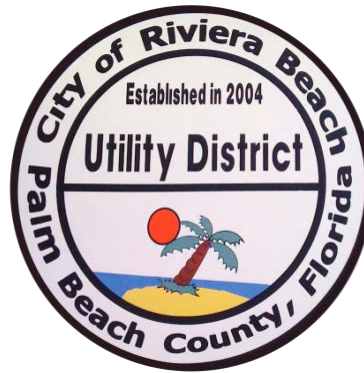


**CITY OF RIVIERA BEACH  
UTILITY SPECIAL DISTRICT, FLORIDA**



**FISCAL YEAR 2018  
UTILITY REVENUE SUFFICIENCY  
AND  
WHOLESALE RATE EVALUATION**

**–PRELIMINARY–**

**JANUARY 2018**



**Public Resources Management Group, Inc.**  
*Utility, Rate, Financial and Management Consultants*



**Public Resources Management Group, Inc.**

*Utility, Rate, Financial and Management Consultants*

**PRELIMINARY**

January 26, 2018

The Honorable Chairman and  
Members of the Board of Directors  
City of Riviera Beach Utility Special District  
600 West Blue Heron Boulevard  
Riviera Beach, FL 33404

**Subject: Fiscal Year 2018 Utility Revenue Sufficiency and Wholesale Rate Evaluation**

Ladies and Gentlemen:

Public Resources Management Group, Inc. ("PRMG") is pleased to submit this Report for your review and consideration regarding the preparation of the Utility Revenue Sufficiency and Wholesale Rate Evaluation (the "Report") for the City of Riviera Beach Utility Special District (the "District") water and wastewater utility system (the "Utility" or "System"). The primary purposes of the Report were to develop: i) a financial analysis for the fiscal years ending September 30, 2018 through 2023 (the "Forecast Period") regarding the ability of the System operating revenues (derived primarily from monthly rates for service) to fully fund the identified estimated expenditure and funding requirements, including the capital improvement plan prepared by the District (the "Net Revenue Requirements"); and ii) to design wholesale water and wastewater rates to equitably recover the cost of providing service to a perspective wholesale customer. Specifically, the revenue sufficiency analysis portion of this Report evaluated for the System the ability of the existing rate revenues to: i) fund day-to-day operations and the capital improvements of the System; ii) meet anticipated rate covenant requirements delineated in the authorizing resolution and loan agreements associated with the Utility's outstanding and anticipated senior and subordinate bonds and loans; and iii) promote the overall financial sustainability of the System to limit financial risk and stabilize long-term rates. The wholesale rate evaluation portion of this Report developed wholesale water and wastewater commodity rates that are projected to recover the identified cost attributable to providing wholesale service based on the results of the revenue sufficiency analysis. This Report contains three main sections: i) the Revenue Sufficiency Analysis; ii) the Wholesale Rate Evaluation; and iii) the proposed rate Recommendations. Included in the Revenue Sufficiency Analysis and Wholesale Rate Evaluation sections is: i) a discussion of the significant assumptions used in the development of the analysis and evaluation; ii) an analysis of the ability of the existing rates for service to properly fund the identified requirements; and iii) the presentation of the identified financial and rate plan considered necessary to fund the identified requirements.

The attached Report provides a discussion of the analyses and assumptions utilized in the determination of the Net Revenue Requirements estimated during the Forecast Period for the System. The analysis was based on detailed financial and statistical information provided by the District staff, including but not limited to, customer billing and usage data, annual financial and

budgetary data, information regarding the potential development of the System service area, capital improvement plans associated with new or asset replacement additions required for service, as well as other information provided by the District relative to the System. Based on the assumptions and analyses reflected in this Report, which should be read in its entirety, we are of the opinion that the current and adopted rates for monthly utility service will be not meet the estimated Net Revenue Requirements. The following additional rate adjustments are recommended during the Forecast Period. Below are the recommended rate adjustments:

	<b>Recommended Average System Annual Percent Rate Revenue Adjustments</b>				
	Fiscal Year Ending September 30, [1]				
	2019	2020	2021	2022	2023
<b>Water System</b>					
Adopted [2]	3.05%	0.00%	0.00%	0.00%	0.00%
Price Index	0.00%	1.68%	1.68%	1.68%	1.68%
Additional	0.00%	5.00%	5.00%	5.00%	5.00%
<b>Total Water System</b>	3.05%	6.68%	6.68%	6.68%	6.68%
<b>Wastewater System</b>					
Adopted [2]	8.79%	0.00%	0.00%	0.00%	0.00%
Price Index	0.00%	1.68%	1.68%	1.68%	1.68%
Additional	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Wastewater System</b>	8.79%	1.68%	1.68%	1.68%	1.68%
<b>Average Increase –Combined System</b>	<u>5.92%</u>	<u>4.64%</u>	<u>4.70%</u>	<u>4.75%</u>	<u>4.81%</u>

[1] Reference is made to the Report for a discussion of the recommended rate increases. Rates assumed to become effective with service rendered on October 1<sup>st</sup> of each respective fiscal year.

[2] Amounts shown reflect rates previously adopted by the District pursuant to Resolution No. 15-12UD in Fiscal Year 2015; the term or phase-in period for the rates adopted pursuant to Resolution No. 15-12UD is scheduled to end in 2019.

As can be seen above, the recommended average System rate adjustments rates for the Forecast Period are approximately 4.70% annually expressed on a combined utility system basis. The proposed rate adjustments for each utility system are different since it was identified during the rate evaluation process that the wastewater system was anticipated to have a contribution to the increased net revenue requirements higher than the estimated allocated costs recognized during the Forecast Period whereas the water system was determined to be under-recovering at a higher amount when compared to the allocated revenue requirements as compared to the wastewater system. This imbalance in cost recovery between the two utility systems was adjusted during the Forecast Period to promote a more representative recovery in costs on an individual utility system. Additionally, for the water system, the rate recommendation identifies the need to recover the estimated financing costs associated with the anticipated funding of the water treatment plant refurbishment in Fiscal Years 2022 and 2023.

The primary reasons for the increase in water and wastewater monthly user rates are due to:

1. Increased costs of wastewater treatment and disposal associated with the financing of significant capital improvements at the East Central Regional Wastewater Treatment Facility ("ECRWRF");
2. Increased Operating Expenses associated with the continued impacts of general inflation and increased energy increases and the residual effects on the cost of doing business (chemicals, repairs, transportation, etc.);
3. Due to the age and condition of the existing utility plant assets as documented in the District's master planning and evaluation documents, the proposed rate recommendations provide additional dedicated annual transfers to fund capital expenditures for the ongoing and needed renewal, replacement, betterment and upgrade of System assets to limit the amount of future debt financing and associated increased long-term costs to the System, which will promote ongoing rate stability;
4. In addition to the ongoing renewal and replacement capital expenditures mentioned in Item No. 3 above, the recognition of the estimated capital costs associated with the refurbishment of the existing water treatment facilities at the end of the Forecast Period, which is a significant capital investment anticipated to be funded from capital reserves and additional (new) debt financing;
5. Providing sufficient funds necessary to meet the rate covenant requirements as delineated in the Bond Resolution; and
6. Maintain the creditworthiness of the System and a favorable bond credit rating (especially since anticipated borrowings are needed to fund ongoing utility capital expenditures during the Forecast Period), which included maintaining working cash (fund balance) reserves to limit the risk to the utility due to unforeseen changes in revenues, the incurrence of unexpected operating or capital expenditures to provide a plan to achieve the lowest cost of borrowers (interest rates) for capital financing and to promote the long term financial stability of the System.

The recommended rates are projected to remain competitive when compared to the rates charged by other neighboring public utilities. A comparison of the District existing rates to the other public utility rates (which rates are current and do not reflect any changes that may occur after the date of this Report and during Fiscal Year 2018) are shown on Tables 19 through 21 at the end of this Report.

This Report additionally includes an evaluation and development of proposed wholesale water and wastewater rates to recover the operation, maintenance, administration, and capital costs that were identified as being attributable to providing wholesale service. PRMG calculated these rates by: i) apportioning the all of the operating expenses between the water and wastewater utility

systems; ii) allocating the System operating expenses between two functions: a) Primary Function, which would include costs that benefits the all customers, including wholesale; and b) Secondary Function, which would include costs that benefits only retail customers; iii) identifying the District's capital reinvestment requirements and allocating such annual funding requirements between the Primary and Secondary Functions based on the installed purpose of the asset; and iv) based on the service parameters, design of a wholesale rates to recover the allocated Primary Function costs.

A summary of the proposed wholesale user rates based on this allocation method are shown below:

<b>Proposed Fiscal Year 2018 Wholesale Water and Wastewater Charges [1]</b>		
Description	Water	Wastewater
Proposed Wholesale Charge (per 1,000 Gallons)	\$4.06	\$4.09

[1] Amounts shown derived from information shown on Tables 15 and 17 at the end of this Report

The Report that follows this letter provides additional information regarding the evaluation of the sufficiency of the water and wastewater utility rates to fund the estimated expenditure and funding need of the System, the proposed annual rate adjustments to be applied uniformly to the rates for water and wastewater service, and the derivation of the recommended wholesale rates. We appreciate the opportunity to be of service to the District.

Very truly yours,

**Public Resources Management Group, Inc.**

Robert J. Ori  
President

K. Ryan Smith  
Senior Rate Consultant

RJO/dlc  
Attachments

**CITY OF RIVIERA BEACH, FLORIDA**  
**FISCAL YEAR 2018**  
**UTILITY REVENUE SUFFICIENCY AND WHOLESALE RATE EVALUATION**  
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**CITY OF RIVIERA BEACH, FLORIDA**  
**FISCAL YEAR 2018**  
**UTILITY REVENUE SUFFICIENCY AND WHOLESALE RATE EVALUATION**

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**CITY OF RIVIERA BEACH, FLORIDA**  
**FISCAL YEAR 2018**  
**UTILITY REVENUE SUFFICIENCY AND WHOLESALE RATE EVALUATION**

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**CITY OF RIVIERA BEACH, FLORIDA**

**FISCAL YEAR 2018**

**UTILITY REVENUE SUFFICIENCY AND WHOLESALE RATE EVALUATION**

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**INTRODUCTION**

Public Resources Management Group, Inc. ("PRMG") is pleased to submit this Report for your review and consideration regarding the preparation of the Utility Revenue Sufficiency and Wholesale Rate Evaluation (the "Report") for the City of Riviera Beach Utility Special District (the "District") water and wastewater utility system (the "Utility" or "System"). The primary purposes of the Report were to develop: i) a financial analysis for the fiscal years ending September 30, 2018 through 2023 (the "Forecast Period") regarding the ability of the System operating revenues (derived primarily from monthly rates for service) to fully fund the identified estimated expenditure and funding requirements, including the capital improvement plan prepared by the District (the "Net Revenue Requirements"); and ii) to design wholesale monthly water and wastewater charges to equitably recover the cost of providing service to a perspective wholesale customer. Specifically, the revenue sufficiency analysis included in this Report evaluated for each system the ability of the existing rate revenues to: i) fund day-to-day operations and the capital improvements of the System; ii) meet anticipated rate covenant requirements delineated in the Resolution No. 11-14UD adopted by the Board of Directors of the District (the "Board") on July 2, 2014, as amended and supplemented from time to time (the "Bond Resolution") authorizing the issuance of the outstanding senior lien bonds<sup>[1]</sup> and anticipated senior and subordinate bonds and loans as identified in this Report; and iii) promote the overall financial sustainability of the System to limit financial risk and stabilize long-term rates. The wholesale rate evaluation included in this Report developed monthly wholesale water and wastewater commodity charges that are projected to recover the identified cost attributable to providing wholesale service based on the results of the revenue sufficiency analysis. This Report contains three major sections: i) the Revenue Sufficiency Analysis; ii) the Wholesale Rate Evaluation; and iii) proposed rate recommendations, which should be read in their entirety to fully understand the analyses and basis for the development of the rate proposed recommendations.

**CURRENT RATES FOR SERVICE**

The District previously approved a series of water and wastewater utility rate adjustments through the Fiscal Year 2019, which were developed pursuant to a rate study prepared during the Fiscal Year 2015. Most recently, the District adopted Resolution No. 12-15UD on September 2, 2015 (the "Rate Resolution"), which modified the previous schedule of rates for the Fiscal Years

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[1] The outstanding bonds issued pursuant to the Bond Resolution and secured essentially by the Net Revenues of the System include: i) the Water and Sewer Revenue Refunding Bonds, Series 2014 outstanding in the aggregate principal amount of \$20,385,000 (the "Series 2014 Bonds"); and ii) the Water and Sewer Revenue Bonds, Series 2016 outstanding in the aggregate principal amount of \$33,205,000 (the "Series 2016 Bonds" and collectively with the Series 2014 Bonds, the "Outstanding Bonds").

2016 through 2019 (the "Adopted Rates"); the District is now in the third year of the rate implementation plan as presented in Resolution No. 12-15UD. The following is a summary of the estimated rate adjustments (utility revenue increase anticipated) associated with the Adopted Rates through Fiscal Year 2019:

Description	Adopted Rates – Percentage Increase	
	Fiscal Year Ending September 30, [1]	
	2018 [2]	2019
Water System	3.05%	3.05%
Wastewater System	11.98%	8.79%

[1] Amounts shown derived from the Rate Resolution; the Adopted Rate phasing plan ends in Fiscal Year 2019.

[2] The Fiscal Year 2018 rates are currently in effect and are being billed; the Fiscal Year 2019 rates are scheduled to become effective on October 1, 2018.

The adopted Water System monthly user rates that are currently in effect pursuant to the Rate Resolution include: i) a constant base facility (readiness-to-serve) charge by meter size that varies based on customer class; ii) a monthly billing fee to recover a portion of the cost of billing, meter reading, and other customer service needs and, when combined with the constant base facility charge, serves as the monthly minimum bill for water service; and iii) a volumetric or usage charge based on metered water consumption that increases as consumption increases in order to promote water conservation (applicable to all customer classes). The rates for the Wastewater System are similar in structure to that of the Water System and include: i) a constant base facility charge (readiness-to-serve charge) that varies based on the customer class; ii) a customer service charge to recover a portion of the cost of billing, meter reading, and other customer service needs and, when combined with the constant service charge serves as the minimum bill for wastewater service; iii) a volumetric flow charge based on metered water consumption that serves as the basis for billing wastewater use or flow; and vi) a maximum residential billing threshold of 10,000 gallons per month per single-family and multi-family residential unit for the billing of the volumetric flow charge for this class of customers. As provided by the Rate Resolution, the rates charged to all water and wastewater utility customers located outside the corporate limits of the City are billed an additional 25% surcharge as provided by Florida Statutes, Section 180.191.

As part of the consumptive use permitting process, the South Florida Water Management District ("SFWMD") does require water utilities located within the boundaries of the SFWMD to have a water conservation promoting rate structure. This requirement is part of the SFWMD water conservation goals relative to the limitation of raw water withdrawals. The SFWMD does not regulate the rates of the System regarding rate level but does encourage a conservation pricing strategy. The District's Water System rates currently employ a water conservation rate structure consistent with the general water conservation program goals encouraged by SFWMD.

The primary retail customer classes served by the Water System include single-family (individually metered) residential service, multi-family (master metered) residential service, commercial on non-residential service, and irrigation service. The currently effective and

adopted Water System monthly rates for domestic water use (not irrigation-only), as reflected in the Rate Resolution, are summarized below:

<b>Existing and Adopted Inside City Water Monthly User Rates [1]</b>		
	Current FY 2018 Rates [2]	Estimated FY 2019 Rates [3]
<b>Residential Single-Family Service</b>		
Monthly Base Charge: [4]		
3/4-inch	\$17.63	\$18.13
1-inch	18.20	18.71
1-1/2-inch	19.64	20.17
2-inch	21.98	22.53
Domestic Consumption Charge per 1,000 Gallons:		
0 – 5,000 Gallons	\$2.53	\$2.61
5,001 – 10,000 Gallons	3.46	3.57
10,001 – 20,000 Gallons	4.57	4.70
Above 20,000 Gallons	5.73	5.91
<b>Multi-Family (Master Metered) Residential Service</b>		
Monthly Base Charge:		
All Units	\$12.51	\$12.88
Monthly Billing Charge:		
Per Bills	\$3.64	\$3.75
Consumption Charge per 1,000 Gallons (Times Number of Units):		
0 – 5,000 Gallons	\$2.53	\$2.61
5,001 – 10,000 Gallons	3.46	3.57
10,001 – 20,000 Gallons	4.57	4.70
Above 20,000 Gallons	5.73	5.91
<b>Commercial and Multi-family (Master Metered)</b>		
Monthly Base Charge: [4]		
3/4-inch	\$17.64	\$18.13
1-inch	26.16	26.91
1-1/2-inch	47.31	48.68
2-inch	74.19	76.31
3-inch	132.73	136.60
4-inch	216.73	223.03
6-inch	425.89	438.33
8-inch	671.75	691.46
10-inch	957.63	985.82
Commercial Consumption Charge per 1,000 Gallons [5]		
0 – 10,000 Gallons	\$4.54	\$4.68
10,001 – 30,000 Gallons	5.65	5.83
Above 30,000 Gallons	6.81	7.02

[1] Amounts shown derived from the Rate Resolution; the Adopted Rate phasing plan ends in Fiscal Year 2019.; the City currently charges customers located outside its corporate boundaries a surcharge of 25% as allowed by Florida Statutes, Section 180.191.

[2] Reflects rates in effect as of October 1, 2017 (Fiscal Year 2018).

[3] Estimated rates based on the Fiscal Year 2018 Rates and the application of the adopted rates adjustments included in the Rate Resolution, which will become effective as of October 1, 2018 (Fiscal Year 2019).

[4] The Monthly Base Charge for the single-family residential, commercial, and the irrigation customer rate classifications includes the monthly billing fee per account and the meter amortization charge.

The currently effective and adopted Water System monthly rates for domestic water use (not irrigation-only), as reflected in the Rate Resolution, are summarized below:

<b>Existing and Adopted Inside City Wastewater Monthly User Rates [1]</b>		
	Current FY 2018 Rates [2]	Estimated FY 2019 Rates [3]
<b>Residential Single-Family Service</b>		
Monthly Base Charge:		
All Meter Sizes	\$16.12	\$17.54
Consumption Charge per 1,000 Gallons:		
0 – 10,000 Gallons [4]	\$2.59	\$2.82
<b>Multi-Family (Master Metered) Residential Service</b>		
Monthly Base Charge:		
All Units	\$14.05	\$15.28
Monthly Billing Charge:		
Per Bills	\$2.07	\$2.25
Consumption Charge per 1,000 Gallons (Times Number of Units):		
All Gallons	\$2.59	\$2.82
<b>Commercial (Non-Residential)</b>		
Monthly Base Charge: [4]		
3/4-inch	\$16.12	\$17.54
1-inch	25.53	27.78
1-1/2-inch	48.84	53.13
2-inch	76.94	83.70
3-inch	142.55	155.07
4-inch	236.24	256.98
6-inch	470.29	511.58
8-inch	751.24	817.20
10-inch	1,079.11	1,173.86
Consumption Charge per 1,000 Gallons		
All Gallons	\$4.66	\$5.07

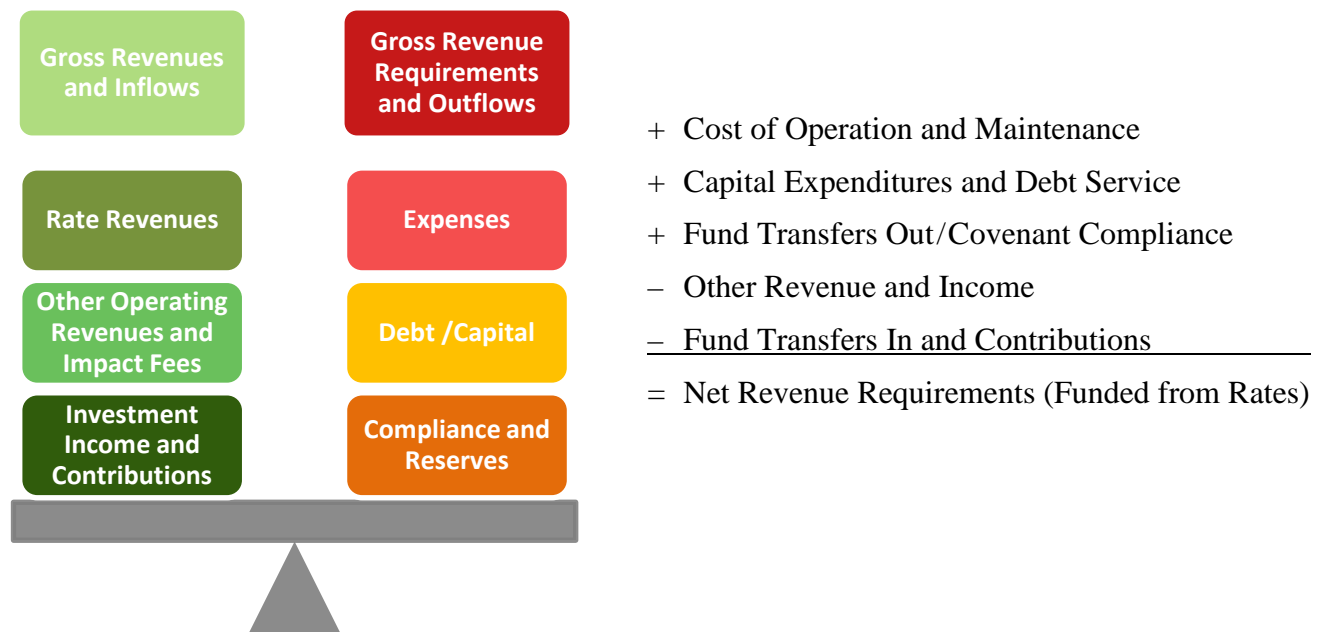
- [1] Amounts shown derived from the Rate Resolution; the Adopted Rate phasing plan ends in Fiscal Year 2019.; the City currently charges customers located outside its corporate boundaries a surcharge of 25% as allowed by Florida Statutes, Section 180.191.
- [2] Reflects rates in effect as of October 1, 2017 (Fiscal Year 2018).
- [3] Estimated rates based on the Fiscal Year 2018 Rates and the application of the adopted rates adjustments included in the Rate Resolution, which will become effective as of October 1, 2018 (Fiscal Year 2019).
- [4] The monthly consumption charge for individually metered single-family residential class has a billing cap of 10,000 gallons; there is no billing cap for the multi-family (master metered) or commercial customer classifications.

**REVENUE SUFFICIENCY ANALYSIS**

The District has established and accounts for the System as a utility enterprise fund (the "Utility Fund"). In general, the Utility Fund must have revenues equal to the costs of the services provided by the System and the District must establish monthly user charges or rates sufficient to cover the cost of operating, maintaining, repairing and financing of the System. 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 be financed or recovered primarily through user charges."

The financial forecast was developed based on information provided by District staff including: i) detailed customer statistics; ii) updated financial information related to the capital improvement program and anticipated funding sources; iii) the adopted District Fiscal Year 2018 operating budget for the utility as well as the adopted Fiscal Year 2018 operating and capital funding budget for the East Central Regional Wastewater Treatment Facilities Operations Board (the "ECR Board") regarding the operations of the East Central Regional Wastewater Treatment Facilities (the "ECRWRF"); iv) the recently completed financial results for Fiscal Year 2017 as well as information obtained in prior years; and v) other financial or statistical information.

The foundation of the study and the primary objective of the water and wastewater rates are to reasonably recover the cost of providing service, cost of infrastructure investment and compliance with covenants of the outstanding bonds and internal fiscal targets (referred to as the "Revenue Sufficiency" evaluation).



Ensuring adequate cash reserves and appropriate cash flows produces a sustainable long-term financial plan that can mitigate the financial and operating risk from unanticipated or sudden events to financial operations (e.g., reduced water sales or use by customer, changes in market conditions affecting the cost of operations, increased regulations, extraordinary events such as storms, etc.). The identified revenue requirements were allocated between the water and wastewater systems and then compared to the estimated revenues for the respective utilities for the Forecast Period to identify the Revenue Sufficiency of the rates for monthly service by utility. The recommended rates are based on the full cost recovery of the revenue requirements and to promote the fiscal sustainability of the System. The remainder of this Report discusses the evaluations and analyses in the determination of the recommended water and wastewater rates for the Forecast Period.

### Forecast of Revenues

The revenues for the Utility are principally generated from the rates for water and wastewater service. Such revenues account for approximately 98% of gross revenues (defined as all revenues and income earned and received by the Utility, which is available to fund the annual revenue requirements) over the Forecast Period and include charges for service to both retail and wholesale customers of the System. Since the majority of the Utility revenues are generated from monthly rates for water and wastewater service, the forecast of revenues is primarily predicated on assumptions of the estimated number of customers receiving service and their estimated demands (water use and billed wastewater flow) assumed for the Forecast Period.

### Customer and Demand Forecast

The forecast of water service revenues relied upon a review of recent historical trends in water customer account growth and use statistics and discussions with and information provided by the District regarding planned development within the water service area. The following table provides a summary of the projected trends in water customer billing statistics:

<b>Projected Customer Accounts and Statistics – Water System [1]</b>				
Fiscal Year Ending September 30,[1]	Average Annual Water Accounts	Average Annual ERCs [2]	Water Sales (000s Gallons)	Average Monthly Water Use per ERC
2016 (Actual)	13,044	20,609	2,040,232	8,250
2017 (Actual)	13,047	20,725	2,133,520	8,578
2018	13,179	20,857	2,101,550	8,397
2019	13,246	20,924	2,109,681	8,402
2020	13,311	20,989	2,117,212	8,406
2021	13,351	21,029	2,122,987	8,413
2022	13,376	21,054	2,124,787	8,410
2023	13,378	21,056	2,124,931	8,410
Average Annual Projected Growth Rate [3]	<u>0.36%</u>	<u>0.31%</u>	<u>0.58%</u>	<u>0.27%</u>

ERC = Equivalent Residential Connection and equates to the average capacity allocated to/associated with serving a single-family residential customer.

[1] Amounts shown derived from Table 1; Water and Irrigation statistics are combined.

[2] For purposes of this presentation, Equivalent Residential Connections (ERCs) were determined based on information published by American Water Works Association (AWWA), which is used by utilities, including the District, for the determination of rates among customer class (by meter size).

[3] Projected growth rate from Fiscal Year 2016 to Fiscal Year 2023.

As shown above, the average annual water accounts and equivalent residential connections ("ERCs") have not increased since 2016. Based on discussions with District staff concerning potential development inside the District's service area, there are approximately 565 residential single-family, townhomes and condominium units expected to be constructed during the Forecast Period. The forecast of new customer additions recognizes these anticipated developments and averaged approximately 94 accounts per year. PRMG considers this level of growth to be conservative and attainable. Since the projection of rate revenues is predicated on the number of customers connected, it is a good practice to rely on growth projections that are reasonable and reflect known development for rate making purposes since if such growth does not materialize

the projected revenues may not be sufficient to meet the identified funding requirements. Also included on the table above is the estimated number of ERCs to be served by the Water System. An ERC is representative of the average daily capacity of a single-family residential unit and generally represents the lowest level and the most common level of use and is used to evaluate the size and capacity needs of a utility system. As summarized above, the number of estimated ERCs is greater than the number of accounts served. Since commercial or multi-family customers are generally served by larger-sized meters than the standard residential customer, it is useful to equate such customers on a basis equivalent to the residential class for a more consistent presentation of the total equivalent customer base served.

The average water use per account in the South Florida region has been declining over the years due to a variety of factors, including but not limited to increased conservation (from improved indoor fixture units such as low-flow toilets and conservation pricing) and overall changes in demographics (reduced irrigation demands due to development with higher densities per acre), and overall customer awareness. As can be seen above, the water sales for Fiscal Year 2017 expressed on a monthly use per ERC basis increased when compared to the prior year. In the development of the customer and sales forecast, it was assumed for the Forecast Period that the average use per ERC would be lower and more representative of the average demands between the two fiscal years.

The water customer statistical projections shown on the above table served as the basis for the projection of revenues derived from monthly water user charges for the Forecast Period reflected in the Report.

The Water System customer base consists primarily of single-family residential customers. As shown in the following table, this class accounted for approximately 83% of the total estimated accounts served by the Water System during the estimated Fiscal Year 2017. The number of ERCs served by the Water System for the same period was approximately 60% greater than the accounts served as shown on the summary below.

	<u>Average Annual No. of Accounts</u>	<u>Percent to Total</u>	<u>ERCs</u>	<u>Percent to Total</u>
Residential Single-Family	10,885	83%	11,489	55%
Residential Master-metered	564	5%	2,816	14%
Commercial	1,197	9%	5,184	25%
Irrigation	401	3%	1,236	6%
Total	<u>13,047</u>	<u>100.00%</u>	<u>20,725</u>	<u>100.00%</u>

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With respect to the wastewater system, the projected customer account and billed flow statistics has reflected similar trends as discussed for the water system. The following table provides a summary of the projected wastewater system customer billing statistics:

<b>Projected Customer Accounts and Statistics – Wastewater System [1]</b>						
Fiscal Year Ending September 30, [1]	Average Annual Wastewater Accounts	Average Annual ERCs [2]	Billed Retail Wastewater Flow (000s Gallons)	Billed Wholesale Wastewater Flow (000s Gallons)	Total Billed Wastewater Flow (000s Gallons)	Average Monthly Retail Wastewater Flow Billed per ERC [3]
2016 (Actual)	12,580	18,060	1,439,943	82,304	1,522,247	6,644
2017 (Actual)	12,580	18,060	1,461,875	79,594	1,541,469	6,745
2018	12,712	18,192	1,440,678	79,594	1,520,272	6,599
2019	12,779	18,259	1,448,643	79,594	1,528,237	6,612
2020	12,844	18,324	1,455,978	79,594	1,535,572	6,621
2021	12,884	18,364	1,461,600	79,594	1,541,194	6,633
2022	12,909	18,389	1,463,355	79,594	1,542,949	6,631
2023	12,911	18,391	1,463,495	79,594	1,543,089	6,631
Average Annual Projected Growth Rate [4]	<u>0.37%</u>	<u>0.26%</u>	<u>0.23%</u>	<u>(0.48%)</u>	<u>0.19%</u>	<u>(0.07%)</u>

ERC = Equivalent Residential Connection and equates to the average capacity allocated to/associated with serving a single-family residential customer.

[1] Amounts shown derived from Table 2.

[2] For purposes of this presentation, ERCs were determined based on information published by American Water Works Association (AWWA), which is used by utilities, including the District, for the determination of rates among customer class (by meter size).

[3] Wastewater billed flows are capped at 10,000 gallons per month for residential customers and are intended to reflect indoor use and not irrigation service (discretionary use).

[4] Projected growth rate from Fiscal Year 2016 to Fiscal Year 2023.

As can be seen above, the forecast for the wastewater system customers and demands followed the same trends and previously presented for the water system since the majority of the new development anticipated by the District will receive both water and wastewater service. For billing purposes, wastewater charges are determined from the quantity of monthly metered water sales since wastewater flows are not metered at the customer level. While all metered water flows are billed as wastewater flows for the commercial customers, the residential customers receive the benefit of a billing cap or limit equal to 10,000 gallons (per ERC) per month. This assumes, unlike commercial, that not all residential water use is returned to the wastewater collection system for treatment (e.g., landscape irrigation, car washing, etc.). As a result, billed wastewater flows are less variable than water flows that include outdoor use, which is affected by weather and/or other factors / use. Billed wastewater flows generally tend to track more closely to the growth in customer accounts and to a lesser degree the amount of overall water use.

In addition to providing wastewater service to retail customers, the District currently provides wholesale wastewater service to the Town of Mangonia Park (the "Town") pursuant to the Agreement between the District and the Town of Mangonia Park, Florida, for Provision of Water Service (the "Town Utility Agreement"). The Town Utility Agreement became effective on March 5, 2008 and provides, among other things, the responsibilities of the parties, the rates for service, and the term for service that was initially established for ten (10) years and which shall automatically be renewed for an additional term of ten (10) years unless either party provides



notice to the other of its intention not to renew the Agreement within twelve (12) months prior to the expiration of the original term. Based on discussions with the District, the Town Utility Agreement also provides for the ability to deliver wholesale wastewater service that is being provided by the District to the Town on a full requirements basis. It should be noted that the Town Utility Agreement does allow for the provision of wholesale water service but such sales are more on an emergency basis and no sales were assumed for the Forecast Period.

The wastewater customer statistical projections shown on the above table served as the basis for the projection of revenues derived from monthly water user charges for the Forecast Period reflected in the Report.

The Wastewater System customer base consists primarily of single-family residential customers. As shown in the following table, this class accounted for approximately 82% of the total estimated accounts served by the Water System during the estimated Fiscal Year 2017. The number of ERCs served by the Water System for the same period was approximately 60% greater than the accounts served as shown on the summary below.

	Average Annual No. of Accounts	Percent to Total	ERCs	Percent to Total
Residential Single-Family	10,338	82.00%	10,853	60.00%
Residential Master-metered	1,108	9.00%	2,523	14.00%
Commercial	1,133	9.00%	4,683	26.00%
Total	12,579	100.00%	18,059	100.00%

[\*] Amounts shown do not include the Town of Mangonia Park

### **Projected Revenues**

The revenue forecast was based on: i) review of historical trends in revenues; ii) Fiscal Year 2018 operating budget; iii) year-to-date operating results for Fiscal Year 2018; iv) customer and demand forecast as previously discussed; v) assumed implementation of adopted and identified rate adjustments; and vi) discussions with District staff. The revenue forecast can be categorized into three (3) primary groups of revenues including: i) monthly service charges to retail and wholesale customers (i.e., "rate revenues"); ii) growth related revenues (i.e., Impact fees); and iii) other revenues (miscellaneous fees, charges, and interest income). Rate revenues from monthly service comprise the majority or approximately 97% of the total projected Utility revenues.

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Projected Utility Revenues from Adopted Rates and Fees

Fiscal Year	Approved Rate Adjustment [1]		Water Service [2]	Wastewater Service	Wholesale Service	Impact Fee Revenues	Other Revenues [3]	Total Revenues
	Water	Sewer						
2018	3.05%	11.98%	\$14,914,636	\$9,585,055	\$435,010	\$262,553	\$503,097	\$25,700,350
2019	3.05%	8.79%	15,419,493	10,452,736	572,491	262,553	523,989	27,231,261
2020	0.00%	0.00%	15,473,648	10,471,616	528,714	220,477	542,811	27,237,267
2021	0.00%	0.00%	15,517,071	10,507,866	480,958	180,084	564,887	27,250,866
2022	0.00%	0.00%	15,530,258	10,517,672	469,815	42,076	568,518	27,128,338
2023	0.00%	0.00%	15,475,488	10,463,723	476,182	3,366	551,968	26,970,727
Growth Rate			0.74%	1.77%	1.83%	(58.16%)	1.87%	0.97%

[1] Percentage rate adjustments as adopted by the District Board and derived from the Rate Resolution; the Fiscal Year 2018 rates have been implemented by the District.

[2] Amounts shown include water and irrigation revenue.

[3] Amounts shown include non-operating revenues associated with meter connect fees, hydrant rentals, late payments, other miscellaneous non-operating revenues, and interest income.

**FORECAST OF EXPENDITURES**

The expenditure forecast can be categorized into three primary groups of expenditures: operation and maintenance (operating) expenses, capital funding and debt service. Presently, operating expenses account for the majority or approximately 68% of the total requirements to be funded from rate revenues. The annual transfers to fund ongoing capital re-investment for Utility renewals, replacements, and betterments account for 15% of the total revenue requirements. The payment of existing and proposed debt service for bonds issued to provide for additional capital financing account for the remaining or 17% of the requirements funded from rate revenues. The following is a discussion of the basis for the projections of these expenditure components for the Forecast Period.

**Operating Expenses**

The forecast of operating expenses was developed based upon: i) a review of the recent trends in historical expenses; ii) the District Adopted Fiscal Year Operating 2018 Budget (the "2018 Budget"); iii) assumed Utility growth in customers served and water produced / wastewater treated; iv) various cost indices based on recent industry trends as reported by the Bureau of Labor Statistics and others; v) projections of inflation published by the Congressional Budget Office as reported in *The Economic and Budget Outlook* dated November 2017; and vi) discussions with the District staff.

The 2018 Budget served as the basis for the expenditure projections and the underlying projections included therein by the District appear reasonable and have been assumed to reflect anticipated operations. The 2018 Budget recognizes anticipated changes by System management in operations and costs based on known events, trends, and actual historical financial results. The projections, as adjusted for known or anticipated changes, are considered as being reasonable based on comparisons to recent historical operating results and overall System financial needs. Such amounts were incorporated into the Fiscal Year 2018 component of the Forecast Period.

Projected operations and maintenance expenses associated with operation of the System have been escalated above estimated Fiscal Year 2018 levels based upon several assumptions and the nature of the expense. Such amounts were projected based on a variety of escalation parameters

respective of the specific cost to provide service. These projected operation and maintenance expenses shown in more detail on Tables 3 through 7 were escalated for the Forecast Period as follows:

1. Based on discussions with the District, the escalation of wages and salaries above Fiscal Year 2018 amounts was increased by approximately 3.5% annually to reflect increases due to inflation and allowances for salary adjustments such as merit increases and cost of living adjustments. No additional personnel were assumed to be added above the budgeted Fiscal Year 2018 personnel requirements during the Forecast Period, based on discussions with the District. Personnel benefits (i.e., contributions toward retirement, health insurance, FICA, etc.) were projected to remain at the same percentage relationship to total salaries as was reflected in the Fiscal Year 2018 Budget, with the exception of medical insurance, based on discussions with the District staff. The cost of medical insurance was increased above the Fiscal Year 2018 Budget amounts by approximately 5.0% annually to reflect recent trends in the escalation of such costs being incurred by the District.
2. Materials and supplies expenses, other contractual services expenses, repair and maintenance expenses, and certain other operating expenses have been projected to increase in general from historical and current budgetary levels at an annual rate equal to inflation ranging from 1.0 to 5.0% based on the nature of the expenditure and historical trends in costs. Reference is made to Table 3 for a summary of the annual escalation factors assumed in developing the operating expense forecast as shown on Tables 4, 6, and 7 at the end of this Report.
3. Current period Water and Sewer System electrical expenses were increased during the Forecast Period by a general or base inflation allowance of 2.40% based on twenty-year average change in the Consumer Price Index for All Urban Consumers for Electricity (CUSR0000SEFH01) as published by the *Bureau of Labor Statistics* as of November 2017 plus an allowance for System growth and any additional approved rate adjustments announced by Florida Power and Light Company, the District's energy provider. Based on these assumptions, the increase in Water System electric expenses was projected to average approximately 2.6% annual after Fiscal Year 2018 for the Forecast Period.

The same assumptions were used in the projection of wastewater electric expenses for the Sewer System and based on these assumptions, the increase in Sewer System electric expenses was projected to average approximately 2.7% annual after Fiscal Year 2018 for the Forecast Period

4. Current period Water and Sewer System chemical expenses were increased during the Forecast Period by a general or base inflation allowance of 3.72% based on twenty-year average change in the Consumer Price Index for All Urban Consumers for Industrial Chemicals (WPU061) as published by the *Bureau of Labor Statistics* as of November 2017 plus an allowance for System growth. Based on these assumptions, the increase in Water System chemical expenses was projected to average approximately 3.9% annual after Fiscal Year 2018 for the Forecast Period.

The same assumptions were used in the projection of wastewater chemical expenses for the Sewer System and based on these assumptions, the increase in Sewer System chemical expenses was projected to average approximately 4.0% annual after Fiscal Year 2018 for the Forecast Period

5. A contingency allowance of ten-percent (10.00%) of total operating expenses was recognized in each fiscal year of the Forecast Period beginning in Fiscal Year 2018. The allowance has been included to recognize unknown or unplanned expenditures that may occur throughout the fiscal year and to recognize potential changes in the revenues that may occur due to weather, conservation, and other factors. It should be noted that the 2018 Budget did include a contingency allowance approximating approximately \$3.2 million. The adjusted contingency expense recognized in the Revenue Sufficiency averaged approximately \$1.73 million annually for the Forecast Period.
6. An allowance for bad debt expense has been made to recognize a certain amount of revenues that will be considered as uncollectible and written off throughout the year. A bad debt ratio estimated at 1.50% of sales revenues was subsequently applied to the level of sales revenues projected for the Forecast Period to estimate the amount of expense to recognize. The projected level of bad debt expense is estimated to average \$421,000 annually over the Forecast Period.
7. Although considered a System operating expense for financial reporting purposes, depreciation and amortization expenses have not been recognized as an operation and maintenance expense consistent with the provisions of the Bond Resolution since such amounts represent non-cash expenses. The financial analysis does recognize the annual funding for capital improvements (capital re-investment from rates), which is discussed later in the Report.
8. The operating expense projections include the recognition of the expenses associated with the implementation of Governmental Accounting Standards Board 68 – Accounting and Financial Reporting for Pensions (GASB 68). The forecast includes: i) the payment of the debt service on the Taxable Public Improvement Revenue Bonds, Series 2015 issued by the City to fund, among other things, the actuarial accrued liability of the City's General Employees Retirement System, which included the operation of the Utility, and ii) estimated annual employer (City) contributions that represent current period payments, which are included as a component of the administrative cost allocation charges to the District. Based on these assumptions, the average annual expense recognized for the funding of the defined benefit contributions by the District or the Forecast Period was \$772,000. It should be noted that to the extent a greater funding requirement is identified by the District, the financial forecast does include a contingency allowance for potential changes in expenses above projected amounts, including but not limited to, the financial reporting effects associated with the recognition of GASB 68.
9. Included as a Contractual Services expense for the Fiscal Year 2019 is the recognition of approximately \$500,000 for on-time legal expenses. Based on discussions with District staff concerning a pending lawsuit with a utility contractor, it has assumed that the District may incur legal costs associated with the District's defense in such lawsuit in Fiscal Year

2019. These costs were assumed to not be reimbursed from any settlement to the case, will not be recurring in future periods, and would be considered as an extraordinary expense as compared to the expenses typically incurred by the District for contractual and professional services associated with normal or general operations.

10. Pursuant to Resolution No. 14-14UD adopted by the District Board on July 14, 2014, the District approved a policy to provide for the payment-in-lieu-of-taxes ("PILOT") from System revenues (the "PILOT Resolution"). Pursuant to the terms of the PILOT Resolution, the payment shall be equal to six percent (6%) of the gross revenues derived from the monthly water and wastewater base and commodity rates (charges for services). Although considered as an operating expense for financial reporting purposes, the payment of the PILOT shall be made after the deposits to all other funds and accounts established by the Bond Resolution have been made. For the Forecast Period, it was assumed that the PILOT payment: i) made by the District to the City would be continued; ii) would be maintained at a rate of six percent (6%); and iii) would be applied to the rate revenues based on the approved and proposed rates, as adopted by the Board or as recommended pursuant to the Revenue Sufficiency Study. For the Forecast Period, the PILOT averaged approximately \$1.74 million and was considered a required transfer from the System.

One of the single largest operating expenses of the System is associated with the contracted wastewater treatment services through the ECRWRF. This expense accounts for approximately 16% of the total operating expenses of the System and the District has little control over the annual expense from the operation, maintenance, and replacement of the treatment plant facilities. The operation of the ECRWRF is governed by the ECR Board whose members include the City of West Palm Beach, the City of Lake Worth, the City of Riviera Beach, the Town of Palm Beach, and Palm Beach County (the "Entities"). The mission of the ECR Board is to operate and maintain the wastewater treatment and disposal facility in a cost-effective, reliable, and safe manner, which meets all Federal, State, and local permits and regulations. The District currently receives all of its wastewater treatment capacity and needs from the ECRWRF pursuant to an Interlocal Agreement Establishing Duties and Responsibilities among the Entities for the Operation of the East Central Regional Wastewater Treatment Facilities dated September 9, 1992 (the "Interlocal Agreement"). Currently the ECRWRF has a permitted treatment capacity of 70.0 million gallons per day ("MGD"); the City's capacity entitlement in the facility (on behalf of the District) is currently 8.0 MGD, which equates to 11.4286% of the total wastewater treatment capacity. It is not expected that the District-allocated capacity entitlement in the ECRWRF will change during the Forecast Period.

The forecast of the operating expenditures for the ECRWRF was based on the following assumptions:

1. The estimate in net operations and maintenance expenses for the ECRWRF were based on the Fiscal Year 2018 ECRWRF operating budget as approved by the ECR Board. The Fiscal Year 2018 expenses were: i) escalated during the Forecast Period based on industry trends in such costs and projections of inflation as previously discussed for the District's Utility (e.g., inflation); ii) adjusted for known changes in operations associated with the biosolids disposal improvement project, which is currently underway at the ECRWRF; iii) adjusted to recognize changes in the amount of wastewater treated from the Entities;

and iv) the recognition of a contingency allowance estimated at 3.0% of the estimated operating expenses for the facility to account for unknown expenses or regulatory changes that may occur from time to time. The net operating and maintenance expenses for the ECRWRF are billed to the Entities based on the proportionality of each Entity's annual wastewater flow contribution in comparison to the total annual wastewater treated at the ECRWRF.

