>\$982,673</u>	<u>\$1,009,126</u>	<u>\$1,060,724</u>	<u>\$1,138,559</u>	<u>\$1,283,510</u>	<u>\$1,391,547</u>	<u>\$1,594,371</u>	<u>\$1,773,478</u>
8	Transfers Out - CIP		\$0	\$1,412,130	\$0	\$1,713,824	\$0	\$0	\$0	\$898,630	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
9	Transfers Out - Operations		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Total Transfers Out of Fund		<u>\$0</u>	<u>\$1,412,130</u>	<u>\$0</u>	<u>\$1,713,824</u>	<u>\$0</u>	<u>\$0</u>	<u>\$898,630</u>	<u>\$0</u>								
11	Transfer In / (Out) - Surplus / (Deficiency)		<u>(\$126,208)</u>	<u>\$369,254</u>	<u>\$483,360</u>	<u>\$385,048</u>	<u>\$282,291</u>	<u>\$370,611</u>	<u>\$468,581</u>	<u>\$206,655</u>	<u>\$26,453</u>	<u>\$51,598</u>	<u>\$77,835</u>	<u>\$144,951</u>	<u>\$108,037</u>	<u>\$202,824</u>	<u>\$179,107</u>	<u>\$194,123</u>
12	Interest Rate		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
13	Interest Income on Fund		32,100	21,700	17,500	12,800	6,900	10,400	15,100	15,300	12,300	12,600	13,300	14,200	16,000	17,400	19,900	22,200
14	Use of Interest Income to Fund Revenue Requirements	(U)	32,100	21,700	17,500	12,800	6,900	10,400	15,100	15,300	12,300	12,600	13,300	14,200	16,000	17,400	19,900	22,200
15	Ending Balance		<u>\$2,441,457</u>	<u>\$1,398,581</u>	<u>\$1,881,941</u>	<u>\$553,165</u>	<u>\$835,456</u>	<u>\$1,206,067</u>	<u>\$1,674,648</u>	<u>\$982,673</u>	<u>\$1,009,126</u>	<u>\$1,060,724</u>	<u>\$1,138,559</u>	<u>\$1,283,510</u>	<u>\$1,391,547</u>	<u>\$1,594,371</u>	<u>\$1,773,478</u>	<u>\$1,967,601</u>
16	Target - Days of Rate Revenue		120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
17	Target Minimum Available Cash		\$589,481	\$591,304	\$646,158	\$689,773	\$736,333	\$786,036	\$839,093	\$895,732	\$956,194	\$994,441	\$1,034,219	\$1,075,588	\$1,118,611	\$1,163,356	\$1,209,890	\$1,258,286
18	Target Minimum Cash Balance Met - Yes or No		Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
19	Calculated Days of Rate Revenue		497	284	350	96	136	184	239	132	127	128	132	143	149	164	176	188
20	Target - Days of Operating Expenses		120	120	120	120	120	120	120	120	120	120	120	120	120	120	120	120
21	Target Minimum Available Cash		\$432,312	\$448,161	\$465,544	\$537,374	\$546,332	\$567,737	\$590,049	\$732,109	\$743,492	\$773,127	\$804,049	\$836,306	\$891,580	\$905,129	\$959,790	\$932,420
	Target Minimum Available Cash - Budget Policy		\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000	\$450,000
23	Target Minimum Cash Balance Met - Yes or No		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
24	Calculated Days of Operating Expenses		678	374	485	124	184	255	341	161	163	165	170	184	187	211	222	253
<b>CUSTOMER DEPOSITS</b>																		
25	Beginning Balance		\$23,204	\$23,504	\$23,804	\$24,104	\$24,404	\$24,704	\$25,004	\$25,304	\$25,604	\$25,904	\$26,204	\$26,504	\$26,804	\$27,104	\$27,404	\$27,704
26	Transfer In - New Accounts		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
27	Total Funds Available		<u>\$23,204</u>	<u>\$23,504</u>	<u>\$23,804</u>	<u>\$24,104</u>	<u>\$24,404</u>	<u>\$24,704</u>	<u>\$25,004</u>	<u>\$25,304</u>	<u>\$25,604</u>	<u>\$25,904</u>	<u>\$26,204</u>	<u>\$26,504</u>	<u>\$26,804</u>	<u>\$27,104</u>	<u>\$27,404</u>	<u>\$27,704</u>
28	Transfer Out -Reimbursements		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	Total Transfers Out of Funds		<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
30	Interest Rate		1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%	1.25%
31	Interest Income on Fund		300	300	300	300	300	300	300	300	300	300	300	300	300	300	300	300
32	Use of Interest Income to Fund Revenue Requirements	(R)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Ending Balance		<u>\$23,504</u>	<u>\$23,804</u>	<u>\$24,104</u>	<u>\$24,404</u>	<u>\$24,704</u>	<u>\$25,004</u>	<u>\$25,304</u>	<u>\$25,604</u>	<u>\$25,904</u>	<u>\$26,204</u>	<u>\$26,504</u>	<u>\$26,804</u>	<u>\$27,104</u>	<u>\$27,404</u>	<u>\$27,704</u>	<u>\$28,004</u>
<b>INTEREST INCOME SUMMARY</b>																		
34	Unrestricted Interest Income		\$32,200	\$21,800	\$17,600	\$12,900	\$7,700	\$11,200	\$15,900	\$16,100	\$14,100	\$14,400	\$15,100	\$15,900	\$17,700	\$19,100	\$21,600	\$24,600
35	Restricted Interest Income		\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
36	Total Interest Income		<u>\$32,500</u>	<u>\$22,100</u>	<u>\$17,900</u>	<u>\$13,200</u>	<u>\$8,000</u>	<u>\$11,500</u>	<u>\$16,200</u>	<u>\$16,400</u>	<u>\$14,400</u>	<u>\$14,700</u>	<u>\$15,400</u>	<u>\$16,200</u>	<u>\$18,000</u>	<u>\$19,400</u>	<u>\$21,900</u>	<u>\$24,900</u>

