

Reverse Osmosis Water Treatment Plant Preliminary Engineering Report & Rate Study

Community Meeting

Town of Belleair
November 10, 2020



RATE STUDY ASSUMPTIONS

- Minimal customer growth for the system
 - Units associated with Belleview Place
 - Operating expense growth rate of approximately 6.0% per year from Fiscal Years 2020 Through 2035
 - Includes cost escalation for inflation, merit and cost of living adjustments, additional personnel, etc.
 - Includes increased net operating expenses associated with operation of the RO treatment plant
 - Assumes issuance of two low-interest State Revolving Fund (SRF) loans to fund capital plan
 - 20-year loans at 2.0% interest rate
 - Debt service payments not made until after completion of the project
 - Requires minimum debt service coverage ratio of 115%
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RATE STUDY PRELIMINARY RESULTS – IDENTIFIED RATE ADJUSTMENTS

	2021	2022-2024	2025-2035
Two Phases	0.00%	13.25%	3.75%
All-At-Once	0.00%	16.00%	3.00%

- Rate Adjustments Identified to:
 - Fund increased cost of operations
 - Pay annual debt service payments associated with funding projects identified in the PER
 - Maintain debt service coverage ratios required for compliance with proposed SRF loans
 - Maintain adequate operating and capital reserves

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CURRENT RATE COMPARISONS WITH OTHER UTILITIES

Comparison of Monthly Charges for Residential Water Service for Customers Using 10,000 Gallons per Month



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
Town of Belleair												
1	Existing Rates	\$12.99	\$16.89	\$20.79	\$27.31	\$40.35	\$59.91	\$92.51	\$125.11	\$353.21	\$548.71	\$744.21
Surveyed Florida Utilities:												
2	City of Clearwater	\$24.09	\$24.09	\$33.85	\$43.61	\$63.13	\$94.96	\$156.51	\$218.06	\$587.36	\$895.11	\$1,202.86
3	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
4	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
5	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
6	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
7	Pinellas County	6.80	17.06	27.32	32.45	42.71	58.10	83.75	109.40	263.30	391.55	519.80
8	City of Pinellas Park	22.08	22.08	29.44	36.80	51.52	74.46	115.46	159.85	431.35	657.60	883.85
9	City of Safety Harbor	22.81	30.11	37.41	41.06	59.30	92.37	195.02	297.67	1,187.17	1,928.42	2,669.67
10	City of St. Petersburg	13.18	22.70	32.22	36.98	48.19	70.42	111.07	164.77	809.17	1,346.17	1,883.17
11	City of Tarpon Springs	23.24	32.00	40.75	45.13	62.64	88.90	143.72	212.35	828.34	1,362.13	1,895.91
12	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
13	Surveyed Florida Utilities' Average	\$14.91	\$21.39	\$31.63	\$37.58	\$52.03	\$75.03	\$121.50	\$172.35	\$559.71	\$884.37	\$1,209.03
14	Minimum	6.80	16.29	25.11	29.52	42.71	58.10	83.75	109.40	263.30	391.55	519.80
15	Maximum	24.09	32.00	40.75	45.13	66.00	98.16	195.02	297.67	1,187.17	1,928.42	2,669.67

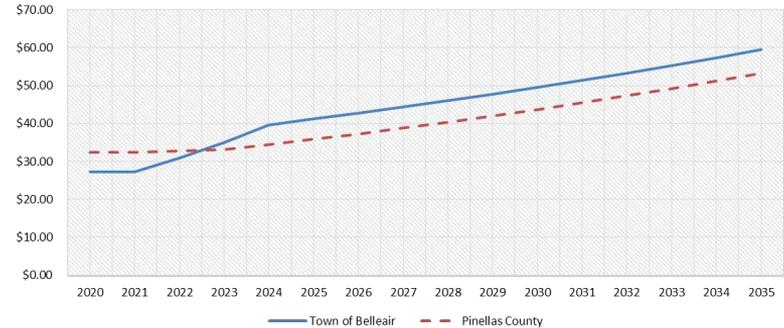
Footnotes:

[*] Unless otherwise noted, amounts shown reflect residential rates in effect October 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.

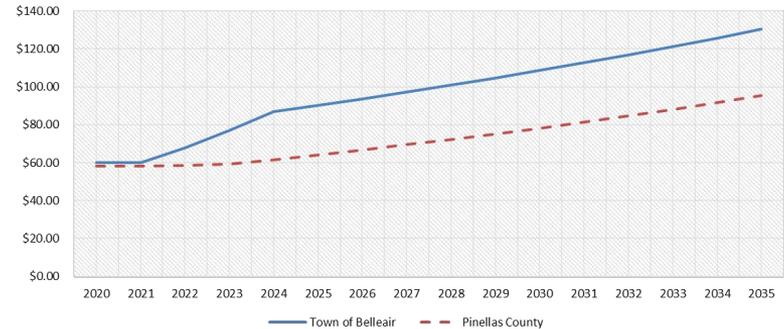
RATE COMPARISONS WITH PINELLAS COUNTY

- Assumes Identified Rate Increases from Preliminary Results for Town
- Pinellas County Assumed Rate Adjustments:
 - County did not implement retail water rate adjustments for fiscal year 2021
 - 1.0% per year for fiscal years 2022 – 2023
 - 4.0% per year thereafter
- Assumes Town Would be Retail Customer of the County
- Does Not Consider Potential for:
 - Sale of Town water distribution line assets
 - Payment of impact fees to the County
 - Costs that may still be incurred by Town