2. The cost of the repayment of debt on financed facilities is also included as a component of the cost of wastewater treatment and billed in the same manner as operating and maintenance expenses (Item No. 1 above). The ECR Board has issued utility system revenue bonds to finance capital improvements to the System. As of October 1, 2017, the ECR Board had outstanding in the aggregate principal amount of \$112,000,000 in ECRWRF bonds, which will be funded from the charges for service by the ECR Board; no additional bonds are assumed to be required for the financing of capital improvements to the ECRWRF during the Forecast Period based on discussions with the City of West Palm Beach, the administrator and operator of the ECRWRF (the "Administrator"). Based on the debt repayment schedules for each series of bonds outstanding, the annual debt service included in the determination of the wastewater charges for service to the Entities by the ECR Board is approximately \$9,170,000 annually.
3. During Fiscal Year 2018 and based on discussions with the Administrator, it is anticipated that the ECRWRF will continue to incur additional contractual services expense associated with the operation of mobile centrifuges to handle biosolids dewatering requirements during the construction of the Biosolids Improvement Project (a capital project funded from bond proceeds). Based on discussions with the Administrator, it has been assumed that starting in Fiscal Year 2019, these mobile centrifuges will no longer be required and the operating expenses related to the mobile centrifuge operation will be reduced from \$2,040,000 (cost anticipated to be incurred for the Fiscal Year 2018) to approximately \$60,000 (Fiscal Year 2019 to operate and maintain the permanent centrifuges). The Fiscal Year 2019 expense has been escalated for inflation throughout the remainder of the Forecast Period.
4. As mentioned above, it is anticipated by the Administrator that beginning in 2019 the ECR Board will begin to operate permanent centrifuges as part of the biosolids disposal process, based on discussions with ECRWRF staff, it has been assumed that the ECRWRF will recognize increased chemical costs associated with the operation of such facilities. This additional cost was estimated to be approximately \$60,000 for Fiscal Year 2019 based on discussions with the Administrator and was escalated for inflation for the remainder of the Forecast Period.
5. Pursuant to Resolution No. 07-12 adopted by the ECR Board on September 12, 2012, as amended by Resolution No. 03-13 adopted by the ECR Board on April 10, 2013 (collectively, the "Master Resolution"), as amended from time to time by resolutions adopted for the issuance of additional parity bonds (collectively, the "ECR Resolution"), the ECR Board shall transfer to the Operating and Catastrophic Reserve Fund any funds available after the payment of expenses and required transfers to provide reserves for any unknown expenditures or funding needs of the operation of the ECRWRF. The ECR Board

adopted Resolution No. 02-12 on July 11, 2012, which was a financial policy that provided, among other things, a maximum targeted fund reserve of \$5,000,000 to be deposited in the fund through the annual ECR Board budget process. Based on discussions with the Administrator, \$1.5 million is anticipated to be disbursed from the fund for certain one-time expenditures (not included as an operating expense) and is anticipated to be replenished over an approximate 24-month period ending March 2020 to reestablish the maximum targeted fund reserve balance. These additional funding requirements have been recognized in the determination of the ECRWRF wastewater charges that would be billed the Entities, including the District.

6. The District's portion of the ECRWRF operations and maintenances expenses, debt service charges, and the funding of deposits to the Operating and Catastrophic Reserve Fund is based on the percentage of the District's annual flow contributed to the ECRWRF in proportion to the total Entities flow delivered or treated at the ECRWRF. Throughout the Forecast Period, the average amount of flow attributable to the District's wastewater service area was estimated to be approximately 12.1% annually (approximately 5.2 MGD) of the Entities flow delivered to the facility. This flow contribution percentage is consistent with previous years flow relationships, however, it should be noted this percentage can vary based on the wastewater characteristics of the other Entities and the corresponding flow delivered to the ECRWRF.
7. In addition to the operations and maintenance expenses for the ECRWRF, each Entity pays a portion of the ECRWRF's funding for renewals and replacements to the ECRWRF. This transfer is set annually by the ECR Board in order to provide sufficient funding for the identified capital improvements at the ECRWRF facilities. Pursuant to the Interlocal Agreement, as amended from time to time, this annual transfer cannot be less than 1.0% of the estimated ECRWRF's replacement utility plant value. The transfer is based on a percentage of the estimated replacement utility plant value, ranging during the Forecast Period from 2.00% to 5.60%. The fund deposit is allocated to the Entities based on the capacity entitlement of each Entity in comparison to the total facility capacity. As previously mentioned, the District's current capacity entitlement of 8.0 MGD equates to 11.4286% of the total ECRWRF capacity of 70.0 MGD.

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The following table presents the forecast of operating expenses based on the assumptions discussed above:

Description	Projected Operating Expenses [1]						Annual Average Growth Rate [2]
	Fiscal Year Ending September 30,						
	2018	2019	2020	2021	2022	2023	
Personnel Services	\$4,373,165	\$4,534,378	\$4,701,644	\$4,875,193	\$5,055,266	\$5,242,114	3.69%
Contract Services, Materials, and Supplies	4,977,458	5,659,116	5,346,881	5,549,560	5,749,450	5,963,551	3.68%
ECRWRP	3,167,217	3,053,046	3,099,224	3,133,589	3,216,923	3,296,295	0.80%
Utilities/Electricity	700,447	720,468	740,833	761,079	780,307	799,669	2.68%
Repairs and Maintenance	598,220	616,167	637,732	663,242	693,088	727,742	4.00%
Insurance	506,304	531,619	558,200	586,110	615,416	646,186	5.00%
Other [3]	149,093	152,456	156,062	159,782	163,622	167,588	2.37%
Payment-in-Lieu-of-Taxes	1,600,391	1,565,193	1,642,366	1,724,695	1,808,229	1,887,457	3.35%
Contingency	1,644,275	1,722,374	1,729,353	1,788,442	1,853,436	1,920,247	3.15%
Bad Debt Expense	370,451	391,298	410,592	431,174	452,057	471,864	4.96%
<b>Total Operating Expenses</b>	<b>\$18,087,020</b>	<b>\$18,946,115</b>	<b>\$19,022,887</b>	<b>\$19,672,866</b>	<b>\$20,387,792</b>	<b>\$21,122,714</b>	<b>3.15%</b>

[1] As shown on Tables 6 and 7 at the end of this Report.

[2] Growth rate shown calculated based on the change in expense from Fiscal Year 2018 to Fiscal Year 2023.

[3] Other expenses include, Communication, Postage, Advertising, Rentals and other expense items budgeted by the District.

As can be seen above operating expenses are projected to increase by an average growth rate in total by 3.15% per year. For additional detail concerning the forecast of operating expenses, please reference Tables 6 and 7 at the end of this Report.

### **Capital Improvement Plan**

Capital reinvestment and funding is integral to the continuity and quality of service delivered to the District's customers. These expenditures, coupled with the need to meet increased regulation and growth requirements of the Utility, contributed to the CIP. The capital costs of the Utility were based on the current capital improvement plan as developed by District staff for the Forecast Period. Table 8 provides a summary of the capital improvement plan for the Forecast Period, which totals approximately \$119.6 million. In the development of the Utility capital plan, certain capital projects were adjusted for inflation to project the estimated capital costs assumed to be incurred at time of construction. The primary capital expenditures as shown on Table 8, include the following:

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**Summary of Primary Capital Projects [1]**

Description	Estimated Project Cost	Construction Period
<b>Water System</b>		
Water Treatment Plant (WTP) Disinfection	\$4,500,000	2018
Replace WTP Generators and Switchgear	2,100,000	2018 – 2020
Replace WTP Lime Slakers	3,100,000	2018 – 2020
Inspection / Replacement of Subaqueous Water Mains	4,550,000	2018 – 2022
Complete Refurbish Water Treatment Plant	51,850,000	2022 – 2023
<b>Wastewater System</b>		
Lift Station No. 47 Rehabilitation	\$4,300,000	2018 – 2020
Parallel Intracoastal Sewer Force Main	7,000,000	2018 – 2021
Lift Station Rehabilitation – Phases I and II	4,070,000	Ongoing, All Years

[1] Amounts shown derived from Table 8 at end of this Report.

The revenue sufficiency analysis assumes that the identified Utility capital plan is fully funded based on an appropriations basis; the funds are available to fully fund the program. In the development of the capital funding plan, the following process was recognized:

1. Use of available reserves available and allocable to the capital program, including unspent proceeds from previously issued bonds by the District, funds on deposit in the Renewal and Replacement Fund (as discussed later in this Report), and impact fee funds recovered from new growth and allocable to expansion-related projects.
2. Use of grant funds and developer contributions to the extent they are available to the District and considered as being reliable; for the purposes of this study no grant funds or contributions were assumed.
3. Use of annual deposits anticipated to be derived from future operations as presented in the financial forecast. This is considered as pay-as-you-go funding and tends to reduce the need for future borrowing and allow the District more flexibility regarding the use of debt to fund the future capital expenditures.
4. Use of additional debt to fund the capital projects where current available funds are not available; the objective being to delay the debt as long as possible to establish a strong pay-as-you-go program and avoid the cost of carry (interest) on such debt.

Based on the provisions of the Bond Resolution that authorized the issuance of the District's Outstanding Bonds, the District is required to establish and maintain a Renewal and Replacement Fund (the "R&R Fund"). The purpose of the R&R Fund is to provide moneys for the purpose of paying the cost of the replacement of capital assets or repairs and maintenance items of a type not recurring annually or at shorter intervals of the System. As defined in the Bond Resolution, the District shall deposit into the R&R Fund an amount equal to 5.0% of the Gross Revenues received by the System in the immediately preceding Fiscal Year or such greater or lesser amount as determined by the Consultant (as defined in the Bond Resolution) (the "R&R Fund Requirement"). The deposit is required annually but if the funds on deposit in the R&R Fund exceed the R&R Fund Requirement, such excess funds (assuming no deficiencies in the Debt

Service or Reserve Fund exists) may be deposited into the Revenue Fund or the General Reserve and Surplus Fund as determined by the District Board. The District has annually made deposits to the R&R Fund equivalent to the R&R Fund Requirement equal to 5.0% of the Gross Revenues received by the System in the immediately preceding Fiscal Year; as of the date of this Report the District has not had a Consultant certify a minimum amount different from what is currently recognized in the Bond Resolution. For the purposes of developing the financial forecast (capital funding analysis) and based on current District practices: i) an annual deposit to the R&R Fund equal to the annual deposit requirement as identified in the Bond Resolution has been recognized; and ii) additional deposits above such required deposit was further recognized in the financial forecast to increase the level of capital funding from annual operations (i.e., rates) to promote capital re-investment and capital program flexibility.

The following is a summary of the estimated transfers to the R&R Fund recognized during the Forecast Period:

<b>Assumed Renewal and Replacement Fund Transfers during Forecast Period</b>			
<b>Fiscal Year</b>	<b>Annual Deposit from System Operations</b>		<b>Total Recognized Deposit</b>
	<b>Deposit Equal to R&amp;R Fund Requirement [1]</b>	<b>Additional Deposit</b>	
		<b>Recognized in Financial Forecast [2]</b>	
2018	\$1,210,602	\$418,874	\$1,629,476
2019	1,259,991	755,994	2,015,985
2020	1,330,527	1,064,421	2,394,948
2021	1,395,779	1,395,779	2,791,558
2022	1,465,490	1,905,137	3,370,627
2023	1,535,283	2,302,924	3,838,207

[1] Represents deposit equal to 5.0% of the Gross Revenues received form immediately preceding Fiscal Year pursuant to the Bond Resolution. Amounts do not include deposits to the ECR Renewal and Replacement Fund, which was discussed earlier in this section.

[2] Amounts shown represent additional deposits such that by the end of the Forecast Period the average deposit rate is equal to 12.5% of the Gross Revenues received from the immediately preceding Fiscal Year to increase capital re-investment from System revenues.

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The table below provides a summary of the capital expenditures by utility-type and corresponding estimated sources of funding:

**Six-Year Capital Improvement Program Summary of Projects and Funding Sources**

	Fiscal Year Ending September 30, [1]						
	2018	2019	2020	2021	2022	2023	Total
<b>Capital Projects:</b>							
Water System	\$9,746,156	\$10,958,052	\$12,956,116	\$3,924,685	\$19,422,964	\$39,043,327	\$96,051,299
Wastewater System	3,892,964	5,308,303	6,029,739	5,487,875	1,422,501	1,396,093	23,537,476
<b>Total System Capital Projects</b>	<u>\$13,639,120</u>	<u>\$16,266,355</u>	<u>\$18,985,855</u>	<u>\$9,412,560</u>	<u>\$20,845,465</u>	<u>\$40,439,420</u>	<u>\$119,588,775</u>
<b>Funding Sources:</b>							
Rate Revenues [2]	\$485,500	\$490,355	\$490,355	\$495,210	\$500,065	\$504,920	\$2,966,405
Revenue Fund [3]	1,000,000	1,000,000	1,000,000	612,000	15,450,000	2,000,000	21,062,000
Impact Fee Fund	353,620	500,000	0	0	0	0	853,620
Renewal and Replacement Fund [4]	2,950,000	3,910,000	3,795,500	2,205,350	3,295,400	4,434,500	20,590,750
Series 2016 Construction Fund [5]	8,850,000	10,366,000	13,700,000	6,100,000	1,600,000	100,000	40,716,000
Series 2023 Bonds [6]	0	0	0	0	0	33,400,000	33,400,000
<b>Total Estimated Funding Sources</b>	<u>\$13,639,120</u>	<u>\$16,266,355</u>	<u>\$18,985,855</u>	<u>\$9,412,560</u>	<u>\$20,845,465</u>	<u>\$40,439,420</u>	<u>\$119,588,775</u>

- [1] Amounts shown derived from Table 8 at end of Report and reflect when funding projected to be required and may be different from when funds are actually expended through project completion. Amounts include current available funds on deposit in such funds, as well as future anticipated deposits to such funds.
- [2] Amounts shown for funding of annually recurring budgetary or departmental capital, which consists of vehicles, equipment, furniture, computers, and other related general plant and appurtenances.
- [3] Amounts shown reflect accumulated reserves and funds not appropriated to other projects or allocated to minimum working capital balances.
- [4] The R&R Fund is a capital fund established by the Bond Resolution; amounts shown derived from annual deposits made to the R&R Fund from annual operations and are essentially dedicated to funding ongoing renewals, replacements, upgrades and betterments of the Utility infrastructure.
- [5] Amounts shown reflect funds on deposit in the Construction Fund as established by the Bond Resolution and funded from proceeds associated with the issuance of the Series 2016 Bonds.
- [6] Amounts shown reflect the issuance of additional bonds to finance a portion of the capital plan; such bonds were assumed to be issued on parity (in accordance with the terms and conditions of the Bond Resolution) for the purposes of the development of the financial plan presented in this Revenue Sufficiency Study.

As can be seen on the above table and as shown in greater detail in Table 8 at the end of this Report, the majority (approximately 62%) of the funding of the capital improvement plan will be from available proceeds associated with the issuance of the Series 2016 Bonds and an anticipated parity bond debt funding assumed to be issued to refurbish the existing water treatment facilities in the latter part of the Forecast Period. The funding plan does include the use of internal capital derived from operations and reserves, which accounts for approximately 38% of the funding requirements.

The District is currently working with its consulting engineers to develop an estimate of the probable costs and timing of need associated with the refurbishment of the water treatment facilities; such estimates were not available to PRMG at the time of this Report. In order to include the potential effects of these capital expenditures in the financial forecast presented in this Report, estimate capital expenditure allowance for the refurbishment project in the amount of \$51,850,000 was assumed based on discussions with District staff. It should be noted that should the actual cost of the water treatment facilities refurbishment be greater than the amount assumed in this Report, the District would need to re-evaluate its financial position to determine if the project could be funded under the then current conditions. Furthermore it should be noted that the CIP is a planning document, which is presented on an appropriations basis, and the

timing and completion of projects are subject to changes or delays. As a result, it is recommended that staff continue to annually re-evaluate the financial forecast and the need for adopted or additionally identified rate adjustments.

**Debt Service**

As previously mentioned, the District issued the Outstanding Bonds pursuant to the Bond Resolution for the purpose of initially acquiring the utility assets and establishing the District and to fund additional capital expenditures to the Utility. The terms and repayment requirements for the Outstanding Bonds include the following:

<b>Summary of Outstanding Bonds [1]</b>			
Bond Series	Principal Outstanding as of October 1, 2017	Maturity Date (Last Payment)	Average Annual Debt Payment during Forecast Period [2]
Series 2014 Bonds	\$20,385,000	Oct.1,2035	\$1,770,200
Series 2016 Bonds	33,205,000	Oct.1,2037	2,541,500
Totals	<u>\$53,590,000</u>		<u>4,311,700</u>

- [1] Represents bonds issued pursuant to the Bond Resolution and have a senior lien on the Pledged Funds as defined in the Bond Resolution (essentially rate revenues of the Utility).
- [2] Annual debt payments based on when deposits must be made to the Debt Service Sinking Fund from rates as required by the Bond Resolution (an accrued basis) and not when the actual payments are made to the investors of the Outstanding Bonds.

In addition to the Outstanding Bonds and coincident with the acquisition and transfer of the City's water and wastewater utility system to the District in 2004, the District assumed the then outstanding debt associated with the acquisition by the City of the Consolidated Utility Company, a privately-owned water and wastewater system. The City initially entered into "Agreement of Purchase and Sale" on September 16, 1987 with Consolidated Utility Company and to finance the acquisition issued debt, which is now an obligation of the District, Based on discussions with the District, this obligation is considered as being subordinate to the Outstanding Bonds (the "Subordinated Indebtedness"). As of October 1, 2017, the principal amount outstanding was \$514,053. The payments are made on a monthly basis on a level debt repayment basis with the debt maturing September 2022; the annual payments are \$138,543. No additional or future Subordinated Indebtedness was assumed to be issued by the District during the Forecast Period.

In addition to the Outstanding Bonds, the financial forecast assumes that the District will need to issue additional debt during the Forecast Period in order to provide funding for the refurbishment of the District's water treatment facilities beginning in Fiscal Year 2023. Based on information provided by the District, it as was assumed that the total cost of the water treatment facilities refurbishment will be approximately \$51,850,000 (adjusted for inflation on the cost of construction since the facility is proposed to be constructed at the end of the Forecast Period). Based on the operating results and funds availability based on the results of the financial analysis included in this Report, it is estimated that the District will need to fund approximately \$33,400,000 of the total project costs from the issuance additional indebtedness. Specifically, it

was assumed that the District would issue additional bonds on a parity basis (same seniority of payment status) with the Outstanding Bonds (the additional parity bonds referred to as the Water and Sewer Revenue Bonds, Series 2023 (the "Series 2023 Bonds"). For the purposes of this Report, PRMG relied on the following assumptions as discussed with District staff in the development of the debt service assumed for the Series 2023 Bonds: i) a total construction fund deposit of approximately \$33,400,000; ii) issuance costs of approximately \$1,366,276; iii) an issuance date of April 1, 2023; iv) an average annual interest rate of approximately 6.0%, which recognizes no requirement to fund a debt service reserve allowance for the Series 2023 Bonds; v) a thirty (30) year repayment schedule; and vi) a level annual debt service payment of approximately \$2,526,000. It should be noted that at the time of issuance of the additional parity bonds, it is recommended that the District would consult with its Financial Advisor relative to the timing, structure, and sale of such additional bonds and if market conditions are different as compared to the estimates assumed in the development of the financial forecast, the District may need to re-evaluate the level of rates in effect at the time of issuance to determine if the Net Revenues derived from operations will be considered sufficient to meet the Utility revenue requirements and meet the covenants required to issue the Series 2023 Bonds.

### **PRINCIPAL RATE FINDINGS**

Based on the assumptions of the revenue and expenditure forecast, the net revenue requirements and recommended Utility rate adjustments by utility system was developed. The following is a presentation of the proposed rates for service that are recommended to fully fund i) the identified operating expenses and transfer requirements; ii) the capital improvement plan, including ongoing budgetary or departmental capital for recurring needs; iii) the projected debt service requirements on the Outstanding Bonds and additional parity bonds issued in support of the capital improvement financing plan; iv) the payment of Subordinated Indebtedness; v) an increased level of capital re-investment (i.e., deposits to the Renewal and Replacement Fund or an equivalent capital-related fund) to improve cost recovery and to limit the need for future indebtedness; vi) meet the rate covenant requirements as delineated in the Bond Resolution and to promote the financial creditworthiness of the Utility to allow for the ability to secure external financing (e.g., bonds) to fund future capital improvements; and vii) provide for rate adjustments that are level and that do not result in rate shock, which may happen if a single large adjustment in rates is required. The following is a presentation of the net revenue requirements and proposed rate adjustments for each utility system that were identified based on the above referenced rate objectives:

#### **Net Revenue Requirements – Water System**

The Net Revenue Requirements of the water system are presented on Table 9 and are shown below and were based upon: i) the customer forecast identified herein; ii) the existing and adopted rates for service; iii) the operating expense and utility transfer assumptions as delineated above; iv) the water system-related capital improvement plan as identified by the District and funding analysis assumed herein; and v) the rate covenants as defined in the Bond Resolution, all as discussed throughout this Report. The purpose of the development of the Net Revenue Requirements is to determine the required level of revenue from monthly user rates necessary to meet the financial obligations of the Water System.

Summarized below are the projected Net Revenue Requirements and overall recommended rate adjustments for the Water System:

<b>Projected Water System Net Revenue Requirements</b>						
Description	Fiscal Year Ending September 30,					
	2018	2019	2020	2021	2022	2023
Total Operating and Maintenance Expenses	\$11,336,321	\$12,031,560	\$12,099,755	\$12,567,421	\$13,047,205	\$13,544,955
Other Revenue Requirements:						
Existing Debt Service Payments	\$2,959,428	\$2,960,794	\$2,964,124	\$2,964,291	\$2,960,264	\$2,875,837
Proposed Debt Service Payments	0	0	0	0	0	1,263,001
Capital Funded From Rate Revenues	335,148	338,499	338,499	341,851	345,202	348,554
Transfers to R&R Fund	1,091,749	1,350,710	1,604,615	1,870,344	2,258,320	2,571,599
Total Other Revenue Requirements	<u>\$4,386,325</u>	<u>\$4,650,003</u>	<u>\$4,907,239</u>	<u>\$5,176,485</u>	<u>\$5,563,786</u>	<u>\$7,058,991</u>
Gross Revenue Requirements	\$15,722,646	\$16,681,563	\$17,006,994	\$17,743,907	\$18,610,992	\$20,603,945
Less Income from Other Sources:						
Other Revenues	\$350,314	\$354,928	\$359,729	\$364,423	\$369,084	\$373,856
Interest Income	20,852	28,142	34,253	42,081	40,717	29,181
Net Revenue Requirements	<u>\$15,351,480</u>	<u>\$16,298,493</u>	<u>\$16,613,012</u>	<u>\$17,337,403</u>	<u>\$18,201,190</u>	<u>\$20,200,908</u>
Rate Revenue with Adopted Increase	\$14,915,062	\$15,419,932	\$15,474,088	\$15,517,511	\$15,530,698	\$15,475,928
Recommended Rate Adjustments	0.00%	0.00%	6.68%	6.68%	6.68%	6.68%
Additional Revenue	<u>0</u>	<u>0</u>	<u>1,033,669</u>	<u>2,142,382</u>	<u>3,324,886</u>	<u>4,568,272</u>
Adjusted Rate Revenues	<u>\$14,915,062</u>	<u>\$15,419,932</u>	<u>\$16,507,757</u>	<u>\$17,659,893</u>	<u>\$18,855,585</u>	<u>\$20,044,199</u>
Surplus/(Deficiency) – Amount	(\$436,417)	(\$878,561)	(\$105,255)	\$322,490	\$654,394	(\$156,709)
Surplus/(Deficiency) – Percent	<u>(2.93%)</u>	<u>(5.70%)</u>	<u>(0.64%)</u>	<u>1.83%</u>	<u>3.47%</u>	<u>(0.78%)</u>

[1] Amounts shown derived from Table 9 at the end of this Report.

As can be seen above and shown in more detail on Table 9, the existing water rate revenues (i.e., without the recognition of the proposed rate adjustments) are not anticipated to be sufficient to adequately fund the identified Net Revenue Requirements of the Water System during the Forecast Period and provide funds to maintain operating reserves to maintain a strong utility credit. It is recommended that rates be adjusted annually to move the Water System closer to a full recovery basis during the Forecast Period.

### **Net Revenue Requirements – Wastewater System**

The Net Revenue Requirements of the wastewater system are presented on Table 10 and are shown below and were based upon: i) the customer forecast identified herein; ii) the existing rates for service; iii) the operating expense and utility transfer assumptions as delineated above; iv) the wastewater system-related capital improvement plan as identified by the District and funding analysis assumed herein; and v) the rate covenants as defined in the Bond Resolution, all as discussed throughout this Report. The purpose of the development of the Net Revenue Requirements is to determine the required level of revenue from monthly user rates necessary to meet the financial obligations of the wastewater system.

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Summarized below are the projected Net Revenue Requirements and overall recommended rate adjustments for the Wastewater System:

<b>Projected Wastewater System Net Revenue Requirements</b>						
Description	Fiscal Year Ending September 30,					
	2018	2019	2020	2021	2022	2023
Total Operating and Maintenance Expenses	\$6,750,699	\$6,914,555	\$6,923,132	\$7,105,444	\$7,340,586	\$7,577,760
Other Revenue Requirements:						
Existing Debt Service Payments	\$1,483,490	\$1,484,175	\$1,485,844	\$1,485,928	\$1,483,909	\$1,441,588
Proposed Debt Service Payments	0	0	0	0	0	0
Capital Funded From Rate Revenues	150,352	151,856	151,856	153,359	154,863	156,366
Transfers to R&R Fund	537,727	665,275	790,333	921,214	1,112,307	1,266,608
Transfers to ECRWRF R&R Fund	632,590	2,464,391	1,813,088	1,073,801	1,081,971	1,114,431
Total Other Revenue Requirements	<u>\$2,804,160</u>	<u>\$4,765,697</u>	<u>\$4,241,121</u>	<u>\$3,634,302</u>	<u>\$3,833,050</u>	<u>\$3,978,993</u>
Gross Revenue Requirements	\$9,554,859	\$11,680,252	\$11,164,253	\$10,739,747	\$11,173,637	\$11,556,753
Less Income from Other Sources:						
Other Revenues	\$111,079	\$112,778	\$114,576	\$116,302	\$117,999	\$119,750
Interest Income	20,852	28,142	34,253	42,081	40,717	29,181
ECRWRF Wholesale Charge Revenue	237,986	358,173	314,396	266,640	255,497	261,864
Net Revenue Requirements	\$9,184,942	\$11,181,159	\$10,701,027	\$10,314,724	\$10,759,424	\$11,145,958
Rate Revenue with Adopted Increase	\$9,781,652	\$10,666,614	\$10,685,494	\$10,721,744	\$10,731,550	\$10,677,601
Recommended Rate Adjustments	0.00%	0.00%	1.68%	1.68%	1.68%	1.68%
Additional Revenue	0	0	179,516	363,277	550,008	735,820
Adjusted Rate Revenues	<u>\$9,781,652</u>	<u>\$10,666,614</u>	<u>\$10,865,011</u>	<u>\$11,085,021</u>	<u>\$11,281,558</u>	<u>\$11,413,421</u>
Surplus/(Deficiency) – Amount	\$596,710	(\$514,546)	\$163,984	\$770,297	\$522,134	\$267,463
Surplus/(Deficiency) – Percent	<u>6.10%</u>	<u>(4.82%)</u>	<u>1.51%</u>	<u>6.95%</u>	<u>4.63%</u>	<u>2.34%</u>

[1] Amounts shown derived from Table 10 at the end of this Report.

As can be seen above and shown in more detail on Table 10, the existing wastewater rate revenues (i.e., without the recognition of the proposed rate adjustments) are relatively close in meeting the revenue requirements but in the latter part of the Forecast Period are anticipated to not be sufficient to adequately fund projected Net Revenue Requirements of the Wastewater System.

Since the vast majority of the customers of customers receive both water and wastewater service and the rate covenants (and the credit reviews performed by the bond rating agencies) are on a combined System basis, a consolidated evaluation of the net revenue requirements was performed, which is shown on Table 11 and summarized below:

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**Projected Total System Net Revenue Requirements [1]**

Description	Fiscal Year Ending September 30,					
	2018	2019	2020	2021	2022	2023
Total Operating and Maintenance Expenses	\$18,087,020	\$18,946,115	\$19,022,887	\$19,672,866	\$20,387,792	\$21,122,714
Debt Service:						
Existing	\$4,442,918	\$4,444,968	\$4,449,968	\$4,450,218	\$4,444,173	\$4,317,425
Proposed	0	0	0	0	0	1,263,001
Total Debt Service	\$4,442,918	\$4,444,968	\$4,449,968	\$4,450,218	\$4,444,173	\$5,580,426
Other Revenue Requirements:						
Capital Funded From Rate Revenues	\$485,500	\$490,355	\$490,355	\$495,210	\$500,065	\$504,920
Transfers to R&R Fund	1,629,476	2,015,985	2,394,948	2,791,558	3,370,627	3,838,207
Transfer to ECR R&R Fund	632,590	2,464,391	1,813,088	1,073,801	1,081,971	1,114,431
Transfers to Capital Fund	0	0	0	0	0	0
Total Other Revenue Requirements	\$7,190,485	\$9,415,700	\$9,148,359	\$8,810,788	\$9,396,837	\$11,037,984
Gross Revenue Requirements	\$25,277,505	\$28,361,815	\$28,171,247	\$28,483,653	\$29,784,628	\$32,160,698
Less Income from Other Sources:						
Other Revenues	\$461,393	\$467,706	\$474,305	\$480,725	\$487,083	\$493,606
Interest Income	41,704	56,283	68,507	84,162	81,434	58,362
ECRWRF Wholesale Charge Revenue	237,986	358,173	314,396	266,640	255,497	261,864
Net Revenue Requirements	\$24,536,422	\$27,479,652	\$27,314,039	\$27,652,127	\$28,960,614	\$31,346,866
Total Existing Revenues (Adopted Rates)	\$24,696,715	\$26,086,546	\$26,159,582	\$26,239,255	\$26,262,248	\$26,153,529
Net Surplus/(Deficiency)	\$160,293	(\$1,393,106)	(\$1,154,457)	(\$1,412,872)	(\$2,698,366)	(\$5,193,337)
Percent of Total Rate Revenues	0.65%	(5.34%)	(4.41%)	(5.38%)	(10.27%)	(19.86%)
Combined System Rate Adjustment	0.00%	0.00%	4.64%	4.69%	4.75%	4.81%
Total Adjusted Rate Revenues:	\$24,696,715	\$26,086,546	\$27,372,768	\$28,744,914	\$30,137,142	\$31,457,620
Net Surplus/(Deficiency) – Amount	\$160,293	(\$1,393,106)	\$58,728	\$1,092,787	\$1,176,528	\$110,755
Net Surplus/(Deficiency) – Percent	0.65%	(5.34%)	0.21%	3.80%	3.90%	0.35%

[1] Amounts shown derived from Table 11 at end of Report.

As can be seen above on a consolidated basis, the net revenue requirements are anticipated to increase from approximately \$24.5 million to \$31.3 million during the Forecast Period, which will require additional rate adjustments beginning in the Fiscal Year 2020 (after the last year that the Adopted Rates as reflected in the Rate Resolution are implemented; no additional rate adjustments above the Adopted Rates in Fiscal Year 2019 are being proposed). In order to provide rate revenues that will be sufficient to meet the net revenue requirements that have been identified for the Forecast Period, PRMG is proposing a two-component rate plan. The first component would be an annual inflationary rate indexing policy that would be applied annually to recover estimated inflationary impacts on the ability to recover costs from rates. The second component would be a four- (4) year levelized phased rate adjustment schedule that would include additional adjustments to allow the System to fully fund the projected net revenue requirements and to maintain the financial and fiscal objectives of a strong credit.

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The primary reasons for the proposed increase in water and wastewater rates beginning in Fiscal Year 2020 for consideration by the District Board are as follows:

1. The System has experienced limited to no growth in the past several years coupled with a general decline in water sales per customer (with the exception of Fiscal Year 2017, resulting in reduced revenue contribution margins), which has dampened the effects of the approved rates (less billing units result in a lower effective change in revenues earned from the adopted rate adjustments) and has lowered net operating revenues.
2. Continued inflation on the cost of operations and maintenance and the cost of capital construction, which results in increased costs over time.
3. Generally higher payments to the ECR Board for wastewater treatment expenses from the ECRWRF. Such payments include both increases in operating expenses, including sludge disposal, and debt service payments associated with the recent bonded indebtedness and which the District is responsible for approximately 12% of the cost of wastewater treatment from this facility. It should be noted that during the Forecast Period, the estimated cost for operating the ECRWRF is anticipated to stabilize based on current operating and capital improvement forecasts for the facility as provided by the ECR Administrator.
4. The need to fund the identified capital plan totaling almost \$120 million over the Forecast Period based primarily on the Utility Master Plan findings identified during Fiscal Year 2013 and the need for a major refurbishment to the water treatment plant. The funding plan includes;
  - a. The issuance of \$34,770,000 in additional utility revenue bonds, which results in an increase in debt payments to \$2,526,000 once full debt payments are being made; and
  - b. Recognition of an annually recurring Pay-as-you-go capital funding from rate revenues averaging approximately 10% of total rate revenues to provide additional funds for capital needs and to limit the amount of debt exposure. The condition of the assets in service is a concern and an increased funding level from rates will aid in avoiding future debt and promoting rate stability.
5. As a result of the issuance of additional bonds (see Item No. 4a above), the District will need to have rates in place to allow for the issuance of the bonds as required by the credit rating agencies and the market. This deals with the need to meet the rate covenant (debt coverage ratio) and the flow of funds (required fund deposits for expenses, debt, capital, etc.) as defined in the Bond Resolution, adequate reserves to limit financial risk and to maintain the current A+ credit rating, and to promote the overall financial sustainability of the System.

As can be seen above and shown in more detail on Table 10, the existing wastewater rate revenues (i.e., without the recognition of the proposed rate adjustments) are not anticipated to be sufficient to adequately fund the identified Net Revenue Requirements of the Wastewater System.

During the course of the Forecast Period, the recommended rate adjustments are anticipated to produce additional revenues within the initial years of the Forecast Period, which were transferred to the Operating Fund. These reserves are necessary in order to: i) provide funds to maintain adequate working capital target levels to allow for external attraction of funds at lower interest rates and to provide funds in case of extraordinary events (e.g., floods, hurricanes) in order to limit the financial risks to the System; ii) provide additional funding for future capital improvements (PAYGO funding); and iii) to assist in the overall rate phasing process and provide future funds for rate stabilization purposes.

### **Proposed Rate Implementation Recommendations**

As mentioned above, it is recommended that the District adopt a two-part rate adjustment, which includes: i) an annual price index adjustment; and ii) a rate adjustment to increase the ability to fund the net revenue requirements, especially as it relates to capital reinvestment.

With respect to the annual price index adjustment, many utilities have adopted the application of an index to account for the annual effects of inflation on the cost of operations and maintenance of the respective utility system. The application of a price index is also recognized by the Florida Public Service Commission in the regulation of privately-owned utilities in Florida. The purpose of the price index is to allow for an adjustment in rates without a costly rate hearing or analysis for the estimated annual effects of inflation; the primary intent being to maintain net revenues to promote rate covenant compliance and a more predictable level of funds for ongoing capital reinvestment. The District should consider adopting a Service Policy Resolution to modify annually the monthly water and wastewater service charges and commodity charges for sales to the retail and wholesale customers served by the District through the application of an annual price index. PRMG would recommend that the District consider utilizing the following:

- The District consider the adoption of an annual price index based on the average annual change in the Consumer Price Index – All Urban Consumers (Series ID CUSR0000SA0) ("CPI") as published by *United States Department of Labor, Bureau of Labor Statistics*, which was designed to show the effects of inflation on the cost of goods and services. The CPI draws on the monthly statistical data collected by the U.S. Department of Labor Statistics to estimate a composite cost picture for measuring inflation in the United States. Additionally, CPI is generally conservative as compared to other indices that are utilized in the water and wastewater industry. If the District chose to adopt the CPI or a similar index it would measure the annual percentage change (e.g., the average change in the index for the twelve months ended April 2017 to average index for the previous twelve months ended 2018) and apply uniform adjustments to the monthly base and usage rates for service.
- The application of the annual price index shall occur without a public hearing and become effective on October 1<sup>st</sup> of each fiscal year based on the index as of May of the prior year to April of the current year basis.
- The annual price index should consider having a cap (say 5.0%) to limit the amount of increase that can be imposed on the applicable rates without public hearing and that the price index would never be less than zero-percent (0%).

- PRMG would recommend the application of the Annual Automatic Inflationary Rate Indexing Policy provision recognize that the annual change for all residential and non-residential rates be based on the percentage change as calculated as follows:

CPI Base Year Value: shall mean the published preceding year's CPI Index Value ending May of the CPI. For the current calculation to be applied on October 1, 2018, this value as published for the CPI shall be the index from May 2017 and would be 241.98.

CPI Comparison Year Value: shall mean the published current year's CPI Index Value ending April of the CPI. For the current calculation to be applied on October 1, 2018, this value is not yet available (will be published and available in June 2018). For the purpose of presenting an example in this Report, it was assumed that the this value as published for the CPI shall be the average index for the twelve-month period from May 2017 to April 2018 and would be 246.05, which will be utilized as a proxy for producing an example.

Consumer Price Index (CPI): shall mean the Consumer Price Index – All Urban Consumers (Series ID CUSR0000SA0) ("CPI") as published by *United States Department of Labor, Bureau of Labor Statistics*.

The calculation of the annual automatic inflationary rate indexing adjustment of the residential and non-residential rates authorized by the District's Board shall be adjusted on October 1<sup>st</sup> of the preceding Fiscal Year by the percentage change between the Comparison Year CPI Value and Base Year CPI Value, such adjustment not being less than 0.00% nor greater than 5.0%. By way of example:

**Calculation of the Annual Automatic Inflationary Rate Indexing Adjustment**

Base Year CPI Value	A	241.98 (May 2017)
Comparison Year CPI Value	B	246.05 (Proxy)
CPI Change – Amount	C	4.07
CPI Change – Percentage of Base Year CPI Value	c/a	1.68%

Based on the assumptions, calculations, and results of the revenue sufficiency analysis as discussed previously in this Report it has been identified that the System will require additional rate adjustments above the amounts assumed for the Annual Automatic Inflationary Rate Indexing Adjustment (estimated at approximately 1.68% annually for Fiscal Years 2020 and thereafter). In order to provide funds to fully fund the capital plan and meet the requirements of the Series 2023 Bonds (additional bonds test, rate covenant, etc.) as required by the Bond Resolution, it is estimated that the District will need to adjust rates prior to the issuance of the Series 2023 Bonds. Additionally, since the Series 2023 Bonds are assumed to be required to provide funds to refurbish the District's water treatment facilities, PRMG is recommending that an additional five percent (5.0%) annual rate adjustment be applied only to the monthly water service charges and commodity charges for sales to the retail and wholesale customers of the District for a period of four (4) years beginning with the Fiscal Year 2020. For the purposes of this Report it has been assumed that these adjustments would be imposed annually in Fiscal Years 2020 through 2023. This additional adjustment would be in addition to the Annual Automatic Inflationary Rate Indexing Adjustment. PRMG is recommending this adjustment to commence is Fiscal Year 2020 in order to allow the District time to finalize the estimate of

probable costs of the water treatment facility refurbishment and reevaluate the financing terms to confirm that the proposed adjustment will be sufficient or required.

Based on the assumptions, calculations, and results of the revenue sufficiency analysis the follow is a summary of the estimated rate adjustments to the monthly water and wastewater service charges and commodity charges for sales to the retail and wholesale customers served by the District that have been assumed in this Report:

	<b>Recommended Average System Annual Percent Rate Revenue Adjustments</b>			
	Fiscal Year Ending September 30, [1]			
	2020	2021	2022	2023
<b>Water System</b>				
CPI	1.68%	1.68%	1.68%	1.68%
Additional	5.00%	5.00%	5.00%	5.00%
<b>Total Water System</b>	6.68%	6.68%	6.68%	6.68%
<b>Wastewater System</b>				
CPI	1.68%	1.68%	1.68%	1.68%
Additional	0.00%	0.00%	0.00%	0.00%
<b>Total Wastewater System</b>	1.68%	1.68%	1.68%	1.68%
<b>Average Increase – Combined System</b>	<u>4.64%</u>	<u>4.70%</u>	<u>4.75%</u>	<u>4.81%</u>

[1] Reference is made to the Report for a discussion of the recommended rate increases. Inflationary Price Index adjustments and additional rates are assumed to become effective with service rendered on October 1<sup>st</sup> of each respective fiscal year.

It must be stressed that to the extent that the District does not adopt the annual inflationary price index rate adjustment, the total rates as shown above (resulting in a combined average System increase of approximately 4.72% annually) will need to be adopted based on the financial evaluation contained in this Report annual inflationary price index rate adjustment is affirmed by the District Board, then after the Fiscal Year 2023, no additional rates would be adopted but the annual index application would continue. Prior to the Fiscal Year 2023, it is recommended that the District evaluate the rates to determine if sufficient revenue is being produced to fully fund the net revenue requirements of the System and to promote a strong credit position.

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In order to provide additional information regarding the implementation of the proposed rate plan as delineated above, the following table presents a summary of the projected cash balances by Utility fund during the Forecast Period:

Description	<b>Summary of Projected End of Year Fund Balances [1]</b>						
	Actual	Fiscal Year Ending September 30,					
	2017	2018	2019	2020	2021	2022	2023
Revenue Fund – 411	\$33,524,487	\$30,684,779	\$28,291,673	\$27,350,401	\$27,831,189	\$13,557,717	\$11,668,932
Customer Deposit Fund – 411A	2,528,919	2,528,919	2,528,919	2,528,919	2,528,919	2,528,919	2,528,919
Renewal & Replacement Fund – 412	7,709,343	6,388,819	4,494,804	3,094,252	3,680,460	3,755,687	3,159,395
Capital Impact Fees Fund – 413	1,492,584	1,402,964	1,167,443	1,390,475	1,574,260	1,621,122	1,629,357
Debt Service Fund (P&I) – 414	0	42,850	83,875	133,875	181,500	225,205	1,483,104
Series 2016 Construction Fund – 415 [2]	40,596,495	31,782,666	21,456,566	7,785,779	1,697,618	100,311	0
<b>Total Fund Balance</b>	<b>\$85,851,828</b>	<b>\$72,830,997</b>	<b>\$58,023,280</b>	<b>\$42,283,702</b>	<b>\$37,493,947</b>	<b>\$21,788,961</b>	<b>\$20,469,707</b>
Total Fund Balance without Series 2016 Construction Fund [2]	\$45,255,333	\$41,048,331	\$36,566,714	\$34,497,923	\$35,796,329	\$21,688,650	\$20,469,707

[1] Amounts shown derived from Table 12.

[2] Amounts shown represent unspent bond proceeds associated with the issuance of the Series 2016 Bonds; such amounts are solely dedicated to capital projects and are not considered as being available for any other purpose.

The cash balances are projected to decline during the Forecast Period primarily due to the use of the Series 2016 Bond proceeds and internal operating reserves (i.e., Revenue Fund and Renewal and Replacement Fund) to fund capital improvements. The fund balances at the end of the Forecast Period (Fiscal Year 2023) are projected to meet the District's internal fund balance targets, which include: i) fund reserves in the Revenue Fund shall be greater than 180 days of working capital (1 day of working capital = annual operating expenses divided by 365 days, for Fiscal Year 2023; one day is estimated to be equal to approximately \$28,539; and ii) fund reserves in the Renewal and Replacement Fund should exceed the minimum target balance of one (1) year's annual depreciation expense (the estimated Fiscal Year 2023 annual depreciation expense was estimated to be approximately \$3,082,565). Maintaining these minimum fund balance targets provides the District with a hedge against unforeseen events, minimizes financial risk, and helps to maintain the credit worthiness of the District.

### **PROPOSED RATES, CUSTOMER IMPACTS, AND RATE COMPARISON**

In order to provide additional information to the District regarding the proposed rates, an analysis to illustrate the impact for the standard 5/8" x 3/4" meter residential customer was prepared. This meter size was selected since it represents the meter used to serve approximately 96% of all residential accounts served. The effect of the proposed rate adjustments was based on an average customer using 6,000 gallons and includes i) the application of the Adopted Rates in Fiscal Year 2019; and ii) the application of the annual price index inflationary allowance assumed at 1.68% and, for the water system, an additional 5.0% rate adjustment through 2023. The estimated average residential bill impacts are summarized below:

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**Monthly Bill Increase – Single-Family Residential Customer  
Using 6,000 Gallons of Service [1][2]**

Item	Water	Sewer	Total
<b>FY 2018 Existing Rates</b>	\$33.74	\$31.66	\$65.40
<b>FY 2019 Adopted Rate Increase</b>	3.05%	8.79%	
Adjusted Bill	\$34.75	\$34.46	\$69.21
Increase in Monthly Bill	\$1.01	\$2.80	\$3.81
Dollar per Day	\$0.03	\$0.09	\$0.13
<b>FY 2020 Recommended Rate Increase</b>	6.68%	1.68%	
Adjusted Bill	\$37.07	\$35.04	\$72.11
Increase in Monthly Bill	\$2.32	\$0.58	\$2.90
Dollar per Day	\$0.08	\$0.02	\$0.10
<b>FY 2021 Adopted Rate Increase</b>	6.68%	1.68%	
Adjusted Bill	\$39.55	\$35.63	\$75.18
Increase in Monthly Bill	\$2.48	\$0.59	\$3.07
Dollar per Day	\$0.08	\$0.02	\$0.10
<b>FY 2022 Recommended Rate Increase</b>	6.68%	1.68%	
Adjusted Bill	\$42.19	\$36.23	\$78.42
Increase in Monthly Bill	\$2.64	\$0.60	\$3.24
Dollar per Day	\$0.09	\$0.02	\$0.11
<b>FY 2023 Adopted Rate Increase</b>	6.68%	1.68%	
Adjusted Bill	\$45.01	\$36.84	\$81.85
Increase in Monthly Bill	\$2.82	\$0.61	\$3.43
Dollar per Day	\$0.09	\$0.02	\$0.11

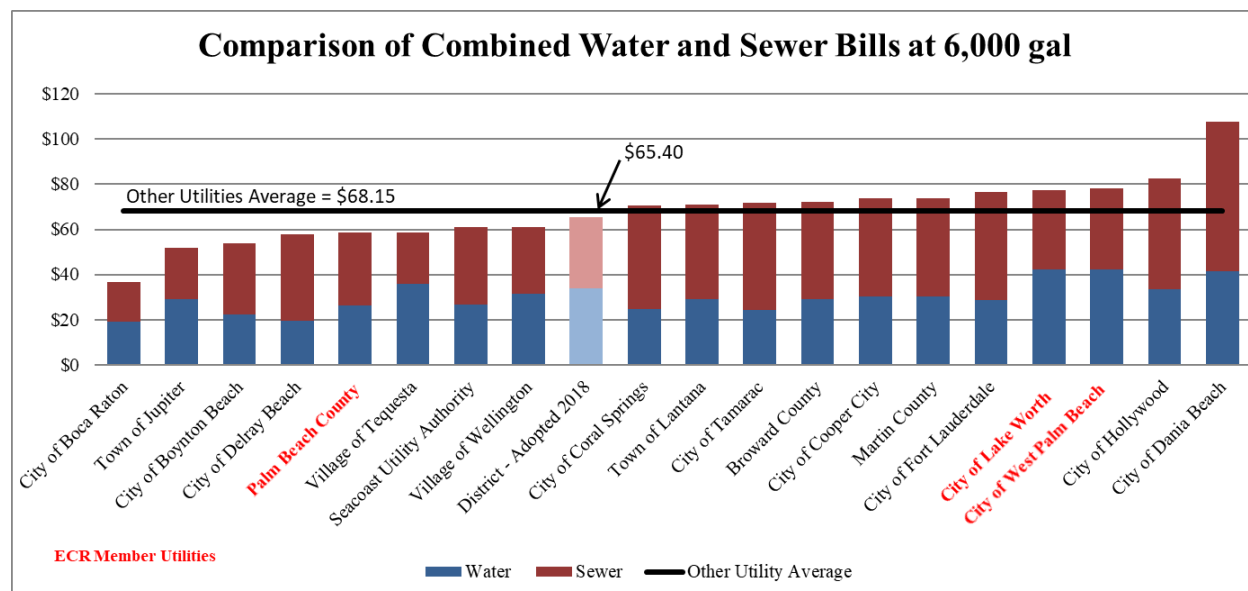
[1] Amounts shown represent Adopted Rates pursuant to the Rate Resolution.