**Footnotes:**

[\*] (U) = Interest earnings unrestricted and assumed to be available to meet System expenditure requirements.  
(R) = Interest earnings restricted and assumed to not be available to meet System expenditure requirements.

Table 6

**Town of Belleair, Florida  
Water Revenue Sufficiency Study**

**Comparison of Typical Monthly Residential Bills for Water Service\*]**

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter										
		0 Gallons	2,000 Gallons	4,000 Gallons	5,000 Gallons	7,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons	50,000 Gallons	75,000 Gallons	100,000 Gallons
<b>Town of Belleair</b>												
1	Existing Rates - Fiscal Year 2020	\$12.99	\$16.89	\$20.79	\$27.31	\$40.35	\$59.91	\$92.51	\$125.11	\$353.21	\$548.71	\$744.21
<b><u>Surveyed Florida Utilities:</u></b>												
3	City of Clearwater	\$23.16	\$23.16	\$32.55	\$41.94	\$60.72	\$91.34	\$150.54	\$209.74	\$564.94	\$860.94	\$1,156.94
4	City of Dunedin	7.47	16.29	25.11	29.52	42.76	62.62	95.72	128.82	427.32	676.07	924.82
5	City of Gulfport	16.93	16.93	34.98	44.56	66.00	98.16	157.36	222.21	611.31	935.56	1,259.81
6	City of Largo	6.80	17.06	27.32	32.45	42.71	58.10	83.75	109.40	263.30	391.55	519.80
7	City of Oldsmar	13.79	19.94	32.24	38.39	50.69	69.14	110.39	163.89	484.89	752.39	1,019.89
8	Pinellas County	6.80	17.06	27.32	32.45	42.71	58.10	83.75	109.40	263.30	391.55	519.80
9	City of Pinellas Park	21.93	21.93	29.24	36.55	51.17	73.96	114.71	158.85	428.85	653.85	878.85
10	City of Safety Harbor	20.46	27.00	33.54	36.81	53.17	82.83	174.88	266.93	1,064.63	1,729.38	2,394.13
11	City of St. Petersburg	12.89	22.21	31.53	36.19	47.16	68.90	108.65	161.15	791.45	1,316.70	1,841.95
12	City of Tarpon Springs	22.62	31.14	39.66	43.92	60.96	86.52	139.87	206.67	806.17	1,325.67	1,845.17
13	City of Treasure Island	6.80	17.06	27.32	32.45	42.71	58.10	83.75	109.40	263.30	391.55	519.80
14	Surveyed Florida Utilities' Average	\$14.51	\$20.89	\$30.98	\$36.84	\$50.98	\$73.43	\$118.49	\$167.86	\$542.68	\$856.84	\$1,171.00
15	Minimum	6.80	16.29	25.11	29.52	42.71	58.10	83.75	109.40	263.30	391.55	519.80
16	Maximum	23.16	31.14	39.66	44.56	66.00	98.16	174.88	266.93	1,064.63	1,729.38	2,394.13

## Footnotes:

[\*] Unless otherwise noted, amounts shown reflect residential rates in effect July 2020 and are exclusive of taxes, franchise fees or water restriction surcharges, if any, and reflect rates charged for inside the city service. All rates are as reported by the respective utility. This comparison is intended to show comparable charges for similar service for comparison purposes only and is not intended to be a complete listing of all rates and charges offered by each listed utility.

