

**INFRASTRUCTURE BOARD MEETING**  
**NOTICE**

DATE: April 2, 2014

TO: Doug Pace, Chairman  
Chris Foley, Vice Chairman  
Dan Hartshorne  
John Hall  
James White

Stephen R. Fowler, Commission Advisor  
Perry Lopez, Public Works Director

There will be a meeting of the **BELLEAIR INFRASTRUCTURE BOARD ON MONDAY, APRIL 7, 2014 AT 5:00 P.M. IN THE TOWN HALL AUDITORIUM.**

**Please plan to attend.** In the event you are unable to attend this meeting, please notify the Town Clerk's office at 588-3769 Ext. 214 or 312.

The following agenda items are provided for your consideration:

1. Approval of Minutes - February 3, 2014

Documents: [02-03-2014.DOCX](#)

2. Citizen's Comments

(Discussion of items not on the agenda. Each speaker will be allowed 3 minutes to speak.)

3. Approval of Palmetto Rd. FDR

Documents: [INFRASTRUCTURE BOARD SUMMARY PALMETTO RD. FDR 4 7 2014.DOC](#), [PALMETTO FDR SCHEDULE OF VALUES APS.PDF](#), [PALMETTO FDR BID\\_TABULATION-CITY OF LARGO.PDF](#)

4. Review of Water Rates

Documents: [WATER RATE ANALYSIS.PDF](#), [WATER RATES.PDF](#)

5. Discussion of Duties and Responsibilities of the Infrastructure Board

Documents: [INFRASTRUCTURE BOARD ROLES.PDF](#), [RESOL. NO. 2010-55 - ESTAB. INFRASTRUCTURE BOARD - DUTIES AND RESPONS..PDF](#), [66.42 CITIZEN BOARDS - BOARDS, COMMITTEES AND COMMISSIONS.PDF](#), [RESOLUTION NO. 95 -13 - ESTABLISHING RULES AND REGULATIONS FOR ALL ADVISORY BOARDS.PDF](#)

6. Construction Project Updates

7. Other Business

8. Commission Advisor Report

9. Adjournment

\*\* To be distributed.  
\* Previously distributed.

Copy to: Micah Maxwell, Town Manager  
Donna Carlen, Town Clerk  
JP Murphy, Assistant Town Manager

**MINUTES OF MEETING OF THE INFRASTRUCTURE BOARD TOWN OF BELLEAIR, FLORIDA HELD AT TOWN HALL ON FEBRUARY 3, 2014 AT 5:00 PM**

**MEMBERS PRESENT:** Doug Pace, Chairman  
James White  
John Hail  
Daniel Hartshorne

**MEMBERS ABSENT:** Chris Foley

**OTHERS PRESENT:** Perry Lopez, Public Works Director

Quorum present on roll call with Mr. Pace presiding; the meeting was called to order at 5:00 pm.

**APPROVAL OF MINUTES – JANUARY 6, 2014**

Mr. Hartshorne moved approval of the Minutes of the January 6, 2014 meeting. Motion seconded by Mr. Hail and carried unanimously.

**CITIZENS' COMMENTS**

There were no citizens' comments.

**STREET LIGHT POLICY**

Mr. Lopez stated that the board had discussed the street light policy at the last meeting regarding the installation and relocation of the decorative street lights throughout town; that the discussions related to some policy issues regarding distance issues for street light installations; that he determined that 200 LF would be the distance for placement of a street light for a residence.

Discussions ensued regarding the use of ballards in front of light poles located on a valley curb area; regarding installing light poles 2 feet behind the curbs.

Mr. Lopez stated that it was staff's recommendation to move forward with the implementation of a street light policy to ensure proper direction in making decision on installing and relocating decorative street lights; that the policy would provide direction when taking on new infrastructure projects.

Discussions ensued regarding installing street lights on Park Avenue; regarding the installation process for new street lights.

Mr. White moved to recommend to the commission that the street light policy be approved. Motion seconded by Mr. Hartshorne and carried unanimously.