[2] Amounts shown represent recommended rates assuming an estimated price index inflationary adjustment of 1.68% annually; such index will be based on the actual twelve-month average CPI Index as reported by the Bureau of Labor Statistics at the time of the calculation of the index adjustment.

[3] Dollar per Day calculation is based on 30 days/month.

In order to provide additional information regard the proposed rates, Tables 19 through 21 at the end of this Report provide a comparison of the monthly cost of providing water and sanitary sewer service for a 5/8-inch x 3/4-inch water meter at various usage levels calculated under the existing and adopted rates of the System. Also included on the comparison is bills calculated under the rates of other neighboring Florida utilities as of the billing month of January 2018. The monthly bills for the various Florida utilities used for the comparison are exclusive of local taxes and water use restriction surcharges, if any. Additionally, for municipal-owned utility systems such as the District, such utilities may apply to customers located outside the corporate limits of such municipality a surcharge up to 25% when compared to the rates for service to customers located within the corporate limits as allowed pursuant to Florida Statute Section 180.191; the rate comparison reflects inside-the-city rates only, where applicable. The 5/8-inch x 3/4-inch meter or smaller comparison was prepared since this represents the majority of the System's water and sanitary sewer residential customers and the majority of the customers for the other utilities reflected in the comparisons. As can be seen in the comparisons, the rates charged by the City produce bills that are generally comparable than the bills charged for similar service by

other neighboring utilities. A summary of the comparison results as shown on Tables 19 through 21 at the end of this Report follows:



Rates for water and wastewater utility service greater than 2% to 4% of median household income may present an affordability concern based on industry standards and may be considered a financial concern to certain utility customers. Based on the 2016 medium household income of \$41,984 as reported by the U.S. Census for the City (as adjusted to reflect 2018 estimates) and the average utility use of 6,000 gallons per month, the City's average water and wastewater bill (based on the 2018 Adopted Rates) currently approximates 2.69% of the median income and is considered to be within the range of affordability levels generally recognized by the utility industry.

Affordability of Average Monthly Bill		
	Median Household Income	50% of Median Household Income
Median Household Income [1]	\$43,680	\$21,840
Monthly Income	\$3,640	\$1,820
Average Monthly Bill – Adopted 2018 Rates	\$65.40	\$65.40
Percentage of Median Household Income	1.80%	3.59%

[1] Amounts reported by the U.S. Census; amounts as of 2016 and were escalated by 2.0% annually to estimate 2018 values consistent with the rates that are being compared.

As can be seen, the current rates as 100% and at 50% of the median household income are within the affordability boundaries used by the industry to evaluate rate levels. It is anticipated that this trend may continue for the Forecast Period barring any material events that may require the need for future adjustments.

**RATE COVENANT COMPLIANCE**

The Bond Resolution that authorized the issuance of the Outstanding Bonds contains a covenant under which the District will fix, establish, and maintain such rates and collect such fees, rates, rentals, and other charges for services, and revise such rates from time to time whenever necessary, that will always provide:

1. Net Revenues that shall be at least equal to one hundred twenty percent (120%) of the Annual Debt Service Requirement for the Bonds; and
2. Net Revenues plus Impact Fees available to pay debt service on the Bonds that shall be at least equal to one hundred twenty-five percent (125%) of the Annual Debt Service Requirement for the Bonds.

The Bond Resolution established these minimum debt coverage requirements for the protection of the holders of the Bonds.

Table 13 at the end of this Report summarizes the ability of the System estimated Pledged and Net Revenues to meet the rate covenant provisions of the Bond Resolution for the Forecast Period. Based on the results of the financial forecast, it is expected that funds generated from System operations during the Forecast Period, which recognizes the imposition of the proposed rate adjustments, is projected to provide sufficient resources to meeting the operation and maintenance requirements of the System as well as fund the projected capital needs as identified in the District's capital improvement program.

As can be seen on Table 13 and as shown below, it is anticipated that the Pledged Revenues derived from System operations will be sufficient to meet the rate covenant requirements as defined in the Bond Resolution.

<b>Estimated Annual Debt Service Covenant Compliance for the Forecast Period [1]</b>		
<b>Fiscal Year</b>	<b>Calculated Senior Lien Coverage (Required 1.2)</b>	<b>Calculated All-In Coverage (Target 1.50) [2][3]</b>
2018	2.08	2.14
2019	2.23	2.29
2020	2.52	2.57
2021	2.70	2.74
2022	2.87	2.88
2023	2.34	2.34

[1] Amounts shown derived from Table 13 at the end of this Report.  
 [2] Represents targets recommended by PRMG to maintain or promote a favorable bond credit rating.  
 [3] All-in debt coverage includes all debt allocable to the System including Senior Lien Bonds and Subordinate Lien Debt, if any. Target reflects rating agency median ratio for an "A"-rated utility credit.

The debt service coverage ratio reflected in the financial forecast is considered favorable and promotes a strong fiscal position and will be looked at favorably by the credit rating agencies as it continually reviews the credit position of the System, The ratio also indicates that the System is generating funds for capital re-investment (after the payment of debt service, the financial plan



recognizes those funds for capital improvement funding and maintaining adequate operating reserves to reduce financial risk).

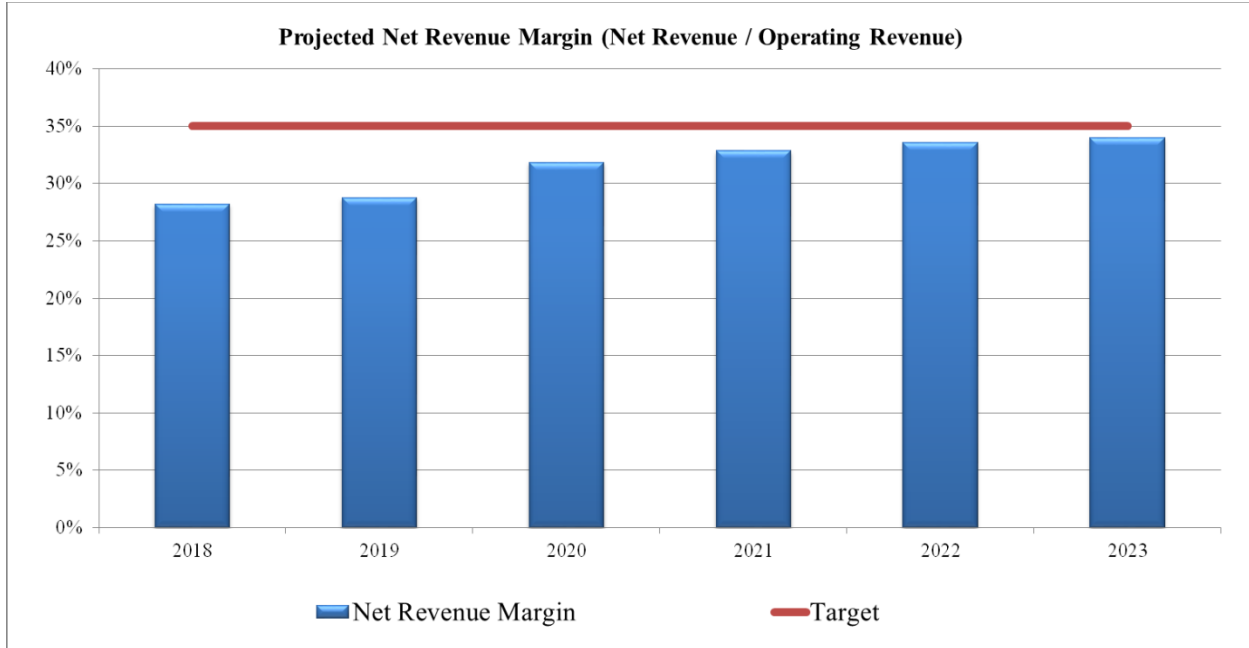
**OTHER FINANCIAL CONSIDERATIONS AND PERFORMANCE**

Included, as part of the development of the financial forecast and the review of the overall sufficiency of System revenues, is an evaluation of the projected financial position of the System. This evaluation includes the development of certain ratios and the review of financial performance indicators to evaluate "where the System is anticipated to be financially." The analysis includes a series of charts and figures prepared to provide the District a visual representation of the financial and statistical trends in the selected financial ratios or benchmarks anticipated for the System over the Forecast Period. The following is a brief description of financial ratio evaluated by PRMG on behalf of the System.

**Projected Net Revenue Margin Ratio**

The Net Revenue Margin Ratio is a measure of a utility system's ability to meet its operating expenses and indicates the net contribution margin estimated to be earned by the System. The contribution margin represents the amount of net revenues that are available to meet the other expenditure requirements of the System after the payment of the operating expenses (e.g., debt service, deposits to the R&R Fund, etc.). A relatively low Net Revenue Ratio (say, 25 percent) indicates that a large portion of operating revenue is used to pay operating expenses. A high Net Revenue Ratio (say, 45 percent) indicates a significant portion of operating revenues is available for purposes other than the payment of operating expenses. We are of the opinion that the District should target a minimum Net Revenue Ratio of 35% to promote the System's financial health over the Forecast Period. This target level is lower than the Fitch Ratings ("Fitch") 2017 median (industry average) of approximately 41%. Since the District purchases all of its wastewater treatment requirements from the ECRWRF, which includes the payment of debt service issued to finance improvements on such facilities and which would normally be "below the line" in the flow of funds hierarchy, a lower ratio was considered reasonable by PRMG. As can be seen below, it is projected the District will improve their Net Revenue Ratio over the Forecast Period towards a more favorable Net Revenue Ratio.

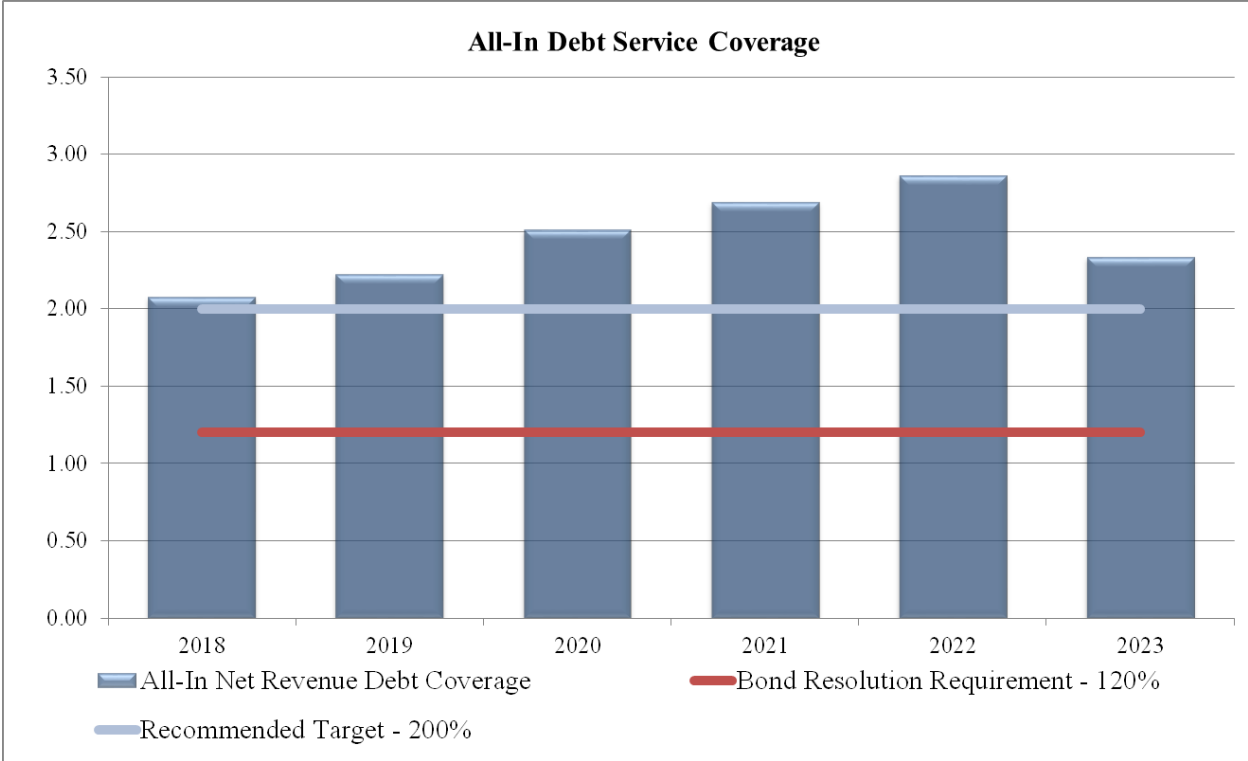
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**All-In Debt Service Coverage**

This ratio illustrates the ability to cover the debt service payments, which is a primary ratio used by credit rating agencies in the evaluation of utility credits. For the purpose of this analysis, the debt service coverage is for the aggregate of all System debt and loans pledged for payment from System revenues, which more accurately reflects the ability to fund the debt requirements from rates. The ratio only includes the Net Revenues (gross revenues less operating and maintenance expenses) of the System since Impact Fees (although considered as a pledged revenue) are one-time fees and not considered as a recurring revenue for ongoing debt repayment purposes. Additionally, the credit rating agencies rely on this ratio in the review of utility credits since it links to the total ability to pay debt from ongoing revenues of the utility and lends to the overall leveraging capability of such utility. The All-In Debt Service Coverage ratio is presented on the following figure:

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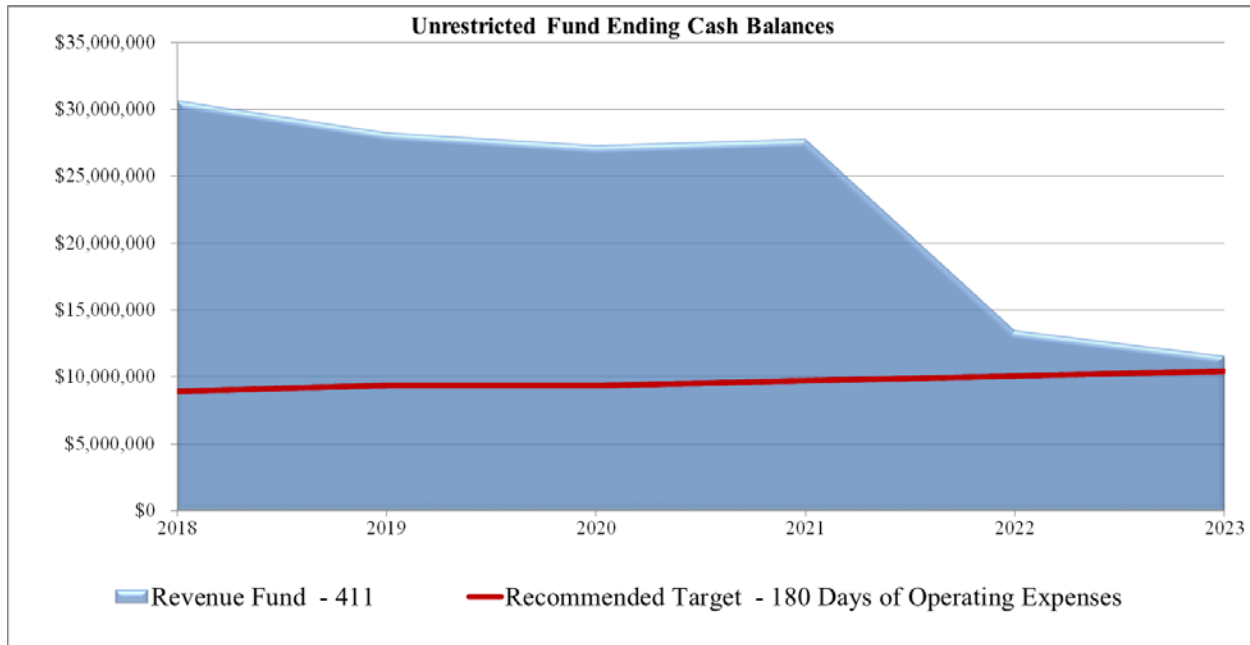
The 2017 median debt service coverage ratio is 2.30 as reported by Fitch (for all credits, ranging from "A" to "AAA") and the debt service coverage ratio target was set at 1.50, which is representative of an "A"-rated credit. As can be seen above, the All-In debt service coverage ratio, assuming the implementation of the proposed rate increases, is anticipated to meet or exceed the minimum target of 1.5-times debt coverage ratio over the Forecast Period and is more indicative of the Fitch 2017 Medians, which is considered to be favorable. The reason for the decline in the ratios in 2023 is due to the anticipated additional debt issuance related to the Water Treatment Facility refurbishment and upgrades assumed to be issue during the end of the Forecast Period.

**Operating Fund (Working Capital) Balance**

An important component of the evaluation of the System is the resulting ending Working Capital / Operating Reserves cash or liquidity position of the District since it indicates the ability of the utility to fund short-term unforeseen expenditures or revenue shortfalls and reduces the overall financial risk of the utility. The estimated cash flow (deposits and withdrawals) to all the accounts maintained by the District are shown in detail on Table 12 at the end of this Report.

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Below is a graphical representation of the unrestricted cash (working capital) and targeted ending balance:

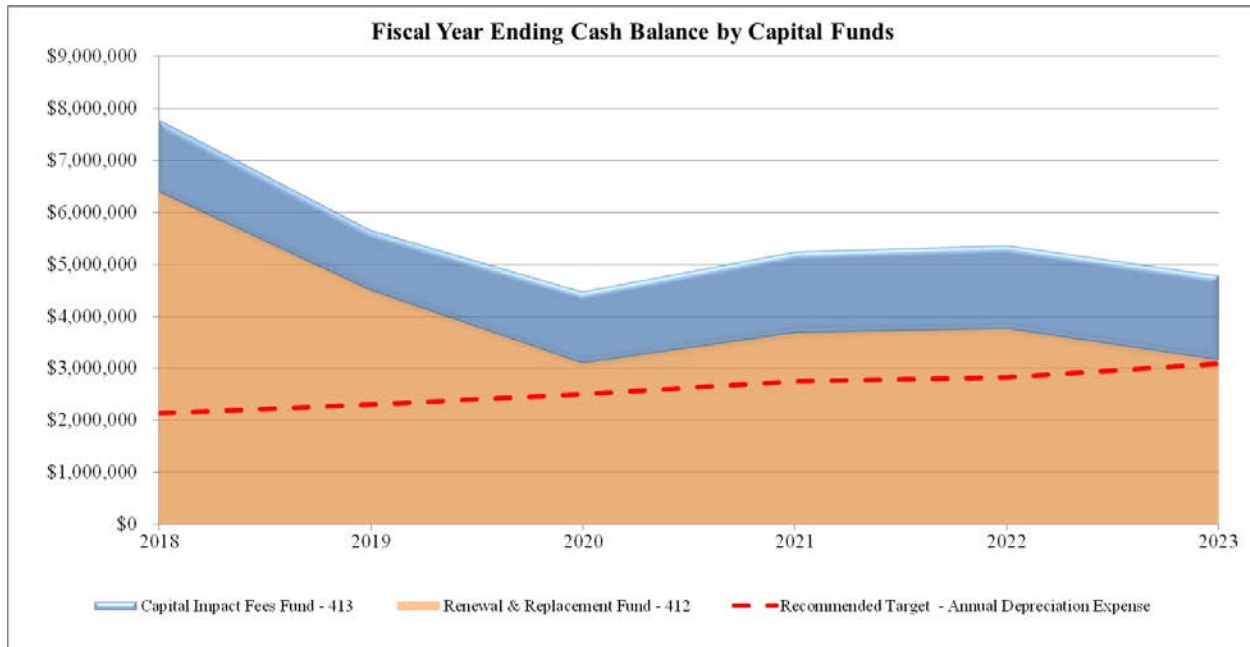


As can be seen above and assuming the implementation of the recommended rate adjustments, the Working Capital / Operating Reserve cash balances for the System are anticipated to meet the recommended targeted ending cash balance over the Forecast Period, which was set at 180 days of operating expenses for the purposes of this evaluation. A target operating reserve cash balance at 180 days of operating expenses is considered favorable by credit rating agencies and will serve to reduce the future cost of borrowing due to the stronger credit rating. Any unrestricted funds above the recommended target level would be available for any System purpose, including increased capital project funding that may periodically occur, and also serves as a hedge in case of any extraordinary event that may occur that would affect operations or rate revenue collectability. The reason for the decline in the liquidity position is due the use of available reserves to finance a portion of the Water Treatment Facility refurbishment and upgrades assumed to occur near the end of the Forecast Period.

### **Capital Fund (Capital Impact Fees and Renewal & Replacement) Balance**

In addition to the Operating Reserve cash position, an important component of the evaluation of the System is the resulting ending cash balances of the District's capital funds since it indicates the ability of the utility to fund renewals and replacements. The estimated cash flow (deposits and withdrawals) to all the accounts maintained by the District are shown in detail on Table 12 at the end of this Report.

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As can be seen above and assuming the implementation of the recommended rate adjustments and renewal and replacement transfers, the Renewal and Replacement Fund is projected to exceed estimated annual depreciation and provide ongoing funds to continue the capital improvement program.

**WHOLESALE RATE EVALUATION**

The District requested PRMG prepare an analysis to calculate the estimated cost of providing water or wastewater wholesale service to a potential wholesale customer. Accordingly, PRMG was tasked with: i) performing an analyses regarding the identification of the estimated cost of providing water and wastewater service to a wholesale user; and ii) providing recommendations for rates to provide service to a wholesale user.

The cost recovery and rate methodology considered in our evaluation of the wholesale water and wastewater rates included:

- The District's water and wastewater systems respective revenue requirements as identified previously in this Report for the Fiscal Year 2018 (the "Test Year");
- The identification of water and wastewater treatment facility demands and corresponding flows incurred for providing service to customers served by the District and levels of service allocated to customers by the District;
- An allocation analysis to apportion the specifically-identified revenue requirements by items that: i) benefit all users (i.e., wholesale and retail users) of the system (e.g., water supply and production, wastewater treatment and primary collection conveyance that all customers are considered to receive benefit or service from) with these costs being

considered as primary costs ("Primary"); and ii) benefit retail customers only of the District and are not considered as a "system" cost (e.g., expenses associated with the operation and maintenance of neighborhood water distribution and wastewater collection lines serving the property of the ultimate customer or user, customer service expenses, etc.) with these costs being considered as secondary costs ("Secondary"); and

- The development of estimated rates for wholesale user water and wastewater service based on general industry-accepted methods recognizing the District's Test Year utility system revenue requirements.

The remainder of the wholesale rate evaluation provides: i) a discussion of the allocation of the revenue requirements to the Primary and Secondary functions; and ii) a presentation of proposed wholesale rates as a result of the cost allocation process and the service requirements recognized for the District's System.

### **Allocation of Revenue Requirements to Water and Wastewater Systems**

With respect to the identification of the revenue requirements and the development of the wholesale water and wastewater rates, the analysis was predicated on the Test Year in the development of the rates for service. The District's recently approved operating budget for the Fiscal Year 2018 was relied upon in this analysis since it reflects the most recent estimate of the costs to provide service and represents the most recent financial plan as approved by the Board for the District. It should be noted that the District's Fiscal Year 2018 Operating Budget (previously defined as the "2018 Budget") presents the utility system operating expenses and other utility funding requirements on a combined basis for Water and Wastewater Systems since the District is operated as a single purpose enterprise fund. The underlying projections and expenditure amounts included in the development of the 2018 Budget by the District were compared to prior years and were assumed to be reasonable for the purposes of this analysis and reflect anticipated operations; this assumption was also recognized in the development of the revenue sufficiency analysis that affects retail rates and provides a certain level of consistency in rate determination. Such amounts were subsequently incorporated into the revenue requirements for the Test Year, except for certain adjustments and assumptions as noted in the Report. Additionally, the revenue requirements for the Test Year also included costs related to the repayment of debt currently held by the District, deposits to the Renewal and Replacement Fund, and capital funded from annual system revenues.

### **Allocation of Operating Expenses to Primary and Secondary Service Functions**

The largest portion of the revenue requirements that must be allocated to the Primary and Secondary functions is the annual operating expenses. Once the total utility system requirements were identified and allocated to Water and Wastewater Systems for the Test Year, such expenditures were then allocated to the primary and secondary functions. The Primary function reflects those operating expenses that would benefit all users of the System (both retail and wholesale) and would include such expenditures related to the operation, maintenance, and replacement of water supply / production, wastewater treatment, and the primary transmission facilities of the System. Expenditures related to the operation, maintenance, and replacement of on-site distribution facilities (water mains, meters, hydrants, etc. directly related to serving the Districts retail customer's properties) would be allocated to the retail or Secondary classification

were assumed not benefit the wholesale user (generally such user would incur these costs independently of the District in the operation of their own distribution system). The allocation of the operating expenses between the Primary and Secondary functions are discussed below and shown in further detail on Tables 14 through 17 at the end of this Report.

1. Operating expenses related to the operation, maintenance, and replacement of the water supply / production and the primary transmission facilities were assumed to benefit all users of the each System and were allocated completely to the Primary function. With respect to the determination of the water primary transmission facilities based on discussions with District staff and a review of the District's water distribution system it was assumed that the backbone or primary water transmission system was comprised of water mains and conveyance facilities with a pipe diameter size of 10-inches or greater. Thus, the relationship of length of pipes currently in service with a diameter of 10-inches or greater to the total length of all water piping currently in service was utilized to allocate such costs between the Primary and Secondary functions. With respect to the determination of the wastewater primary transmission facilities based on discussions with District staff and a review of the District's wastewater collection system it was assumed that the major wastewater conveyance system was comprised of all gravity sewer mains with a pipe diameter greater than 14-inches and all forcemains with a pipe diameter greater than 10-inches (primary conveyance lines to the ECRWRF). Thus the relationship of length of all gravity sewer mains with a pipe diameter greater than 14-inches and all forcemains with a pipe diameter greater than 10-inches to the total length of all wastewater piping currently in service was utilized to allocate such costs between the Primary and Secondary functions.
  
2. Operating expenses associated with salaries, wages, employee benefits, and other employee related costs were allocated between the Primary and Secondary function based on an allocation of the primary function of the employees allocated to the each System. The development of the salaries allocation factor was based on: i) discussions with District Staff to define or determine the individual employee's primary responsibilities; and ii) the primary and secondary allocation basis as discussed in this Report. The determination of the salary expense allocation is shown on Table 14 for the Water System and Table 16 for the Wastewater System and is summarized below for the Primary and Secondary functions:

<b>Primary and Secondary Salaries Allocation Factor [*]</b>			
Personnel Allocation Factor	Primary	Secondary	Indirect
Water System	85.08%	14.09%	0.83%
Wastewater System	64.39%	34.81%	0.80%

[\*] Amounts shown derived from information provided on Tables 14 and 16 at the end of this Report.

3. Operating expenses associated with repairs to the water transmission and distribution system were allocated between the Primary and Secondary functions based on the diameter pipe size and corresponding linear feet of pipe currently in service. Based on discussions with the District and a review of the District's water transmission and distribution system, it was assumed that the water transmission-related assets (Primary) would encompass those conveyance facilities that had a pipe diameter size of 10-inches or greater. All water mains that had a diameter size of equal to or less than 8-inches was assume to be associated with

providing retail service and therefore was classified as Secondary assets, since most neighborhoods are provided service through water lines with a diameter of 6-inches or less. Based on discussions with District staff and a review of the District's wastewater collection and conveyance system, it was assumed that all wastewater force mains with a diameter size of greater than or equal to 10-inches and gravity mains that had a diameter size of greater than or equal to 14-inches were assumed to be associated with providing back-bone wastewater conveyance, which would benefit all users and, therefore, was classified as Primary assets. Based on these assumptions, the allocation of the water transmission and distribution system and wastewater collection and conveyance system expenses were allocated between the Primary and Secondary functions as shown on Tables 14 and 16 for the water and wastewater systems respectively and summarized below:

<b>Primary and Secondary Conveyance Allocation Factor [*]</b>		
Allocation Factor	Primary	Secondary
Water Conveyance Facilities and Related Expenses	27.75%	72.25%
Wastewater Conveyance Facilities and Related Expenses	32.85%	67.15%

[\*] Amounts shown derived from information provided on Tables 14 and 16 at the end of this Report.

- Operating expenses associated with the general management and administration of the System (e.g., Utilities Director, purchasing, auditing, etc.) are required to maintain adequate operations of the District and should be recognized as a cost to be recovered from the wholesale rates for service (the "indirect expenses"). These expenses are not allocable solely to the Primary or Secondary functions but need to be apportioned among the cost functions since they benefit all users of the System. The identified indirect expenses were allocated between the Primary and Secondary functions based on the overall allocation of all other revenue requirements between Primary and Secondary functions. Based on this assumption, the allocation of those expenses classified as an indirect expense between the Primary and Secondary functions is shown on Tables 15 and 17 for the water and wastewater systems respectively and summarized below:

<b>Primary and Secondary Indirect Allocation Factor [*]</b>		
Allocation Factor	Primary	Secondary
Water	79.11%	20.89%
Wastewater	59.07%	40.93%

[\*] Amounts shown derived from information provided on Tables 15 and 17 at the end of this Report.

- As mentioned previously, the District has contracted wastewater treatment services with the ECRWRF. The annual cost of wastewater treatment billed to the District from the ECR Board has two components, which include: i) a wastewater flow charge (reflects operating and maintenance expense component and annual debt service payment requirements), which is billed to the District based on the District's flow contribution in proportionality to the total wastewater treated at the ECRWRF; and ii) a transfer to the ECRWRF's Renewal and Replacement Fund, which is allocated to the District based on the capacity entitlement that the District owns in proportion to the total treatment capacity of the ECRWRF;



currently the District capacity entitlement is 8.0 MGD (11.4286%) of the 70.0 MGD treatment facility. The ECR Board annually sets the amount of the transfer to the Renewal and Replacement Fund as a component of the budgeting process, the transfer is typically calculated as a percentage of the estimated utility plant value of the ECRWRF facilities. The Interlocal Agreement approved by all of the Entities that comprise the ECR Operations Board sets a minimum percentage transfer of not less than 1.0%. However, the ECR Operations Board typically sets this transfer higher than 1.0% based on the level of capital reinvestment that is required for the coming years. Based on the ECRWRF's Fiscal Year 2018 Budget this transfer is equal to 2.0%, but could increase substantially if the coming Fiscal Years (which is currently anticipated based on discussions with the Administrator for the ECR Operations Board).

Because the District has little control as to the amount of the total annual ECR wastewater flow charges and the contributions to the ECRWRF Renewal and Replacement Fund, or any other expenses that could be incurred that could affect such costs, it is being recommended that the cost for the operation of the ECRWRF be included in the wholesale wastewater rates through a separate component, which would be recalculated annually based on the upcoming Fiscal Year' Board approved budget. For the Test Year the District's share of the operating costs is estimated to be \$3,167,217 and the District's Renewal and Replacement Fund deposit requirement is estimated to be \$632,590. All of these costs are considered as a Primary expense since all users require wastewater treatment.

- 6. Other Revenues served as a deduction from the total operating expenses that were allocated to the Primary and Secondary Functions. Since all other revenues were assumed to be received from the retail customers of the District, such amounts were considered to be apportioned to the Secondary classification.

Based on the assumptions as discussed previously the Operating Expenses were allocated between the Primary, Secondary, and indirect cost functions as follows:

<b>Wholesale Operating and Maintenance Cost by Service Function [1]</b>			
	<u>Primary</u>	<u>Secondary</u>	<u>Indirect</u>
Water System	\$7,220,940	\$1,267,501	\$1,290,596
Wastewater System [2]	1,307,127	1,364,613	407,242

[1] Amounts shown derived from Tables 15 and 17 at end of this Report.

[2] Amounts shown exclude operating expenses related to ECRWRF contracted services.

As can be seen above, the Wastewater System's wholesale operating costs are significantly lower than the Water System. This is primarily due to the exclusion of the contracted wastewater treatment costs from the ECRWRF, which were excluded from the operating and maintenance allocation, since these expenditures are assumed to be recovered through a "pass-through" provision in the development of the wholesale wastewater rates, which will be discussed in greater detail later in this Report.

- 7. In addition to the allocated operating expenses, an allowance for the recovery of Debt Service Payments and the funding of capital re-investment to maintain the System on a

going concern basis (referred to as "Renewals and Replacements") has been included in the determination of the wholesale rates for service. The following is a discussion of the allocation of these components to the Primary and Secondary functions:

- a. As stated previously, the District has Outstanding Bonds (i.e., the Series 2014 Bonds and the Series 2016 Bonds) and subordinate debt. The debt service requirements for the District's Series 2014 Bonds, which were issued in order to refinance debt that was originally issued to fund the acquisition of the System, were allocated based on the functionalized utility plant assets between the water and wastewater systems then the Primary and Secondary functions; this allocation analysis is shown on Table 13. PRMG performed an analysis in which the gross fixed assets were allocated between the water and wastewater systems based on the: i) descriptions of such assets; ii) the department in which the assets are housed; and iii) discussions with District staff. Once the water and wastewater assets were separately identified, PRMG allocated the individual system assets between the Primary and Secondary functions based on the purpose of the asset. Assets that would provide benefit to all users of the System were considered to be Primary. An example of a Primary allocated asset would be the Sodium Hydrochlorite Disinfection Facility, which would provide water disinfection in the water treatment and production process. An example of a Secondary allocated asset would be Water Meters, which would be used to meter the water sales to the retail customers of the District. A summary of the Asset Allocation is presented below and is shown in further detail on Tables 14 and 16 at the end of this Report:

<b>Primary and Secondary Asset Allocation Factor [*]</b>		
<b>Allocation Factor</b>	<b>Primary</b>	<b>Secondary</b>
Water	66.61%	33.39%
Wastewater	64.24%	35.76%

[\*] Amounts shown derived from information provided on Tables 14 and 16 at the end of this Report.

The Series 2016 Bonds were allocated between the water and wastewater systems and then the Primary and Secondary function based on the estimated capital projects to be financed from the proceeds of the Series 2016 Bonds. The total projects financed by the Series 2016 Bonds and the allocation of those projects between the Primary and Secondary function is shown on Tables 14 and 16 for the water and wastewater systems, respectively.

The District currently has one subordinate loan that provided funding for the acquisition of Consolidated Utilities Inc., which was a privately held utility in the District's service territory. Since this acquisition provided no benefit to a potential wholesale user, it has been apportioned entirely to the Secondary function.

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**Debt Component Allocation to Primary and Secondary Service Functions (\$000s) [1]**

	Fiscal Year	Allocator	Water System		Wastewater System	
	2018 – Debt Service		Primary	Secondary	Primary	Secondary
Series 2014 Bonds	\$1,772,625	Assets	\$786,486	\$394,259	\$380,247	\$211,633
Series 2016 Bonds	2,531,750	Financed Projects	1,173,220	444,245	772,023	141,938
Subordinate Debt Service	138,543	Secondary	0	92,284	0	46,260
<b>Total</b>	<b>\$4,442,918</b>		<b>\$1,959,706</b>	<b>\$930,788</b>	<b>\$1,152,270</b>	<b>\$399,830</b>

- b. In addition to the annual debt service payment, the rates also include an allowance for ongoing capital re-investment to finance the replacement of ongoing minor units of property and assets with generally short service lives and to accrue funds for other major property additions, replacements, and extensions, which supports the going concern of the System. For the purposes of the establishment of the wholesale water rate and recognizing that the assets are considered by the District to be in good to excellent condition, an annual deposit to the Renewal and Replacement ("R&R") Fund, a capital re-investment account established by the District, was recognized. With respect to the development of the deposit to the R&R Fund, the amount was calculated to be approximately six and seventy three one hundredths of a percent (6.73%) of the prior year's gross revenues; this deposit determination method is consistent with the District's current funding methodology incorporated in the Fiscal Year 2018 Budget. Such amount was allocated among the Primary and Secondary functions based on the Asset Allocation discussed previously. It should be noted that over time this deposit rate should increase as the assets age and begin to reach their average service life and the frequency of the R&R expenditures increase. Based on the allocation basis as described above for each capital component, the following expenditure amounts have been allocated to the Primary Function:

**Capital Component Allocation to Primary and Secondary Service Functions (\$000s) [1]**

	Fiscal Year	Allocator	Water System		Wastewater System	
	2018		Primary	Secondary	Primary	Secondary
Renewals & Replacements Funding	\$1,629,476	Assets	\$727,206	\$364,543	\$345,457	\$192,270
Capital Funded From Rates	485,500	Assets	223,240	111,908	96,592	53,760
<b>Total</b>	<b>\$2,114,976</b>		<b>\$950,446</b>	<b>\$476,451</b>	<b>\$442,049</b>	<b>\$246,030</b>

[\*] Amounts shown derived from information provided on Tables 15 and 17 at the end of this Report.

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The total amount of the allocated Primary expenditure components represents the total costs that should be recovered from all users (both wholesale and retail) of the water and wastewater systems on an annual basis. Below is a summary of the Test Year Primary costs, which is shown on Tables 15 and 17 for the water and wastewater systems, respectively, at the end of this Report:

	System	
	Water	Wastewater
Operating Expenses	\$7,220,940	\$1,307,127
Debt Service Payment	1,959,706	1,152,270
Capital Component	950,446	442,049
Indirect Expense	1,021,031	240,556
Total Operating and Capital Costs	<u>\$11,152,122</u>	<u>\$3,142,003</u>

In order to develop a wholesale charge, the applicable units of service must be identified. For the water system it was assumed that the units of service should be the total finished water produced at the District's water treatment facilities. PRMG believes recognizing finished water produced as compared to billed water sales is fair, since the non-billed water and line loss, which would correspond to the billed water sales typically associated with providing service to the retail customers (e.g., line flushing, under-registering meters, etc.). Utilizing finished water produced recognizes that a potential wholesale customer would not contribute to the amount of water loss since such customer would connect to the main water transmission system; generally, the non-billed water would occur on the wholesale side of the point of delivery. Using the finished water as the service level and will produce a lower rate per 1,000 gallons as compared to using billed water sales. For the purposed of this analysis, PRMG has utilized the total finished water produced during Fiscal Year 2017 as reported by the District.

For the wastewater system it was assumed that the units of service should be the total wastewater treated at the ECRWRF, which is metered at the point of connection between the District and ECRWRF. For the purposes of this analysis, PRMG has utilized the four (4) year average annual metered wastewater flow to the ECRWRF between Fiscal Year 2013 to Fiscal Year 2016. While Fiscal Year 2017 metered wastewater information is available, the amounts reported were significantly less than historical annual flow for the District (i.e., Fiscal Year 2017 = 1,323.46 Million Gallons vs. Fiscal Year 2013-2016 Average = 1,804.59 Million Gallons). Because of this unexplained variance, PRMG felt that using a four-year average would be reasonable. It should be noted that if the District's metered wastewater flows continue at the level seen in Fiscal Year 2017, the proposed wholesale wastewater rate would need to be revised in order to recover the actual costs per 1,000 gallons.

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Based on these units of service a cost per 1,000 gallons can be derived. The following is a summary of the costs to be recovered from both water and wastewater wholesale sales and can be seen in more detail on Tables 15 and 17 at the end of this Report:

	System	
	Water	Wastewater[*]
Operating Expenses	\$7,220,940	\$1,307,127
Debt Service Payment	1,959,706	1,152,270
Capital Component	950,446	442,049
Indirect Expense	1,021,031	240,556
Total Operating and Capital Costs	\$11,152,122	\$3,142,003
Total Estimated Units of Service (000s Gallons)	2,918,718	1,804,593
Cost per 1,000 Gallons	\$3.8209	\$1.7411

[\*] Amounts shown do not include wastewater treatment and disposal expense from the ECRWRF.

As mentioned previously, the District has contracted wastewater treatment and disposal services with the ECRWRF. Since the District has little control over the annual charges levied by the ECRWRF to the District it is recommended that the District recalculate the cost per 1,000 gallons each year based on the upcoming Fiscal Year's ECRWRF-adopted operating Budget. PRMG is proposing a "pass-through" ECRWRF Wholesale Wastewater Charge Component, which would be included in the total wholesale wastewater charge per 1,000 gallons charged to a potential wholesale customer. The use of this "pass-through" charge would limit the financial risk to the District from changes imposed by ECRWRF. PRMG proposes that the charge be based on information included in the ECRWRF's operating budget, which has been approved by the ECRWRF Board for the upcoming Fiscal Year. Typically, the ECRWRF Board adopts the budget in June for implementation in October. Utilizing this method would allow the District sufficient time to recalculate the "pass-through" component and inform any potential wholesale user of the change in rate (whether it be an increase or decrease). The recommended formula to calculate the charge is below:

$$\frac{\text{District's ECR Budgeted Operating Expenses} + \text{District's ECR R\&R Costs}}{\text{District's Budgeted Annual Flows}} = \text{Cost per 1,000 Gallons}$$

All the required information for the annual recalculation of the ECRWRF Wholesale Wastewater Charge Component is shown in the ECR Billing Summary section of the adopted ECRWRF Budget.

- The District's ECR Budgeted Operating Expenses is the amount shown under the Operating (470) column.
- The District's ECR R&R Costs is the amount shown under the Contribution R&R Column.

- The District's Budgeted Annual Flows is the Amount shown under the Estimated Flow MGD column.

The calculation for the Fiscal Year 2018 ECR Component is below:

<b>Calculation of Proposed ECRWRF Wholesale Wastewater Charge Component ("Pass-Through")(per 1,000 Gallons)</b>	
	<u>Primary</u>
District's ECRWRF Budgeted Operating Expenses	\$3,167,217
District's ECRWRF R&R Costs	<u>632,590</u>
Total ECRWRF Costs	\$3,799,807
District's Budgeted Annual Flows	1,804,593
ECRWRF Wholesale Wastewater Charge Component (000s Gallons)	\$2.1056

[1] Amounts shown derived from Table 17 at end of this Report.

### **Calculation of Payment-in-Lieu-of-Taxes Allowance**

The City established a Payment-in-Lieu-of-Taxes (previously defined as "PILOT") policy, with the adoption of Resolution No. 14-14UD on June 16, 2004 (previously defined as the "PILOT Resolution"). The PILOT Resolution states:

*"The PILOT due each Fiscal Year shall be six percent (6.0%) of the gross revenues billed during such Fiscal Year for monthly water and wastewater service charges and commodity charges for sales to the retail and wholesale customers served by the System."*

The PILOT Resolution specifically includes amounts billed to wholesale customers of the District. In order to recover this cost, which must be paid on any revenues received from a potential wholesale user, the wholesale water and wastewater rates have been grossed up to provide additional revenues to meet this requirement of the PILOT Resolution. This requirement increased the charge per 1,000 gallons by approximately \$0.2439 and \$0.2455 for the water and wastewater charges respectively. This calculation can be seen in further detail on Tables 15 and 17 at the end of this Report.

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Based on the conglomeration of the Operating Expense, Debt Service, Capital, and ECRWRF Wastewater Treatment charge components and the applicable Units of Service the following water and wastewater Wholesale Service Charges per 1,000 gallons were derived. These calculations can be seen in further detail on Tables 15 and 17 at the end of this Report and are summarized below:

<b>Calculation of Proposed Wholesale Charge (per 1,000 Gallons) [1]</b>		
	Water	Wastewater
Primary Allocated Costs		
Operating Expenses	\$7,220,940	\$1,307,127
Debt Service	1,959,706	1,152,270
Capital	950,446	442,049
Indirect Allocation	1,021,031	240,556
ECRWRF Wastewater Treatment	N/A	3,799,807
Total Primary Allocated Costs	\$11,152,122	\$6,941,810
Units of Service (per 1,000 Gallons)	2,918,718	1,804,593
Primary Allocated Costs (per 1,000 Gallons)	\$4.0648	\$3.8467
Allowance for PILOT (per 1,000 Gallons)	0.2439	0.2455
Proposed Wholesale Rate (per 1,000 Gallons)	<u>\$4.0648</u>	<u>\$4.0923</u>
Existing Wholesale Rate (per 1,000 Gallons) [2]	\$4.54	\$4.66
Increase / (Decrease) – Amount	(0.48)	(0.57)
Increase / (Decrease) – Percent	(10.49%)	(12.16%)

[1] Amounts shown derived from Tables 15 and 17 at end of this Report.