Table 7

Town of Belleair, Florida  
Water Rate Study

Projected Debt Service Coverage

Line No.	Description	Fiscal Year Ending September 30,															
		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
<b>Gross Revenues:</b>																	
1	Water System Sales Revenue - Existing Rates	\$1,793,006	\$1,798,550	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121	\$1,841,121
2	Water Rate Increases	\$0	\$0	\$124,276	\$256,940	\$398,559	\$549,737	\$711,120	\$883,397	\$1,067,302	\$1,183,639	\$1,304,629	\$1,430,459	\$1,561,322	\$1,697,420	\$1,838,961	\$1,986,165
3	Total Sales Revenues	\$1,793,006	\$1,798,550	\$1,965,397	\$2,098,061	\$2,239,680	\$2,390,858	\$2,552,241	\$2,724,518	\$2,908,423	\$3,024,760	\$3,145,750	\$3,271,580	\$3,402,443	\$3,538,541	\$3,680,082	\$3,827,286
<b>Other Revenues</b>																	
4	Unrestricted Interest Earnings	\$32,200	\$21,800	\$17,600	\$12,900	\$7,700	\$11,200	\$15,900	\$16,100	\$14,100	\$14,400	\$15,100	\$15,900	\$17,700	\$19,100	\$21,600	\$24,600
5	Other Revenues	6,600	2,511	7,694	1,000	1,000	1,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	
6	Total Other Revenues	38,800	24,311	25,294	13,900	8,700	12,200	17,900	17,100	15,100	15,400	16,100	16,900	18,700	20,100	22,600	25,600
7	Total Gross Revenues	\$1,831,806	\$1,822,861	\$1,990,691	\$2,111,961	\$2,248,380	\$2,403,058	\$2,570,141	\$2,741,618	\$2,923,523	\$3,040,160	\$3,161,850	\$3,288,480	\$3,421,143	\$3,558,641	\$3,702,682	\$3,852,886
8	<b>Cost of Operation and Maintenance</b>	\$1,314,948	\$1,363,157	\$1,416,031	\$1,634,513	\$1,661,760	\$1,726,868	\$1,794,731	\$2,226,833	\$2,261,453	\$2,351,595	\$2,445,649	\$2,543,763	\$2,711,890	\$2,753,101	\$2,919,360	\$2,836,110
9	Total System Net Revenues	516,858	459,704	574,660	477,448	586,620	676,191	775,410	514,785	662,069	688,564	716,201	744,717	709,253	805,540	783,322	1,016,776
<b>COVERAGE TESTS:</b>																	
<b>Senior Debt Service:</b>																	
10	Proposed Debt 1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11	Proposed Debt 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	Proposed Debt 3	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Proposed Debt 4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Total Senior Lien Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
15	Required Coverage	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%	120%
16	Calculated Coverage	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>AND</b>																	
<b>Subordinated Debt Requirement</b>																	
17	Net Revenues After Payment of Senior Lien Debt Service	\$516,858	\$459,704	\$574,660	\$477,448	\$586,620	\$676,191	\$775,410	\$514,785	\$662,069	\$688,564	\$716,201	\$744,717	\$709,253	\$805,540	\$783,322	\$1,016,776
18	Subordinated Debt Requirement	0	0	0	0	210,779	210,779	210,779	210,779	536,966	536,966	536,966	536,966	536,966	536,966	536,966	753,853
19	Required Coverage	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%
20	Calculated Coverage	N/A	N/A	N/A	N/A	278%	321%	368%	244%	123%	128%	133%	139%	132%	150%	146%	135%
<b>SRF LOAN COVERAGE TESTS:</b>																	
21	Net Revenues After Payment of Senior Lien Debt Service	\$516,858	\$459,704	\$574,660	\$477,448	\$586,620	\$676,191	\$775,410	\$514,785	\$662,069	\$688,564	\$716,201	\$744,717	\$709,253	\$805,540	\$783,322	\$1,016,776
22	Less Allowance for Senior Lien Debt Service Coverage (20%)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23	Net Revenues Available for SRF Loan Debt	516,858	459,704	574,660	477,448	586,620	676,191	775,410	514,785	662,069	688,564	716,201	744,717	709,253	805,540	783,322	1,016,776
<b>SRF Loan Debt Service:</b>																	
24	2023 SRF Loan Issue	0	0	0	0	210,779	210,779	210,779	210,779	210,779	210,779	210,779	210,779	210,779	210,779	210,779	210,779
25	2027 SRF Loan Issue	0	0	0	0	0	0	0	326,186	326,186	326,186	326,186	326,186	326,186	326,186	326,186	326,186
26	2034 SRF Loan Issue	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	216,887
27	Total SRF Loan Debt Service	\$0	\$0	\$0	\$0	\$210,779	\$210,779	\$210,779	\$210,779	\$536,966	\$536,966	\$536,966	\$536,966	\$536,966	\$536,966	\$536,966	\$753,853
28	Required Coverage	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%	115%
29	Calculated Coverage (115% Required)	N/A	N/A	N/A	N/A	278%	321%	368%	244%	123%	128%	133%	139%	132%	150%	146%	135%
<b>Other Revenue Requirements:</b>																	
<b>Subordinate Lien Debt</b>																	
30	Interfund Loan - General Fund	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000	\$0	\$0	\$0	\$0	\$0
31	Total Other Revenue Requirements	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	0	0	0	0	0
32	Amount Available for Capital Outlay and Other Purposes	\$476,858	\$419,704	\$534,660	\$437,448	\$335,841	\$425,411	\$524,631	\$264,005	\$85,103	\$111,598	\$139,235	\$207,751	\$172,287	\$268,574	\$246,357	\$262,923