**CONSTRUCTION PROJECT UPDATES**

Mr. Lopez stated that there three major projects near completion; that Mehlenbacher to be opened to traffic and some minor restoration was needed which would conclude the Eagles Nest Project; that the final paving on Druid was to be completed in the next few days; that the Manatee/Osceola project was complete but there were three areas of ponding water to be corrected; that the project was completed ahead of schedule; that the Indian Rocks Road/Ponce de Leon Traffic Calming Project to begin February 17; that Verizon work was completed on that project; that the Pinellas/Althea Project would be advertised next week; that the Varona/Osceola Project was at about 30% design; that community meetings would be scheduled to take input from the residents.

Discussions ensued regarding the route for the Sunset 5K run scheduled and the condition of the roadway on Bayview.

**OTHER BUSINESS**

Mr. Hail asked about having an inventory for the street lights to be removed.

Mr. Lopez stated that the work order had been generated for the removal of the old light poles.

Mr. Hail commented on his view of the Belleview Biltmore Hotel and its negative financial impact on the; commented on the increase in the residents water rates; that he felt the increase was very high.

Discussions ensued regarding the water rate increase; regarding the financial impact of the hotel and how it affects property values as well as other services provided by the town.

It was the consensus of the board members to have a staff presentation at the next meeting to discuss the water rate increase.

Mr. Pace asked if the board should consider a recommendation on the hotel and ask the commission to make a prompt decision as it impacts the town's infrastructure budget.

Discussions ensued regarding the board making a recommendation to the commission relating to the hotel and its impact on the town's infrastructure budget future.

**COMMISSION ADVISOR REPORT**

Commissioner Fowler was not present and there was no report.

**ADJOURNMENT**

There being no further business to come before the board the meeting was adjourned in due form at 5:40 PM.

**APPROVED:**

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**Chairman**

# Summary

To: Infrastructure Board  
From: Perry Lopez, Public Works Director  
Subject: Palmetto Rd. Full Depth Reclamation  
Date: 4/7/2014

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**Summary:** As part of our capital improvement plan staff is recommending Full Depth Reclamation (FDR) for Palmetto Rd. Staff feels this procedure is the most cost efficient way to proceed with repairing the road that is in dire need of replacement. Since there are only two storm structures on the entire length of Palmetto there is no need for a full blown stormwater project. This will eliminate the need for engineering services. Staff recommends piggy backing the City of Largo's contract for the same work. In doing so we would award a contract to Asphalt Paving Systems in the amount of \$571,161.00

**Previous Board Action:** No previous action.

**Background/Problem Discussion:** As part of the ongoing Capital Improvement Program, Palmetto Rd. is one of the projects schedule for improvements.

**Alternatives/Options:** Hire an engineering firm to do a full design for stormwater improvements. Staff does not recommend we follow the standard procedure used for the other projects.

**Financial Implications:** We budgeted \$1,500,000 for this project. By using the FDR method we would be saving the town \$928,839.

**Recommendation:** Staff recommends approval of a piggy back contract to perform the FDR work for Palmetto Rd. to Asphalt Paving Systems in the amount of \$571,161.

**Proposed Motion:** Move to approve a piggy back contract to perform the FDR work for Palmetto Rd. to Asphalt Paving Systems in the amount of \$571,161.



DATE: 3/25/2014

TO: Perry Lopez Director of PW  
 Town of Belleair  
 901 Ponce de Leon Blvd.  
 Belleair, FL 33756  
 727 588-3769 ext. 401

FROM: Asphalt Paving Systems, Inc.  
 Randy Shane - South Florida Rep  
 9021 Wire Road  
 Zephyrhills, FL 33540  
 Ph: 813-892-0056