[2] The City currently charges customers located outside its corporate boundaries a surcharge of 25% as allowed by Florida Statutes, Section 180.191. The amounts shown do not include the application of this surcharge.

## **OBSERVATIONS AND RECOMMENDATIONS**

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

1. The current rates for monthly water and wastewater service are projected to require adjustments to fully fund the costs of providing service, including the issuance of additional bonds, be in compliance with the rate covenant delineated in the Bond Resolution, and meet the financial targets to promote the financial health of the System, provide for increased capital re-investment, and provide for the ability to attract external capital for infrastructure improvements. To fund the revenue requirements identified for the individual water and wastewater systems, a two-part rate adoption program is recommended, which include: i) the implementation of an inflationary price index adjustment; and ii) as required, adoption of additional incremental increases to meet the projected financial needs of the Utility.
2. The District should consider adopting a Service Policy Resolution to modify annually the monthly water and wastewater service charges and commodity charges for sales to the retail and wholesale customers served by the District. PRMG would recommend that the

District consider utilizing the Consumer Price Index – All Urban Consumers (Series ID CUSR0000SA0) ("CPI") as published by *United States Department of Labor, Bureau of Labor Statistics*, which was designed to show the effects of inflation on the cost of goods and services. The CPI draws on the monthly statistical data collected by the U.S. Department of Labor Statistics to estimate a composite cost picture for measuring inflation in the United States. Additionally, CPI is generally conservative as compared to other indices that are utilized in the water and wastewater industry. If the District chose to adopt the CPI or a similar index it would measure the index as of May 2017 to the index as of April 2018 and apply uniform adjustments to the rates for service, which would become effective beginning October 1<sup>st</sup> of each fiscal year. PRMG would recommend the application of the Annual Automatic Inflationary Rate Indexing Policy provision recognize that the annual change for all residential and non-residential rates be based on the percentage change as calculated as follows:

CPI Base Year Value: shall mean the published preceding year's CPI Index Value as of May of the CPI. For the current calculation to be applied on October 1, 2018, this value as published for the CPI shall be the average index for May 2016 and would be 241.98.

CPI Comparison Year Value: shall mean the published current year's CPI Index Value as of May of the CPI. For the current calculation to be applied on October 1, 2018, this value is not yet available (will be published and available in June 2018). For the purpose of presenting an example in this Report, it was assumed that the value as published for the CPI shall be the average index for the twelve-month period from May 2017 to April 2018 and would be 246.05, which will be utilized as a proxy for producing an example.

Consumer Price Index (CPI): shall mean the Consumer Price Index – All Urban Consumers (Series ID CUSR0000SA0) ("CPI") as published by *United States Department of Labor, Bureau of Labor Statistics*.

The calculation of the annual automatic inflationary rate indexing adjustment of the residential and non-residential rates authorized by the District's Board shall be adjusted on October 1<sup>st</sup> of the preceding Fiscal Year by the percentage change between the Comparison Year CPI Value and Base Year CPI Value, such adjustment not being less than 0.00% nor greater than 5.0%. By way of example:

**Calculation of the Annual Automatic Inflationary Rate Indexing Adjustment**

Base Year CPI Value	A	241.98 (May 2017)
Comparison Year CPI Value	B	<u>246.05 (Proxy)</u>
CPI Change – Amount	C	4.07
CPI Change – Percentage of Base Year CPI Value	c/a	1.68%

- In addition to the annual application of the inflationary price index adjustment, the District should consider adopting a schedule of additional water-only rate adjustments in order to provide funds to meet the requirements of the proposed Series 2023 Bonds. PRMG is recommending that an additional seven percent (5.0%) annual targeted rate adjustment be applied only to the monthly water service charges and commodity charges for sales to the



retail and wholesale customers of the District for a period of four (4) years (Fiscal Years 2020 through 2023). It is recommended that the District commence this series of adjustments beginning on October 1, 2019 (Fiscal Year 2020).

The follow is a summary of the estimated rate adjustments to the monthly water and wastewater service charges and commodity charges for sales to the retail and wholesale customers served by the District that have been assumed in this Report:

<b>Recommended Average System Annual Percent Rate Revenue Adjustments</b>				
	Fiscal Year Ending September 30, [1]			
	2020	2021	2022	2023
<b>Water System</b>				
CPI (Estimated)	1.68%	1.68%	1.68%	1.68%
Additional	5.00%	5.00%	5.00%	5.00%
<b>Total Water System</b>	6.68%	6.68%	6.68%	6.68%
<b>Wastewater System</b>				
CPI (Estimated)	1.68%	1.68%	1.68%	1.68%
Additional	0.00%	0.00%	0.00%	0.00%
<b>Total Wastewater System</b>	1.68%	1.68%	1.68%	1.68%
<b>Average Increase –Combined System</b>	<b>4.64%</b>	<b>4.70%</b>	<b>4.75%</b>	<b>4.81%</b>

[1] Reference is made to the Report for a discussion of the recommended rate increases. Rates assumed to become effective with service rendered on October 1<sup>st</sup> of each respective fiscal year.

- It is recommended the District increase the amount of annual Renewal and Replacement Fund deposit over the Forecast Period. Increasing this dedicated transfer to the Renewal and Replacement Fund will allow the District: i) greater flexibility to fund the identified capital improvement projects; ii) increase its ability to defer or reduce the additional indebtedness during the Forecast Period and thereafter; iii) build-up ample capital reserves to provide a hedge against any unforeseen capital emergencies; and iv) strengthen the fiscal position and credit rating for the Utility, which will allow the District to access lower cost capital in support of promoting sustainable rates in the future. The Fiscal Year 2018 budgeted transfer to the Renewal and Replacement Fund is calculated to be approximately 6.7% of the prior year's (Fiscal Year 2017) gross revenues, based on the provisions of the Bond Resolution, this percentage cannot be less than 5.0% in any given year. It is recommended that the District increase this transfer each year over the next four (4) years, with the ultimate goal of being a transfer equal to approximately 12.5% of the prior year's gross revenues. For the purposes of this Report the following transfers have been assumed for the Forecast Period:

<b>Recommended Annual Transfer to the Renewal and Replacement Fund</b>						
	Fiscal Year Ending September 30,					
Description	2018	2019	2020	2021	2022	2023
Percentage of Prior Year's Gross Revenues	6.73%	8.00%	9.00%	10.00%	11.50%	12.50%
Estimated Transfer	\$1,629,476	\$2,015,985	\$2,394,948	\$2,791,558	\$3,370,627	\$3,838,207

5. It is recommended that the District adopt the commodity only wholesale water service charge of approximately \$4.06 per 1,000 gallons of metered water sold to a potential wholesale customer.
6. It is recommended that the District adopt the commodity only wholesale wastewater service charge of approximately \$4.09 per 1,000 gallons of metered wastewater delivered from a potential wholesale customer.
7. It is recommended that the District adopt as a component of the wholesale wastewater service charge the ECRWRF Wholesale Wastewater Charge Component, which would be included in the total wholesale wastewater charge per 1,000 gallons charged to a potential wholesale customer and that this component of the charge be recalculated annually based on information included in the ECRWRF's operating budget, which has been approved by the ECRWRF Board for the upcoming Fiscal Year. The recommended formula to calculate the component is as follows:

$$\frac{\text{District ECR Allocated Budgeted Operating Expenses} + \text{District ECR R\&R Costs}}{\text{District's Budgeted Annual Flows}} = \text{Cost per 1,000 Gallons}$$

All the required information for the annual recalculation of the ECRWTF Wholesale Wastewater Charge Component is shown in the ECR Billing Summary section of the adopted ECRWTF Budget.

- The District's ECR Budgeted Operating Expenses is the amount shown under the Operating (470) column.
- The District's ECR R&R Costs is the amount shown under the Contribution R & R Column.
- The District's Budgeted Annual Flows is the Amount shown under the Estimated Flow MGD column

The calculation for the Fiscal Year 2018 ECR Component is below:

<b>Calculation of Proposed ECRWRF Wholesale Wastewater Charge Component ("Pass-Through") (per 1,000 Gallons)</b>	
	Primary
District's ECR Budgeted Operating Expenses	\$3,167,217
District's ECR R&R Costs	632,590
Total ECR Costs	\$3,799,807
District's Budgeted Annual Flows	1,804,593
ECRWRF Wholesale Wastewater Charge Component (per 1,000 Gallons)	\$2.1056

[1] Amounts shown derived from Table 17 at end of this Report.

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8. It is recommended that wholesale rates should be reviewed every two to three years in order to account for any changes in costs or units of service that may have a material effect on the ability of the wholesale charges to recover the costs of providing service.
9. During periods that the wholesale rates are not formally reviewed, it is recommended that the wholesale charges be adjusted annually for inflation (price index) to account for changes in system operations and costs, except for the ECRWRF Wholesale Wastewater Charge Component, since such charges are already being recommended to be adjusted annually and passed-through as part of the annual wholesale wastewater rate determination process.
10. It is recommended that the District adopt minimum criteria for the determination of a permanent wholesale user for service. This criteria should consider the following: i) the user must enter into a wholesale agreement with specific term based on the service being requested (say 20 to 30 years with renewal options); ii) the customer must agree to a certain level of capacity that would serve as the basis for the payment of Connection Fees and limit the contractual service requirements of the District; iii) the customer must extend service to the metering point; and iv) the customer purchases the wholesale service on the sole basis for providing retail service to its customers and will not provide a pass-through of the purchased service from the District on a wholesale basis to another entity without the consent of the District (service is being provided to retail customers only).
11. It should be noted that the projected results and assumptions as contained in this Study may vary from actual results. As such, District staff should continue to perform annual evaluations to evaluate the need for additional indebtedness and identify rate adjustments.

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**CITY OF RIVIERA BEACH, FLORIDA**

**FISCAL YEAR 2018**

**UTILITY REVENUE SUFFICIENCY AND WHOLESALE RATE EVALUATION**

**LIST OF TABLES**

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Table 1

**City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation**

**Summary of Historical and Projected Water System Customer Statistics**

Line No.	Customer Type	ERC Factor	Historical Fiscal Year [1]		Projected - Fiscal Year Ending September 30,					
			2016	2017	2018	2019	2020	2021	2022	2023
282	6 Inch Metered Customers		-	-	0	0	0	0	0	0
283	8 Inch Metered Customers		-	-	0	0	0	0	0	0
284	10 Inch Metered Customers		-	-	0	0	0	0	0	0
285	Average Annual Units		398	398	398	398	398	398	398	398
286	Annual Water Sales (000's)		287,981	339,143	323,664	323,664	323,664	323,664	323,664	323,664
287	Average Monthly Usage Per ERC		19,575	23,052	22,000	22,000	22,000	22,000	22,000	22,000
Total Irrigation Customers										
288	Total Annual Accounts		401	401	401	401	401	401	401	401
289	Total Annual Units		401	401	411	421	431	441	451	461
290	Total Annual ERCs		1,236	1,236	1,236	1,236	1,236	1,236	1,236	1,236
291	Estimated Annual Consumption (000s)		289,849	342,723	326,664	326,664	326,664	326,664	326,664	326,664
Total Water Customers										
292	Total Annual Accounts		13,044	13,047	13,179	13,246	13,311	13,351	13,376	13,378
293	Total Annual Units		26,170	26,170	26,336	26,502	26,643	26,760	26,795	26,807
294	Total Annual ERCs		20,609	20,725	20,857	20,924	20,989	21,029	21,054	21,056
295	Estimated Annual Consumption (000s)		2,040,232	2,133,520	2,101,550	2,109,681	2,117,212	2,122,987	2,124,787	2,124,931

## Footnotes:

[1] Amounts Shown for Fiscal Year 2017, estimated based on 5 months of billing information at the time of this Report.

[2] Based on discussions with District staff, the City has three new developments connecting to the Utility System during the forecast period. The estimated breakdown is below:

	Total						
	Connections	2018	2019	2020	2021	2022	2023
Single-Family Homes	250	63	63	63	38	23	-
Townhomes	265	66	66	66	67	-	-
Condominium Units	50	25	25	-	-	-	-
	565	154	154	129	105	23	-















Table 2

**City of Riviera Beach Utility Special District**  
**Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation**  
**Summary of Historical and Projected Wastewater System Customer Statistics**

Line No.	Customer Type	ERC Factor	Historical Fiscal Year [1]		Projected - Fiscal Year Ending September 30,					
			2016	2017	2018	2019	2020	2021	2022	2023
245	1 Inch Metered Customers		2	2	2	2	2	2	2	2
246	1-1/2 Inch Metered Customers		2	2	2	2	2	2	2	2
247	Average Annual Units		6	6	6	6	6	6	6	6
248	Annual Water Sales (000's)		605	626	623	623	623	623	623	623
249	Average Monthly Usage Per Account		8,403	8,694	8,650	8,650	8,650	8,650	8,650	8,650
<u>Rate Code 50 (Hotel)</u>										
250	Estimated Unit/Account Growth:		-		0.00	0.00	0.00	0.00	0.00	0.00
Average Annual Accounts (Meter Sizes)										
251	3/4 Inch Metered Customers	1.00	2	2	2	2	2	2	2	2
252	1 Inch Metered Customers	2.00	3	3	3	3	3	3	3	3
253	1-1/2 Inch Metered Customers	3.00	2	2	2	2	2	2	2	2
254	2 Inch Metered Customers	5.00	4	4	4	4	4	4	4	4
255	3 Inch Metered Customers	10.00	2	2	2	2	2	2	2	2
256	4 Inch Metered Customers	17.00	3	3	3	3	3	3	3	3
257	8 Inch Metered Customers	53.00	0	0	0	0	0	0	0	0
258	Average Annual Accounts		16	16	16	16	16	16	16	16
259	Average Annual ERCs		105	105	105	105	105	105	105	105
Average Annual Units (Meter Sizes)										
260	3/4 Inch Metered Customers		27	27	27	27	27	27	27	27
261	1 Inch Metered Customers		41	41	41	41	41	41	41	41
262	1-1/2 Inch Metered Customers		43	43	43	43	43	43	43	43
263	2 Inch Metered Customers		186	186	186	186	186	186	186	186
264	3 Inch Metered Customers		217	217	217	217	217	217	217	217
265	4 Inch Metered Customers		697	697	697	697	697	697	697	697
266	8 Inch Metered Customers		-	-	0	0	0	0	0	0
267	Average Annual Units		1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211
268	Annual Water Sales (000's)		35,950	36,262	35,603	35,603	35,603	35,603	35,603	35,603
269	Average Monthly Usage Per Account		2,474	2,495	2,450	2,450	2,450	2,450	2,450	2,450
Total Commercial Customers										
270	Total Annual Accounts		1,133	1,133	1,133	1,133	1,133	1,133	1,133	1,133
271	Total Annual Units		3,711	3,711	3,711	3,711	3,711	3,711	3,711	3,711
272	Total Annual ERCs		4,683	4,683	4,683	4,683	4,683	4,683	4,683	4,683
273	Estimated Annual Consumption (000s)		399,231	386,007	382,741	382,741	382,741	382,741	382,741	382,741
Mangonia Park										
274	Total Annual Accounts		1	1	1	1	1	1	1	1
275	Total Annual Units		1	1	1	1	1	1	1	1
276	Total Annual ERCs		1	1	1	1	1	1	1	1
277	Estimated Annual Consumption (000s)		82,304	79,594	79,594	79,594	79,594	79,594	79,594	79,594
Total Wastewater Customers										
278	Total Annual Accounts		12,580	12,580	12,712	12,779	12,844	12,884	12,909	12,911
279	Total Annual Units		25,426	25,426	25,582	25,738	25,869	25,976	26,001	26,003
280	Total Annual ERCs		18,060	18,060	18,192	18,259	18,324	18,364	18,389	18,391
281	Estimated Annual Consumption (000s)		1,522,247	1,541,469	1,520,272	1,528,237	1,535,572	1,541,194	1,542,949	1,543,089

## Footnotes:

[1] Amounts Shown for Fiscal Year 2017, estimated based on 5 months of billing information at the time of this Report.

[2] Amounts shown reflect additional development, consistent with the amounts assumed on Table 1 of this Report.



Table 3  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Escalation Factors

Line No.	Description	Escalation Reference	Fiscal Year Ending September 30,					
			2018	2019	2020	2021	2022	2023
1	Constant	Constant	1.000	1.000	1.000	1.000	1.000	1.000
2	General Inflation [1]	Inflation	1.023	1.023	1.024	1.024	1.024	1.024
3	Professional Services	ProfSvc	1.030	1.030	1.030	1.030	1.030	1.030
4	Labor Escalator	Labor	1.035	1.035	1.035	1.035	1.035	1.035
5	General Insurance	GenIns	1.050	1.050	1.050	1.050	1.050	1.050
6	Repair and Maintenance	Repair	1.030	1.030	1.035	1.040	1.045	1.050
7	Utilities	Utilities	1.050	1.050	1.050	1.050	1.050	1.050
8	Gas & Oil	Gas	1.040	1.040	1.040	1.040	1.040	1.040
9	Rate Revenue - Water	Water Rev	1.044	1.034	1.071	1.070	1.068	1.063
10	Rate Revenue - Sewer	Sewer Rev	1.044	1.090	1.019	1.020	1.018	1.012
11	Water Electric	W Electric	1.024	1.028	1.028	1.027	1.025	1.024
12	Sewer Electric	S Electric	1.024	1.029	1.029	1.028	1.025	1.025
13	Health Insurance	Health	1.050	1.050	1.050	1.050	1.050	1.050
14	Marginal Escalator	Margin	1.010	1.010	1.010	1.010	1.010	1.010
15	Declining	Decline	0.950	0.950	0.950	0.950	0.950	0.950
16	Elimination Factor	Eliminate	0.000	0.000	0.000	0.000	0.000	0.000
17	Water Account Growth	Grth-Water	1.010	1.005	1.005	1.003	1.002	1.002
18	Wastewater Account Growth	Grth-Sewer	1.010	1.005	1.005	1.003	1.002	1.002
19	Water Account Growth and General Inflation	Cust-Water	1.033	1.028	1.029	1.027	1.026	1.026
20	Wastewater Account Growth and General Inflation	Cust-Sewer	1.034	1.028	1.029	1.027	1.026	1.026
21	Water Flow Growth and General Inflation	Water Flow	1.008	1.027	1.028	1.027	1.025	1.024
22	Wastewater Flow Growth and General Inflation	Sewer Flow	1.009	1.028	1.029	1.028	1.025	1.025
23	Water Chemicals	W Chemicals	1.037	1.041	1.041	1.040	1.038	1.037
24	Sewer Chemicals	S Chemicals	1.037	1.042	1.042	1.041	1.038	1.038
25	ECR Electric	ECR Electric	1.044	1.044	1.044	1.044	1.044	1.044
26	ECR Chemical	ECR Chemical	1.057	1.057	1.057	1.057	1.057	1.057
27	Extra 1	Extra1	1.000	1.000	1.000	1.000	1.000	1.000

Footnotes:

[1] Inflation figures obtained from the "The Budget and Economic Outlook: An Update" published by the Congressional Budget Office in August 2017.



Table 4  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Operating Expenses

Line No.	G/L Code	Description	Summary Index	Escalation Factor	Budget 2018	Adjustments	Adjusted 2018	Projected Fiscal Year Ending September 30,				
								2019	2020	2021	2022	2023
Administration - 1417												
1	411-1417-533-1-6405	UASI - Machinery & Equipment	Capital Outlay	Inflation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	411-1417-533-2-6405	UASI - Machinery & Equipment	Capital Outlay	Inflation	-	-	-	-	-	-	-	-
3	411-1417-536-0-1201	Regular Salaries & Wages	Personnel Services	Labor	885,082	-	885,082	916,060	948,122	981,306	1,015,652	1,051,200
4	411-1417-536-0-1401	Overtime	Personnel Services	Labor	4,000	-	4,000	4,140	4,285	4,435	4,590	4,751
5	411-1417-536-0-2101	FICA Taxes	Personnel Services	Labor	68,015	-	68,015	70,396	72,859	75,409	78,049	80,780
6	411-1417-536-0-2201	Retirement Contributions	Personnel Services	Labor	91,451	-	91,451	94,652	97,965	101,393	104,942	108,615
7	411-1417-536-0-2202	Retirement Contributions - FRS General	Personnel Services	Labor	65,679	-	65,679	67,978	70,357	72,819	75,368	78,006
8	411-1417-536-0-2299	Pension Expense	Personnel Services	Labor	-	-	-	-	-	-	-	-
9	411-1417-536-0-2301	Health & Dental Insurance	Personnel Services	Health	111,261	-	111,261	116,824	122,665	128,799	135,238	142,000
10	411-1417-536-0-2302	Life Insurance	Personnel Services	Labor	2,622	-	2,622	2,714	2,809	2,907	3,009	3,114
11	411-1417-536-0-2600	OPEB Liability Expense	OPEB	Labor	91,956	-	91,956	95,174	98,506	101,953	105,522	109,215
12	411-1417-536-0-3102	Professional Services - Medical / Dental	Personnel Services	Inflation	310	-	310	317	325	333	341	349
13	411-1417-536-0-3103	Professional Services - Engineering	Professional Services	Inflation	30,000	-	30,000	30,690	31,427	32,181	32,953	33,744
14	411-1417-536-0-3105	Professional Services - Financial	Professional Services	Inflation	10,000	-	10,000	10,230	10,476	10,727	10,984	11,248
15	411-1417-536-0-3106	Professional Services- Other	Professional Services	Labor	5,428,824	(2,277,203)	3,151,621	3,261,928	3,376,095	3,494,259	3,616,558	3,743,137
16	411-1417-536-0-3106a	Professional Services - PILOT	PILOT	Calculated	-	1,600,391	1,600,391	1,565,193	1,642,366	1,724,695	1,808,229	1,887,457
17	411-1417-536-0-3106b	Professional Services - GASB 68	Professional Services	Calculated	-	676,812	676,812	711,178	746,121	791,177	829,139	876,168
18	411-1417-536-0-3110	CRB Direct Labor	Personnel Services	Labor	-	-	-	-	-	-	-	-
19	411-1417-536-0-3201	Accounting and Auditing	Professional Services	Inflation	6,000	-	6,000	6,138	6,285	6,436	6,591	6,749
20	411-1417-536-0-3401	Contractual Services - Janitorial	Contractual Services	Inflation	16,000	-	16,000	16,368	16,761	17,163	17,575	17,997
21	411-1417-536-0-3402	Contractual Services - Pest Control	Contractual Services	Inflation	1,000	-	1,000	1,023	1,048	1,073	1,098	1,125
22	411-1417-536-0-3405	Merchant Service Fees	Contractual Services	Inflation	100,000	-	100,000	102,300	104,755	107,269	109,844	112,480
23	411-1417-536-0-3406	Contractual Services - Other	Contractual Services	Labor	55,000	-	55,000	56,925	58,917	60,979	63,114	65,323
24	411-1417-536-0-4001	Travel	Other Miscellaneous	Inflation	4,000	-	4,000	4,092	4,190	4,291	4,394	4,499
25	411-1417-536-0-4101	Communication Services - Telephone	Communication Services	Inflation	37,000	-	37,000	37,851	38,759	39,690	40,642	41,618
26	411-1417-536-0-4102	Communication - Radio	Communication Services	Inflation	-	-	-	-	-	-	-	-
27	411-1417-536-0-4107	Communication Services - Radio	Communication Services	Inflation	-	-	-	-	-	-	-	-
28	411-1417-536-0-4201	Postage & Freight Charges	Postage	Inflation	200	-	200	205	210	215	220	225
29	411-1417-536-0-4301	Utilities - Electricity	Electricity	W Electric	-	-	-	-	-	-	-	-
30	411-1417-536-0-4306	Utilities - Other	Utilities	Utilities	-	-	-	-	-	-	-	-
31	411-1417-536-0-4307	Utilities - Waste Disposal / Trash	Utilities	Utilities	-	-	-	-	-	-	-	-
32	411-1417-536-0-4501	CGL Insurance	Insurance	GenIns	70,050	-	70,050	73,553	77,230	81,092	85,146	89,404
33	411-1417-536-0-4601	Repair & Maintenance - Contract	Repair & Maintenance	Repair	2,100	-	2,100	2,163	2,239	2,328	2,433	2,555
34	411-1417-536-0-4602	Repair & Maintenance - Buildings	Repair & Maintenance	Repair	2,100	-	2,100	2,163	2,239	2,328	2,433	2,555
35	411-1417-536-0-4605	Repair & Maintenance - Motor Vehicles	Repair & Maintenance	Repair	5,000	-	5,000	5,150	5,330	5,543	5,793	6,083
36	411-1417-536-0-4701	Printing & Binding	Printing	Inflation	1,300	-	1,300	1,330	1,362	1,395	1,428	1,462
37	411-1417-536-0-4703	Printing & Binding - Copier	Printing	Inflation	1,000	-	1,000	1,023	1,048	1,073	1,098	1,125
38	411-1417-536-0-4801	Promotional Activities	Promotional Activities	Inflation	21,000	-	21,000	21,483	21,999	22,527	23,067	23,621
39	411-1417-536-0-4906	Other Charges Other	Equipment	Inflation	-	-	-	-	-	-	-	-
40	411-1417-536-0-4907	Others - Surveillance	Security	Inflation	16,000	-	16,000	16,368	16,761	17,163	17,575	17,997
41	411-1417-536-0-4910	Bad Debt Expense	Bad Debt	Calculated	-	370,451	370,451	391,298	410,592	431,174	452,057	471,864
42	411-1417-536-0-5101	Office Supplies - Station	Office Supplies	Inflation	4,000	-	4,000	4,092	4,190	4,291	4,394	4,499
43	411-1417-536-0-5201	Office Supplies - General	Office Supplies	Inflation	16,000	-	16,000	16,368	16,761	17,163	17,575	17,997
44	411-1417-536-0-5202	Operating Supplies - Software	Operating Supplies	Inflation	36,000	-	36,000	36,828	37,712	38,617	39,544	40,493
45	411-1417-536-0-5204	Operating Supplies - Janitor	Operating Supplies	Inflation	2,000	-	2,000	2,046	2,095	2,145	2,197	2,250
46	411-1417-536-0-5205	Operating Supplies - Clothing	Operating Supplies	Inflation	2,000	-	2,000	2,046	2,095	2,145	2,197	2,250
47	411-1417-536-0-5206	Operating Supplies - Other	Operating Supplies	Inflation	6,250	-	6,250	6,394	6,547	6,704	6,865	7,030
48	411-1417-536-0-5250	Small Tools & Equipment	Equipment	Inflation	1,700	-	1,700	1,739	1,781	1,824	1,867	1,912
49	411-1417-536-0-5299	Unreconciled Credit Card Charges	Other Miscellaneous	Inflation	-	-	-	-	-	-	-	-
50	411-1417-536-0-5401	Books and Periodicals	Subscriptions & Member	Margin	1,000	-	1,000	1,010	1,020	1,030	1,041	1,051
51	411-1417-536-0-5402	Subscriptions & Member	Subscriptions & Member	Margin	5,500	-	5,500	5,555	5,611	5,667	5,723	5,781
52	411-1417-536-0-5403	Employee Development	Higher Education	Inflation	6,250	-	6,250	6,394	6,547	6,704	6,865	7,030
53	411-1417-536-0-5404	Tuition Reimbursement	Higher Education	Inflation	11,000	-	11,000	11,253	11,523	11,800	12,083	12,373
54	411-1417-536-0-5999	Contingency	Other Miscellaneous	Eliminate	1,580,000	(1,580,000)	-	-	-	-	-	-
55	411-1417-536-0-6251	Capital - Buildings	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-
56	411-1417-536-0-6404	Office Equipment and Furniture	Capital Outlay	Eliminate	5,500	(5,500)	-	-	-	-	-	-
57	411-1417-536-0-6405	UASI - Machinery & Equipment	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-
58	411-1417-536-0-6451	Capital Vehicles	Capital Outlay	Eliminate	300,000	(300,000)	-	-	-	-	-	-
59	411-1417-536-0-6454	Office Equipment and Furniture	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-
60	411-1417-536-0-7301	Bond Issue Costs	Debt Service	Eliminate	-	-	-	-	-	-	-	-
61	411-1417-581-0-0001	Transfer To 001	Transfer To 001	Eliminate	-	-	-	-	-	-	-	-
62	411-1417-581-0-0412	Transfer To 412	Transfer To 412	Eliminate	407,369	(407,369)	-	-	-	-	-	-
63	411-1417-581-0-0413	Transfer to 413	Transfer to 413	Eliminate	-	-	-	-	-	-	-	-
64	411-1417-581-0-0414	Transfer To 414	Transfer To 414	Eliminate	4,261,525	(4,261,525)	-	-	-	-	-	-





Table 4  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Operating Expenses

Line No.	G/L Code	Description	Summary Index	Escalation Factor	Budget 2018	Adjustments	Adjusted 2018	Projected Fiscal Year Ending September 30,				
								2019	2020	2021	2022	2023
126	411-1437-533-0-3403	Contractual Services - Dump	Contractual Services	Inflation	-	-	-	-	-	-	-	-
127	411-1437-533-0-3406	Contractual Services - Other	Contractual Services	Inflation	46,100	-	46,100	47,160	48,292	49,451	50,638	51,853
128	411-1437-533-0-4001	Travel	Other Miscellaneous	Inflation	2,000	-	2,000	2,046	2,095	2,145	2,197	2,250
129	411-1437-533-0-4101	Communication Services - Telephone	Communication Services	Inflation	-	-	-	-	-	-	-	-
130	411-1437-533-0-4102	Communication - Radio	Communication Services	Inflation	-	-	-	-	-	-	-	-
131	411-1437-533-0-4201	Postage & Freight Charges	Postage	Inflation	-	-	-	-	-	-	-	-
132	411-1437-533-0-4301	Utilities - Electricity	Electricity	W Electric	489,600	-	489,600	503,260	517,150	530,958	544,125	557,239
133	411-1437-533-0-4303	Utilities - Gas	Utilities	Gas	-	-	-	-	-	-	-	-
134	411-1437-533-0-4306	Utilities - Other	Utilities	Utilities	5,647	-	5,647	5,929	6,226	6,537	6,864	7,207
135	411-1437-533-0-4307	Utilities - Waste Disposal / Trash	Utilities	Utilities	-	-	-	-	-	-	-	-
136	411-1437-533-0-4401	Rent And Leases - Land	Rents and Leases	Inflation	6,743	-	6,743	6,898	7,064	7,233	7,407	7,585
137	411-1437-533-0-4403	Rent And Leases - Equipment	Rents and Leases	Inflation	-	-	-	-	-	-	-	-
138	411-1437-533-0-4501	CGL Insurance	Insurance	GenIns	181,594	-	181,594	190,674	200,207	210,218	220,729	231,765
139	411-1437-533-0-4502	Insurance - Fire, Theft, Casualty	Insurance	GenIns	-	-	-	-	-	-	-	-
140	411-1437-533-0-4503	Insurance - Professional Liability	Insurance	GenIns	-	-	-	-	-	-	-	-
141	411-1437-533-0-4505	Insurance - Other	Insurance	GenIns	-	-	-	-	-	-	-	-
142	411-1437-533-0-4508	Settlement Payments	Other Miscellaneous	Inflation	-	-	-	-	-	-	-	-
143	411-1437-533-0-4601	Repair & Maintenance - Contract	Repair & Maintenance	Repair	-	-	-	-	-	-	-	-
144	411-1437-533-0-4602	Repair & Maintenance - Buildings	Repair & Maintenance	Repair	10,500	-	10,500	10,815	11,194	11,641	12,165	12,773
145	411-1437-533-0-4603	Repair & Maintenance - Grounds	Repair & Maintenance	Repair	5,250	-	5,250	5,408	5,597	5,821	6,083	6,387
146	411-1437-533-0-4604	Repair & Maintenance - Contract	Repair & Maintenance	Repair	120,000	-	120,000	123,600	127,926	133,043	139,030	145,981
147	411-1437-533-0-4605	Repair & Maintenance - Motor Vehicles	Repair & Maintenance	Repair	-	-	-	-	-	-	-	-
148	411-1437-533-0-4606	Repair & Maintenance - Lines	Repair & Maintenance	Repair	10,500	-	10,500	10,815	11,194	11,641	12,165	12,773
149	411-1437-533-0-4607	Repair & Maintenance - Other	Repair & Maintenance	Repair	108,000	-	108,000	111,240	115,133	119,739	125,127	131,383
150	411-1437-533-0-4608	Fleet Services	Repair & Maintenance	Repair	84,500	-	84,500	87,035	90,081	93,684	97,900	102,795
151	411-1437-533-0-4608	Repair & Maintenance - Fire Hydrants	Repair & Maintenance	Repair	-	-	-	-	-	-	-	-
152	411-1437-533-0-4701	Printing & Binding	Printing	Inflation	-	-	-	-	-	-	-	-
153	411-1437-533-0-4702	Printing & Binding - Photographs	Printing	Inflation	5,600	-	5,600	5,729	5,866	6,007	6,151	6,299
154	411-1437-533-0-4703	Printing & Binding - Copier	Printing	Inflation	-	-	-	-	-	-	-	-
155	411-1437-533-0-4906	Other Charges - Others	Other Miscellaneous	Inflation	5,100	-	5,100	5,217	5,343	5,471	5,602	5,736
156	411-1437-533-0-4907	Others - Surveillance	Security	Inflation	2,000	-	2,000	2,046	2,095	2,145	2,197	2,250
157	411-1437-533-0-4909	Depreciation	Depreciation	Eliminate	-	-	-	-	-	-	-	-
158	411-1437-533-0-5101	Office Supplies - Station	Office Supplies	Inflation	-	-	-	-	-	-	-	-
159	411-1437-533-0-5201	Office Supplies - General	Office Supplies	Inflation	7,125	-	7,125	7,289	7,464	7,643	7,826	8,014
160	411-1437-533-0-5202	Operating Supplies - Software	Operating Supplies	Inflation	-	-	-	-	-	-	-	-
161	411-1437-533-0-5203	Operating Supplies - Chemicals	Operating Supplies	W Chemicals	535,500	-	535,500	557,509	580,255	603,408	626,337	649,699
162	411-1437-533-0-5204	Operating Supplies - Janitor	Operating Supplies	Inflation	-	-	-	-	-	-	-	-
163	411-1437-533-0-5205	Operating Supplies - Clothing	Operating Supplies	Inflation	14,800	-	14,800	15,140	15,504	15,876	16,257	16,647
164	411-1437-533-0-5206	Operating Supplies - Other	Operating Supplies	Inflation	7,000	-	7,000	7,161	7,333	7,509	7,689	7,874
165	411-1437-533-0-5207	Operating Supplies - Water	Operating Supplies	Inflation	10,250	-	10,250	10,486	10,737	10,995	11,259	11,529
166	411-1437-533-0-5208	Lime Sludge Removal	Sludge	Inflation	106,300	-	106,300	108,745	111,355	114,027	116,764	119,566
167	411-1437-533-0-5250	Small Tools & Equipment	Equipment	Inflation	-	-	-	-	-	-	-	-
168	411-1437-533-0-5299	Unreconciled Credit Card Charges	Other Miscellaneous	Inflation	-	-	-	-	-	-	-	-
169	411-1437-533-0-5401	Books and Periodicals	Subscriptions & Member	Margin	100	-	100	101	102	103	104	105
170	411-1437-533-0-5402	Subscriptions & Member	Subscriptions & Member	Margin	200	-	200	202	204	206	208	210
171	411-1437-533-0-5403	Employee Development	Higher Education	Inflation	2,100	-	2,100	2,148	2,200	2,253	2,307	2,362
172	411-1437-533-0-5999	Contingency	Other Miscellaneous	Eliminate	800,000	(800,000)	-	-	-	-	-	-
173	411-1437-533-0-6403	Heavy Equipment	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-
174	411-1437-533-0-6405	UASI - Machinery & Equipment	Capital Outlay	Eliminate	130,000	(130,000)	-	-	-	-	-	-
175	411-1437-581-0-0412	Transfer To 412	Transfer To 412	Eliminate	407,369	(407,369)	-	-	-	-	-	-
176	411-1437-581-0-0414	Transfer To 414	Transfer To 414	Eliminate	-	-	-	-	-	-	-	-
177		Total Water Treatment - 1437			\$ 4,445,606	\$ (1,337,369)	\$ 3,108,237	\$ 3,217,984	\$ 3,333,426	\$ 3,453,987	\$ 3,578,805	\$ 3,709,495
		Wastewater Collection -1438										
178	411-1438-535-0-1201	Regular Salaries & Wages	Personnel Services	Labor	\$ 488,732	-	\$ 488,732	\$ 505,838	\$ 523,542	\$ 541,866	\$ 560,831	\$ 580,460
179	411-1438-535-0-1401	Overtime	Personnel Services	Labor	30,000	-	30,000	31,050	32,137	33,262	34,426	35,631
180	411-1438-535-0-2101	FICA Taxes	Personnel Services	Labor	39,683	-	39,683	41,072	42,509	43,997	45,537	47,131
181	411-1438-535-0-2201	Retirement Contributions	Personnel Services	Labor	104,162	-	104,162	107,808	111,581	115,486	119,528	123,712
182	411-1438-535-0-2202	Retirement Contributions - FRS General	Personnel Services	Labor	2,855	-	2,855	2,955	3,058	3,165	3,276	3,391
183	411-1438-535-0-2301	Health & Dental Insurance	Personnel Services	Health	110,960	-	110,960	116,508	122,333	128,450	134,873	141,616
184	411-1438-535-0-2302	Life Insurance	Personnel Services	Labor	2,622	-	2,622	2,714	2,809	2,907	3,009	3,114
185	411-1438-535-0-3102	Professional Services - Medical / Dental	Professional Services	Inflation	600	-	600	614	629	644	659	675
186	411-1438-535-0-3103	Professional Services - Engineering	Professional Services	Inflation	-	-	-	-	-	-	-	-
187	411-1438-535-0-3105	Professional Services - Financial	Professional Services	Inflation	-	-	-	-	-	-	-	-
188	411-1438-535-0-3106	Professional Services- Other	Professional Services	Inflation	6,000	-	6,000	6,138	6,285	6,436	6,591	6,749
189	411-1438-535-0-3201	Accounting and Auditing	Professional Services	Inflation	5,200	-	5,200	5,320	5,447	5,578	5,712	5,849



Table 4  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Operating Expenses

Line No.	G/L Code	Description	Summary Index	Escalation Factor	Budget 2018	Adjustments	Adjusted 2018	Projected Fiscal Year Ending September 30,					
								2019	2020	2021	2022	2023	
190	411-1438-535-0-3402	Contractual Services - Pest Control	Contractual Services	Inflation	-	-	-	-	-	-	-	-	-
191	411-1438-535-0-3405	CONTRACT SERVICES - SEWER	ECR	Inflation	4,161,600	(994,383)	3,167,217	3,053,046	3,099,224	3,133,589	3,216,923	3,296,295	
192	411-1438-535-0-3406	Contractual Services - Other	Contractual Services	Inflation	-	-	-	-	-	-	-	-	
193	411-1438-535-0-4001	Travel	Other Miscellaneous	Inflation	2,100	-	2,100	2,148	2,200	2,253	2,307	2,362	
194	411-1438-535-0-4101	Communication Services - Telephone	Communication Services	Inflation	-	-	-	-	-	-	-	-	
195	411-1438-535-0-4102	Communication - Radio	Communication Services	Inflation	500	-	500	512	524	536	549	562	
196	411-1438-535-0-4201	Postage & Freight Charges	Postage	Inflation	100	-	100	102	105	107	110	112	
197	411-1438-535-0-4301	Utilities - Electricity	Electricity	S Electric	201,000	-	201,000	206,869	212,827	218,722	224,212	229,862	
198	411-1438-535-0-4305	Utilities - Water	Utilities	Utilities	2,200	-	2,200	2,310	2,426	2,547	2,674	2,808	
199	411-1438-535-0-4307	Utilities - Waste Disposal / Trash	Utilities	Utilities	-	-	-	-	-	-	-	-	
200	411-1438-535-0-4401	Rent And Leases - Land	Rents and Leases	Inflation	-	-	-	-	-	-	-	-	
201	411-1438-535-0-4403	Rent And Leases - Equipment	Rents and Leases	Inflation	-	-	-	-	-	-	-	-	
202	411-1438-535-0-4405	Copier Rental	Rents and Leases	Inflation	-	-	-	-	-	-	-	-	
203	411-1438-535-0-4501	CGL Insurance	Insurance	GenIns	119,506	-	119,506	125,481	131,755	138,343	145,260	152,523	
204	411-1438-535-0-4502	Insurance - Fire, Theft, Casualty	Insurance	GenIns	-	-	-	-	-	-	-	-	
205	411-1438-535-0-4503	Insurance - Professional Liability	Insurance	GenIns	-	-	-	-	-	-	-	-	
206	411-1438-535-0-4505	Insurance - Other	Insurance	GenIns	-	-	-	-	-	-	-	-	
207	411-1438-535-0-4601	Repair & Maintenance - Contract	Repair & Maintenance	Repair	-	-	-	-	-	-	-	-	
208	411-1438-535-0-4602	Repair & Maintenance - Buildings	Repair & Maintenance	Repair	11,250	-	11,250	11,588	11,993	12,473	13,034	13,686	
209	411-1438-535-0-4604	Repair & Maintenance - Contract	Repair & Maintenance	Repair	52,020	-	52,020	53,581	55,456	57,674	60,269	63,283	
210	411-1438-535-0-4605	Repair & Maintenance - Motor Vehicles	Repair & Maintenance	Repair	-	-	-	-	-	-	-	-	
211	411-1438-535-0-4606	Repair & Maintenance - Lines	Repair & Maintenance	Repair	33,000	-	33,000	33,990	35,180	36,587	38,233	40,145	
212	411-1438-535-0-4608	Fleet Services	Repair & Maintenance	Repair	50,500	-	50,500	52,015	53,836	55,989	58,508	61,434	
213	411-1438-535-0-4612	Region Sewer Renewal & Replacement	Repair & Maintenance	Repair	-	-	-	-	-	-	-	-	
214	411-1438-535-0-4702	Printing & Binding - Photographs	Printing	Inflation	750	-	750	767	786	805	824	844	
215	411-1438-535-0-4909	Depreciation	Depreciation	Eliminate	-	-	-	-	-	-	-	-	
216	411-1438-535-0-5101	Office Supplies - Station	Office Supplies	Inflation	-	-	-	-	-	-	-	-	
217	411-1438-535-0-5201	Office Supplies - General	Office Supplies	Inflation	10,500	-	10,500	10,742	10,999	11,263	11,534	11,810	
218	411-1438-535-0-5202	Operating Supplies - Software	Operating Supplies	Inflation	-	-	-	-	-	-	-	-	
219	411-1438-535-0-5203	Operating Supplies - Chemicals	Operating Supplies	S Chemicals	10,000	-	10,000	10,424	10,862	11,306	11,739	12,190	
220	411-1438-535-0-5204	Operating Supplies - Janitor	Operating Supplies	Inflation	650	-	650	665	681	697	714	731	
221	411-1438-535-0-5205	Operating Supplies - Clothing	Operating Supplies	Inflation	12,750	-	12,750	13,043	13,356	13,677	14,005	14,341	
222	411-1438-535-0-5206	Operating Supplies - Other	Operating Supplies	Inflation	21,000	-	21,000	21,483	21,999	22,527	23,067	23,621	
223	411-1438-535-0-5250	Small Tools & Equipment	Other Miscellaneous	Inflation	1,500	-	1,500	1,535	1,571	1,609	1,648	1,687	
224	411-1438-535-0-5299	Unreconciled Credit Card Charges	Other Miscellaneous	Inflation	-	-	-	-	-	-	-	-	
225	411-1438-535-0-5401	Books and Periodicals	Subscriptions & Member	Margin	250	-	250	253	255	258	260	263	
226	411-1438-535-0-5402	Subscriptions & Member	Subscriptions & Member	Margin	400	-	400	404	408	412	416	420	
227	411-1438-535-0-5403	Employee Development	Higher Education	Inflation	2,150	-	2,150	2,199	2,252	2,306	2,362	2,418	
228	411-1438-535-0-5999	Contingency	Other Miscellaneous	Eliminate	600,000	(600,000)	-	-	-	-	-	-	
229	411-1438-535-0-6405	UASI - Machinery & Equipment	Capital Outlay	Eliminate	50,000	(50,000)	-	-	-	-	-	-	
230	411-1438-581-0-0412	Transfer To 412	Transfer To 412	Eliminate	407,369	(407,369)	-	-	-	-	-	-	
231	411-1438-581-0-0414	Transfer To 414	Transfer To 414	Eliminate	-	-	-	-	-	-	-	-	
232		Total Wastewater Collection -1438			\$ 6,541,909	\$ (2,051,752)	\$ 4,490,157	\$ 4,423,172	\$ 4,519,025	\$ 4,605,471	\$ 4,743,090	\$ 4,879,726	
233	412-1417-533-0-3108	Professional Services - Contract	Professional Services	Inflation	\$ -	-	-	\$ -	\$ -	\$ -	\$ -	\$ -	
234	412-1417-533-0-6351	USD Grounds Improvement	Capital Outlay	Inflation	-	-	-	-	-	-	-	-	
235	412-1417-536-0-5999	Contingency	Contingency	Eliminate	-	-	-	-	-	-	-	-	
236	412-1417-536-0-6454	Office Equipment and Furniture	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-	
237	412-1417-581-0-0411	Transfer To 411	Transfer To 411	Inflation	-	-	-	-	-	-	-	-	
238	412-1430-533-0-4604	Repair & Maintenance - Contract	Repair & Maintenance	Constant	850,000	(850,000)	-	-	-	-	-	-	
239	412-1430-533-0-5206	Operating Supplies - Other	Operating Supplies	Inflation	-	-	-	-	-	-	-	-	
240	412-1437-533-0-3108	Professional Services - Contract	Professional Services	Inflation	-	-	-	-	-	-	-	-	
241	412-1437-533-0-4606	Repair & Maintenance - Lines	Repair & Maintenance	Repair	-	-	-	-	-	-	-	-	
242	412-1437-533-0-6351	USD Grounds Improvement	Capital Outlay	Inflation	-	-	-	-	-	-	-	-	
243	412-1437-533-0-6352	Capital - Water Mains & Accessories	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-	
244	412-1437-533-0-6402	Capital - Vehicles, Trucks	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-	
245	412-1437-533-0-6405	UASI - Machinery & Equipment	Capital Outlay	Eliminate	2,976,200	(2,976,200)	-	-	-	-	-	-	
246	412-1437-533-0-6559	Capital - Plant (Water)	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-	
247	412-1438-535-0-4604	Repair & Maintenance - Contract	Repair & Maintenance	Repair	-	-	-	-	-	-	-	-	
248	412-1438-535-0-4606	Repair & Maintenance - Lines	Repair & Maintenance	Repair	-	-	-	-	-	-	-	-	
249	412-1438-535-0-5999	Contingency	Contingency	Eliminate	-	-	-	-	-	-	-	-	
250	412-1438-535-0-6351	USD Grounds Improvement	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-	
251	412-1438-535-0-6352	Capital - Water Mains & Accessories	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-	
252	412-1438-535-0-6556	Capital - Lift Stations (Sewer)	Capital Outlay	Eliminate	-	-	-	-	-	-	-	-	
253		Total 412 Renewal & Replacement			\$ 3,826,200	\$ (3,826,200)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	