Residential Bill Comparison at 5,000 Gallons



Residential Bill Comparison at 10,000 Gallons



Comparison of Typical Monthly Residential Bills for Water Service to Pinellas County - All at Once Scenario

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
Town of Belleair												
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	15.07	19.59	24.11	31.67	46.79	69.47	107.27	145.07	409.62	636.37	863.12
4	2023	17.48	22.72	27.96	36.73	54.27	80.58	124.43	168.28	475.13	738.13	1,001.13
5	2024	20.28	26.36	32.44	42.61	62.95	93.46	144.31	195.16	551.01	856.01	1,161.01
6	2025	20.89	27.15	33.41	43.89	64.85	96.29	148.69	201.09	567.74	881.99	1,196.24
7	2026	21.52	27.96	34.40	45.19	66.77	99.14	153.09	207.04	584.74	908.49	1,232.24
8	2027	22.17	28.81	35.45	46.56	68.78	102.11	157.66	213.21	602.26	935.76	1,269.26
9	2028	22.84	29.68	36.52	47.96	70.84	105.16	162.36	219.56	620.26	963.76	1,307.26
10	2029	23.53	30.57	37.61	49.39	72.95	108.29	167.19	226.09	638.74	992.49	1,346.24
11	2030	24.24	31.50	38.76	50.89	75.15	111.54	172.19	232.84	657.74	1,021.99	1,386.24
12	2031	24.97	32.45	39.93	52.42	77.40	114.87	177.32	239.77	677.47	1,052.72	1,427.97
13	2032	25.72	33.42	41.12	53.98	79.70	118.28	182.58	246.88	697.68	1,084.18	1,470.68
14	2033	26.49	34.43	42.37	55.62	82.12	121.87	188.12	254.37	718.62	1,116.62	1,514.62
15	2034	27.28	35.46	43.64	57.29	84.59	125.54	193.79	262.04	740.29	1,150.29	1,560.29
16	2035	28.10	36.52	44.94	59.00	87.12	129.30	199.60	269.90	762.45	1,184.70	1,606.95
Pinellas County												
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	6.80	17.06	27.32	32.45	42.71	58.10	83.75	109.40	263.30	391.55	519.80
19	2022	6.87	17.23	27.59	32.77	43.13	58.67	84.57	110.47	265.87	395.37	524.87
20	2023	6.94	17.40	27.86	33.09	43.55	59.24	85.39	111.54	268.44	399.19	529.94
21	2024	7.22	18.10	28.98	34.42	45.30	61.62	88.82	116.02	279.22	415.22	551.22
22	2025	7.51	18.83	30.15	35.81	47.13	64.11	92.41	120.71	290.51	432.01	573.51
23	2026	7.81	19.59	31.37	37.26	49.04	66.71	96.16	125.61	302.31	449.56	596.81
24	2027	8.12	20.38	32.64	38.77	51.03	69.42	100.07	130.72	314.62	467.87	621.12
25	2028	8.44	21.20	33.96	40.34	53.10	72.24	104.14	136.04	327.44	486.94	646.44
26	2029	8.78	22.06	35.34	41.98	55.26	75.18	108.38	141.58	340.78	506.78	672.78
27	2030	9.13	22.95	36.77	43.68	57.50	78.23	112.78	147.33	354.63	527.38	700.13
28	2031	9.50	23.88	38.26	45.45	59.83	81.40	117.35	153.30	369.00	548.75	728.50
29	2032	9.88	24.84	39.80	47.28	62.24	84.68	122.08	159.48	383.88	570.88	757.88
30	2033	10.28	25.84	41.40	49.18	64.74	88.08	126.98	165.88	399.28	593.78	788.28
31	2034	10.69	26.87	43.05	51.14	67.32	91.59	132.04	172.49	415.19	617.44	819.69
32	2035	11.12	27.94	44.76	53.17	69.99	95.22	137.27	179.32	431.62	641.87	852.12

COMPARISON OF FUTURE BILLING - RO ALL AT ONCE VERSUS PC RETAIL

		<u>2020</u>	<u>2023</u>	<u>2027</u>	<u>2030</u>	<u>2035</u>
BELLEAIR	5 TGAL	\$27.31	\$36.73	\$46.56	\$50.89	\$59.00
	10 TGAL	59.91	80.58	102.11	111.54	129.30
	20 TGAL	125.11	168.28	213.21	232.84	269.90
PINELLAS	5 TGAL	\$32.45	\$33.09	\$38.77	\$43.68	\$53.17
	10 TGAL	58.10	59.24	69.42	78.23	95.22
	20 TGAL	109.40	111.54	130.72	147.33	179.32