Table 4  
 City of Riviera Beach Utility Special District  
 Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Operating Expenses

Line No.	G/L Code	Description	Summary Index	Escalation Factor	Budget 2018	Adjustments	Adjusted 2018	Projected Fiscal Year Ending September 30,				
								2019	2020	2021	2022	2023
414 Debt Service Reserve												
254	414-1417-517-0-5999	Contingency	Contingency	Eliminate	-	-	-	-	-	-	-	-
255	414-1417-517-0-7101	Principal	Debt Service	Eliminate	1,640,000	(1,640,000)	-	-	-	-	-	-
256	414-1417-517-0-7201	Interest	Debt Service	Eliminate	2,621,525	(2,621,525)	-	-	-	-	-	-
257		Total 414 Debt Service Reserve			\$ 4,261,525	\$ (4,261,525)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments												
258	Contingency	Contingency	Contingency	Calculated	\$ -	\$ 1,644,275	\$ 1,644,275	\$ 1,722,374	\$ 1,729,353	\$ 1,788,442	\$ 1,853,436	\$ 1,920,247
259	Budget Adjustment	Budget Adjustment	Budget Adjustment	Input	-	-	-	-	-	-	-	-
260	Capitalized Labor	Capitalized Labor	Capitalized Labor	CAPLabor	-	-	-	-	-	-	-	-
261		Total Adjustments			\$ -	\$ 1,644,275	\$ 1,644,275	\$ 1,722,374	\$ 1,729,353	\$ 1,788,442	\$ 1,853,436	\$ 1,920,247
262		TOTAL OPERATING EXPENSES			\$ 34,760,904	\$ (16,673,884)	\$ 18,087,020	\$ 18,946,115	\$ 19,022,887	\$ 19,672,866	\$ 20,387,792	\$ 21,122,714

Table 5  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Operating Expense Allocation Factors

Line No.	Description	Basis	Allocation Percentages		
			Water System	Wastewater System	Total System
1	Direct Water System	Direct-W	100.0%	0.0%	100.0%
2	Direct Sewer System	Direct-S	0.0%	100.0%	100.0%
3	Eliminate	Eliminate	0.0%	0.0%	0.0%
4	Equal	Equal	50.0%	50.0%	100.0%
5	Salaries and Wages	Salaries	75.4%	24.6%	100.0%
6	Operating Expenses	Expenses	61.3%	38.7%	100.0%
7	Operating Expenses w/out ECR	ExpNoECR	76.0%	24.0%	100.0%
8	Customer Accounts	Accounts	50.9%	49.1%	100.0%
9	Revenues	Revenues	60.4%	39.6%	100.0%
10	Lines	Lines	51.7%	48.3%	100.0%
11	Indirect Cost	IndirectCost	65.1%	34.9%	100.0%
12	Series 2016 Debt Allocator	Series2016	63.9%	36.1%	100.0%
13	CIP	CIP	80.2%	19.8%	100.0%
14	Assets	Assets	67.0%	33.0%	100.0%
15	Assets - Fixed Assets Allocator (Wholesale)	WAssets	66.6%	33.4%	100.0%

Table 6  
 City of Riviera Beach Utility Special District  
 Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Water Allocated Operating Expenses

Line No.	Description	Basis	Water Allocation %	Adjusted 2018	Fiscal Year Ending September 30,					
					2019	2020	2021	2022	2023	
Administration - 1417										
1	UASI - Machinery & Equipment	Salaries	75.4%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	UASI - Machinery & Equipment	Salaries	75.4%	-	-	-	-	-	-	-
3	Regular Salaries & Wages	Salaries	75.4%	667,504	690,866	715,047	740,073	765,976	792,785	
4	Overtime	Salaries	75.4%	3,017	3,122	3,232	3,345	3,462	3,583	
5	FICA Taxes	Salaries	75.4%	51,295	53,090	54,948	56,872	58,862	60,922	
6	Retirement Contributions	Salaries	75.4%	68,970	71,384	73,882	76,468	79,144	81,914	
7	Retirement Contributions - FRS General	Salaries	75.4%	49,533	51,267	53,061	54,918	56,841	58,830	
8	Pension Expense	Salaries	75.4%	-	-	-	-	-	-	
9	Health & Dental Insurance	Salaries	75.4%	83,910	88,105	92,511	97,136	101,993	107,093	
10	Life Insurance	Salaries	75.4%	1,977	2,047	2,118	2,192	2,269	2,349	
11	OPEB Liability Expense	Salaries	75.4%	69,351	71,778	74,290	76,890	79,581	82,367	
12	Professional Services - Medical / Dental	Salaries	75.4%	234	239	245	251	257	263	
13	Professional Services - Engineering	Salaries	75.4%	22,625	23,146	23,701	24,270	24,852	25,449	
14	Professional Services - Financial	Salaries	75.4%	7,542	7,715	7,900	8,090	8,284	8,483	
15	Professional Services- Other	Salaries	75.4%	2,376,864	2,460,054	2,546,156	2,635,271	2,727,506	2,822,968	
16	Professional Services - PILOT	Salaries	75.4%	1,206,970	1,180,424	1,238,626	1,300,716	1,363,715	1,423,467	
17	Professional Services - GASB 68	Salaries	75.4%	510,432	536,350	562,703	596,683	625,313	660,781	
17	CRB Direct Labor	Salaries	75.4%	-	-	-	-	-	-	
18	Accounting and Auditing	Salaries	75.4%	4,525	4,629	4,740	4,854	4,970	5,090	
19	Contractual Services - Janitorial	Salaries	75.4%	12,067	12,344	12,641	12,944	13,255	13,573	
20	Contractual Services - Pest Control	Salaries	75.4%	754	772	790	809	828	848	
21	Merchant Service Fees	Salaries	75.4%	75,417	77,152	79,003	80,899	82,841	84,829	
22	Contractual Services - Other	Salaries	75.4%	41,479	42,931	44,434	45,989	47,599	49,265	
23	Travel	Salaries	75.4%	3,017	3,086	3,160	3,236	3,314	3,393	
24	Communication Services - Telephone	Salaries	75.4%	27,904	28,546	29,231	29,933	30,651	31,387	
25	Communication - Radio	Salaries	75.4%	-	-	-	-	-	-	
26	Communication Services - Radio	Salaries	75.4%	-	-	-	-	-	-	
27	Postage & Freight Charges	Salaries	75.4%	151	154	158	162	166	170	
28	Utilities - Electricity	Salaries	75.4%	-	-	-	-	-	-	
29	Utilities - Other	Salaries	75.4%	-	-	-	-	-	-	
30	Utilities - Waste Disposal / Trash	Salaries	75.4%	-	-	-	-	-	-	
31	CGL Insurance	Salaries	75.4%	52,830	55,471	58,245	61,157	64,215	67,426	
32	Repair & Maintenance - Contract	Salaries	75.4%	1,584	1,631	1,688	1,756	1,835	1,927	
33	Repair & Maintenance - Buildings	Salaries	75.4%	1,584	1,631	1,688	1,756	1,835	1,927	
34	Repair & Maintenance - Motor Vehicles	Salaries	75.4%	3,771	3,884	4,020	4,181	4,369	4,587	
35	Printing & Binding	Salaries	75.4%	980	1,003	1,027	1,052	1,077	1,103	
36	Printing & Binding - Copier	Salaries	75.4%	754	772	790	809	828	848	
37	Promotional Activities	Salaries	75.4%	15,838	16,202	16,591	16,989	17,397	17,814	
38	Other Charges Other	Salaries	75.4%	-	-	-	-	-	-	
39	Others - Surveillance	Salaries	75.4%	12,067	12,344	12,641	12,944	13,255	13,573	
40	Bad Debt Expense	Salaries	75.4%	279,383	295,106	309,657	325,179	340,929	355,867	
41	Office Supplies - Station	Salaries	75.4%	3,017	3,086	3,160	3,236	3,314	3,393	
42	Office Supplies - General	Salaries	75.4%	12,067	12,344	12,641	12,944	13,255	13,573	
43	Operating Supplies - Software	Salaries	75.4%	27,150	27,775	28,441	29,124	29,823	30,539	
44	Operating Supplies - Janitor	Salaries	75.4%	1,508	1,543	1,580	1,618	1,657	1,697	
45	Operating Supplies - Clothing	Salaries	75.4%	1,508	1,543	1,580	1,618	1,657	1,697	
46	Operating Supplies - Other	Salaries	75.4%	4,714	4,822	4,938	5,056	5,178	5,302	
47	Small Tools & Equipment	Salaries	75.4%	1,282	1,312	1,343	1,375	1,408	1,442	
48	Unreconciled Credit Card Charges	Salaries	75.4%	-	-	-	-	-	-	
49	Books and Periodicals	Salaries	75.4%	754	762	769	777	785	793	
50	Subscriptions & Member	Salaries	75.4%	4,148	4,189	4,231	4,274	4,316	4,360	
51	Employee Development	Salaries	75.4%	4,714	4,822	4,938	5,056	5,178	5,302	
52	Tuition Reimbursement	Salaries	75.4%	8,296	8,487	8,690	8,899	9,113	9,331	
53	Contingency	Salaries	75.4%	-	-	-	-	-	-	
54	Capital - Buildings	Salaries	75.4%	-	-	-	-	-	-	
55	Office Equipment and Furniture	Salaries	75.4%	-	-	-	-	-	-	
56	UASI - Machinery & Equipment	Assets	67.0%	-	-	-	-	-	-	
57	Capital Vehicles	Assets	67.0%	-	-	-	-	-	-	
58	Office Equipment and Furniture	Assets	67.0%	-	-	-	-	-	-	
59	Bond Issue Costs	Assets	67.0%	-	-	-	-	-	-	
60	Transfer To 001	Assets	67.0%	-	-	-	-	-	-	
61	Transfer To 412	Assets	67.0%	-	-	-	-	-	-	
62	Transfer to 413	Assets	67.0%	-	-	-	-	-	-	
63	Transfer To 414	Assets	67.0%	-	-	-	-	-	-	
64	Transfer To 415	Assets	67.0%	-	-	-	-	-	-	
65	Incremental Operating Costs	Assets	67.0%	-	335,000	-	-	-	-	
66	Total Administration - 1417			\$5,723,485	\$6,202,931	\$6,101,236	\$6,351,801	\$6,603,100	\$6,862,306	
Water Distribution - 1430										
67	Regular Salaries & Wages	Direct-W	100.0%	\$ 613,362	\$ 634,830	\$ 657,049	\$ 680,045	\$ 703,847	\$ 728,482	
68	Overtime	Direct-W	100.0%	33,000	34,155	35,350	36,588	37,868	39,194	
69	FICA Taxes	Direct-W	100.0%	49,447	51,178	52,969	54,823	56,742	58,728	
70	Retirement Contributions	Direct-W	100.0%	85,421	88,411	91,505	94,708	98,023	101,453	

Table 6  
 City of Riviera Beach Utility Special District  
 Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Water Allocated Operating Expenses

Line No.	Description	Basis	Water Allocation %	Adjusted 2018	Fiscal Year Ending September 30,				
					2019	2020	2021	2022	2023
71	Retirement Contributions - FRS General	Direct-W	100.0%	11,459	11,860	12,275	12,705	13,149	13,610
72	Health & Dental Insurance	Direct-W	100.0%	141,222	148,283	155,697	163,482	171,656	180,239
73	Life Insurance	Direct-W	100.0%	3,336	3,453	3,574	3,699	3,828	3,962
74	Professional Services - Medical / Dental	Direct-W	100.0%	1,000	1,023	1,048	1,073	1,098	1,125
75	Professional Services- Other	Direct-W	100.0%	-	-	-	-	-	-
76	Contractual Services - Janitorial	Direct-W	100.0%	1,100	1,125	1,152	1,180	1,208	1,237
77	Contractual Services - Other	Direct-W	100.0%	40,000	40,920	41,902	42,908	43,938	44,992
78	Travel	Direct-W	100.0%	2,250	2,302	2,357	2,414	2,471	2,531
79	Utilities - Other	Direct-W	100.0%	2,000	2,100	2,205	2,315	2,431	2,553
80	Utilities - Waste Disposal / Trash	Direct-W	100.0%	-	-	-	-	-	-
81	CGL Insurance	Direct-W	100.0%	135,154	141,912	149,007	156,458	164,281	172,495
82	Repair & Maintenance - Buildings	Direct-W	100.0%	1,100	1,133	1,173	1,220	1,274	1,338
83	Repair & Maintenance - Grounds	Direct-W	100.0%	1,100	1,133	1,173	1,220	1,274	1,338
84	Repair & Maintenance - Contract	Direct-W	100.0%	31,000	31,930	33,048	34,369	35,916	37,712
85	Repair & Maintenance - Motor Vehicles	Direct-W	100.0%	-	-	-	-	-	-
86	Repair & Maintenance - Lines	Direct-W	100.0%	26,000	26,780	27,717	28,826	30,123	31,629
87	Repair & Maintenance - Other	Direct-W	100.0%	25,300	26,059	26,971	28,050	29,312	30,778
88	Fleet Services	Direct-W	100.0%	19,000	19,570	20,255	21,065	22,013	23,114
89	Repair & Maintenance - Easements	Direct-W	100.0%	5,100	5,253	5,437	5,654	5,909	6,204
90	Printing & Binding - Photographs	Direct-W	100.0%	500	512	524	536	549	562
91	Other Charges - Others	Direct-W	100.0%	1,100	1,125	1,152	1,180	1,208	1,237
92	Others - Surveillance	Direct-W	100.0%	1,100	1,125	1,152	1,180	1,208	1,237
93	Depreciation	Direct-W	100.0%	-	-	-	-	-	-
94	Office Supplies - Station	Direct-W	100.0%	-	-	-	-	-	-
95	Office Supplies - General	Direct-W	100.0%	4,000	4,092	4,190	4,291	4,394	4,499
96	Operating Supplies - Software	Direct-W	100.0%	-	-	-	-	-	-
97	Operating Supplies - Chemicals	Direct-W	100.0%	600	625	650	676	702	728
98	Operating Supplies - Janitor	Direct-W	100.0%	1,100	1,125	1,152	1,180	1,208	1,237
99	Operating Supplies - Clothing	Direct-W	100.0%	5,100	5,217	5,343	5,471	5,602	5,736
100	Operating Supplies - Other	Direct-W	100.0%	10,500	10,742	10,999	11,263	11,534	11,810
101	Operating Supplies - Water	Direct-W	100.0%	2,400	2,455	2,514	2,574	2,636	2,700
102	Small Tools & Equipment	Direct-W	100.0%	-	-	-	-	-	-
103	Books and Periodicals	Direct-W	100.0%	100	101	102	103	104	105
104	Subscriptions & Member	Direct-W	100.0%	300	303	306	309	312	315
105	Employee Development	Direct-W	100.0%	1,100	1,125	1,152	1,180	1,208	1,237
106	Contingency	Direct-W	100.0%	-	-	-	-	-	-
107	UASI - Machinery & Equipment	Direct-W	100.0%	-	-	-	-	-	-
108	Transfer To 412	Direct-W	100.0%	-	-	-	-	-	-
109	Transfer To 414	Direct-W	100.0%	-	-	-	-	-	-
110	Transfer to 413	Direct-W	100.0%	-	-	-	-	-	-
111	Total Water Distribution - 1430			\$ 1,255,251	\$1,301,956	\$1,351,101	\$1,402,744	\$1,457,029	\$1,514,118
Water Treatment - 1437									
112	Regular Salaries & Wages	Direct-W	100.0%	\$ 910,046	\$ 941,898	\$ 974,864	\$ 1,008,984	\$ 1,044,299	\$ 1,080,849
113	Overtime	Direct-W	100.0%	35,000	36,225	37,493	38,805	40,163	41,569
114	FICA Taxes	Direct-W	100.0%	72,296	74,826	77,445	80,156	82,961	85,865
115	Retirement Contributions	Direct-W	100.0%	109,722	113,562	117,537	121,651	125,909	130,315
116	Retirement Contributions - FRS General	Direct-W	100.0%	22,002	22,772	23,569	24,394	25,248	26,131
117	Health & Dental Insurance	Direct-W	100.0%	181,572	190,651	200,183	210,192	220,702	231,737
118	Life Insurance	Direct-W	100.0%	4,290	4,440	4,596	4,756	4,923	5,095
119	Professional Services - Medical / Dental	Direct-W	100.0%	-	-	-	-	-	-
120	Professional Services - Engineering	Direct-W	100.0%	6,400	6,547	6,704	6,865	7,030	7,199
121	Professional Services - Financial	Direct-W	100.0%	-	-	-	-	-	-
122	Professional Services- Other	Direct-W	100.0%	-	-	-	-	-	-
123	Accounting and Auditing	Direct-W	100.0%	-	-	-	-	-	-
124	Contractual Services - Janitorial	Direct-W	100.0%	400	409	419	429	439	450
125	Contractual Services - Pest Control	Direct-W	100.0%	-	-	-	-	-	-
126	Contractual Services - Dump	Direct-W	100.0%	-	-	-	-	-	-
127	Contractual Services - Other	Direct-W	100.0%	46,100	47,160	48,292	49,451	50,638	51,853
128	Travel	Direct-W	100.0%	2,000	2,046	2,095	2,145	2,197	2,250
129	Communication Services - Telephone	Direct-W	100.0%	-	-	-	-	-	-
130	Communication - Radio	Direct-W	100.0%	-	-	-	-	-	-
131	Postage & Freight Charges	Direct-W	100.0%	-	-	-	-	-	-
132	Utilities - Electricity	Direct-W	100.0%	489,600	503,260	517,150	530,958	544,125	557,239
133	Utilities - Gas	Direct-W	100.0%	-	-	-	-	-	-
134	Utilities - Other	Direct-W	100.0%	5,647	5,929	6,226	6,537	6,864	7,207
135	Utilities - Waste Disposal / Trash	Direct-W	100.0%	-	-	-	-	-	-
136	Rent And Leases - Land	Direct-W	100.0%	6,743	6,898	7,064	7,233	7,407	7,585
137	Rent And Leases - Equipment	Direct-W	100.0%	-	-	-	-	-	-
138	CGL Insurance	Direct-W	100.0%	181,594	190,674	200,207	210,218	220,729	231,765
139	Insurance - Fire, Theft, Casualty	Direct-W	100.0%	-	-	-	-	-	-
140	Insurance - Professional Liability	Direct-W	100.0%	-	-	-	-	-	-
141	Insurance - Other	Direct-W	100.0%	-	-	-	-	-	-

Table 6  
 City of Riviera Beach Utility Special District  
 Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Water Allocated Operating Expenses

Line No.	Description	Basis	Water Allocation %	Adjusted 2018	Fiscal Year Ending September 30,				
					2019	2020	2021	2022	2023
142	Settlement Payments	Direct-W	100.0%	-	-	-	-	-	-
143	Repair & Maintenance - Contract	Direct-W	100.0%	-	-	-	-	-	-
144	Repair & Maintenance - Buildings	Direct-W	100.0%	10,500	10,815	11,194	11,641	12,165	12,773
145	Repair & Maintenance - Grounds	Direct-W	100.0%	5,250	5,408	5,597	5,821	6,083	6,387
146	Repair & Maintenance - Contract	Direct-W	100.0%	120,000	123,600	127,926	133,043	139,030	145,981
147	Repair & Maintenance - Motor Vehicles	Direct-W	100.0%	-	-	-	-	-	-
148	Repair & Maintenance - Lines	Direct-W	100.0%	10,500	10,815	11,194	11,641	12,165	12,773
149	Repair & Maintenance - Other	Direct-W	100.0%	108,000	111,240	115,133	119,739	125,127	131,383
150	Fleet Services	Direct-W	100.0%	84,500	87,035	90,081	93,684	97,900	102,795
151	Repair & Maintenance - Fire Hydrants	Direct-W	100.0%	-	-	-	-	-	-
152	Printing & Binding	Direct-W	100.0%	-	-	-	-	-	-
153	Printing & Binding - Photographs	Direct-W	100.0%	5,600	5,729	5,866	6,007	6,151	6,299
154	Printing & Binding - Copier	Direct-W	100.0%	-	-	-	-	-	-
155	Other Charges - Others	Direct-W	100.0%	5,100	5,217	5,343	5,471	5,602	5,736
156	Others - Surveillance	Direct-W	100.0%	2,000	2,046	2,095	2,145	2,197	2,250
157	Depreciation	Direct-W	100.0%	-	-	-	-	-	-
158	Office Supplies - Station	Direct-W	100.0%	-	-	-	-	-	-
159	Office Supplies - General	Direct-W	100.0%	7,125	7,289	7,464	7,643	7,826	8,014
160	Operating Supplies - Software	Direct-W	100.0%	-	-	-	-	-	-
161	Operating Supplies - Chemicals	Direct-W	100.0%	535,500	557,509	580,255	603,408	626,337	649,699
162	Operating Supplies - Janitor	Direct-W	100.0%	-	-	-	-	-	-
163	Operating Supplies - Clothing	Direct-W	100.0%	14,800	15,140	15,504	15,876	16,257	16,647
164	Operating Supplies - Other	Direct-W	100.0%	7,000	7,161	7,333	7,509	7,689	7,874
165	Operating Supplies - Water	Direct-W	100.0%	10,250	10,486	10,737	10,995	11,259	11,529
166	Lime Sludge Removal	Direct-W	100.0%	106,300	108,745	111,355	114,027	116,764	119,566
167	Small Tools & Equipment	Direct-W	100.0%	-	-	-	-	-	-
168	Unreconciled Credit Card Charges	Direct-W	100.0%	-	-	-	-	-	-
169	Books and Periodicals	Direct-W	100.0%	100	101	102	103	104	105
170	Subscriptions & Member	Direct-W	100.0%	200	202	204	206	208	210
171	Employee Development	Direct-W	100.0%	2,100	2,148	2,200	2,253	2,307	2,362
172	Contingency	Direct-W	100.0%	-	-	-	-	-	-
173	Heavy Equipment	Direct-W	100.0%	-	-	-	-	-	-
174	UASI - Machinery & Equipment	Direct-W	100.0%	-	-	-	-	-	-
175	Transfer To 412	Direct-W	100.0%	-	-	-	-	-	-
176	Transfer To 414	Direct-W	100.0%	-	-	-	-	-	-
177	Total Water Treatment - 1437			\$ 3,108,237	\$3,217,984	\$3,333,426	\$3,453,987	\$3,578,805	\$3,709,495
Wastewater Collection -1438									
178	Regular Salaries & Wages	Direct-S	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
179	Overtime	Direct-S	0.0%	-	-	-	-	-	-
180	FICA Taxes	Direct-S	0.0%	-	-	-	-	-	-
181	Retirement Contributions	Direct-S	0.0%	-	-	-	-	-	-
182	Retirement Contributions - FRS General	Direct-S	0.0%	-	-	-	-	-	-
183	Health & Dental Insurance	Direct-S	0.0%	-	-	-	-	-	-
184	Life Insurance	Direct-S	0.0%	-	-	-	-	-	-
185	Professional Services - Medical / Dental	Direct-S	0.0%	-	-	-	-	-	-
186	Professional Services - Engineering	Direct-S	0.0%	-	-	-	-	-	-
187	Professional Services - Financial	Direct-S	0.0%	-	-	-	-	-	-
188	Professional Services- Other	Direct-S	0.0%	-	-	-	-	-	-
189	Accounting and Auditing	Direct-S	0.0%	-	-	-	-	-	-
190	Contractual Services - Pest Control	Direct-S	0.0%	-	-	-	-	-	-
191	CONTRACT SERVICES - SEWER	Direct-S	0.0%	-	-	-	-	-	-
192	Contractual Services - Other	Direct-S	0.0%	-	-	-	-	-	-
193	Travel	Direct-S	0.0%	-	-	-	-	-	-
194	Communication Services - Telephone	Direct-S	0.0%	-	-	-	-	-	-
195	Communication - Radio	Direct-S	0.0%	-	-	-	-	-	-
196	Postage & Freight Charges	Direct-S	0.0%	-	-	-	-	-	-
197	Utilities - Electricity	Direct-S	0.0%	-	-	-	-	-	-
198	Utilities - Water	Direct-S	0.0%	-	-	-	-	-	-
199	Utilities - Waste Disposal / Trash	Direct-S	0.0%	-	-	-	-	-	-
200	Rent And Leases - Land	Direct-S	0.0%	-	-	-	-	-	-
201	Rent And Leases - Equipment	Direct-S	0.0%	-	-	-	-	-	-
202	Copier Rental	Direct-S	0.0%	-	-	-	-	-	-
203	CGL Insurance	Direct-S	0.0%	-	-	-	-	-	-
204	Insurance - Fire, Theft, Casualty	Direct-S	0.0%	-	-	-	-	-	-
205	Insurance - Professional Liability	Direct-S	0.0%	-	-	-	-	-	-
206	Insurance - Other	Direct-S	0.0%	-	-	-	-	-	-
207	Repair & Maintenance - Contract	Direct-S	0.0%	-	-	-	-	-	-
208	Repair & Maintenance - Buildings	Direct-S	0.0%	-	-	-	-	-	-
209	Repair & Maintenance - Contract	Direct-S	0.0%	-	-	-	-	-	-
210	Repair & Maintenance - Motor Vehicles	Direct-S	0.0%	-	-	-	-	-	-
211	Repair & Maintenance - Lines	Direct-S	0.0%	-	-	-	-	-	-
212	Fleet Services	Direct-S	0.0%	-	-	-	-	-	-

Summary of Projected Water Allocated Operating Expenses

Line No.	Description	Basis	Water Allocation %	Adjusted 2018	Fiscal Year Ending September 30,				
					2019	2020	2021	2022	2023
213	Region Sewer Renewal & Replacement	Direct-S	0.0%	-	-	-	-	-	-
214	Printing & Binding - Photographs	Direct-S	0.0%	-	-	-	-	-	-
215	Depreciation	Direct-S	0.0%	-	-	-	-	-	-
216	Office Supplies - Station	Direct-S	0.0%	-	-	-	-	-	-
217	Office Supplies - General	Direct-S	0.0%	-	-	-	-	-	-
218	Operating Supplies - Software	Direct-S	0.0%	-	-	-	-	-	-
219	Operating Supplies - Chemicals	Direct-S	0.0%	-	-	-	-	-	-
220	Operating Supplies - Janitor	Direct-S	0.0%	-	-	-	-	-	-
221	Operating Supplies - Clothing	Direct-S	0.0%	-	-	-	-	-	-
222	Operating Supplies - Other	Direct-S	0.0%	-	-	-	-	-	-
223	Small Tools & Equipment	Direct-S	0.0%	-	-	-	-	-	-
224	Unreconciled Credit Card Charges	Direct-S	0.0%	-	-	-	-	-	-
225	Books and Periodicals	Direct-S	0.0%	-	-	-	-	-	-
226	Subscriptions & Member	Direct-S	0.0%	-	-	-	-	-	-
227	Employee Development	Direct-S	0.0%	-	-	-	-	-	-
228	Contingency	Direct-S	0.0%	-	-	-	-	-	-
229	UASI - Machinery & Equipment	Direct-S	0.0%	-	-	-	-	-	-
230	Transfer To 412	Direct-S	0.0%	-	-	-	-	-	-
231	Transfer To 414	Direct-S	0.0%	-	-	-	-	-	-
232				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
412 Renewal & Replacement									
233	Professional Services - Contract	Equal	50.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
234	USD Grounds Improvement	Equal	50.0%	-	-	-	-	-	-
235	Contingency	Equal	50.0%	-	-	-	-	-	-
236	Office Equipment and Furniture	Equal	50.0%	-	-	-	-	-	-
237	Transfer To 411	Equal	50.0%	-	-	-	-	-	-
238	Repair & Maintenance - Contract	Equal	50.0%	-	-	-	-	-	-
239	Operating Supplies - Other	Equal	50.0%	-	-	-	-	-	-
240	Professional Services - Contract	Equal	50.0%	-	-	-	-	-	-
241	Repair & Maintenance - Lines	Equal	50.0%	-	-	-	-	-	-
242	USD Grounds Improvement	Equal	50.0%	-	-	-	-	-	-
243	Capital - Water Mains & Accessories	Equal	50.0%	-	-	-	-	-	-
244	Capital - Vehicles, Trucks	Equal	50.0%	-	-	-	-	-	-
245	UASI - Machinery & Equipment	Equal	50.0%	-	-	-	-	-	-
246	Capital - Plant (Water)	Revenues	60.4%	-	-	-	-	-	-
247	Repair & Maintenance - Contract	Revenues	60.4%	-	-	-	-	-	-
248	Repair & Maintenance - Lines	Equal	50.0%	-	-	-	-	-	-
249	Contingency	Equal	50.0%	-	-	-	-	-	-
250	USD Grounds Improvement	Equal	50.0%	-	-	-	-	-	-
251	Capital - Water Mains & Accessories	Equal	50.0%	-	-	-	-	-	-
252	Capital - Lift Stations (Sewer)	Equal	50.0%	-	-	-	-	-	-
253				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments									
254	Contingency	ExpNoECR	76.0%	\$ 1,249,348	\$ 1,308,689	\$ 1,313,992	\$ 1,358,889	\$ 1,408,272	\$ 1,459,036
255	Budget Adjustment	Revenues	60.4%	-	-	-	-	-	-
256	Capitalized Labor	Revenues	60.4%	-	-	-	-	-	-
257	Total Adjustments			\$ 1,249,348	\$ 1,308,689	\$ 1,313,992	\$ 1,358,889	\$ 1,408,272	\$ 1,459,036
258	Total System			<u>\$11,336,321</u>	<u>\$ 12,031,560</u>	<u>\$ 12,099,755</u>	<u>\$ 12,567,421</u>	<u>\$ 13,047,205</u>	<u>\$ 13,544,955</u>

Table 7  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Wastewater Allocated Operating Expenses

Line No.	Description	Basis	Wastewater Allocation %	Adjusted 2018	Fiscal Year Ending September 30,				
					2019	2020	2021	2022	2023
Administration - 1417									
1	UASI - Machinery & Equipment	Salaries	24.6%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	UASI - Machinery & Equipment	Salaries	24.6%	-	-	-	-	-	-
3	Regular Salaries & Wages	Salaries	24.6%	217,578	225,193	233,075	241,233	249,676	258,415
4	Overtime	Salaries	24.6%	983	1,018	1,053	1,090	1,128	1,168
5	FICA Taxes	Salaries	24.6%	16,720	17,305	17,911	18,538	19,187	19,858
6	Retirement Contributions	Salaries	24.6%	22,481	23,268	24,082	24,925	25,798	26,701
7	Retirement Contributions - FRS Gener	Salaries	24.6%	16,146	16,711	17,296	17,901	18,528	19,176
8	Pension Expense	Salaries	24.6%	-	-	-	-	-	-
9	Health & Dental Insurance	Salaries	24.6%	27,351	28,719	30,155	31,662	33,245	34,908
10	Life Insurance	Salaries	24.6%	645	667	690	715	740	766
11	OPEB Liability Expense	Salaries	24.6%	22,605	23,397	24,215	25,063	25,940	26,848
12	Professional Services - Medical / Dent	Salaries	24.6%	76	78	80	82	84	86
13	Professional Services - Engineering	Salaries	24.6%	7,375	7,544	7,726	7,911	8,101	8,295
14	Professional Services - Financial	Salaries	24.6%	2,458	2,515	2,575	2,637	2,700	2,765
15	Professional Services- Other	Salaries	24.6%	774,757	801,874	829,940	858,987	889,052	920,169
16	Professional Services - PILOT	Salaries	24.6%	393,421	384,769	403,740	423,979	444,514	463,990
17	Professional Services - GASB 68	Salaries	24.6%	166,380	174,828	183,418	194,494	203,826	215,387
18	CRB Direct Labor	Salaries	24.6%	-	-	-	-	-	-
19	Accounting and Auditing	Salaries	24.6%	1,475	1,509	1,545	1,582	1,620	1,659
20	Contractual Services - Janitorial	Salaries	24.6%	3,933	4,024	4,120	4,219	4,320	4,424
21	Contractual Services - Pest Control	Salaries	24.6%	246	251	258	264	270	277
22	Merchant Service Fees	Salaries	24.6%	24,583	25,148	25,752	26,370	27,003	27,651
23	Contractual Services - Other	Salaries	24.6%	13,521	13,994	14,484	14,990	15,515	16,058
24	Travel	Salaries	24.6%	983	1,006	1,030	1,055	1,080	1,106
25	Communication Services - Telephone	Salaries	24.6%	9,096	9,305	9,528	9,757	9,991	10,231
26	Communication - Radio	Salaries	24.6%	-	-	-	-	-	-
27	Communication Services - Radio	Salaries	24.6%	-	-	-	-	-	-
28	Postage & Freight Charges	Salaries	24.6%	49	50	52	53	54	55
29	Utilities - Electricity	Salaries	24.6%	-	-	-	-	-	-
30	Utilities - Other	Salaries	24.6%	-	-	-	-	-	-
31	Utilities - Waste Disposal / Trash	Salaries	24.6%	-	-	-	-	-	-
32	CGL Insurance	Salaries	24.6%	17,220	18,081	18,985	19,935	20,931	21,978
33	Repair & Maintenance - Contract	Salaries	24.6%	516	532	550	572	598	628
34	Repair & Maintenance - Buildings	Salaries	24.6%	516	532	550	572	598	628
35	Repair & Maintenance - Motor Vehicle	Salaries	24.6%	1,229	1,266	1,310	1,363	1,424	1,495
36	Printing & Binding	Salaries	24.6%	320	327	335	343	351	359
37	Printing & Binding - Copier	Salaries	24.6%	246	251	258	264	270	277
38	Promotional Activities	Salaries	24.6%	5,162	5,281	5,408	5,538	5,671	5,807
39	Others - Surveillance	Salaries	24.6%	3,933	4,024	4,120	4,219	4,320	4,424
40	Bad Debt Expense	Salaries	24.6%	91,067	96,192	100,935	105,995	111,128	115,998
41	Office Supplies - Station	Salaries	24.6%	983	1,006	1,030	1,055	1,080	1,106
42	Office Supplies - General	Salaries	24.6%	3,933	4,024	4,120	4,219	4,320	4,424
43	Operating Supplies - Software	Salaries	24.6%	8,850	9,053	9,271	9,493	9,721	9,954
44	Operating Supplies - Janitor	Salaries	24.6%	492	503	515	527	540	553
45	Operating Supplies - Clothing	Salaries	24.6%	492	503	515	527	540	553
46	Operating Supplies - Other	Salaries	24.6%	1,536	1,572	1,609	1,648	1,688	1,728
47	Small Tools & Equipment	Salaries	24.6%	418	428	438	448	459	470
48	Unreconciled Credit Card Charges	Salaries	24.6%	-	-	-	-	-	-
49	Books and Periodicals	Salaries	24.6%	246	248	251	253	256	258
50	Subscriptions & Member	Salaries	24.6%	1,352	1,366	1,379	1,393	1,407	1,421
51	Employee Development	Salaries	24.6%	1,536	1,572	1,609	1,648	1,688	1,728
52	Tuition Reimbursement	Salaries	24.6%	2,704	2,766	2,833	2,901	2,970	3,042
53	Contingency	Salaries	24.6%	-	-	-	-	-	-
54	Capital - Buildings	Salaries	24.6%	-	-	-	-	-	-
55	Office Equipment and Furniture	Salaries	24.6%	-	-	-	-	-	-
56	UASI - Machinery & Equipment	Assets	33.0%	-	-	-	-	-	-
57	Capital Vehicles	Assets	33.0%	-	-	-	-	-	-
58	Office Equipment and Furniture	Assets	33.0%	-	-	-	-	-	-
59	Bond Issue Costs	Assets	33.0%	-	-	-	-	-	-
60	Transfer To 001	Assets	33.0%	-	-	-	-	-	-
61	Transfer To 412	Assets	33.0%	-	-	-	-	-	-
62	Transfer to 413	Assets	33.0%	-	-	-	-	-	-
63	Transfer To 414	Assets	33.0%	-	-	-	-	-	-
64	Transfer To 415	Assets	33.0%	-	-	-	-	-	-
65	Incremental Operating Costs	Assets	33.0%	-	165,000	-	-	-	-
66	Total Administration - 1417			\$ 1,865,615	\$ 2,077,698	\$ 1,988,746	\$ 2,070,420	\$ 2,152,332	\$ 2,236,823

Water Distribution - 1430

Table 7  
 City of Riviera Beach Utility Special District  
 Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Wastewater Allocated Operating Expenses

Line No.	Description	Basis	Wastewater Allocation %	Adjusted 2018	Fiscal Year Ending September 30,				
					2019	2020	2021	2022	2023
62	Regular Salaries & Wages	Direct-W	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
63	Overtime	Direct-W	0.0%	-	-	-	-	-	-
64	FICA Taxes	Direct-W	0.0%	-	-	-	-	-	-
65	Retirement Contributions	Direct-W	0.0%	-	-	-	-	-	-
66	Retirement Contributions - FRS Gener	Direct-W	0.0%	-	-	-	-	-	-
66	Health & Dental Insurance	Direct-W	0.0%	-	-	-	-	-	-
67	Life Insurance	Direct-W	0.0%	-	-	-	-	-	-
67	Professional Services - Medical / Dent	Direct-W	0.0%	-	-	-	-	-	-
67	Professional Services- Other	Direct-W	0.0%	-	-	-	-	-	-
68	Contractual Services - Janitorial	Direct-W	0.0%	-	-	-	-	-	-
69	Contractual Services - Other	Direct-W	0.0%	-	-	-	-	-	-
70	Travel	Direct-W	0.0%	-	-	-	-	-	-
71	Utilities - Other	Direct-W	0.0%	-	-	-	-	-	-
72	Utilities - Waste Disposal / Trash	Direct-W	0.0%	-	-	-	-	-	-
73	CGL Insurance	Direct-W	0.0%	-	-	-	-	-	-
74	Repair & Maintenance - Buildings	Direct-W	0.0%	-	-	-	-	-	-
75	Repair & Maintenance - Grounds	Direct-W	0.0%	-	-	-	-	-	-
76	Repair & Maintenance - Contract	Direct-W	0.0%	-	-	-	-	-	-
77	Repair & Maintenance - Motor Vehicle	Direct-W	0.0%	-	-	-	-	-	-
78	Repair & Maintenance - Lines	Direct-W	0.0%	-	-	-	-	-	-
79	Repair & Maintenance - Other	Direct-W	0.0%	-	-	-	-	-	-
80	Fleet Services	Direct-W	0.0%	-	-	-	-	-	-
81	Repair & Maintenance - Easements	Direct-W	0.0%	-	-	-	-	-	-
82	Printing & Binding - Photographs	Direct-W	0.0%	-	-	-	-	-	-
83	Other Charges - Others	Direct-W	0.0%	-	-	-	-	-	-
84	Others - Surveillance	Direct-W	0.0%	-	-	-	-	-	-
85	Depreciation	Direct-W	0.0%	-	-	-	-	-	-
86	Office Supplies - Station	Direct-W	0.0%	-	-	-	-	-	-
87	Office Supplies - General	Direct-W	0.0%	-	-	-	-	-	-
88	Operating Supplies - Software	Direct-W	0.0%	-	-	-	-	-	-
89	Operating Supplies - Chemicals	Direct-W	0.0%	-	-	-	-	-	-
90	Operating Supplies - Janitor	Direct-W	0.0%	-	-	-	-	-	-
91	Operating Supplies - Clothing	Direct-W	0.0%	-	-	-	-	-	-
92	Operating Supplies - Other	Direct-W	0.0%	-	-	-	-	-	-
93	Operating Supplies - Water	Direct-W	0.0%	-	-	-	-	-	-
94	Small Tools & Equipment	Direct-W	0.0%	-	-	-	-	-	-
95	Books and Periodicals	Direct-W	0.0%	-	-	-	-	-	-
96	Subscriptions & Member	Direct-W	0.0%	-	-	-	-	-	-
97	Employee Development	Direct-W	0.0%	-	-	-	-	-	-
98	Contingency	Direct-W	0.0%	-	-	-	-	-	-
99	UASI - Machinery & Equipment	Direct-W	0.0%	-	-	-	-	-	-
100	Transfer To 412	Direct-W	0.0%	-	-	-	-	-	-
101	Transfer To 414	Direct-W	0.0%	-	-	-	-	-	-
102	Transfer to 413	Direct-W	0.0%	-	-	-	-	-	-
103	Total Water Distribution - 1430			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Water Treatment - 1437								
104	Regular Salaries & Wages	Direct-W	0.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
105	Overtime	Direct-W	0.0%	-	-	-	-	-	-
106	FICA Taxes	Direct-W	0.0%	-	-	-	-	-	-
107	Retirement Contributions	Direct-W	0.0%	-	-	-	-	-	-
108	Retirement Contributions - FRS Gener	Direct-W	0.0%	-	-	-	-	-	-
109	Health & Dental Insurance	Direct-W	0.0%	-	-	-	-	-	-
110	Life Insurance	Direct-W	0.0%	-	-	-	-	-	-
111	Professional Services - Medical / Dent	Direct-W	0.0%	-	-	-	-	-	-
112	Professional Services - Engineering	Direct-W	0.0%	-	-	-	-	-	-
113	Professional Services - Financial	Direct-W	0.0%	-	-	-	-	-	-
114	Professional Services- Other	Direct-W	0.0%	-	-	-	-	-	-
115	Accounting and Auditing	Direct-W	0.0%	-	-	-	-	-	-
116	Contractual Services - Janitorial	Direct-W	0.0%	-	-	-	-	-	-
117	Contractual Services - Pest Control	Direct-W	0.0%	-	-	-	-	-	-
118	Contractual Services - Dump	Direct-W	0.0%	-	-	-	-	-	-
119	Contractual Services - Other	Direct-W	0.0%	-	-	-	-	-	-
120	Travel	Direct-W	0.0%	-	-	-	-	-	-
121	Communication Services - Telephone	Direct-W	0.0%	-	-	-	-	-	-
122	Communication - Radio	Direct-W	0.0%	-	-	-	-	-	-
123	Postage & Freight Charges	Direct-W	0.0%	-	-	-	-	-	-
124	Utilities - Electricity	Direct-W	0.0%	-	-	-	-	-	-
125	Utilities - Gas	Direct-W	0.0%	-	-	-	-	-	-



Table 7  
 City of Riviera Beach Utility Special District  
 Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Wastewater Allocated Operating Expenses

Line No.	Description	Basis	Wastewater Allocation %	Adjusted 2018	Fiscal Year Ending September 30,				
					2019	2020	2021	2022	2023
126	Utilities - Other	Direct-W	0.0%	-	-	-	-	-	-
127	Utilities - Waste Disposal / Trash	Direct-W	0.0%	-	-	-	-	-	-
128	Rent And Leases - Land	Direct-W	0.0%	-	-	-	-	-	-
129	Rent And Leases - Equipment	Direct-W	0.0%	-	-	-	-	-	-
130	CGL Insurance	Direct-W	0.0%	-	-	-	-	-	-
131	Insurance - Fire, Theft, Casualty	Direct-W	0.0%	-	-	-	-	-	-
132	Insurance - Professional Liability	Direct-W	0.0%	-	-	-	-	-	-
133	Insurance - Other	Direct-W	0.0%	-	-	-	-	-	-
134	Settlement Payments	Direct-W	0.0%	-	-	-	-	-	-
135	Repair & Maintenance - Contract	Direct-W	0.0%	-	-	-	-	-	-
136	Repair & Maintenance - Buildings	Direct-W	0.0%	-	-	-	-	-	-
137	Repair & Maintenance - Grounds	Direct-W	0.0%	-	-	-	-	-	-
138	Repair & Maintenance - Contract	Direct-W	0.0%	-	-	-	-	-	-
139	Repair & Maintenance - Motor Vehicle	Direct-W	0.0%	-	-	-	-	-	-
140	Repair & Maintenance - Lines	Direct-W	0.0%	-	-	-	-	-	-
141	Repair & Maintenance - Other	Direct-W	0.0%	-	-	-	-	-	-
142	Fleet Services	Direct-W	0.0%	-	-	-	-	-	-
143	Repair & Maintenance - Fire Hydrants	Direct-W	0.0%	-	-	-	-	-	-
144	Printing & Binding	Direct-W	0.0%	-	-	-	-	-	-
145	Printing & Binding - Photographs	Direct-W	0.0%	-	-	-	-	-	-
146	Printing & Binding - Copier	Direct-W	0.0%	-	-	-	-	-	-
147	Other Charges - Others	Direct-W	0.0%	-	-	-	-	-	-
148	Others - Surveillance	Direct-W	0.0%	-	-	-	-	-	-
149	Depreciation	Direct-W	0.0%	-	-	-	-	-	-
150	Office Supplies - Station	Direct-W	0.0%	-	-	-	-	-	-
151	Office Supplies - General	Direct-W	0.0%	-	-	-	-	-	-
152	Operating Supplies - Software	Direct-W	0.0%	-	-	-	-	-	-
153	Operating Supplies - Chemicals	Direct-W	0.0%	-	-	-	-	-	-
154	Operating Supplies - Janitor	Direct-W	0.0%	-	-	-	-	-	-
155	Operating Supplies - Clothing	Direct-W	0.0%	-	-	-	-	-	-
156	Operating Supplies - Other	Direct-W	0.0%	-	-	-	-	-	-
157	Operating Supplies - Water	Direct-W	0.0%	-	-	-	-	-	-
158	Lime Sludge Removal	Direct-W	0.0%	-	-	-	-	-	-
159	Small Tools & Equipment	Direct-W	0.0%	-	-	-	-	-	-
160	Unreconciled Credit Card Charges	Direct-W	0.0%	-	-	-	-	-	-
161	Books and Periodicals	Direct-W	0.0%	-	-	-	-	-	-
162	Subscriptions & Member	Direct-W	0.0%	-	-	-	-	-	-
163	Employee Development	Direct-W	0.0%	-	-	-	-	-	-
164	Contingency	Direct-W	0.0%	-	-	-	-	-	-
165	Heavy Equipment	Direct-W	0.0%	-	-	-	-	-	-
166	UASI - Machinery & Equipment	Direct-W	0.0%	-	-	-	-	-	-
167	Transfer To 412	Direct-W	0.0%	-	-	-	-	-	-
168	Transfer To 414	Direct-W	0.0%	-	-	-	-	-	-
169	Total Water Treatment - 1437			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Collection - 1438									
170	Regular Salaries & Wages	Direct-S	100.0%	\$ 488,732	\$ 505,838	\$ 523,542	\$ 541,866	\$ 560,831	\$ 580,460
171	Overtime	Direct-S	100.0%	30,000	31,050	32,137	33,262	34,426	35,631
172	FICA Taxes	Direct-S	100.0%	39,683	41,072	42,509	43,997	45,537	47,131
173	Retirement Contributions	Direct-S	100.0%	104,162	107,808	111,581	115,486	119,528	123,712
174	Retirement Contributions - FRS Gener	Direct-S	100.0%	2,855	2,955	3,058	3,165	3,276	3,391
175	Health & Dental Insurance	Direct-S	100.0%	110,960	116,508	122,333	128,450	134,873	141,616
176	Life Insurance	Direct-S	100.0%	2,622	2,714	2,809	2,907	3,009	3,114
177	Professional Services - Medical / Denta	Direct-S	100.0%	600	614	629	644	659	675
178	Professional Services - Engineering	Direct-S	100.0%	-	-	-	-	-	-
179	Professional Services - Financial	Direct-S	100.0%	-	-	-	-	-	-
180	Professional Services - Other	Direct-S	100.0%	6,000	6,138	6,285	6,436	6,591	6,749
181	Accounting and Auditing	Direct-S	100.0%	5,200	5,320	5,447	5,578	5,712	5,849
182	Contractual Services - Pest Control	Direct-S	100.0%	-	-	-	-	-	-
183	CONTRACT SERVICES - SEWER	Direct-S	100.0%	3,167,217	3,053,046	3,099,224	3,133,589	3,216,923	3,296,295
184	Contractual Services - Other	Direct-S	100.0%	-	-	-	-	-	-
185	Travel	Direct-S	100.0%	2,100	2,148	2,200	2,253	2,307	2,362
186	Communication Services - Telephone	Direct-S	100.0%	-	-	-	-	-	-
187	Communication - Radio	Direct-S	100.0%	500	512	524	536	549	562
188	Postage & Freight Charges	Direct-S	100.0%	100	102	105	107	110	112
189	Utilities - Electricity	Direct-S	100.0%	201,000	206,869	212,827	218,722	224,212	229,862
190	Utilities - Water	Direct-S	100.0%	2,200	2,310	2,426	2,547	2,674	2,808
191	Utilities - Waste Disposal / Trash	Direct-S	100.0%	-	-	-	-	-	-
192	Rent And Leases - Land	Direct-S	100.0%	-	-	-	-	-	-

Table 7  
 City of Riviera Beach Utility Special District  
 Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Projected Wastewater Allocated Operating Expenses

Line No.	Description	Basis	Wastewater Allocation %	Adjusted 2018	Fiscal Year Ending September 30,				
					2019	2020	2021	2022	2023
193	Rent And Leases - Equipment	Direct-S	100.0%	-	-	-	-	-	-
194	Copier Rental	Direct-S	100.0%	-	-	-	-	-	-
195	CGL Insurance	Direct-S	100.0%	119,506	125,481	131,755	138,343	145,260	152,523
196	Insurance - Fire, Theft, Casualty	Direct-S	100.0%	-	-	-	-	-	-
197	Insurance - Professional Liability	Direct-S	100.0%	-	-	-	-	-	-
198	Insurance - Other	Direct-S	100.0%	-	-	-	-	-	-
199	Repair & Maintenance - Contract	Direct-S	100.0%	-	-	-	-	-	-
200	Repair & Maintenance - Buildings	Direct-S	100.0%	11,250	11,588	11,993	12,473	13,034	13,686
201	Repair & Maintenance - Contract	Direct-S	100.0%	52,020	53,581	55,456	57,674	60,269	63,283
202	Repair & Maintenance - Motor Vehicle	Direct-S	100.0%	-	-	-	-	-	-
203	Repair & Maintenance - Lines	Direct-S	100.0%	33,000	33,990	35,180	36,587	38,233	40,145
204	Fleet Services	Direct-S	100.0%	50,500	52,015	53,836	55,989	58,508	61,434
205	Region Sewer Renewal & Replacemen	Direct-S	100.0%	-	-	-	-	-	-
206	Printing & Binding - Photographs	Direct-S	100.0%	750	767	786	805	824	844
207	Depreciation	Direct-S	100.0%	-	-	-	-	-	-
208	Office Supplies - Station	Direct-S	100.0%	-	-	-	-	-	-
209	Office Supplies - General	Direct-S	100.0%	10,500	10,742	10,999	11,263	11,534	11,810
210	Operating Supplies - Software	Direct-S	100.0%	-	-	-	-	-	-
211	Operating Supplies - Chemicals	Direct-S	100.0%	10,000	10,424	10,862	11,306	11,739	12,190
212	Operating Supplies - Janitor	Direct-S	100.0%	650	665	681	697	714	731
213	Operating Supplies - Clothing	Direct-S	100.0%	12,750	13,043	13,356	13,677	14,005	14,341
214	Operating Supplies - Other	Direct-S	100.0%	21,000	21,483	21,999	22,527	23,067	23,621
215	Small Tools & Equipment	Direct-S	100.0%	1,500	1,535	1,571	1,609	1,648	1,687
216	Unreconciled Credit Card Charges	Direct-S	100.0%	-	-	-	-	-	-
217	Books and Periodicals	Direct-S	100.0%	250	253	255	258	260	263
218	Subscriptions & Member	Direct-S	100.0%	400	404	408	412	416	420
219	Employee Development	Direct-S	100.0%	2,150	2,199	2,252	2,306	2,362	2,418
220	Contingency	Direct-S	100.0%	-	-	-	-	-	-
221	UASI - Machinery & Equipment	Direct-S	100.0%	-	-	-	-	-	-
222	Transfer To 412	Direct-S	100.0%	-	-	-	-	-	-
223	Transfer To 414	Direct-S	100.0%	-	-	-	-	-	-
224	Total Wastewater Collection -1438			\$ 4,490,157	\$ 4,423,172	\$ 4,519,025	\$ 4,605,471	\$ 4,743,090	\$ 4,879,726
412 Renewal & Replacement									
225	Professional Services - Contract	Equal	50.0%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
226	USD Grounds Improvement	Equal	50.0%	-	-	-	-	-	-
227	Contingency	Equal	50.0%	-	-	-	-	-	-
228	Office Equipment and Furniture	Equal	50.0%	-	-	-	-	-	-
229	Transfer To 411	Equal	50.0%	-	-	-	-	-	-
230	Repair & Maintenance - Contract	Equal	50.0%	-	-	-	-	-	-
231	Operating Supplies - Other	Equal	50.0%	-	-	-	-	-	-
232	Professional Services - Contract	Equal	50.0%	-	-	-	-	-	-
233	Repair & Maintenance - Lines	Equal	50.0%	-	-	-	-	-	-
234	USD Grounds Improvement	Equal	50.0%	-	-	-	-	-	-
235	Capital - Water Mains & Accessories	Equal	50.0%	-	-	-	-	-	-
236	Capital - Vehicles, Trucks	Equal	50.0%	-	-	-	-	-	-
237	UASI - Machinery & Equipment	Equal	50.0%	-	-	-	-	-	-
238	Capital - Plant (Water)	Revenues	39.6%	-	-	-	-	-	-
239	Repair & Maintenance - Contract	Revenues	39.6%	-	-	-	-	-	-
240	Repair & Maintenance - Lines	Equal	50.0%	-	-	-	-	-	-
241	Contingency	Equal	50.0%	-	-	-	-	-	-
242	USD Grounds Improvement	Equal	50.0%	-	-	-	-	-	-
243	Capital - Water Mains & Accessories	Equal	50.0%	-	-	-	-	-	-
244	Capital - Lift Stations (Sewer)	Equal	50.0%	-	-	-	-	-	-
245	Total 412 Renewal & Replacement			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Adjustments									
246	Contingency	ExpNoECR	24.0%	\$ 394,927	\$ 413,685	\$ 415,361	\$ 429,553	\$ 445,164	\$ 461,210
247	Budget Adjustment	Revenues	39.6%	-	-	-	-	-	-
248	Capitalized Labor	Revenues	39.6%	-	-	-	-	-	-
249	Total Adjustments			\$ 394,927	\$ 413,685	\$ 415,361	\$ 429,553	\$ 445,164	\$ 461,210
250	Total System			\$ 6,750,699	\$ 6,914,555	\$ 6,923,132	\$ 7,105,444	\$ 7,340,586	\$ 7,577,760

**Table 8**  
**City of Riviera Beach Utility Special District**  
**Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation**

**Capital Improvement Plan Funding**

Line No.	Project Description	Escalation Factor	Funding Sources	Projected Fiscal Year Ending September 30.					
				2018	2019	2020	2021	2022	2023
<b>CIP Escalation Factors:</b>									
1	No Assumed Escalation	None		1,000	1,000	1,000	1,000	1,000	1,000
2	Marginal Increase (1.0% per Year)	Marginal		1,000	1,010	1,010	1,020	1,030	1,040
3	ENR Index Average (3.0% per Year)	ENR		1,000	1,030	1,030	1,061	1,093	1,126
4	High Increase (10% per Year)	High		1,000	1,100	1,210	1,331	1,464	1,610
5	Percent of CIP Funded (Input in Dash Board)			100%	100%	100%	100%	100%	100%
<b>Water Projects</b>									
6	Wtp - Air Stripper Media Replacement	Marginal	RevFund	\$ -	\$ -	\$ -	\$ 612,000	\$ -	\$ -
7	Water Treatment Plant Disinfection	None	Series2016	4,500,000	-	-	-	-	-
8	Secondary Disinfection At Avenue "U" Booster Pump Station	None	Impact	353,620	-	-	-	-	-
9	Silver Beach Road Improvements	None	Series2016	-	232,000	-	-	-	-
10	Replace Existing Wtp Generators & Switchgear	None	Series2016	100,000	1,000,000	1,000,000	-	-	-
11	Unidirectional Flushing	Marginal	R&R	300,000	1,212,000	1,010,000	-	-	-
12	Rehabilitation Of Raw Water Wells	Marginal	R&R	200,000	202,000	151,500	153,000	154,500	104,000
13	Utility Infrastructure In Nsa	Marginal	R&R	125,000	126,250	126,250	102,000	103,000	104,000
14	Infrastructure/On-Call Underground Contractor	Marginal	R&R	500,000	202,000	151,500	153,000	154,500	156,000
15	Replacement Of Large Water Meters	Marginal	R&R	100,000	101,000	101,000	153,000	154,500	156,000
16	Replacement Of Small Water Meters	Marginal	R&R	25,000	25,250	25,250	51,000	51,500	52,000
17	Replacement Of Fire Hydrants	Marginal	R&R	50,000	50,500	50,500	51,000	51,500	52,000
18	Replacement Of Lime Slakers	None	Series2016	500,000	2,000,000	2,000,000	-	-	-
19	Rehab/Replacement Of Lime Softening Units	None	Series2016	500,000	1,000,000	1,600,000	-	-	-
20	Inspection/Replacement 14" & 16" Water Mains Crossing Intracoastal	None	Series2016	250,000	300,000	2,000,000	1,000,000	1,000,000	-
21	New Wtp Perimeter Wall (Design Build Rfp)	None	Series2016	-	-	500,000	500,000	500,000	-
22	New Raw Water Wells A & B	None	Series2016	200,000	1,000,000	1,000,000	-	-	-
23	Garden Road Improvements	None	Series2016	-	145,000	-	-	-	-
24	Haverhill Road Improvements	None	Impact	-	500,000	-	-	-	-
25	Water Storage Tank Inspections	None	R&R	-	-	-	60,000	-	-
26	New Aqueous Ammonia System	None	Series2016	50,000	450,000	-	-	-	-
27	Ground Water Rule Sanitary Survey	None	R&R	-	-	50,000	-	-	50,000
28	Replace Perimeter Water Mains - Palm Beach Shores	None	Series2016	-	194,000	900,000	-	-	-
29	Miscellaneous W/S Replacements In Conjunction With CIP Roadways	None	R&R	-	955,000	1,000,000	-	-	-
30	Miscellaneous W/S Replacements In Conjunction With CIP Roadways	None	Series2016	1,000,000	45,000	-	-	-	-
31	New Utility Field Operations Bldg	None	Series2016	50,000	250,000	250,000	-	-	-
32	Unspecified R&R from Budget	High	R&R	607,388	629,553	701,617	447,834	1,158,261	1,320,773
33	Placeholder - Refurbishing Water Treatment Plant	Marginal	Debt1	-	-	-	-	-	33,400,000
34	Placeholder - Refurbishing Water Treatment Plant	Marginal	RevFund	-	-	-	-	15,450,000	2,000,000
35	Placeholder - Refurbishing Water Treatment Plant	Marginal	R&R	-	-	-	-	-	1,000,000
36	Budgetary Capital Outlay	Marginal	RateRev	335,148	338,499	338,499	341,851	345,202	348,554
37	Total Water Projects			\$ 9,746,156	\$ 10,958,052	\$ 12,956,116	\$ 3,624,685	\$ 19,122,964	\$ 38,743,327
<b>Sewer Projects</b>									
38	Aerial Crossing Rehabilitation	Marginal	R&R	\$ 700,000	\$ -	\$ -	\$ -	\$ -	\$ -
39	New Access Culvert Crossing To Lift Station #48	Marginal	R&R	-	-	50,500	-	-	-
40	Replacement Of Lift Station Pumps	Marginal	R&R	100,000	101,000	50,500	51,000	51,500	52,000
41	Lift Station #47 Rehab Project	None	Series2016	300,000	2,000,000	2,000,000	-	-	-
42	Parallel Intracoastal Force Main	None	Series2016	600,000	800,000	1,600,000	4,000,000	-	-
43	Lift Station Rehabilitation - Phase I	None	Series2016	500,000	500,000	500,000	500,000	-	-
44	Lift Station Rehabilitation - Phase II	Marginal	R&R	-	-	-	-	1,030,000	1,040,000
45	I/I Sanitary Sewer Relining	None	Series2016	250,000	200,000	100,000	100,000	100,000	100,000
46	Miscellaneous W/S Replacements In Conjunction With CIP Roadways	None	RevFund	1,000,000	1,000,000	1,000,000	-	-	-
47	New Utility Field Operations Bldg	None	Series2016	50,000	250,000	250,000	-	-	-
48	Unspecified R&R from Budget	High	R&R	242,612	305,447	326,883	683,516	86,139	47,727
49	Budgetary Capital Outlay	Marginal	RateRev	150,352	151,856	151,856	153,359	154,863	156,366
50	Total Sewer Projects			\$ 3,892,964	\$ 5,308,303	\$ 6,029,739	\$ 5,487,875	\$ 1,422,501	\$ 1,396,093
<b>Additional Capital Outlay</b>									
51	Additional Rehabilitation and I&I Above Capital Plan	None	R&R	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ 300,000
52	Total Additional Capital Outlay			\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000	\$ 300,000
53	<b>TOTAL CIP</b>			<b>\$ 13,639,120</b>	<b>\$ 16,266,355</b>	<b>\$ 18,985,855</b>	<b>\$ 9,412,560</b>	<b>\$ 20,845,465</b>	<b>\$ 40,439,420</b>
<b>Summary of CIP Funding</b>									
<u>Water System</u>									
54	Rate Revenues		RateRev	\$ 335,148	\$ 338,499	\$ 338,499	\$ 341,851	\$ 345,202	\$ 348,554
55	Revenue Fund - 411		RevFund	-	-	-	612,000	15,450,000	2,000,000
56	Impact Fee Fund - 413		Impact	353,620	500,000	-	-	-	-
57	Renewal and Replacement Fund		R&R	1,907,388	3,503,553	3,367,617	1,470,834	2,127,761	3,294,773
58	Series 2016 Capital Fund - Fund 415		Series2016	7,150,000	6,616,000	9,250,000	1,500,000	1,500,000	-
59	Series 2023 Bond Proceeds		Debt1	-	-	-	-	-	33,400,000
60	Total Water CIP Funding			\$ 9,746,156	\$ 10,958,052	\$ 12,956,116	\$ 3,924,685	\$ 19,422,964	\$ 39,043,327

**Table 8**  
**City of Riviera Beach Utility Special District**  
**Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation**

**Capital Improvement Plan Funding**

Line No.	Project Description	Escalation Factor	Funding Sources	Projected Fiscal Year Ending September 30.					
				2018	2019	2020	2021	2022	2023
<u>Wastewater System</u>									
61	Rate Revenues		RateRev	\$ 150,352	\$ 151,856	\$ 151,856	\$ 153,359	\$ 154,863	\$ 156,366
62	Revenue Fund - 411		RevFund	1,000,000	1,000,000	1,000,000	-	-	-
63	Impact Fee Fund - 413		Impact	-	-	-	-	-	-
64	Renewal and Replacement Fund		R&R	1,042,612	406,447	427,883	734,516	1,167,639	1,139,727
65	Series 2016 Capital Fund - Fund 415		Series2016	1,700,000	3,750,000	4,450,000	4,600,000	100,000	100,000
66	Total Wastewater CIP Funding			\$ 3,892,964	\$ 5,308,303	\$ 6,029,739	\$ 5,487,875	\$ 1,422,501	\$ 1,396,093
<u>Total System</u>									
67	Rate Revenues		RateRev	\$ 485,500	\$ 490,355	\$ 490,355	\$ 495,210	\$ 500,065	\$ 504,920
68	Revenue Fund - 411		RevFund	1,000,000	1,000,000	1,000,000	612,000	15,450,000	2,000,000
69	Impact Fee Fund - 413		Impact	353,620	500,000	-	-	-	-
70	Renewal and Replacement Fund - 412		R&R	2,950,000	3,910,000	3,795,500	2,205,350	3,295,400	4,434,500
71	Series 2016 Capital Fund - Fund 415		Series2016	8,850,000	10,366,000	13,700,000	6,100,000	1,600,000	100,000
72	Series 2023 Bond Proceeds		Debt1	-	-	-	-	-	33,400,000
73	Total System CIP Funding			\$ 13,639,120	\$ 16,266,355	\$ 18,985,855	\$ 9,412,560	\$ 20,845,465	\$ 40,439,420

City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Projected Water System Net Revenue Requirements

Line No.		Fiscal Year Ending September 30,					
		2018	2019	2020	2021	2022	2023
1	Total Operating Expenses:	\$11,336,321	\$12,031,560	\$12,099,755	\$12,567,421	\$13,047,205	\$13,544,955
	Other Revenue Requirements:						
2	Existing Senior Debt Service	\$2,867,144	\$2,868,510	\$2,871,840	\$2,872,007	\$2,875,670	\$2,875,837
3	Proposed Senior Debt Service	0	0	0	0	0	1,263,001
4	Existing Subordinate Debt Service	92,284	92,284	92,284	92,284	84,593	0
5	Proposed Subordinate Debt Service	0	0	0	0	0	0
6	Capital Funded from Rates	335,148	338,499	338,499	341,851	345,202	348,554
7	Transfer to R&R Fund - Minimum Requirement	811,104	844,194	891,453	935,172	981,878	1,028,640
8	Transfer to R&R Fund - Additional	280,645	506,516	713,162	935,172	1,276,442	1,542,959
9	Transfer to ECR R&R Fund	0	0	0	0	0	0
10	Transfer to Cap Improvement Fund	0	0	0	0	0	0
11	Transfers From Operating Reserves	0	0	0	0	0	0
12	Total Other Revenue Requirements	\$4,386,325	\$4,650,003	\$4,907,239	\$5,176,485	\$5,563,786	\$7,058,991
13	Gross Revenue Requirements	\$15,722,646	\$16,681,563	\$17,006,994	\$17,743,907	\$18,610,992	\$20,603,945
	Less Income and Funds from Other Sources:						
14	Other Revenues	\$350,314	\$354,928	\$359,729	\$364,423	\$369,084	\$373,856
15	Interest Income	20,852	28,142	34,253	42,081	40,717	29,181
16	Transfers From Operating Reserves	0	0	0	0	0	0
17	Net Revenue Requirements	\$15,351,480	\$16,298,493	\$16,613,012	\$17,337,403	\$18,201,190	\$20,200,908
	APPROVED RATE ADJUSTMENTS						
18	Projected Increase Water	0.00%	3.05%	0.00%	0.00%	0.00%	0.00%
19	Projected Increase Irrigation	0.00%	3.05%	0.00%	0.00%	0.00%	0.00%
20	Months Rate Increase in Effect	12.00	12.00	12.00	12.00	12.00	12.00
21	Water Rate Revenues w/Adopted Increase	\$12,613,736	\$13,051,209	\$13,103,236	\$13,144,530	\$13,155,589	\$13,098,690
22	Irrigation Rate Revenues w/Adopted Increase	2,301,327	2,368,723	2,370,852	2,372,980	2,375,109	2,377,238
23	Total	\$14,915,062	\$15,419,932	\$15,474,088	\$15,517,511	\$15,530,698	\$15,475,928
	Revenue Surplus/(Deficiency) Under Approved Rates:						
24	Amount	(\$436,417)	(\$878,561)	(\$1,138,924)	(\$1,819,892)	(\$2,670,492)	(\$4,724,981)
25	Percent of Rate Revenue	(2.93%)	(5.70%)	(7.36%)	(11.73%)	(17.19%)	(30.53%)
	ADDITIONAL RATE ADJUSTMENTS						
	Effective Increase						
26	Projected Increase Water	0.00%	0.00%	6.68%	6.68%	6.68%	6.68%
27	Projected Increase Irrigation	0.00%	0.00%	6.68%	6.68%	6.68%	6.68%
28	Months Rate Increase in Effect	12.00	12.00	12.00	12.00	12.00	12.00
29	Water - Prior Period Compound Rate Adjustments	n/a	0.00%	0.00%	6.68%	13.81%	21.41%
30	Irrigation - Prior Period Compound Rate Adjustments	n/a	0.00%	0.00%	6.68%	13.81%	21.41%
	Revenue From Water Rates:						
31	Current Year Rate Adjustment	0	0	875,296	936,709	1,000,122	1,062,315
32	Prior Year Rate Adjustment	0	0	0	878,055	1,816,290	2,804,230
	Revenue From Irrigation Rates:						
33	Current Year Rate Adjustment	0	0	158,373	169,104	180,562	192,796
34	Prior Year Rate Adjustment	0	0	0	158,515	327,913	508,930
35	Adjusted Water Rate Revenues	\$ 14,915,062	\$ 15,419,932	\$ 16,507,757	\$ 17,659,893	\$ 18,855,585	\$ 20,044,199
36	Revenue Surplus / (Deficiency) Under Proposed Rate Adj.	(436,417)	(878,561)	(105,255)	322,490	654,394	(156,709)
37	As Percent of Existing Revenue	(2.93%)	(5.70%)	(0.64%)	1.83%	3.47%	(0.78%)

City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Projected Wastewater System Net Revenue Requirements

Line No.		Projected Fiscal Year Ending September 30,					
		2018	2019	2020	2021	2022	2023
1	Operating Expenses	\$3,583,482	\$3,861,509	\$3,823,907	\$3,971,855	\$4,123,664	\$4,281,464
2	ECR Expenses	3,167,217	3,053,046	3,099,224	3,133,589	3,216,923	3,296,295
3	Total Operating Expenses	\$6,750,699	\$6,914,555	\$6,923,132	\$7,105,444	\$7,340,586	\$7,577,760
	Other Revenue Requirements:						
4	Existing Senior Debt Service	\$1,437,231	\$1,437,915	\$1,439,585	\$1,439,668	\$1,441,505	\$1,441,588
5	Proposed Senior Debt Service	0	0	0	0	0	0
6	Existing Subordinate Debt Service	46,260	46,260	46,260	46,260	42,405	0
7	Proposed Subordinate Debt Service	0	0	0	0	0	0
8	Capital Funded from Rates	150,352	151,856	151,856	153,359	154,863	156,366
9	Transfer to R&R Fund - Minimum Requirement	399,499	415,797	439,074	460,607	483,612	506,643
10	Transfer to R&R Fund - Additional	138,228	249,478	351,259	460,607	628,695	759,965
11	Transfer to ECR R&R Fund	632,590	2,464,391	1,813,088	1,073,801	1,081,971	1,114,431
12	Transfer to Cap Improvement Fund	0	0	0	0	0	0
13	Transfers From Operating Reserves	0	0	0	0	0	0
14	Total Other Revenue Requirements	\$2,804,160	\$4,765,697	\$4,241,121	\$3,634,302	\$3,833,050	\$3,978,993
15	Gross Revenue Requirements	\$9,554,859	\$11,680,252	\$11,164,253	\$10,739,747	\$11,173,637	\$11,556,753
	Less Income and Funds from Other Sources:						
16	Other Revenues [5]	\$111,079	\$112,778	\$114,576	\$116,302	\$117,999	\$119,750
17	Interest Income [6]	20,852	28,142	34,253	42,081	40,717	29,181
18	Transfers From Operating Reserves	0	0	0	0	0	0
19	ECRWRF Wholesale Charge Revenue	237,986	358,173	314,396	266,640	255,497	261,864
20	Net Revenue Requirements	\$9,184,942	\$11,181,159	\$10,701,027	\$10,314,724	\$10,759,424	\$11,145,958
	APPROVED RATE ADJUSTMENTS						
21	Projected Increase Wastewater w/effective increase	0.00%	8.79%	0.00%	0.00%	0.00%	0.00%
22	Months Rate Increase in Effect	12.00	12.00	12.00	12.00	12.00	12.00
23	Sewer - Prior Period Compound Rate Adjustments	n/a	0.00%	8.79%	8.79%	8.79%	8.79%
24	Wastewater Rate Revenues w/Adopted Increase	9,781,652	10,666,614	10,685,494	10,721,744	10,731,550	10,677,601
25	Total	\$9,781,652	\$10,666,614	\$10,685,494	\$10,721,744	\$10,731,550	\$10,677,601
	Revenue Surplus/(Deficiency) Under Approved Rates:						
26	Amount	\$596,710	(\$514,546)	(\$15,533)	\$407,021	(\$27,874)	(\$468,357)
27	Percent of Rate Revenue	0.00%	(4.82%)	(0.15%)	0.00%	(0.26%)	(4.39%)
	ADDITIONAL RATE ADJUSTMENTS						
	Effective Increase						
28	Projected Increase Wastewater	0.00%	0.00%	1.68%	1.68%	1.68%	1.68%
29	Months Rate Increase in Effect	12.00	12.00	12.00	12.00	12.00	12.00
30	Sewer - Prior Period Compound Rate Adjustments	n/a	0.00%	0.00%	1.68%	3.39%	5.13%
	Revenue From Wastewater Rates:						
31	Current Year Rate Adjustment	0	0	179,516	183,151	186,399	188,577
32	Prior Year Rate Adjustment	0	0	0	180,125	363,609	547,243
33	Adjusted Wastewater Rate Revenue	\$ 9,781,652	\$ 10,666,614	\$ 10,865,011	\$ 11,085,021	\$ 11,281,558	\$ 11,413,421
34	Revenue Surplus / (Deficiency) Under Proposed Rate Adj.	596,710	(514,546)	163,984	770,297	522,134	267,463
35	As Percent of Existing Revenue	6.10%	(4.82%)	1.51%	6.95%	4.63%	2.34%

Table 11  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Line No.		Fiscal Year Ending September 30,					
		2018	2019	2020	2021	2022	2023
1	Total Operating Expenses:	\$18,087,020	\$18,946,115	\$19,022,887	\$19,672,866	\$20,387,792	\$21,122,714
	Other Revenue Requirements:						
2	Existing Senior Debt Service	\$4,304,375	\$4,306,425	\$4,311,425	\$4,311,675	\$4,317,175	\$4,317,425
3	Proposed Senior Debt Service	0	0	0	0	0	1,263,001
4	Existing Subordinate Debt Service	138,543	138,543	138,543	138,543	126,998	0
5	Proposed Subordinate Debt Service	0	0	0	0	0	0
6	Capital Funded from Rates	485,500	490,355	490,355	495,210	500,065	504,920
7	Transfer to R&R Fund - Minimum Requirement	1,210,602	1,259,991	1,330,527	1,395,779	1,465,490	1,535,283
8	Transfer to R&R Fund - Additional	418,874	755,994	1,064,421	1,395,779	1,905,137	2,302,924
9	Transfer to ECR R&R Fund	632,590	2,464,391	1,813,088	1,073,801	1,081,971	1,114,431
10	Transfer to Capital Improvement Fund	0	0	0	0	0	0
11	Transfers From Operating Reserves	0	0	0	0	0	0
12	Total Other Revenue Requirements	\$7,190,485	\$9,415,700	\$9,148,359	\$8,810,788	\$9,396,837	\$11,037,984
13	Gross Revenue Requirements	\$25,277,505	\$28,361,815	\$28,171,247	\$28,483,653	\$29,784,628	\$32,160,698
	Less Income and Funds from Other Sources:						
14	Other Revenues [5]	\$461,393	\$467,706	\$474,305	\$480,725	\$487,083	\$493,606
15	Interest Income [6]	41,704	56,283	68,507	84,162	81,434	58,362
16	Transfers From Operating Reserves	0	0	0	0	0	0
17	ECRWRF Wholesale Charge Revenue	237,986	358,173	314,396	266,640	255,497	261,864
18	Net Revenue Requirements	\$24,536,422	\$27,479,652	\$27,314,039	\$27,652,127	\$28,960,614	\$31,346,866
	APPROVED RATE ADJUSTMENTS						
	Effective Increase						
19	Projected Increase Water	0.00%	3.05%	0.00%	0.00%	0.00%	0.00%
20	Projected Increase Irrigation	0.00%	8.79%	0.00%	0.00%	0.00%	0.00%
21	Projected Increase Wastewater	0.00%	3.05%	0.00%	0.00%	0.00%	0.00%
22	Months Rate Increase in Effect	12.00	12.00	12.00	12.00	12.00	12.00
23	Water Rate Revenues	\$12,613,736	\$13,051,209	\$13,103,236	\$13,144,530	\$13,155,589	\$13,098,690
24	Irrigation Rate Revenues	2,301,327	2,368,723	2,370,852	2,372,980	2,375,109	2,377,238
25	Sewer Rate Revenues	9,781,652	10,666,614	10,685,494	10,721,744	10,731,550	10,677,601
26	Total	\$24,696,715	\$26,086,546	\$26,159,582	\$26,239,255	\$26,262,248	\$26,153,529
	Revenue Surplus/(Deficiency) Under Existing Rates:						
27	Amount	\$160,293	(\$1,393,106)	(\$1,154,457)	(\$1,412,872)	(\$2,698,366)	(\$5,193,337)
28	Percent of Rate Revenue	0.65%	(5.34%)	(4.41%)	(5.38%)	(10.27%)	(19.86%)
	ADDITIONAL RATE ADJUSTMENTS						
	Effective Increase						
29	Projected Increase Water	0.00%	0.00%	6.68%	6.68%	6.68%	6.68%
30	Projected Increase Irrigation	0.00%	0.00%	6.68%	6.68%	6.68%	6.68%
31	Projected Increase Wastewater	0.00%	0.00%	1.68%	1.68%	1.68%	1.68%
32	Months Rate Increase in Effect	12.00	12.00	12.00	12.00	12.00	12.00
33	Water - Prior Period Compound Rate Adjustments	n/a	0.00%	0.00%	6.68%	13.81%	21.41%
34	Irrigation - Prior Period Compound Rate Adjustments	n/a	0.00%	0.00%	6.68%	13.81%	21.41%
35	Sewer - Prior Period Compound Rate Adjustments	n/a	0.00%	0.00%	1.68%	3.39%	5.13%
	Revenue From Water Rates:						
36	Current Year Rate Adjustment	\$0	\$0	\$875,296	\$936,709	\$1,000,122	\$1,062,315
37	Prior Year Rate Adjustment	0	0	0	878,055	1,816,290	2,804,230
	Revenue From Irrigation Rates:						
38	Current Year Rate Adjustment	\$0	\$0	\$158,373	\$169,104	\$180,562	\$192,796
39	Prior Year Rate Adjustment	0	0	0	158,515	327,913	508,930
	Revenue From Wastewater Rates:						
40	Current Year Rate Adjustment	\$0	\$0	\$179,516	\$183,151	\$186,399	\$188,577
41	Prior Year Rate Adjustment	0	0	0	180,125	363,609	547,243
42	Sum of Water, Wastewater, and Irrigation Current Rates	\$0	\$0	\$1,213,185	\$1,288,964	\$1,367,082	\$1,443,688
43	Sum of Water, Wastewater, and Irrigation Prior Year Rates	0	0	0	1,216,695	2,507,812	3,860,403
44	Adjusted Water and Wastewater Rate Revenue	\$ 24,696,715	\$ 26,086,546	\$ 27,372,768	\$ 28,744,914	\$ 30,137,142	\$ 31,457,620
45	Revenue Surplus / (Deficiency) Under Proposed Rate Adj.	160,293	(1,393,106)	58,728	1,092,787	1,176,528	110,755
46	As Percent of Existing Revenue	0.65%	(5.34%)	0.21%	3.80%	3.90%	0.35%

Table 12  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

## Projected Fund Cash Balances and Interest Income

Line No.	Interest Earning Availability		Projected Fiscal Year Ending September 30.						
	Fund RevReq	Coverage	2018	2019	2020	2021	2022	2023	
ENDING CASH BALANCE SUMMARY:									
1	REVENUE FUND - 411	Y	Y	\$ 30,684,779	\$ 28,291,673	\$ 27,350,401	\$ 27,831,189	\$ 13,557,717	\$ 11,668,932
2	CUSTOMER DEPOSIT FUND - 411A	Y	Y	2,528,919	2,528,919	2,528,919	2,528,919	2,528,919	2,528,919
3	RENEWAL & REPLACEMENT FUND - 412	Y	Y	6,388,819	4,494,804	3,094,252	3,680,460	3,755,687	3,159,395
4	CAPITAL IMPACT FEES FUND - 413	N	N	1,402,964	1,167,443	1,390,475	1,574,260	1,621,122	1,629,357
5	DEBT SERVICE FUND (P&I) - 414	Y	Y	42,850	83,875	133,875	181,500	225,205	1,483,104
6	SERIES 2016 CAPITAL FUND - 415	N	N	31,782,666	21,456,566	7,785,779	1,697,618	100,311	0
7	TOTAL PROJECTED END OF YEAR BALANCES			<u>72,830,997</u>	<u>58,023,280</u>	<u>42,283,702</u>	<u>37,493,947</u>	<u>21,788,961</u>	<u>20,469,707</u>
REVENUE FUND - 411									
8	BALANCE AT BEGINNING OF FISCAL YEAR			33,524,487	30,684,779	28,291,673	27,350,401	27,831,189	13,557,717
9	TRANSFER IN - YEAR END REVENUE SURPLUS			160,293	0	58,728	1,092,787	1,176,528	110,755
10	TOTAL FUNDS AVAILABLE			<u>33,684,779</u>	<u>30,684,779</u>	<u>28,350,401</u>	<u>28,443,189</u>	<u>29,007,717</u>	<u>13,668,932</u>
11	LESS: CASH-FUNDED CAPITAL PROJECTS			1,000,000	1,000,000	1,000,000	612,000	15,450,000	2,000,000
12	TRANSFER OUT- YEAR END REVENUE DEFICIENCY			0	1,393,106	0	0	0	0
13	LESS: TRANSFER OUT FOR LAWSUIT			2,000,000	0	0	0	0	0
14	TOTAL TRANSFERS OUT			<u>3,000,000</u>	<u>2,393,106</u>	<u>1,000,000</u>	<u>612,000</u>	<u>15,450,000</u>	<u>2,000,000</u>
15	SUBTOTAL			<u>30,684,779</u>	<u>28,291,673</u>	<u>27,350,401</u>	<u>27,831,189</u>	<u>13,557,717</u>	<u>11,668,932</u>
16	INTEREST RATE ON FUND BALANCE			0.10%	0.15%	0.20%	0.25%	0.30%	0.30%
17	PLUS: INTEREST EARNINGS	Y	Y	32,105	44,232	55,642	68,977	62,083	37,840
18	LESS: INTEREST ALLOCATED TO CASH FLOW			(32,105)	(44,232)	(55,642)	(68,977)	(62,083)	(37,840)
19	BALANCE AT END OF FISCAL YEAR			<u>30,684,779</u>	<u>28,291,673</u>	<u>27,350,401</u>	<u>27,831,189</u>	<u>13,557,717</u>	<u>11,668,932</u>
20	Targeted Minimum Balance (180 Days)			8,919,627	9,343,290	9,381,150	9,701,687	10,054,253	10,416,681
	Target Met (Y/N)			Y	Y	Y	Y	Y	Y
21	Surplus Available for Transfer or CIP Funding			<u>21,765,153</u>	<u>18,948,383</u>	<u>17,969,251</u>	<u>18,129,502</u>	<u>3,503,463</u>	<u>1,252,251</u>
CUSTOMER DEPOSIT FUND - 411A									
22	BALANCE AT BEGINNING OF FISCAL YEAR			2,528,919	2,528,919	2,528,919	2,528,919	2,528,919	2,528,919
23	NEW CUSTOMER DEPOSITS			0	0	0	0	0	0
24	TOTAL FUNDS AVAILABLE			<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>
25	LESS: RETURN OF CUSTOMER DEPOSITS			0	0	0	0	0	0
26	TOTAL TRANSFERS OUT			<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
27	SUBTOTAL			<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>
28	INTEREST RATE ON FUND BALANCE			0.10%	0.15%	0.20%	0.25%	0.30%	0.30%
29	PLUS: INTEREST EARNINGS	Y	Y	2,529	3,793	5,058	6,322	7,587	7,587
30	LESS: INTEREST ALLOCATED TO CASH FLOW			(2,529)	(3,793)	(5,058)	(6,322)	(7,587)	(7,587)
31	BALANCE AT END OF FISCAL YEAR			<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>	<u>2,528,919</u>
RENEWAL & REPLACEMENT FUND - 412									
32	BALANCE AT BEGINNING OF FISCAL YEAR			7,709,343	6,388,819	4,494,804	3,094,252	3,680,460	3,755,687
33	TRANSFERS FROM RATE REVENUE			1,629,476	2,015,985	2,394,948	2,791,558	3,370,627	3,838,207
34	TRANSFERS FROM OPERATING RESERVES			0	0	0	0	0	0
35	TOTAL FUNDS AVAILABLE			<u>9,338,819</u>	<u>8,404,804</u>	<u>6,889,752</u>	<u>5,885,810</u>	<u>7,051,087</u>	<u>7,593,895</u>
36	LESS: CAPITAL FUNDING			2,950,000	3,910,000	3,795,500	2,205,350	3,295,400	4,434,500
37	TOTAL TRANSFERS OUT			<u>2,950,000</u>	<u>3,910,000</u>	<u>3,795,500</u>	<u>2,205,350</u>	<u>3,295,400</u>	<u>4,434,500</u>
38	SUBTOTAL			<u>6,388,819</u>	<u>4,494,804</u>	<u>3,094,252</u>	<u>3,680,460</u>	<u>3,755,687</u>	<u>3,159,395</u>
39	INTEREST RATE ON FUND BALANCE			0.10%	0.15%	0.20%	0.25%	0.30%	0.30%
40	PLUS: INTEREST EARNINGS	Y	Y	7,049	8,163	7,589	8,468	11,154	10,373
41	LESS: INTEREST ALLOCATED TO CASH FLOW			(7,049)	(8,163)	(7,589)	(8,468)	(11,154)	(10,373)
42	BALANCE AT END OF FISCAL YEAR			<u>6,388,819</u>	<u>4,494,804</u>	<u>3,094,252</u>	<u>3,680,460</u>	<u>3,755,687</u>	<u>3,159,395</u>
43	Targeted Minimum Balance			2,135,800	2,304,026	2,509,587	2,753,307	2,828,523	3,082,565
	Target Met (Y/N)			Y	Y	Y	Y	Y	Y
CAPITAL IMPACT FEES FUND - 413									
44	BALANCE AT BEGINNING OF FISCAL YEAR			1,492,584	1,402,964	1,167,443	1,390,475	1,574,260	1,621,122
45	IMPACT FEE COLLECTIONS			262,553	262,553	220,477	180,084	42,076	3,366
46	TRANSFERS FROM OPERATING RESERVES			0	0	0	0	0	0
47	TOTAL FUNDS AVAILABLE			<u>1,755,137</u>	<u>1,665,516</u>	<u>1,387,920</u>	<u>1,570,559</u>	<u>1,616,336</u>	<u>1,624,488</u>
48	LESS: CAPITAL FUNDING			353,620	500,000	0	0	0	0





Table 13

City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Projected Debt Service Coverage and Rate Covenant Requirements

Line No.	Description	Projected Fiscal Year Ending September 30,					
		2018	2019	2020	2021	2022	2023
<b>Gross Revenues</b>							
1	Water System [1]	\$14,915,062	\$15,419,932	\$16,507,757	\$17,659,893	\$18,855,585	\$20,044,199
2	Wastewater System	9,781,652	10,666,614	10,865,011	11,085,021	11,281,558	11,413,421
3	Other Revenues	461,393	467,706	474,305	480,725	487,083	493,606
4	ECRWRF Wholesale Charge Revenue	237,986	358,173	314,396	266,640	255,497	261,864
4	Investment Income	41,704	56,283	68,507	84,162	81,434	58,362
5	Total Gross System Revenues	\$ 25,437,798	\$ 26,968,708	\$ 28,229,975	\$ 29,576,441	\$ 30,961,156	\$ 32,271,453
6	Operating Expenses [3]	\$16,486,629	\$17,380,922	\$17,380,521	\$17,948,171	\$18,579,563	\$19,235,257
7	Total Cost of Operations and Maintenance	\$16,486,629	\$17,380,922	\$17,380,521	\$17,948,171	\$18,579,563	\$19,235,257
8	Net Revenues	\$ 8,951,168	\$ 9,587,786	\$ 10,849,454	\$ 11,628,270	\$ 12,381,593	\$ 13,036,196
9	Impact Fees	\$262,553	\$262,553	\$220,477	\$180,084	\$42,076	\$3,366
10	Net Revenues and Impact Fees	\$ 9,213,721	\$ 9,850,339	\$ 11,069,931	\$ 11,808,354	\$ 12,423,669	\$ 13,039,562
11	Annual Debt Service Requirement	\$4,304,375	\$4,306,425	\$4,311,425	\$4,311,675	\$4,317,175	\$5,580,426
12	Annual Debt Service Covenant Compliance [4]						
<b>Test 1 - Net Revenues:</b>							
13	Calculated Coverage	2.08	2.23	2.52	2.70	2.87	2.34
14	Required Coverage	1.20	1.20	1.20	1.20	1.20	1.20
<b>Test 2 - Net Revenues and Impact Fees:</b>							
15	Calculated Coverage	2.14	2.29	2.57	2.74	2.88	2.34
16	Required Coverage	1.25	1.25	1.25	1.25	1.25	1.25
<b>Required Transfers</b>							
17	ECR R&R Fund Requirement [5]	632,590	2,464,391	1,813,088	1,073,801	1,081,971	1,114,431
18	Subordinated Indebtedness Fund [6]	138,543	138,543	138,543	138,543	126,998	0
19	Renewal and Replacement Fund Requirement [7]	1,210,602	1,259,991	1,330,527	1,395,779	1,465,490	1,535,283
20	Payment-in-lieu-of-taxes (PILOT) [8]	1,600,391	1,565,193	1,642,366	1,724,695	1,808,229	1,887,457
21	Rate Stabilization Fund (To) / From [9]	0	0	0	0	0	0
22	Capital Improvement Account [10]	0	0	0	0	0	0
23	Total Required Transfers	\$ 3,582,127	\$ 5,428,118	\$ 4,924,524	\$ 4,332,819	\$ 4,482,688	\$ 4,537,171
24	Amount Available for Other Purposes [11]	\$ 1,064,666	\$ (146,757)	\$ 1,613,505	\$ 2,983,776	\$ 3,581,730	\$ 2,918,599

## Footnote:

- [1] Amounts shown include potable water irrigation revenues.
- [2] Amounts shown do not include interest income earned on estimated balances in the Construction Fund relating to the issuance of the Series 2016 Bonds or the Water and Wastewater Impact Fee Funds, if any, which are restricted to such accounts.
- [3] Amounts shown do not include depreciation or amortization expenses or payments in lieu of taxes, which are not considered as a Cost of Operation and Maintenance per the Bond Resolution.
- [4] The Rate Covenant as defined in Section 4.8 of the Bond Resolution is as follows:  
Test 1: Net Revenues shall be at least equal to one hundred twenty percent (120%) of the Annual Debt Service Requirement for the Bonds;

AND

Test 2: Net Revenues plus Impact Fees available to pay debt service on the Bonds shall be at least equal to one hundred twenty-five (125%) of the Annual Debt Service Requirement for the Bonds; provided, however, that such Net Revenues shall be sufficient to make all of the payments required by the terms of the Bond Resolution.

- [5] Amounts shown represent deposits to the ECR Renewal and Replacement Fund as determined by the ECR Board with the amount allocated to the District based on District's pro rata share of the capacity in the ECRWRF. In addition, the District shall make payments to the ECR Board for any ECR Subordinate Lien Debt Service Payments; currently there are no subordinate lien obligations that have been issued by the ECR Board allocated to the District and no subordinate obligations are anticipated to be issued by the ECR Board during the Forecast Period.

Footnote continued on page 2 of 2:

Table 13

City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Projected Debt Service Coverage and Rate Covenant Requirements

Line No.	Description	Projected Fiscal Year Ending September 30,					
		2018	2019	2020	2021	2022	2023
[6]	Amounts shown represent the payments associated with the acquisition of the Consolidated Utility by the City which debt was assumed by the District upon its establishment.						
[7]	Amounts shown reflect deposits to the Renewal and Replacement Fund equal to the Renewal and Replacement Fund Requirement calculated at five percent (5%) of the previous Fiscal Year's Gross Revenues as provided in the Bond Resolution; the financial forecast does anticipate deposits to the fund in amounts greater than the Renewal and Replacement Fund Requirement in order to fund the recognized capital improvement expenditures.						
[8]	Pursuant to Resolution No. 14 14HD adopted by the District Board on July 14, 2014, the District approved a policy to provide for the payment-in-lieu-of-taxes (PILOT) from System revenues (the "PILOT Resolution"). The payment shall be equal to (6%) of the gross revenues derived from the monthly water and wastewater base commodity rates (charges for services).						
[9]	Although provided in the Bond Resolution, the District has not made any deposits to or transfers from Rate Stabilization Fund and no transfers or uses are assumed during the Forecast Period.						
[10]	The financial forecast assumes increased deposits to the Renewal and Replacement Fund during the Forecast Period; no additional deposits to the Capital Improvement Accounts were assumed.						
[11]	Amounts shown do not include Impact Fees; amounts represent additional funds for use by the District, including additional deposits to the Renewal and Replacement Fund.						

Table 14  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Water Wholesale Primary, Secondary, and Indirect Allocation Factors

Line No.	Description	Basis	Allocation Percentages		
			Primary	Secondary	Indirect
1	Primary Service	Primary	100.00%	0.00%	0.00%
2	Secondary Service	Secondary	0.00%	100.00%	0.00%
3	Indirect	Indirect	0.00%	0.00%	100.00%
4	Eliminate	Eliminate	0.00%	0.00%	0.00%
5	Primary and Secondary Accounts	Accounts	0.01%	99.99%	0.00%
6	Salaries	Salaries	85.08%	14.09%	0.83%
7	Operating Expenses	Expenses	71.29%	15.97%	12.74%
8	Assets	Assets	66.61%	33.39%	0.00%
9	Personnel Allocator	Personnel	82.64%	16.43%	0.93%
10	Revenues	Revenues	0.00%	100.00%	0.00%
11	Linear Feet of Pipes	Pipe	27.75%	72.25%	0.00%
12	Series 2016 Debt Allocator	Series2016	72.52%	27.46%	0.00%
13	CIP Allocator	CIP	65.11%	34.88%	0.00%

Table 15  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Water Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Adjusted 2018	Basis	Primary	Secondary	Indirect
	Administration - 1417					
1	UASI - Machinery & Equipment	\$ -	Salaries	\$ -	\$ -	\$ -
2	UASI - Machinery & Equipment	-	Salaries	-	-	-
3	Regular Salaries & Wages	667,504	Salaries	567,912	94,051	5,540
4	Overtime	3,017	Salaries	2,567	425	25
5	FICA Taxes	51,295	Salaries	43,642	7,227	426
6	Retirement Contributions	68,970	Salaries	58,679	9,718	572
7	Retirement Contributions - FRS General	49,533	Salaries	42,143	6,979	411
8	Pension Expense	-	Salaries	-	-	-
9	Health & Dental Insurance	83,910	Salaries	71,391	11,823	696
10	Life Insurance	1,977	Salaries	1,682	279	16
11	OPEB Liability Expense	69,351	Salaries	59,004	9,772	576
12	Professional Services - Medical / Dental	234	Salaries	199	33	2
13	Professional Services - Engineering	22,625	Salaries	19,249	3,188	188
14	Professional Services - Financial	7,542	Salaries	6,416	1,063	63
15	Professional Services- Other	2,376,864	Salaries	2,022,236	334,900	19,728
16	Professional Services - PILOT	1,206,970	Eliminate	-	-	-
17	Professional Services - GASB 68	510,432	Salaries	434,276	71,920	4,237
18	CRB Direct Labor	-	Salaries	-	-	-
19	Accounting and Auditing	4,525	Indirect	-	-	4,525
20	Contractual Services - Janitorial	12,067	Salaries	10,266	1,700	100
21	Contractual Services - Pest Control	754	Salaries	642	106	6
22	Merchant Service Fees	75,417	Secondary	-	75,417	-
23	Contractual Services - Other	41,479	Salaries	35,291	5,844	344
24	Travel	3,017	Salaries	2,567	425	25
25	Communication Services - Telephone	27,904	Salaries	23,741	3,932	232
26	Communication - Radio	-	Salaries	-	-	-
27	Communication Services - Radio	-	Salaries	-	-	-
28	Postage & Freight Charges	151	Salaries	128	21	1
29	Utilities - Electricity	-	Salaries	-	-	-
30	Utilities - Other	-	Salaries	-	-	-
31	Utilities - Waste Disposal / Trash	-	Salaries	-	-	-
32	CGL Insurance	52,830	Salaries	44,948	7,444	438
33	Repair & Maintenance - Contract	1,584	Salaries	1,347	223	13
34	Repair & Maintenance - Buildings	1,584	Salaries	1,347	223	13
35	Repair & Maintenance - Motor Vehicles	3,771	Salaries	3,208	531	31
36	Printing & Binding	980	Salaries	834	138	8
37	Printing & Binding - Copier	754	Salaries	642	106	6
38	Promotional Activities	15,838	Salaries	13,475	2,232	131
39	Others - Surveillance	-	Salaries	-	-	-
40	Bad Debt Expense	12,067	Secondary	-	12,067	-
41	Office Supplies - Station	279,383	Salaries	237,699	39,365	2,319
42	Office Supplies - General	3,017	Salaries	2,567	425	25
43	Operating Supplies - Software	12,067	Salaries	10,266.39	1,700	100.15
44	Operating Supplies - Janitor	27,150	Salaries	23,099	3,825	225
45	Operating Supplies - Clothing	1,508	Salaries	1,283	213	13
46	Operating Supplies - Other	1,508	Salaries	1,283	213	13
47	Small Tools & Equipment	4,714	Salaries	4,010	664	39
48	Unreconciled Credit Card Charges	1,282	Salaries	1,091	181	11
49	Books and Periodicals	-	Salaries	-	-	-
50	Subscriptions & Member	754	Salaries	642	106	6
51	Employee Development	4,148	Salaries	3,529	584	34
52	Tuition Reimbursement	4,714	Salaries	4,010	664	39
53	Contingency	8,296	Salaries	7,058	1,169	69
54	Capital - Buildings	-	Salaries	-	-	-
55	Office Equipment and Furniture	-	Salaries	-	-	-
56	UASI - Machinery & Equipment	-	Salaries	-	-	-
57	Capital Vehicles	-	Salaries	-	-	-
58	Office Equipment and Furniture	-	Salaries	-	-	-
59	Bond Issue Costs	-	Salaries	-	-	-
60	Transfer To 001	-	Salaries	-	-	-

Table 15  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Water Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Adjusted 2018	Basis	Primary	Secondary	Indirect
61	Transfer To 412	-	Salaries	-	-	-
62	Transfer to 413	-	Salaries	-	-	-
63	Transfer To 414	-	Salaries	-	-	-
64	Transfer To 415	-	Salaries	-	-	-
65	Incremental Operating Costs	-	Salaries	-	-	-
66	Total Administration - 1417	\$ 5,723,485		\$ 3,764,370	\$ 710,897	\$ 41,248
Water Distribution - 1430						
62	Regular Salaries & Wages	\$ 613,362	Pipe	\$ 170,208	\$ 443,154	\$ -
63	Overtime	33,000	Pipe	9,158	23,842	-
64	FICA Taxes	49,447	Pipe	13,722	35,725	-
65	Retirement Contributions	85,421	Pipe	23,704	61,717	-
66	Retirement Contributions - FRS General	11,459	Pipe	3,180	8,279	-
66	Health & Dental Insurance	141,222	Pipe	39,189	102,033	-
67	Life Insurance	3,336	Pipe	926	2,410	-
67	Professional Services - Medical / Dental	1,000	Pipe	278	722	-
67	Professional Services- Other	-	Pipe	-	-	-
68	Contractual Services - Janitorial	1,100	Pipe	305	795	-
69	Contractual Services - Other	40,000	Pipe	11,100	28,900	-
70	Travel	2,250	Pipe	624	1,626	-
71	Utilities - Other	2,000	Pipe	555	1,445	-
72	Utilities - Waste Disposal / Trash	-	Pipe	-	-	-
73	CGL Insurance	135,154	Pipe	37,505	97,649	-
74	Repair & Maintenance - Buildings	1,100	Pipe	305	795	-
75	Repair & Maintenance - Grounds	1,100	Pipe	305	795	-
76	Repair & Maintenance - Contract	31,000	Pipe	8,603	22,397	-
77	Repair & Maintenance - Motor Vehicles	-	Pipe	-	-	-
78	Repair & Maintenance - Lines	26,000	Pipe	7,215	18,785	-
79	Repair & Maintenance - Other	25,300	Pipe	7,021	18,279	-
80	Fleet Services	19,000	Pipe	5,273	13,727	-
81	Repair & Maintenance - Easements	5,100	Pipe	1,415	3,685	-
82	Printing & Binding - Photographs	500	Pipe	139	361	-
83	Other Charges - Others	1,100	Pipe	305	795	-
84	Others - Surveillance	1,100	Pipe	305	795	-
85	Depreciation	-	Pipe	-	-	-
86	Office Supplies - Station	-	Pipe	-	-	-
87	Office Supplies - General	4,000	Pipe	1,110	2,890	-
88	Operating Supplies - Software	-	Pipe	-	-	-
89	Operating Supplies - Chemicals	600	Pipe	167	433	-
90	Operating Supplies - Janitor	1,100	Pipe	305	795	-
91	Operating Supplies - Clothing	5,100	Pipe	1,415	3,685	-
92	Operating Supplies - Other	10,500	Pipe	2,914	7,586	-
93	Operating Supplies - Water	2,400	Pipe	666	1,734	-
94	Small Tools & Equipment	-	Pipe	-	-	-
95	Books and Periodicals	100	Pipe	28	72	-
96	Subscriptions & Member	300	Pipe	83	217	-
97	Employee Development	1,100	Pipe	305	795	-
98	Contingency	-	Pipe	-	-	-
99	UASI - Machinery & Equipment	-	Pipe	-	-	-
100	Transfer To 412	-	Pipe	-	-	-
101	Transfer To 414	-	Pipe	-	-	-
102	Transfer to 413	-	Pipe	-	-	-
103	Total Water Distribution - 1430	\$ 1,255,251		\$ 348,332	\$ 906,919	\$ -
Water Treatment - 1437						
104	Regular Salaries & Wages	\$ -	Primary	\$ -	\$ -	\$ -
105	Overtime	910,046	Primary	910,046	-	-
106	FICA Taxes	35,000	Primary	35,000	-	-
107	Retirement Contributions	72,296	Primary	72,296	-	-
108	Retirement Contributions - FRS General	109,722	Primary	109,722	-	-
109	Health & Dental Insurance	22,002	Primary	22,002	-	-

Table 15  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Water Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Adjusted 2018	Basis	Primary	Secondary	Indirect
110	Life Insurance	181,572	Primary	181,572	-	-
111	Professional Services - Medical / Dental	4,290	Primary	4,290	-	-
112	Professional Services - Engineering	-	Primary	-	-	-
113	Professional Services - Financial	6,400	Primary	6,400	-	-
114	Professional Services- Other	-	Primary	-	-	-
115	Accounting and Auditing	-	Primary	-	-	-
116	Contractual Services - Janitorial	-	Primary	-	-	-
117	Contractual Services - Pest Control	400	Primary	400	-	-
118	Contractual Services - Dump	-	Primary	-	-	-
119	Contractual Services - Other	-	Primary	-	-	-
120	Travel	46,100	Primary	46,100	-	-
121	Communication Services - Telephone	2,000	Primary	2,000	-	-
122	Communication - Radio	-	Primary	-	-	-
123	Postage & Freight Charges	-	Primary	-	-	-
124	Utilities - Electricity	-	Primary	-	-	-
125	Utilities - Gas	489,600	Primary	489,600	-	-
126	Utilities - Other	-	Primary	-	-	-
127	Utilities - Waste Disposal / Trash	5,647	Primary	5,647	-	-
128	Rent And Leases - Land	-	Primary	-	-	-
129	Rent And Leases - Equipment	6,743	Primary	6,743	-	-
130	CGL Insurance	-	Primary	-	-	-
131	Insurance - Fire, Theft, Casualty	181,594	Primary	181,594	-	-
132	Insurance - Professional Liability	-	Primary	-	-	-
133	Insurance - Other	-	Primary	-	-	-
134	Settlement Payments	-	Primary	-	-	-
135	Repair & Maintenance - Contract	-	Primary	-	-	-
136	Repair & Maintenance - Buildings	-	Primary	-	-	-
137	Repair & Maintenance - Grounds	10,500	Primary	10,500	-	-
138	Repair & Maintenance - Contract	5,250	Primary	5,250	-	-
139	Repair & Maintenance - Motor Vehicles	120,000	Primary	120,000	-	-
140	Repair & Maintenance - Lines	-	Primary	-	-	-
141	Repair & Maintenance - Other	10,500	Primary	10,500	-	-
142	Fleet Services	108,000	Primary	108,000	-	-
143	Repair & Maintenance - Fire Hydrants	84,500	Primary	84,500	-	-
144	Printing & Binding	-	Primary	-	-	-
145	Printing & Binding - Photographs	-	Primary	-	-	-
146	Printing & Binding - Copier	5,600	Primary	5,600	-	-
147	Other Charges - Others	-	Primary	-	-	-
148	Others - Surveillance	5,100	Primary	5,100	-	-
149	Depreciation	2,000	Primary	2,000	-	-
150	Office Supplies - Station	-	Primary	-	-	-
151	Office Supplies - General	-	Primary	-	-	-
152	Operating Supplies - Software	7,125	Primary	7,125	-	-
153	Operating Supplies - Chemicals	-	Primary	-	-	-
154	Operating Supplies - Janitor	535,500	Primary	535,500	-	-
155	Operating Supplies - Clothing	-	Primary	-	-	-
156	Operating Supplies - Other	14,800	Primary	14,800	-	-
157	Operating Supplies - Water	7,000	Primary	7,000	-	-
158	Lime Sludge Removal	10,250	Primary	10,250	-	-
159	Small Tools & Equipment	106,300	Primary	106,300	-	-
160	Unreconciled Credit Card Charges	-	Primary	-	-	-
161	Books and Periodicals	-	Primary	-	-	-
162	Subscriptions & Member	100	Primary	100	-	-
163	Employee Development	200	Primary	200	-	-
164	Contingency	2,100	Primary	2,100	-	-
165	Heavy Equipment	-	Primary	-	-	-
166	UASI - Machinery & Equipment	-	Primary	-	-	-
167	Transfer To 412	-	Primary	-	-	-
168	Transfer To 414	-	Primary	-	-	-
169	Total Water Treatment - 1437	\$ 3,108,237		\$ 3,108,237	\$ -	\$ -

Table 15  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Water Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Adjusted 2018	Basis	Primary	Secondary	Indirect
	Wastewater Collection -1438					
170	Regular Salaries & Wages	\$ -	Pipe	\$ -	\$ -	\$ -
171	Overtime	-	Pipe	-	-	-
172	FICA Taxes	-	Pipe	-	-	-
173	Retirement Contributions	-	Pipe	-	-	-
174	Retirement Contributions - FRS General	-	Pipe	-	-	-
175	Health & Dental Insurance	-	Pipe	-	-	-
176	Life Insurance	-	Pipe	-	-	-
177	Professional Services - Medical / Dental	-	Pipe	-	-	-
178	Professional Services - Engineering	-	Pipe	-	-	-
179	Professional Services - Financial	-	Pipe	-	-	-
180	Professional Services- Other	-	Pipe	-	-	-
181	Accounting and Auditing	-	Pipe	-	-	-
182	Contractual Services - Pest Control	-	Pipe	-	-	-
183	CONTRACT SERVICES - SEWER	-	Primary	-	-	-
184	Contractual Services - Other	-	Pipe	-	-	-
185	Travel	-	Pipe	-	-	-
186	Communication Services - Telephone	-	Pipe	-	-	-
187	Communication - Radio	-	Pipe	-	-	-
188	Postage & Freight Charges	-	Pipe	-	-	-
189	Utilities - Electricity	-	Pipe	-	-	-
190	Utilities - Water	-	Pipe	-	-	-
191	Utilities - Waste Disposal / Trash	-	Pipe	-	-	-
192	Rent And Leases - Land	-	Pipe	-	-	-
193	Rent And Leases - Equipment	-	Pipe	-	-	-
194	Copier Rental	-	Pipe	-	-	-
195	CGL Insurance	-	Pipe	-	-	-
196	Insurance - Fire, Theft, Casualty	-	Pipe	-	-	-
197	Insurance - Professional Liability	-	Pipe	-	-	-
198	Insurance - Other	-	Pipe	-	-	-
199	Repair & Maintenance - Contract	-	Pipe	-	-	-
200	Repair & Maintenance - Buildings	-	Pipe	-	-	-
201	Repair & Maintenance - Contract	-	Pipe	-	-	-
202	Repair & Maintenance - Motor Vehicles	-	Pipe	-	-	-
203	Repair & Maintenance - Lines	-	Pipe	-	-	-
204	Fleet Services	-	Pipe	-	-	-
205	Region Sewer Renewal & Replacement	-	Pipe	-	-	-
206	Printing & Binding - Photographs	-	Pipe	-	-	-
207	Depreciation	-	Pipe	-	-	-
208	Office Supplies - Station	-	Pipe	-	-	-
209	Office Supplies - General	-	Pipe	-	-	-
210	Operating Supplies - Software	-	Pipe	-	-	-
211	Operating Supplies - Chemicals	-	Pipe	-	-	-
212	Operating Supplies - Janitor	-	Pipe	-	-	-
213	Operating Supplies - Clothing	-	Pipe	-	-	-
214	Operating Supplies - Other	-	Pipe	-	-	-
215	Small Tools & Equipment	-	Pipe	-	-	-
216	Unreconciled Credit Card Charges	-	Pipe	-	-	-
217	Books and Periodicals	-	Pipe	-	-	-
218	Subscriptions & Member	-	Pipe	-	-	-
219	Employee Development	-	Pipe	-	-	-
220	Contingency	-	Pipe	-	-	-
221	UASI - Machinery & Equipment	-	Pipe	-	-	-
222	Transfer To 412	-	Pipe	-	-	-
223	Transfer To 414	-	Pipe	-	-	-
224	Total Wastewater Collection -1438	\$ -		\$ -	\$ -	\$ -
	412 Renewal & Replacement					
225	Professional Services - Contract	\$ -	Indirect	\$ -	\$ -	\$ -
226	USD Grounds Improvement	-	Indirect	-	-	-
227	Contingency	-	Indirect	-	-	-



Table 15  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Water Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Adjusted 2018	Basis	Primary	Secondary	Indirect
228	Office Equipment and Furniture	-	Indirect	-	-	-
229	Transfer To 411	-	Indirect	-	-	-
230	Repair & Maintenance - Contract	-	Indirect	-	-	-
231	Operating Supplies - Other	-	Indirect	-	-	-
232	Professional Services - Contract	-	Indirect	-	-	-
233	Repair & Maintenance - Lines	-	Indirect	-	-	-
234	USD Grounds Improvement	-	Indirect	-	-	-
235	Capital - Water Mains & Accessories	-	Indirect	-	-	-
236	Capital - Vehicles, Trucks	-	Indirect	-	-	-
237	UASI - Machinery & Equipment	-	Indirect	-	-	-
238	Capital - Plant (Water)	-	Indirect	-	-	-
239	Repair & Maintenance - Contract	-	Indirect	-	-	-
240	Repair & Maintenance - Lines	-	Indirect	-	-	-
241	Contingency	-	Indirect	-	-	-
242	USD Grounds Improvement	-	Indirect	-	-	-
243	Capital - Water Mains & Accessories	-	Indirect	-	-	-
244	Capital - Lift Stations (Sewer)	-	Indirect	-	-	-
245	Total 412 Renewal & Replacement	\$ -		\$ -	\$ -	\$ -
Adjustments						
246	Contingency	\$ 1,249,348	Indirect	\$ -	\$ -	\$ 1,249,348
247	Budget Adjustment	-	Indirect	-	-	-
248	Capitalized Labor	-	Indirect	-	-	-
249	Total Adjustments	\$ 1,249,348		\$ -	\$ -	\$ 1,249,348
250	Total Water Expenses	\$ 11,336,321		\$ 7,220,940	\$ 1,617,816	\$ 1,290,596
Less Other Revenue						
251	Homeland UASI - Palm Beach County	\$ -	Secondary	\$ -	\$ -	\$ -
252	UASI (2) - Sheriff	-	Secondary	-	-	-
253	Inspection / Plan Review - Water	-	Secondary	-	-	-
254	Water Meter Connect Fee	11,553	Secondary	-	11,553	-
255	Hydrant Rental / Fire Lines	169,703	Secondary	-	169,703	-
256	Backflow Utility Revenue	-	Secondary	-	-	-
257	Sewer Connection Fees	-	Secondary	-	-	-
258	Services Charges	-	Secondary	-	-	-
259	Penalty & Interest On A/R	91,872	Secondary	-	91,872	-
260	Miscellaneous Revenues	77,186	Secondary	-	77,186	-
261	Total Other Revenues	\$ 350,314		\$ -	\$ 350,314	\$ -
262	Net Water Operating Expenses	\$ 10,986,007		\$ 7,220,940	\$ 1,267,501	\$ 1,290,596
Debt Service Payment Component						
263	Series 2014 Bonds	\$ 1,180,746	Assets	\$ 786,486	\$ 394,259	\$ -
264	Series 2016 Bonds	1,617,788	Series2016	1,173,220	444,245	-
265	Proposed Senior Debt Service	0	Assets	-	-	-
266	Existing Subordinate Debt Service	92,284	Secondary	-	92,284	-
267	Proposed Subordinate Debt Service	0	Assets	-	-	-

Table 15  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Water Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Adjusted 2018	Basis	Primary	Secondary	Indirect
268	Total Debt Service Component	\$ 2,890,818		\$ 1,959,706	\$ 930,788	\$ -
	Capital Component Costs					
269	Deposit to Renewal and Replacement Fund	1,091,749	Assets	\$ 727,206	\$ 364,543	\$ -
270	Capital Funded from Rates	335,148	Assets	223,240	111,908	-
271	Total Capital Component Costs	\$ 1,426,897		\$ 950,446	\$ 476,451	\$ -
272	Net Water Operating, Debt, and Capital Expenses	\$ 15,303,721		\$ 10,131,091	\$ 2,674,740	\$ 1,290,596
	Indirect Expense Allocation					
273	Percentage			79.11%	20.89%	
274	Amount			\$ 1,021,031	\$ 269,565	
275	Primary and Secondary Allocated Net Costs			\$ 11,152,122	\$ 2,944,306	
	Estimated Units of Service					
276	Existing Finished Water Produced (.000s of Gallons)			2,918,718		
277	Additional Sales			-		
278	Total Estimated Units of Service			2,918,718		
279	Calculated Operating, Debt, and Capital Cost (Per 1,000 Gallons)			\$ 3.8209		
280	Allowance for Payment in Lieu of Taxes (6.0% of Revenues) (Per 1,000 Gallons)			0.2439		
281	<b>Proposed Wholesale Water Charge (per 1,000 Gallons)</b>			<b>\$ 4.0648</b>		
282	<b>Proposed Wholesale Water Charge - Rounded (per 1,000 Gallons)</b>			<b>4.0600</b>		

Table 16  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Summary of Wastewater Wholesale Primary, Secondary, and Indirect Allocation Factors

Line No.	Description	Basis	Allocation Percentages		
			Primary	Secondary	Indirect
1	Primary Service	Primary	100.00%	0.00%	0.00%
2	Secondary Service	Secondary	0.00%	100.00%	0.00%
3	Indirect	Indirect	0.00%	0.00%	100.00%
4	Eliminate	Eliminate	0.00%	0.00%	0.00%
5	Primary and Secondary Accounts	Accounts	0.01%	99.99%	0.00%
6	Salaries	Salaries	64.39%	34.81%	0.80%
7	Operating Expenses	Expenses	40.97%	46.26%	12.77%
8	Assets	Assets	64.24%	35.76%	0.00%
9	Personnel Allocator	Personnel	64.39%	34.81%	0.80%
10	Revenues	Revenues	4.34%	95.66%	0.00%
11	Linear Feet of Pipes	Pipe	32.85%	67.15%	0.00%
12	Series 2016 Debt Allocator	Series2016	84.47%	15.53%	0.00%
13	CIP Allocator	CIP	70.50%	29.50%	0.00%
14	Additional	Additional	0.00%	0.00%	0.00%
15	Additional	Additional	0.00%	0.00%	0.00%
16	Additional	Additional	0.00%	0.00%	0.00%

Table 17  
 City of Riviera Beach Utility Special District  
 Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Wastewater Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Fiscal Year 2018	Adjustment	Adjusted Expenses	Basis	Primary	Secondary	Indirect
Administration - 1417								
1	UASI - Machinery & Equipment	\$ -	\$ -	\$ -	Salaries	\$ -	\$ -	\$ -
2	UASI - Machinery & Equipment	-	-	-	Salaries	-	-	-
3	Regular Salaries & Wages	217,578	-	217,578	Salaries	140,099	75,739	1,741
4	Overtime	983	-	983	Salaries	633	342	8
5	FICA Taxes	16,720	-	16,720	Salaries	10,766	5,820	134
6	Retirement Contributions	22,481	-	22,481	Salaries	14,476	7,826	180
7	Retirement Contributions - FRS General	16,146	-	16,146	Salaries	10,396	5,620	129
8	Pension Expense	-	-	-	Salaries	-	-	-
9	Health & Dental Insurance	27,351	-	27,351	Salaries	17,611	9,521	219
10	Life Insurance	645	-	645	Salaries	415	224	5
11	OPEB Liability Expense	22,605	-	22,605	Salaries	14,556	7,869	181
12	Professional Services - Medical / Dental	76	-	76	Salaries	49	27	1
13	Professional Services - Engineering	7,375	-	7,375	Salaries	4,749	2,567	59
14	Professional Services - Financial	2,458	-	2,458	Salaries	1,583	856	20
15	Professional Services- Other	774,757	-	774,757	Salaries	498,866	269,693	6,198
16	Professional Services - PILOT	393,421	(393,421)	-	Eliminate	-	-	-
17	Professional Services - GASB 68	166,380	-	166,380	Salaries	107,132	57,917	1,331
18	CRB Direct Labor	-	-	-	Salaries	-	-	-
19	Accounting and Auditing	1,475	-	1,475	Indirect	-	-	1,475
20	Contractual Services - Janitorial	3,933	-	3,933	Salaries	2,533	1,369	31
21	Contractual Services - Pest Control	246	-	246	Salaries	158	86	2
22	Merchant Service Fees	24,583	-	24,583	Secondary	-	24,583	-
23	Contractual Services - Other	13,521	-	13,521	Salaries	8,706	4,707	108
24	Travel	983	-	983	Salaries	633	342	8
25	Communication Services - Telephone	9,096	-	9,096	Salaries	5,857	3,166	73
26	Communication - Radio	-	-	-	Salaries	-	-	-
27	Communication Services - Radio	-	-	-	Salaries	-	-	-
28	Postage & Freight Charges	49	-	49	Salaries	32	17	0
29	Utilities - Electricity	-	-	-	Salaries	-	-	-
30	Utilities - Other	-	-	-	Salaries	-	-	-
31	Utilities - Waste Disposal / Trash	-	-	-	Salaries	-	-	-
32	CGL Insurance	17,220	-	17,220	Salaries	11,088	5,994	138
33	Repair & Maintenance - Contract	516	-	516	Salaries	332	180	4
34	Repair & Maintenance - Buildings	516	-	516	Salaries	332	180	4
35	Repair & Maintenance - Motor Vehicles	1,229	-	1,229	Salaries	791	428	10
36	Printing & Binding	320	-	320	Salaries	206	111	3
37	Printing & Binding - Copier	246	-	246	Salaries	158	86	2
38	Promotional Activities	5,162	-	5,162	Salaries	3,324	1,797	41
39	Others - Surveillance	3,933	-	3,933	Salaries	2,533	1,369	31
40	Bad Debt Expense	91,067	-	91,067	Secondary	-	91,067	-
41	Office Supplies - Station	983	-	983	Salaries	633	342	8
42	Office Supplies - General	3,933	-	3,933	Salaries	2,533	1,369	31
43	Operating Supplies - Software	8,850	-	8,850	Salaries	5,698.40	3,081	70.80
44	Operating Supplies - Janitor	492	-	492	Salaries	317	171	4
45	Operating Supplies - Clothing	492	-	492	Salaries	317	171	4
46	Operating Supplies - Other	1,536	-	1,536	Salaries	989	535	12
47	Small Tools & Equipment	418	-	418	Salaries	269	145	3
48	Unreconciled Credit Card Charges	-	-	-	Salaries	-	-	-
49	Books and Periodicals	246	-	246	Salaries	158	86	2
50	Subscriptions & Member	1,352	-	1,352	Salaries	871	471	11
51	Employee Development	1,536	-	1,536	Salaries	989	535	12
52	Tuition Reimbursement	2,704	-	2,704	Salaries	1,741	941	22
53	Contingency	-	-	-	Salaries	-	-	-
54	Capital - Buildings	-	-	-	Salaries	-	-	-
55	Office Equipment and Furniture	-	-	-	Salaries	-	-	-
56	UASI - Machinery & Equipment	-	-	-	Salaries	-	-	-
57	Capital Vehicles	-	-	-	Salaries	-	-	-
58	Office Equipment and Furniture	-	-	-	Salaries	-	-	-
59	Bond Issue Costs	-	-	-	Salaries	-	-	-
60	Transfer To 001	-	-	-	Salaries	-	-	-
61	Transfer To 412	-	-	-	Salaries	-	-	-
62	Transfer to 413	-	-	-	Salaries	-	-	-
63	Transfer To 414	-	-	-	Salaries	-	-	-
64	Transfer To 415	-	-	-	Salaries	-	-	-
65	Incremental Operating Costs	-	-	-	Salaries	-	-	-
66	Total Administration - 1417	\$ 1,865,615	\$ (393,421)	\$ 1,472,194		\$ 872,529	\$ 587,350	\$ 12,316
Water Distribution - 1430								
67	Regular Salaries & Wages	\$ -	\$ -	\$ -	Pipe	\$ -	\$ -	\$ -
68	Overtime	-	-	-	Pipe	-	-	-
69	FICA Taxes	-	-	-	Pipe	-	-	-
70	Retirement Contributions	-	-	-	Pipe	-	-	-
71	Retirement Contributions - FRS General	-	-	-	Pipe	-	-	-
72	Health & Dental Insurance	-	-	-	Pipe	-	-	-
73	Life Insurance	-	-	-	Pipe	-	-	-
74	Professional Services - Medical / Dental	-	-	-	Pipe	-	-	-
75	Professional Services- Other	-	-	-	Pipe	-	-	-
76	Contractual Services - Janitorial	-	-	-	Pipe	-	-	-

Table 17  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Wastewater Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Fiscal Year 2018	Adjustment	Adjusted Expenses	Basis	Primary	Secondary	Indirect
77	Contractual Services - Other	-	-	-	Pipe	-	-	-
78	Travel	-	-	-	Pipe	-	-	-
79	Utilities - Other	-	-	-	Pipe	-	-	-
80	Utilities - Waste Disposal / Trash	-	-	-	Pipe	-	-	-
81	CGL Insurance	-	-	-	Pipe	-	-	-
82	Repair & Maintenance - Buildings	-	-	-	Pipe	-	-	-
83	Repair & Maintenance - Grounds	-	-	-	Pipe	-	-	-
84	Repair & Maintenance - Contract	-	-	-	Pipe	-	-	-
85	Repair & Maintenance - Motor Vehicles	-	-	-	Pipe	-	-	-
86	Repair & Maintenance - Lines	-	-	-	Pipe	-	-	-
87	Repair & Maintenance - Other	-	-	-	Pipe	-	-	-
88	Fleet Services	-	-	-	Pipe	-	-	-
89	Repair & Maintenance - Easements	-	-	-	Pipe	-	-	-
90	Printing & Binding - Photographs	-	-	-	Pipe	-	-	-
91	Other Charges - Others	-	-	-	Pipe	-	-	-
92	Others - Surveillance	-	-	-	Pipe	-	-	-
93	Depreciation	-	-	-	Pipe	-	-	-
94	Office Supplies - Station	-	-	-	Pipe	-	-	-
95	Office Supplies - General	-	-	-	Pipe	-	-	-
96	Operating Supplies - Software	-	-	-	Pipe	-	-	-
97	Operating Supplies - Chemicals	-	-	-	Pipe	-	-	-
98	Operating Supplies - Janitor	-	-	-	Pipe	-	-	-
99	Operating Supplies - Clothing	-	-	-	Pipe	-	-	-
100	Operating Supplies - Other	-	-	-	Pipe	-	-	-
101	Operating Supplies - Water	-	-	-	Pipe	-	-	-
102	Small Tools & Equipment	-	-	-	Pipe	-	-	-
103	Books and Periodicals	-	-	-	Pipe	-	-	-
104	Subscriptions & Member	-	-	-	Pipe	-	-	-
105	Employee Development	-	-	-	Pipe	-	-	-
106	Contingency	-	-	-	Pipe	-	-	-
107	UASI - Machinery & Equipment	-	-	-	Pipe	-	-	-
108	Transfer To 412	-	-	-	Pipe	-	-	-
109	Transfer To 414	-	-	-	Pipe	-	-	-
110	Transfer to 413	-	-	-	Pipe	-	-	-
111	Total Water Distribution - 1430	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
	Water Treatment - 1437							
112	Regular Salaries & Wages	\$ -	\$ -	\$ -	Primary	\$ -	\$ -	\$ -
113	Overtime	-	-	-	Primary	-	-	-
114	FICA Taxes	-	-	-	Primary	-	-	-
115	Retirement Contributions	-	-	-	Primary	-	-	-
116	Retirement Contributions - FRS General	-	-	-	Primary	-	-	-
117	Health & Dental Insurance	-	-	-	Primary	-	-	-
118	Life Insurance	-	-	-	Primary	-	-	-
119	Professional Services - Medical / Dental	-	-	-	Primary	-	-	-
120	Professional Services - Engineering	-	-	-	Primary	-	-	-
121	Professional Services - Financial	-	-	-	Primary	-	-	-
122	Professional Services- Other	-	-	-	Primary	-	-	-
123	Accounting and Auditing	-	-	-	Primary	-	-	-
124	Contractual Services - Janitorial	-	-	-	Primary	-	-	-
125	Contractual Services - Pest Control	-	-	-	Primary	-	-	-
126	Contractual Services - Dump	-	-	-	Primary	-	-	-
127	Contractual Services - Other	-	-	-	Primary	-	-	-
128	Travel	-	-	-	Primary	-	-	-
129	Communication Services - Telephone	-	-	-	Primary	-	-	-
130	Communication - Radio	-	-	-	Primary	-	-	-
131	Postage & Freight Charges	-	-	-	Primary	-	-	-
132	Utilities - Electricity	-	-	-	Primary	-	-	-
133	Utilities - Gas	-	-	-	Primary	-	-	-
134	Utilities - Other	-	-	-	Primary	-	-	-
135	Utilities - Waste Disposal / Trash	-	-	-	Primary	-	-	-
136	Rent And Leases - Land	-	-	-	Primary	-	-	-
137	Rent And Leases - Equipment	-	-	-	Primary	-	-	-
138	CGL Insurance	-	-	-	Primary	-	-	-
139	Insurance - Fire, Theft, Casualty	-	-	-	Primary	-	-	-
140	Insurance - Professional Liability	-	-	-	Primary	-	-	-
141	Insurance - Other	-	-	-	Primary	-	-	-
142	Settlement Payments	-	-	-	Primary	-	-	-
143	Repair & Maintenance - Contract	-	-	-	Primary	-	-	-
144	Repair & Maintenance - Buildings	-	-	-	Primary	-	-	-
145	Repair & Maintenance - Grounds	-	-	-	Primary	-	-	-
146	Repair & Maintenance - Contract	-	-	-	Primary	-	-	-
147	Repair & Maintenance - Motor Vehicles	-	-	-	Primary	-	-	-
148	Repair & Maintenance - Lines	-	-	-	Primary	-	-	-
149	Repair & Maintenance - Other	-	-	-	Primary	-	-	-
150	Fleet Services	-	-	-	Primary	-	-	-
151	Repair & Maintenance - Fire Hydrants	-	-	-	Primary	-	-	-
152	Printing & Binding	-	-	-	Primary	-	-	-
153	Printing & Binding - Photographs	-	-	-	Primary	-	-	-
154	Printing & Binding - Copier	-	-	-	Primary	-	-	-

Table 17  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Wastewater Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Fiscal Year 2018	Adjustment	Adjusted Expenses	Basis	Primary	Secondary	Indirect
155	Other Charges - Others	-	-	-	Primary	-	-	-
156	Others - Surveillance	-	-	-	Primary	-	-	-
157	Depreciation	-	-	-	Primary	-	-	-
158	Office Supplies - Station	-	-	-	Primary	-	-	-
159	Office Supplies - General	-	-	-	Primary	-	-	-
160	Operating Supplies - Software	-	-	-	Primary	-	-	-
161	Operating Supplies - Chemicals	-	-	-	Primary	-	-	-
162	Operating Supplies - Janitor	-	-	-	Primary	-	-	-
163	Operating Supplies - Clothing	-	-	-	Primary	-	-	-
164	Operating Supplies - Other	-	-	-	Primary	-	-	-
165	Operating Supplies - Water	-	-	-	Primary	-	-	-
166	Lime Sludge Removal	-	-	-	Primary	-	-	-
167	Small Tools & Equipment	-	-	-	Primary	-	-	-
168	Unreconciled Credit Card Charges	-	-	-	Primary	-	-	-
169	Books and Periodicals	-	-	-	Primary	-	-	-
170	Subscriptions & Member	-	-	-	Primary	-	-	-
171	Employee Development	-	-	-	Primary	-	-	-
172	Contingency	-	-	-	Primary	-	-	-
173	Heavy Equipment	-	-	-	Primary	-	-	-
174	UASI - Machinery & Equipment	-	-	-	Primary	-	-	-
175	Transfer To 412	-	-	-	Primary	-	-	-
176	Transfer To 414	-	-	-	Primary	-	-	-
177	Total Water Treatment - 1437	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Wastewater Collection -1438								
178	Regular Salaries & Wages	\$ 488,732	\$ -	\$ 488,732	Pipe	\$ 160,553	\$ 328,179	\$ -
179	Overtime	30,000	-	30,000	Pipe	9,855	20,145	-
180	FICA Taxes	39,683	-	39,683	Pipe	13,036	26,647	-
181	Retirement Contributions	104,162	-	104,162	Pipe	34,218	69,944	-
182	Retirement Contributions - FRS General	2,855	-	2,855	Pipe	938	1,917	-
183	Health & Dental Insurance	110,960	-	110,960	Pipe	36,451	74,509	-
184	Life Insurance	2,622	-	2,622	Pipe	861	1,761	-
185	Professional Services - Medical / Dental	600	-	600	Pipe	197	403	-
186	Professional Services - Engineering	-	-	-	Pipe	-	-	-
187	Professional Services - Financial	-	-	-	Pipe	-	-	-
188	Professional Services- Other	6,000	-	6,000	Pipe	1,971	4,029	-
189	Accounting and Auditing	5,200	-	5,200	Pipe	1,708	3,492	-
190	Contractual Services - Pest Control	-	-	-	Pipe	-	-	-
191	CONTRACT SERVICES - SEWER	3,167,217	(3,167,217)	-	Primary	-	-	-
192	Contractual Services - Other	-	-	-	Pipe	-	-	-
193	Travel	2,100	-	2,100	Pipe	690	1,410	-
194	Communication Services - Telephone	-	-	-	Pipe	-	-	-
195	Communication - Radio	500	-	500	Pipe	164	336	-
196	Postage & Freight Charges	100	-	100	Pipe	33	67	-
197	Utilities - Electricity	201,000	-	201,000	Pipe	66,030	134,970	-
198	Utilities - Water	2,200	-	2,200	Pipe	723	1,477	-
199	Utilities - Waste Disposal / Trash	-	-	-	Pipe	-	-	-
200	Rent And Leases - Land	-	-	-	Pipe	-	-	-
201	Rent And Leases - Equipment	-	-	-	Pipe	-	-	-
202	Copier Rental	-	-	-	Pipe	-	-	-
203	CGL Insurance	119,506	-	119,506	Pipe	39,259	80,247	-
204	Insurance - Fire, Theft, Casualty	-	-	-	Pipe	-	-	-
205	Insurance - Professional Liability	-	-	-	Pipe	-	-	-
206	Insurance - Other	-	-	-	Pipe	-	-	-
207	Repair & Maintenance - Contract	-	-	-	Pipe	-	-	-
208	Repair & Maintenance - Buildings	11,250	-	11,250	Pipe	3,696	7,554	-
209	Repair & Maintenance - Contract	52,020	-	52,020	Pipe	17,089	34,931	-
210	Repair & Maintenance - Motor Vehicles	-	-	-	Pipe	-	-	-
211	Repair & Maintenance - Lines	33,000	-	33,000	Pipe	10,841	22,159	-
212	Fleet Services	50,500	-	50,500	Pipe	16,590	33,910	-
213	Region Sewer Renewal & Replacement	-	-	-	Pipe	-	-	-
214	Printing & Binding - Photographs	750	-	750	Pipe	246	504	-
215	Depreciation	-	-	-	Pipe	-	-	-
216	Office Supplies - Station	-	-	-	Pipe	-	-	-
217	Office Supplies - General	10,500	-	10,500	Pipe	3,449	7,051	-
218	Operating Supplies - Software	-	-	-	Pipe	-	-	-
219	Operating Supplies - Chemicals	10,000	-	10,000	Pipe	3,285	6,715	-
220	Operating Supplies - Janitor	650	-	650	Pipe	214	436	-
221	Operating Supplies - Clothing	12,750	-	12,750	Pipe	4,188	8,562	-
222	Operating Supplies - Other	21,000	-	21,000	Pipe	6,899	14,101	-
223	Small Tools & Equipment	1,500	-	1,500	Pipe	493	1,007	-
224	Unreconciled Credit Card Charges	-	-	-	Pipe	-	-	-
225	Books and Periodicals	250	-	250	Pipe	82	168	-
226	Subscriptions & Member	400	-	400	Pipe	131	269	-
227	Employee Development	2,150	-	2,150	Pipe	706	1,444	-

Table 17  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Wastewater Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Fiscal Year 2018	Adjustment	Adjusted Expenses	Basis	Primary	Secondary	Indirect
228	Contingency	-	-	-	Pipe	-	-	-
229	UASI - Machinery & Equipment	-	-	-	Pipe	-	-	-
230	Transfer To 412	-	-	-	Pipe	-	-	-
231	Transfer To 414	-	-	-	Pipe	-	-	-
232	Total Wastewater Collection -1438	\$ 4,490,157	\$ (3,167,217)	\$ 1,322,940		\$ 434,598	\$ 888,342	\$ -
412 Renewal & Replacement								
233	Professional Services - Contract	\$ -	\$ -	\$ -	Indirect	\$ -	\$ -	\$ -
234	USD Grounds Improvement	-	-	-	Indirect	-	-	-
235	Contingency	-	-	-	Indirect	-	-	-
236	Office Equipment and Furniture	-	-	-	Indirect	-	-	-
237	Transfer To 411	-	-	-	Indirect	-	-	-
238	Repair & Maintenance - Contract	-	-	-	Indirect	-	-	-
239	Operating Supplies - Other	-	-	-	Indirect	-	-	-
240	Professional Services - Contract	-	-	-	Indirect	-	-	-
241	Repair & Maintenance - Lines	-	-	-	Indirect	-	-	-
242	USD Grounds Improvement	-	-	-	Indirect	-	-	-
243	Capital - Water Mains & Accessories	-	-	-	Indirect	-	-	-
244	Capital - Vehicles, Trucks	-	-	-	Indirect	-	-	-
245	UASI - Machinery & Equipment	-	-	-	Indirect	-	-	-
246	Capital - Plant (Water)	-	-	-	Indirect	-	-	-
247	Repair & Maintenance - Contract	-	-	-	Indirect	-	-	-
248	Repair & Maintenance - Lines	-	-	-	Indirect	-	-	-
249	Contingency	-	-	-	Indirect	-	-	-
250	USD Grounds Improvement	-	-	-	Indirect	-	-	-
251	Capital - Water Mains & Accessories	-	-	-	Indirect	-	-	-
252	Capital - Lift Stations (Sewer)	-	-	-	Indirect	-	-	-
253	Total 412 Renewal & Replacement	\$ -	\$ -	\$ -		\$ -	\$ -	\$ -
Adjustments								
254	Contingency	\$ 394,927	\$ -	\$ 394,927	Indirect	\$ -	\$ -	\$ 394,927
255	Budget Adjustment	-	-	-	Indirect	-	-	-
256	Capitalized Labor	-	-	-	Indirect	-	-	-
257	Total Adjustments	\$ 394,927	\$ -	\$ 394,927		\$ -	\$ -	\$ 394,927
258	Total Wastewater Expenses	\$ 6,750,699	\$ (3,560,638)	\$ 3,190,061		\$ 1,307,127	\$ 1,475,691	\$ 407,242

Table 17  
City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Allocation of Wastewater Allocated Revenue Requirements to Primary and Secondary Function

Line No.	Description	Fiscal Year 2018	Adjustment	Adjusted Expenses	Basis	Primary	Secondary	Indirect
	Less Other Revenue							
259	Homeland UASI - Palm Beach County	\$ -	\$ -	\$ -	Secondary	\$ -	\$ -	\$ -
260	UASI (2) - Sheriff	-	-	-	Secondary	-	-	-
261	Inspection / Plan Review - Water	-	-	-	Secondary	-	-	-
262	Water Meter Connect Fee	-	-	-	Secondary	-	-	-
263	Hydrant Rental / Fire Lines	-	-	-	Secondary	-	-	-
264	Backflow Utility Revenue	-	-	-	Secondary	-	-	-
265	Sewer Connection Fees	206	-	206	Secondary	-	206	-
266	Services Charges	-	-	-	Secondary	-	-	-
267	Penalty & Interest On A/R	60,252	-	60,252	Secondary	-	60,252	-
268	Miscellaneous Revenues	50,621	-	50,621	Secondary	-	50,621	-
269	Total Other Revenues	\$ 111,079	\$ -	\$ 111,079		\$ -	\$ 111,079	\$ -
270	Net Wastewater Operating Expenses	\$ 6,639,621	\$ (3,560,638)	\$ 3,078,982		\$ 1,307,127	\$ 1,364,613	\$ 407,242
	Debt Service Payment Component							
271	Series 2014 Bonds	\$ 591,879	\$ -	\$ 591,879	Assets	\$ 380,247	\$ 211,633	\$ -
272	Series 2016 Bonds	913,962	-	913,962	Series2016	772,023	141,938	-
273	Proposed Senior Debt Service	0	-	-	Assets	-	-	-
274	Existing Subordinate Debt Service	46,260	-	46,260	Secondary	-	46,260	-
275	Proposed Subordinate Debt Service	0	-	-	Assets	-	-	-
276	Total Debt Service Component	\$ 1,552,101	\$ -	\$ 1,552,101		\$ 1,152,270	\$ 399,830	\$ -
	Capital Component Costs							
277	Deposit to Renewal and Replacement Fund	\$ 537,727	\$ -	\$ 537,727	Assets	\$ 345,457	\$ 192,270	\$ -
278	Deposit to ECR Renewal and Replacement Fund	632,590	(632,590)	-	Primary	-	-	-
279	Capital Funded From Rates	150,352	-	150,352	Assets	96,592	53,760	-
280	Total Capital Component Costs	\$ 1,320,669	\$ (632,590)	\$ 688,079		\$ 442,049	\$ 246,030	\$ -
281	Total City Operating, Debt, and Capital Costs Components	\$ 9,512,391	\$ (4,193,228)	\$ 5,319,162		\$ 2,901,447	\$ 2,010,473	\$ 407,242
	Indirect Expense Allocation							
282	Percentage					59.07%	40.93%	
283	Amount					\$ 240,556	\$ 166,686	
284	Primary and Secondary Allocated Net Costs					\$ 3,142,003	\$ 2,177,159	
	Estimated Units of Service							
285	Existing Wastewater Treated					1,804,593		
286	Additional Sales					-		
287	Total Estimated Units of Service					1,804,593		
288	Calculated Operating, Debt, and Capital Cost (Per 1,000 Gallons)					\$ 1.7411		
289	Allowance for Payment in Lieu of Taxes (6.0% of Revenues) (Per 1,000 Gallons)					0.1111		
290	Total Cost (Per 1,000 Gallons)					\$ 1.8523		
	<b>ECRWRF Wholesale Wastewater Charge Component</b>							
294	Contract Services - Sewer	\$ -	3,167,217	\$ 3,167,217	Primary	\$ 3,167,217	\$ -	\$ -
295	Deposit to ECR Renewal and Replacement Fund	-	632,590	632,590	Primary	632,590	-	-
296	Total ECR Component Costs	\$ -	\$ 3,799,807	\$ 3,799,807		\$ 3,799,807	\$ -	\$ -
297	ECRWRF Budgeted Flow Contribution					1,804,593		
298	Proposed ECRWRF Component Charge (Per 1,000 Gallons)					\$ 2.1056		
299	Allowance for Payment in Lieu of Taxes (6.0% of Revenues) (Per 1,000 Gallons)					0.1344		
300	Total Cost (Per 1,000 Gallons)					\$ 2.2400		
301	<b>Proposed Wholesale Wastewater Charge (per 1,000 Gallons)</b>					\$ 4.0923		
302	<b>Proposed Wholesale Wastewater Charge - Rounded (per 1,000 Gallons)</b>					4.0900		



Table 18

City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Fixed Asset Allocated by System Function

Line No.	Description	Useful Life	Purchase Price	Allocation	Allocation	Water Allocated Amount	Sewer Allocated Amount	Water Primary	Water Secondary	Water Indirect	Wastewater Primary	Wastewater Secondary	Wastewater Indirect
<b>Land</b>													
1	Lift Station, Blk25 Inlet	-	750	Direct-S	Primary	\$ -	\$ 750	\$ -	\$ -	\$ -	\$ 750	\$ -	\$ -
2	56-43-42-28-25-030-0000	-	280,000	WAssets	Primary	210,308	69,692	210,308	-	-	69,692	-	-
3	56-43-42-28-25-030-0000	-	1,220	WAssets	Primary	916	304	916	-	-	304	-	-
4	Lift Station #10,Yct Hrb	-	4,170	Direct-S	Primary	-	4,170	-	-	-	4,170	-	-
5	56-43-42-28-00-000-7000	-	394,801	Salaries	Primary	297,747	97,053	297,747	-	-	97,053	-	-
6	00-42-43-02-00-000-1090	-	65,000	WAssets	Primary	48,822	16,179	48,822	-	-	16,179	-	-
7	74-43-43-04-01-000-0733	-	4,400	WAssets	Primary	3,305	1,095	3,305	-	-	1,095	-	-
8	56-42-42-36-00-000-3240	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
9	56-43-42-27-03-014-0010	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
10	56-43-42-28-25-028-0000	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
11	56-43-42-28-26-036-0000	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
12	56-43-42-29-13-015-0311	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
13	56-43-42-29-13-026-0010	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
14	56-43-42-29-13-026-0080	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
15	56-43-42-29-24-000-0200	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
16	56-43-42-30-00-000-5110	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
17	56-43-42-31-16-000-0010	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
18	56-43-42-32-01-025-0010	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
19	56-43-42-32-09-000-7420	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
20	56-43-42-33-06-027-0030	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
21	56-43-42-32-00-000-3020	-	10	WAssets	Primary	8	2	8	-	-	2	-	-
<b>Buildings</b>													
22	Prior To 70 Buildings	25	268,836	Direct-W	Salaries	\$ 268,836	\$ -	\$ 239,560	\$ 27,072	\$ 2,204	\$ -	\$ -	\$ -
23	1981-82 Buildings	40	1,422,461	Direct-W	Salaries	1,422,461	-	1,267,555	143,242	11,664	-	-	-
24	1982-83 Buildings	40	6,585,005	Direct-W	Salaries	6,585,005	-	5,867,898	663,110	53,997	-	-	-
25	1986-87 Buildings	40	546,919	Direct-W	Salaries	546,919	-	487,360	55,075	4,485	-	-	-
26	1987-88 Buildings	40	1,104,374	Direct-W	Salaries	1,104,374	-	984,108	111,210	9,056	-	-	-
27	1996-97 Buildings	40	1,086,325	Direct-W	Salaries	1,086,325	-	968,024	109,393	8,908	-	-	-
28	Prior 1976 Sewer	25	347,559	Direct-S	Primary	-	347,559	-	-	-	347,559	-	-
29	1996-97 Sewer/Buildings	40	520,177	Direct-S	Primary	-	520,177	-	-	-	520,177	-	-
30	2000-01 Buildings	40	65,210	Direct-W	Salaries	65,210	-	58,109	6,567	535	-	-	-
31	2001-02 Buildings - Roof	40	501,313	Direct-W	Salaries	501,313	-	446,720	50,482	4,111	-	-	-
32	2001-02 Sewer/Sewer Collection	40	504,259	Direct-S	Primary	-	504,259	-	-	-	504,259	-	-
33	Roof Repairs - Usd Buildings	20	110,000	Direct-W	Salaries	110,000	-	98,021	11,077	902	-	-	-
34	Paint Utilities' Storage Tanks & Bldgs.	10	94,717	Direct-W	Primary	94,717	-	94,717	-	-	-	-	-
35	Usd Water Treatment Plant Improvement-Paint	20	343,257	Direct-W	Primary	343,257	-	343,257	-	-	-	-	-
<b>Utility Plant &amp; Systems</b>													
36	Sodium Hydrochlorite Disinfection Facility	20	292,585	Direct-W	Primary	292,585	-	292,585	-	-	-	-	-
37	Prior To 74-75 Pumping & Treatment Equipment	25	1,293,493	Direct-W	Primary	1,293,493	-	1,293,493	-	-	-	-	-
38	76-77 Pumping & Treatment Equipment	25	54,094	Direct-W	Primary	54,094	-	54,094	-	-	-	-	-
39	78-79 Pumping & Treatment	30	10,734	Direct-W	Primary	10,734	-	10,734	-	-	-	-	-
40	79-80 Pumping & Treatment Equipment	25	55,932	Direct-W	Primary	55,932	-	55,932	-	-	-	-	-
41	83-84 Pumping & Treatment Equipment	30	81,939	Direct-W	Primary	81,939	-	81,939	-	-	-	-	-
42	85-86 Pumping & Treatment Equipment	30	11,152	Direct-W	Primary	11,152	-	11,152	-	-	-	-	-
43	88-89 Pumping & Treatment Equipment	30	948,813	Direct-W	Primary	948,813	-	948,813	-	-	-	-	-
44	89-90 Pumping & Treatment Equipment	30	438,120	Direct-W	Primary	438,120	-	438,120	-	-	-	-	-
45	90-91 Pumping & Treatment Equipment	30	1,311,132	Direct-W	Primary	1,311,132	-	1,311,132	-	-	-	-	-
46	91-92 Pumping & Treatment Equipment	30	306,427	Direct-W	Primary	306,427	-	306,427	-	-	-	-	-
47	92-93 Pumping & Treatment Equipment	30	81,134	Direct-W	Primary	81,134	-	81,134	-	-	-	-	-
48	94-95 Pumping & Treatment Equipment	30	147,128	Direct-W	Primary	147,128	-	147,128	-	-	-	-	-
49	96-97 Pumping & Treatment Equipment	30	184,254	Direct-W	Primary	184,254	-	184,254	-	-	-	-	-
50	00-01 Pumping & Treatment Equipment	30	1,104,374	Direct-W	Primary	1,104,374	-	1,104,374	-	-	-	-	-

Table 18

City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Fixed Asset Allocated by System Function

Line No.	Description	Useful Life	Purchase Price	Allocation		Water	Sewer	Water	Water	Water	Wastewater	Wastewater	Wastewater
				Allocation	Allocation	Allocated Amount	Allocated Amount	Primary	Secondary	Indirect	Primary	Secondary	Indirect
53	North Cty Pud - Waste Wtr Pumping Sta	30	123,500	Direct-S	Pipe	-	123,500	-	-	-	40,571	82,929	-
54	Pump Sta - Thousand Oaks Phase 1 & 2	30	130,700	Direct-S	Primary	-	130,700	-	-	-	130,700	-	-
55	Pump - 8" Trash For L/S #50	5	12,441	Direct-S	Pipe	-	12,441	-	-	-	4,087	8,354	-
56	Filter Media Water Trmt Plt- Fltrs 3& 4	5	32,825	Direct-W	Primary	32,825	-	32,825	-	-	-	-	-
57	South Softening Basis @ Water Treatment Plant Rehab	30	541,934	Direct-W	Primary	541,934	-	541,934	-	-	-	-	-
58	Usd - Wtp Valve Replacement In No. Filter Bldg	10	208,778	Direct-W	Primary	208,778	-	208,778	-	-	-	-	-
59	Water Treatment Plant Improvement	40	1,483,595	Direct-W	Primary	1,483,595	-	1,483,595	-	-	-	-	-
60	Water System Evaluation	10	29,326	Direct-W	Primary	29,326	-	29,326	-	-	-	-	-
61	Water Pump Station @ No Singer Island	30	1,137,999	Direct-W	Pipe	1,137,999	-	585,487	552,512	-	-	-	-
62	Ground Water Modeling System	10	261,058	Direct-W	Primary	261,058	-	261,058	-	-	-	-	-
63	Godwin Dri Prime Diesel Pump	5	48,128	Direct-W	Primary	48,128	-	48,128	-	-	-	-	-
64	Godwin Dri Prime Diesel Pump	5	45,718	Direct-W	Primary	45,718	-	45,718	-	-	-	-	-
65	Degasifiers For Wtp Air Stripping Towers	10	428,963	Direct-W	Primary	428,963	-	428,963	-	-	-	-	-
66	Water Meter - 5/8"X3/4" (Qty 700) Fy05/06 900M	10	131,950	Direct-W	Secondary	131,950	-	-	131,950	-	-	-	-
67	Meters - 5/8" X 3/4" R900 T-10 (Qty 1,652) Fy06/07	10	302,145	Direct-W	Secondary	302,145	-	-	302,145	-	-	-	-
68	Water Meters - Tru Flo (Qty. 277) Various Sizes Fy06/07	10	100,653	Direct-W	Secondary	100,653	-	-	100,653	-	-	-	-
69	Meters - Neptune Radio Read & Sunstate Fy07/08	10	1,891,406	Direct-W	Secondary	1,891,406	-	-	1,891,406	-	-	-	-
70	Radio Read Meters Installation	10	290,572	Direct-W	Secondary	290,572	-	-	290,572	-	-	-	-
71	Meters & Accessories	10	21,018	Direct-W	Secondary	21,018	-	-	21,018	-	-	-	-
72	Meter - 10" Protectusiii Fireline Meter	5	45,800	Direct-W	Secondary	45,800	-	-	45,800	-	-	-	-
73	Meter - 8" Neptune Hp Protectus Iii Stainless R900I	7	13,251	Direct-W	Secondary	13,251	-	-	13,251	-	-	-	-
74	Meter - 8" Neptune Hp Protectus Iii Stainless R900I	7	13,251	Direct-W	Secondary	13,251	-	-	13,251	-	-	-	-
75	Water Meters - Various Sizes Fy13/14	10	84,198	Direct-W	Secondary	84,198	-	-	84,198	-	-	-	-
76	1.00 Neptune 8" Stainless Prot Iii Ep731Rwg1 Meter 3790 W	10	13,251	Direct-W	Secondary	13,251	-	-	13,251	-	-	-	-
77	1.00 Neptune 8" Stainless Prot Iii Ep7E1Wg1, Fire Line Gall	10	13,251	Direct-W	Secondary	13,251	-	-	13,251	-	-	-	-
78	Meters & Accessories Fy 2015	10	179,647	Direct-W	Secondary	179,647	-	-	179,647	-	-	-	-
79	Meters & Accessories Fy 2016	10	120,653	Direct-W	Secondary	120,653	-	-	120,653	-	-	-	-
80	Meters & Accessories Fy 2017	10	176,441	Direct-W	Secondary	176,441	-	-	176,441	-	-	-	-
81	Prior To 1978 Mains & Accessories	50	3,150,533	Direct-W	Pipe	3,150,533	-	1,620,912	1,529,621	-	-	-	-
82	1979-80 Mains & Accessories	40	10,354	Direct-W	Pipe	10,354	-	5,327	5,027	-	-	-	-
83	1980-81 Mains & Accessories	40	18,159	Direct-W	Pipe	18,159	-	9,343	8,816	-	-	-	-
84	1981-82 Mains & Accessories	40	2,389,279	Direct-W	Pipe	2,389,279	-	1,229,256	1,160,023	-	-	-	-
85	1984-85 Mains & Accessories	40	37,803	Direct-W	Pipe	37,803	-	19,449	18,354	-	-	-	-
86	1985-86 Mains & Accessories	40	590,301	Direct-W	Pipe	590,301	-	303,703	286,598	-	-	-	-
87	1986-87 Mains & Accessories	40	250,350	Direct-W	Pipe	250,350	-	128,802	121,548	-	-	-	-
88	1989-90 Mains & Accessories	40	500,834	Direct-W	Pipe	500,834	-	257,673	243,161	-	-	-	-
89	1994-95 Mains & Accessories	40	18,335	Direct-W	Pipe	18,335	-	9,433	8,902	-	-	-	-
90	1996-97 Mains & Accessories	40	370,357	Direct-W	Pipe	370,357	-	190,544	179,813	-	-	-	-
91	2001-02 Mains & Accessories	40	199,644	Direct-W	Pipe	199,644	-	102,714	96,929	-	-	-	-
92	2001-02 Mains & Accessories	40	121,761	Direct-W	Pipe	121,761	-	62,645	59,116	-	-	-	-
93	M&A - 20" Diameter Trans Line W27Th St	40	984,185	Direct-W	Primary	984,185	-	984,185	-	-	-	-	-
94	M&A - 20" Dia Trans Ln W27Th St To Wtr Trmt Pl (Design	40	48,416	Direct-W	Primary	48,416	-	48,416	-	-	-	-	-
95	M&A - 18" Dia Force Main Ave "U" (Partial Replacement)	40	53,048	Direct-S	Primary	-	53,048	-	-	-	53,048	-	-
96	North Cty Pud - Potable Wtr Dist Sys	40	389,237	Direct-W	Pipe	389,237	-	200,258	188,979	-	-	-	-
97	Indian Trace Apts - Potable Wtr Dist Sys	40	199,200	Direct-W	Pipe	199,200	-	102,486	96,714	-	-	-	-
98	Woodbine - Potable Wtr Dist Sys	40	101,046	Direct-W	Pipe	101,046	-	51,987	49,059	-	-	-	-
99	M&A - Video Raw Water Production Wells	40	43,572	Direct-W	Pipe	43,572	-	22,417	21,155	-	-	-	-
100	M&A - 16" Potable Water Trans Line	40	842,411	Direct-W	Primary	842,411	-	842,411	-	-	-	-	-
101	Lift Station # 7 @ Marina Grande	40	19,771	Direct-S	Primary	-	19,771	-	-	-	19,771	-	-
102	M&A - Thousand Oaks Phase 1 & 2	40	678,683	Direct-W	Pipe	678,683	-	349,174	329,509	-	-	-	-
103	Prof Fees Potable Water Mains Gramecy	50	19,485	Direct-W	Primary	19,485	-	19,485	-	-	-	-	-
104	Material For 12" Water Main Gramecy Park	50	50,080	Direct-W	Primary	50,080	-	50,080	-	-	-	-	-
105	Water Main Extension Haverhill Utilities	40	43,885	Direct-W	Primary	43,885	-	43,885	-	-	-	-	-
106	16" Water Main - Garden Road	20	20,205	Direct-W	Primary	20,205	-	20,205	-	-	-	-	-
107	2000' 12" Potable Water Main - Parke Ave	10	94,013	Direct-W	Primary	94,013	-	94,013	-	-	-	-	-
108	130' 10" Dia Potable Water Main-Blue Heron Blvd	40	62,312	Direct-W	Primary	62,312	-	62,312	-	-	-	-	-
109	Media Filters For Water Filters 9-16	10	373,827	Direct-W	Primary	373,827	-	373,827	-	-	-	-	-

Table 18

City of Riviera Beach Utility Special District  
Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Fixed Asset Allocated by System Function

Line No.	Description	Useful Life	Purchase Price	Allocation		Water	Sewer	Water	Water	Water	Wastewater	Wastewater	Wastewater
				Allocation	Allocation	Allocated Amount	Allocated Amount	Primary	Secondary	Indirect	Primary	Secondary	Indirect
110	M&A -Water Mains Haverhill Road Project	50	31,726	Direct-W	Primary	31,726	-	31,726	-	-	-	-	-
111	M&A - 2000' 10" Potable Water Main Lake Ajaro, 45Th St.	50	99,880	Direct-W	Primary	99,880	-	99,880	-	-	-	-	-
112	M&A - Water&Sewer Mains Military Trail (45Th St To Mlk	40	575,419	Lines	Pipe	297,492	277,927	153,056	144,436	-	91,302	186,626	-
113	M&A - Water&Sewer Mains Military Trail To I-95	40	294,791	Lines	Pipe	152,407	142,384	78,412	73,995	-	46,775	95,610	-
114	M&A - Water&Sewer Mains Northlake End Reliever	40	226,550	Lines	Pipe	117,126	109,424	60,260	56,866	-	35,947	73,477	-
115	M&A - Water&Sewer Mains Beeline Hwy (Garden To Milit	40	712,327	Lines	Pipe	368,273	344,054	189,472	178,801	-	113,025	231,029	-
116	M&A - Water Mains Congress Avenue Utility Improv	40	61,129	Direct-W	Pipe	61,129	-	31,450	29,679	-	-	-	-
117	M&A - Water Mains Gulfstream Way South, Singer Island	40	20,135	Direct-W	Pipe	20,135	-	10,359	9,776	-	-	-	-
118	M&A - W. 30Th & 31St Sts (Ave R To Ave S)	40	39,043	Direct-W	Pipe	39,043	-	20,087	18,956	-	-	-	-
119	Water Main-Mlk Blvd (M/Trail To Ave S)	30	115,791	Direct-W	Pipe	115,791	-	59,573	56,218	-	-	-	-
120	Force Main - Garden Road (Design)	40	31,741	Direct-S	Pipe	-	31,741	-	-	-	10,427	21,314	-
121	M&A Haverhill Rd (45 St_Epb10 Canal)	40	192,916	Direct-S	Pipe	-	192,916	-	-	-	63,375	129,541	-
122	M&A-B/Heron Blvd (Old Dixie & East Fec)	40	46,687	Direct-S	Pipe	-	46,687	-	-	-	15,337	31,350	-
123	M&A - W. 23Rd St (B/W Avenues R & O)	40	171,680	Direct-S	Pipe	-	171,680	-	-	-	56,399	115,282	-
124	M&A - W. 34Th St (B/W Avenues R & O)	40	68,655	Direct-W	Pipe	68,655	-	35,322	33,333	-	-	-	-
125	W&S Mains-Broadway (13Th St&S/Beach Rd	50	2,294,967	Lines	Pipe	1,186,498	1,108,469	610,439	576,059	-	364,142	744,326	-
126	W&S Mains-Mlk (Sr 710)	50	2,064,380	Lines	Pipe	1,067,284	997,095	549,105	518,179	-	327,555	669,540	-
127	W&S Mains - SralA (Bhb/Us1 To Burnt Brdg)	20	1,319,362	Lines	Pipe	682,110	637,252	350,938	331,173	-	209,343	427,909	-
128	W&S Mains - Bhb & Congress Ave	20	110,286	Lines	Pipe	57,018	53,268	29,335	27,683	-	17,499	35,769	-
129	W&S Mains - Haverhill Blvd & Dyer Rd	20	73,871	Lines	Pipe	38,191	35,680	19,649	18,542	-	11,721	23,959	-
130	W&S Mains - Bhb (Old Dixie Hwy & Ave H)	20	39,373	Lines	Pipe	20,356	19,017	10,473	9,883	-	6,247	12,770	-
131	W&S Mains - W. 35Th St (B/W Aves R & O)	20	105,299	Lines	Pipe	54,440	50,860	28,009	26,431	-	16,708	34,152	-
132	M&A - Us Hwy 1 (S/Beach To W. 10Th St)	20	246,907	Lines	Pipe	127,651	119,256	65,675	61,976	-	39,177	80,079	-
133	M&A - 45Th St (Jog Rd To Haverhill Rd)	20	14,730	Lines	Pipe	7,615	7,115	3,918	3,697	-	2,337	4,777	-
134	M&A - Mlk Jr Blvd (Congress To Australian Aves)	20	445,977	Lines	Pipe	230,570	215,407	118,626	111,945	-	70,763	144,644	-
135	M&A - W. 36Th St (Btw Aves R & O)	20	279,212	Lines	Pipe	144,353	134,860	74,268	70,085	-	44,303	90,557	-
136	M&A - W. 13Th St Reconstruction	20	203,877	Lines	Pipe	105,404	98,472	54,229	51,175	-	32,349	66,123	-
137	Garden Road Bridge Improvements	20	27,930	Lines	Pipe	14,440	13,490	7,429	7,011	-	4,432	9,059	-
138	Mains & Accessories-W. 23Rd St	20	61,335	Lines	Pipe	31,710	29,625	16,314	15,396	-	9,732	19,893	-
139	Lime Feed System Replacement	20	5,380	Direct-W	Primary	5,380	-	5,380	-	-	-	-	-
140	M&A - 20" Dia Trans Ln W27Th	40	19,486	Direct-W	Primary	19,486	-	19,486	-	-	-	-	-
141	Water Main-Mlk Blvd (M/Trail To Ave S) Fy 2009	30	15,609	Direct-W	Pipe	15,609	-	8,030	7,578	-	-	-	-
142	Garden Rd Force Main Project	40	22,830	Direct-S	Pipe	-	22,830	-	-	-	7,500	15,330	-
143	Prior To 82-83 Wells	20	649,755	Direct-W	Primary	649,755	-	649,755	-	-	-	-	-
144	1982-83 Wells	20	638,790	Direct-W	Primary	638,790	-	638,790	-	-	-	-	-
145	1984-85 Wells	20	164,804	Direct-W	Primary	164,804	-	164,804	-	-	-	-	-
146	1985-86 Wells	20	330,051	Direct-W	Primary	330,051	-	330,051	-	-	-	-	-
147	1986-87 Wells	20	611,582	Direct-W	Primary	611,582	-	611,582	-	-	-	-	-
147	1987-88 Wells	20	241,793	Direct-W	Primary	241,793	-	241,793	-	-	-	-	-
148	1988-89 Wells	20	150,034	Direct-W	Primary	150,034	-	150,034	-	-	-	-	-
149	1992-93 Wells	20	199,635	Direct-W	Primary	199,635	-	199,635	-	-	-	-	-
150	1993-94 Wells	20	176,845	Direct-W	Primary	176,845	-	176,845	-	-	-	-	-
151	1996-97 Wells	20	32,571	Direct-W	Primary	32,571	-	32,571	-	-	-	-	-
152	Usd-Raw Water Wells Rehab 801/803/861/921-2/961	20	149,318	Direct-W	Primary	149,318	-	149,318	-	-	-	-	-
153	Water Wells Improv (1/2004/12/805/852)	20	337,383	Direct-W	Primary	337,383	-	337,383	-	-	-	-	-
154	1996-97 Sewer/Sewer Collection	40	104,247	Direct-S	Pipe	-	104,247	-	-	-	34,246	70,001	-
155	Prior To 1968 Sewer/Sewer Collection	30	3,034,786	Direct-S	Pipe	-	3,034,786	-	-	-	996,956	2,037,830	-
156	1968-69 Sewer/Sewer Collection	30	97,091	Direct-S	Pipe	-	97,091	-	-	-	31,895	65,196	-
157	1969-70 Sewer/Sewer Collection	30	42,272	Direct-S	Pipe	-	42,272	-	-	-	13,887	28,385	-
158	1976-77 Sewer/Sewer Collection	30	1,646,756	Direct-S	Pipe	-	1,646,756	-	-	-	540,975	1,105,781	-
159	1978-79 Sewer/Sewer Collection	40	456,314	Direct-S	Pipe	-	456,314	-	-	-	149,903	306,411	-
160	1979-80 Sewer/Sewer Collection	40	603,232	Direct-S	Pipe	-	603,232	-	-	-	198,167	405,065	-
161	1991-92 Sewer/Sewer Collection	40	1,972,770	Direct-S	Pipe	-	1,972,770	-	-	-	648,074	1,324,696	-
162	1992-93 Sewer/Sewer Collection	40	1,061,686	Direct-S	Pipe	-	1,061,686	-	-	-	348,774	712,912	-
163	1996-97 Sewer/Sewer Collection	40	430,028	Direct-S	Pipe	-	430,028	-	-	-	141,268	288,760	-
164	North Cty Pud - Waste Wtr Coll Sys	40	672,189	Direct-S	Pipe	-	672,189	-	-	-	220,820	451,368	-
165	Indian Trace Apts - Waste Wtr Coll Sys	40	153,561	Direct-S	Pipe	-	153,561	-	-	-	50,446	103,115	-



Table 18

City of Riviera Beach Utility Special District  
 Fiscal Year 2018 Utility Revenue Sufficiency And Wholesale Rate Evaluation

Fixed Asset Allocated by System Function

Line No.	Description	Useful Life	Purchase Price	Allocation		Water	Sewer	Water	Water	Water	Wastewater	Wastewater	Wastewater
				Allocation	Allocation	Allocated Amount	Allocated Amount	Primary	Secondary	Indirect	Primary	Secondary	Indirect
222	Utility Scan System	5	17,999	Eliminate	Personnel	-	-	-	-	-	-	-	-
223	Suv - 2007 Ford Explorer (U728)	5	22,299	Eliminate	Personnel	-	-	-	-	-	-	-	-
224	Pickup Truck - 2008 Ford F250 (U732)	5	30,881	Eliminate	Personnel	-	-	-	-	-	-	-	-
225	Loader - 2007 Case 325 Skid Steer (U797)	5	35,284	Eliminate	Personnel	-	-	-	-	-	-	-	-
226	Generator - Standby For 4# Water Wells	5	264,202	Eliminate	Personnel	-	-	-	-	-	-	-	-
227	Suv - 2008 Ford Explorer (U731)	5	23,967	Eliminate	Personnel	-	-	-	-	-	-	-	-
228	Telemetry System For 50# City Lift Stns	5	212,441	Eliminate	Personnel	-	-	-	-	-	-	-	-
229	Pickup Truck - 2009 Ford Ranger	5	14,184	Eliminate	Personnel	-	-	-	-	-	-	-	-
230	Pickup Truck - 2009 Ford Ranger (Fin771)	5	14,184	Eliminate	Personnel	-	-	-	-	-	-	-	-
231	Pickup Truck - 2009 Ford Ranger (U775)	5	14,184	Eliminate	Personnel	-	-	-	-	-	-	-	-
232	Pickup Truck - 2009 Ford F250 (U779)	5	22,340	Eliminate	Personnel	-	-	-	-	-	-	-	-
233	Pickup Truck - 2009 Ford F250 (U777)	5	22,340	Eliminate	Personnel	-	-	-	-	-	-	-	-
234	Car - 2009 Ford Fusion (U705)	5	16,723	Eliminate	Personnel	-	-	-	-	-	-	-	-
235	Suv - 2009 Ford Explorer (U707)	5	25,466	Eliminate	Personnel	-	-	-	-	-	-	-	-
236	Quadraplex Chemical Metering System	5	31,807	Eliminate	Personnel	-	-	-	-	-	-	-	-
237	Motorola Mesh System Broadband	5	150,000	Eliminate	Personnel	-	-	-	-	-	-	-	-
238	Polymer Feed Pump	5	40,000	Eliminate	Personnel	-	-	-	-	-	-	-	-
239	Vac Truck - 2010 Freightliner (U738)	5	284,900	Eliminate	Personnel	-	-	-	-	-	-	-	-
240	Backhoe Loader - 2010 John Deere (U781)	5	115,330	Eliminate	Personnel	-	-	-	-	-	-	-	-
241	Software Inframap For Valves	3	16,998	Eliminate	Personnel	-	-	-	-	-	-	-	-
242	Valve Exercise Soft Dig Machine	5	55,473	Eliminate	Personnel	-	-	-	-	-	-	-	-
243	Car - 2011 Ford Fusion (U709)	5	24,978	Eliminate	Personnel	-	-	-	-	-	-	-	-
244	Pickup Truck - 2011 Ford F250 (U732)	5	30,394	Eliminate	Personnel	-	-	-	-	-	-	-	-
245	Van - 2011 Ford E250 (U70)	5	22,909	Eliminate	Personnel	-	-	-	-	-	-	-	-
246	Landscaping - Wtp & Lift Stations	10	10,438	Eliminate	Personnel	-	-	-	-	-	-	-	-
247	Pickup Truck - 2012 Ford E250 (U61)	5	22,116	Eliminate	Personnel	-	-	-	-	-	-	-	-
248	Pickup Truck - 2012 Ford F150 (Fin711)	5	18,475	Eliminate	Personnel	-	-	-	-	-	-	-	-
249	Pickup Truck - 2013 Ford F150 (U727)	5	23,870	Eliminate	Personnel	-	-	-	-	-	-	-	-
250	Pickup Truck - 2012 Ford F550 (U799)	5	58,061	Eliminate	Personnel	-	-	-	-	-	-	-	-
251	Excavator - 2013 John Deere (U787)	5	23,344	Eliminate	Personnel	-	-	-	-	-	-	-	-
252	Pickup Truck - 2013 Ford F250 (U750)	5	23,115	Eliminate	Personnel	-	-	-	-	-	-	-	-
253	Suv - 2014 Ford Explorer (U713)	5	27,128	Eliminate	Personnel	-	-	-	-	-	-	-	-
254	Pickup Truck - 2013 Ford F150 (U752)	5	18,157	Eliminate	Personnel	-	-	-	-	-	-	-	-
255	Pickup Truck - 2014 Ford F250 (Ws759)	5	24,000	Eliminate	Personnel	-	-	-	-	-	-	-	-
256	Pickup Truck - 2014 Ford F250 (U714)	5	24,000	Eliminate	Personnel	-	-	-	-	-	-	-	-
257	Pickup Truck - 2014 Ford F250	5	11,792	Eliminate	Personnel	-	-	-	-	-	-	-	-
258	Protectus Fireline Gallon Meter 8X2 Radio Read Meter	10	13,251	Eliminate	Personnel	-	-	-	-	-	-	-	-
259	M2 112 Freightliner Cab And Chasis	12	85,920	Eliminate	Personnel	-	-	-	-	-	-	-	-
260	Suv - 2015 Ford Explorer (U1536)	5	26,963	Eliminate	Personnel	-	-	-	-	-	-	-	-
261	Goodwin Dr-Prim Cd150 Electric Pump	5	3,964	Eliminate	Personnel	-	-	-	-	-	-	-	-
262	Gearbox/Rotor Drive Device Water Softening System	5	61,073	Eliminate	Personnel	-	-	-	-	-	-	-	-
	Investment in ECR (FY2016 CAFR pg. 18)	50	19,169,707	Direct-S	Primary	-	19,169,707	-	-	-	19,169,707	-	-
263	Total		\$ 96,707,189			\$ 48,190,738	\$ 45,115,986	\$ 36,125,454	\$ 11,969,422	\$ 95,862	\$ 28,973,647	\$ 16,142,338	\$ -

Table 19

**City of Riviera Beach**  
**Fiscal Year 2018 Utility Revenue Sufficiency and Wholesale Rate Evaluation**

**Comparison of Typical Monthly Residential Bills for Water Service [1]**

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	2,000 Gallons	4,000 Gallons	6,000 Gallons	8,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
<b>Riviera Beach Utility District:</b>									
1	Existing Rates (10/1/2017)	\$17.63	\$22.69	\$27.75	\$33.74	\$40.66	\$47.58	\$70.43	\$93.28
	Adopted 2019 Rates	18.13	23.35	28.57	34.75	41.89	49.03	72.53	96.03
<b>Other Florida Utilities:</b>									
3	City of Boca Raton [2]	\$13.93	\$15.57	\$17.21	\$18.85	\$20.49	\$22.13	\$29.10	\$38.95
4	Broward County	16.36	19.44	23.70	29.14	42.00	54.86	91.06	129.96
5	City of Boynton Beach [2]	12.35	15.65	18.95	22.25	25.55	30.16	44.96	59.76
6	City of Cooper City [2]	11.95	17.87	23.79	30.17	37.01	43.85	65.55	87.25
7	City of Coral Springs [2]	13.03	16.29	19.55	24.57	29.59	37.11	61.52	89.67
8	City of Dania Beach	14.55	22.73	30.91	41.54	54.62	67.70	102.03	142.88
9	City of Delray Beach	15.72	15.72	16.97	19.47	21.97	24.47	32.97	42.97
10	City of Fort Lauderdale	7.20	11.62	18.71	28.47	38.23	50.43	87.32	128.47
11	City of Hollywood	6.76	13.20	20.49	33.37	47.10	63.22	109.60	157.93
12	Town of Jupiter	21.60	24.14	26.68	29.22	32.68	36.14	46.11	61.36
13	City of Lake Worth [2]	19.79	26.17	32.55	42.37	52.19	65.49	113.71	171.91
14	Town of Lantana [2]	20.56	23.12	25.68	28.91	32.81	36.71	50.51	64.31
15	Martin County [2]	17.05	21.43	25.81	30.19	34.57	38.95	54.40	74.20
16	Palm Beach County [2]	14.09	16.93	19.77	26.05	32.33	38.61	78.16	117.71
17	City of West Palm Beach [2]	21.97	28.76	35.55	42.36	50.89	59.42	83.01	108.08
18	Seacoast Utility Authority	20.49	22.57	24.65	26.73	34.91	43.09	63.54	83.99
19	City of Tamarac	11.77	15.31	19.44	24.16	31.28	38.40	64.21	95.36
20	Village of Tequesta [2]	18.37	24.19	30.01	35.83	41.65	47.47	67.99	92.49
21	Village of Wellington	18.68	22.90	27.12	31.34	37.64	43.94	59.69	80.79
22	Other Florida Utilities' Average	\$15.59	\$19.66	\$24.08	\$29.74	\$36.71	\$44.32	\$68.71	\$96.21

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2018 and are exclusive of taxes or franchise fees, 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.
- [2] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision within the next twelve months.

Table 20

**City of Riviera Beach**  
**Fiscal Year 2018 Utility Revenue Sufficiency and Wholesale Rate Evaluation**

**Comparison of Typical Monthly Residential Bills for Wastewater Service [1]**

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	2,000 Gallons	4,000 Gallons	6,000 Gallons	8,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
<b>Riviera Beach Utility District:</b>									
1	Existing Rates (10/1/2017)	\$16.12	\$21.30	\$26.48	\$31.66	\$36.84	\$42.02	\$42.02	\$42.02
2	Adopted 2019 Rates	17.54	23.18	28.82	34.46	40.10	45.74	45.74	45.74
<b>Other Florida Utilities:</b>									
4	City of Boca Raton [2]	\$17.62	\$17.62	\$17.62	\$17.62	\$17.62	\$17.62	\$17.62	\$17.62
5	Broward County	19.26	27.22	35.18	43.14	51.10	59.06	78.96	78.96
6	City of Boynton Beach [2]	18.70	23.00	27.30	31.60	33.75	33.75	33.75	33.75
7	City of Cooper City [2]	25.84	31.74	37.64	43.54	49.44	55.34	55.34	55.34
8	City of Coral Springs [2]	21.51	29.69	37.87	46.05	54.23	62.41	82.86	103.31
9	City of Dania Beach	21.52	36.44	51.36	66.28	81.20	96.12	133.42	170.72
10	City of Delray Beach	18.04	24.82	31.61	38.39	45.17	51.96	58.74	58.74
11	City of Fort Lauderdale	10.56	18.36	30.89	48.15	65.41	82.67	125.82	168.97
12	City of Hollywood	6.48	20.78	35.08	49.38	63.68	77.98	113.73	149.48
13	Town of Jupiter	22.75	22.75	22.75	22.75	22.75	22.75	22.75	22.75
14	City of Lake Worth [2]	12.67	20.33	27.99	35.65	43.31	50.97	58.63	58.63
15	Town of Lantana [2]	13.63	23.07	32.51	41.95	51.39	60.83	60.83	60.83
16	Martin County [2]	17.68	26.30	34.92	43.54	52.16	60.78	60.78	60.78
17	Palm Beach County [2]	15.80	19.64	23.48	32.50	41.52	50.54	50.54	50.54
18	City of West Palm Beach [2]	12.73	20.23	27.73	35.23	42.73	50.23	68.98	72.73
19	Seacoast Utility Authority	29.94	31.32	32.70	34.08	35.46	36.84	36.84	36.84
20	City of Tamarac	18.75	28.35	37.95	47.55	57.15	66.75	76.35	76.35
21	Village of Tequesta [2]	22.75	22.75	22.75	22.75	22.75	22.75	22.75	22.75
22	Village of Wellington	17.81	21.75	25.69	29.63	33.57	37.51	47.36	47.36
23	Other Florida Utilities' Average	\$18.11	\$24.53	\$31.21	\$38.41	\$45.49	\$52.47	\$63.48	\$70.87

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2018 and are exclusive of taxes or franchise fees, 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.
- [2] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision within the next twelve months.

Table 21

**City of Riviera Beach**  
**Fiscal Year 2018 Utility Revenue Sufficiency and Wholesale Rate Evaluation**

**Comparison of Typical Monthly Residential Bills for Combined Services [1]**

Line No.	Description	Residential Service for a 5/8" or 3/4" Meter							
		0 Gallons	2,000 Gallons	4,000 Gallons	6,000 Gallons	8,000 Gallons	10,000 Gallons	15,000 Gallons	20,000 Gallons
<b>Riviera Beach Utility District:</b>									
1	Existing Rates (10/1/2017)	\$33.75	\$43.99	\$54.23	\$65.40	\$77.50	\$89.60	\$112.45	\$135.30
2	Adopted 2019 Rates	35.67	46.53	57.39	69.21	81.99	94.77	118.27	141.77
<b>Other Florida Utilities:</b>									
4	City of Boca Raton [2]	\$31.55	\$33.19	\$34.83	\$36.47	\$38.11	\$39.75	\$46.72	\$56.57
5	Broward County	35.62	46.66	58.88	72.28	93.10	113.92	170.02	208.92
6	City of Boynton Beach [2]	31.05	38.65	46.25	53.85	59.30	63.91	78.71	93.51
7	City of Cooper City [2]	37.79	49.61	61.43	73.71	86.45	99.19	120.89	142.59
8	City of Coral Springs [2]	34.54	45.98	57.42	70.62	83.82	99.52	144.38	192.98
9	City of Dania Beach	36.07	59.17	82.27	107.82	135.82	163.82	235.45	313.60
10	City of Delray Beach	33.76	40.54	48.58	57.86	67.14	76.43	91.71	101.71
11	City of Fort Lauderdale	17.76	29.98	49.60	76.62	103.64	133.10	213.14	297.44
12	City of Hollywood	13.24	33.98	55.57	82.75	110.78	141.20	223.33	307.41
13	Town of Jupiter	44.35	46.89	49.43	51.97	55.43	58.89	68.86	84.11
14	City of Lake Worth [2]	32.46	46.50	60.54	78.02	95.50	116.46	172.34	230.54
15	Town of Lantana [2]	34.19	46.19	58.19	70.86	84.20	97.54	111.34	125.14
16	Martin County [2]	34.73	47.73	60.73	73.73	86.73	99.73	115.18	134.98
17	Palm Beach County [2]	29.89	36.57	43.25	58.55	73.85	89.15	128.70	168.25
18	City of West Palm Beach [2]	34.70	48.99	63.28	77.59	93.62	109.65	151.99	180.81
19	Seacoast Utility Authority	50.43	53.89	57.35	60.81	70.37	79.93	100.38	120.83
20	City of Tamarac	30.52	43.66	57.39	71.71	88.43	105.15	140.56	171.71
21	Village of Tequesta [2]	41.12	46.94	52.76	58.58	64.40	70.22	90.74	115.24
22	Village of Wellington	36.49	44.65	52.81	60.97	71.21	81.45	107.05	128.15
23	Other Florida Utilities' Average	\$33.70	\$44.20	\$55.29	\$68.15	\$82.21	\$96.79	\$132.18	\$167.08

**Footnotes:**

- [1] Unless otherwise noted, amounts shown reflect residential rates in effect January 2018 and are exclusive of taxes or franchise fees, 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
- [2] Utility is currently involved in a rate study, is planning to conduct a rate study, or will implement a rate revision within the next twelve months.