RE: Project proposal  
**FDR**

Product	Description	Units	Quantity	Unit Price	Total Price
	City of Largo contract				\$ -
3.00	Survey & Layout	EA	1.00	\$ 5,750.00	\$ 5,750.00
4.00	Mobilization	LS	1.00	\$ 7,000.00	\$ 7,000.00
16.00	Full Depth Reclamation (6 to 9 inch depth)	SY	9,377.00	\$ 9.45	\$ 88,612.65
17.00	Emulsion	Gal	23,443.00	\$ 2.45	\$ 57,435.35
18.00	Portland Cement	TON	82.00	\$ 125.00	\$ 10,250.00
5.00	Traffic Control	LS	1.00	\$ 3,000.00	\$ 3,000.00
12.00	Asphalt (1.5")	Ton	797.00	\$ 125.00	\$ 99,625.00
30.00	FDOT THERMOPLASTIC 24"	LF	60.00	\$ 3.50	\$ 210.00
31.00	FDOT THERMOPLASTIC 6"	LF	360.00	\$ 1.75	\$ 630.00
27.00	RPM	EA	30.00	\$ 5.00	\$ 150.00
20.00	Removal of Unsuitable Base-Stabilizing Material	TON	400.00	\$ 40.00	\$ 16,000.00
7.00	REMOVAL OF EXISTING CONCRETE	SY	2,800.00	\$ 18.00	\$ 50,400.00
25.00	UTILITY ADJUSTMENT Manahole	EA	2.00	\$ 500.00	\$ 1,000.00
32.00	ARMOR-TILE CAST IN PLACE DETACHABLE WARN	EA	33.00	\$ 225.00	\$ 7,425.00
23.00	SIDEWALK-CONCRETE 4 IN THICK MIN	SY	195.00	\$ 195.00	\$ 38,025.00
26.00	PERFORMANCE TURF (IN KIND)	SY	1,800.00	\$ 3.60	\$ 6,480.00
22.00	CURB, CONCRETE IN KIND	LF	8,144.00	\$ 22.00	\$ 179,168.00
				Total	\$ 571,161.00

Respectfully Submitted,

*Randy D. Shane*

Asphalt Paving Systems, Inc.  
 Zephyrhills, Florida  
 c: 813-892-0056  
 e: [rd.shane@hotmail.com](mailto:rd.shane@hotmail.com)

Accepted By: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

\* Proposal valid for 30 days.





PROJECT:

2013-TR09, 2013-TR11, 2013-TR15

CONTRACT:

13-C-449

FINANCIAL PROJECT:

79044

BID OPENING DATE:

August 13, 2013

Ranking

1
\$340,118.05

2
\$487,096.20

3
\$585,345.54

Total

BID #	ITEM	UNIT	QTY	Asphalt Paving Systems, Inc.		Ajax Paving Industries of Florida, Inc.		Hubbard Construction Company	
				Unit Cost	Total Cost	Unit Cost	Total Cost	Unit Cost	Total Cost
1	GENERAL ALLOWANCE	LA	1	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00	\$40,000.00
2	TESTING LABORATORY ALLOWANCE	LA	1	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
3	SURVEY AND LAYOUT BY CONTRACTOR (005-0700)	EA	3	\$5,750.00	\$17,250.00	\$7,500.00	\$22,500.00	\$5,500.00	\$16,500.00
4	MOBILIZATION (101-0100)	LS	1	\$7,000.00	\$7,000.00	\$34,500.00	\$34,500.00	\$25,500.00	\$25,500.00
5	TRAFFIC CONTROL (102-0100)	LS	1	\$4,500.00	\$4,500.00	\$19,000.00	\$19,000.00	\$76,032.88	\$76,032.88
6	PREVENTION, CONTROL, AND ABATEMENT OF EROSION AND WATER POLLUTION (104)	LS	1	\$2,000.00	\$2,000.00	\$3,600.00	\$3,600.00	\$5,000.00	\$5,000.00
7	REMOVAL OF EXISTING CONCRETE OR ASPHALT	SY	376	\$18.00	\$6,768.00	\$34.00	\$12,784.00	\$20.00	\$7,520.00
8	PAVEMENT – CEMENT CONCRETE, DRIVEWAYS (6-INCH THICK MIN) (350-0200)	SY	500	\$54.00	\$27,000.00	\$77.00	\$38,500.00	\$60.00	\$30,000.00
9	MILLING, 1-INCH DEPTH OR LESS (HMA) (380)	SY	3091	\$3.00	\$9,273.00	\$6.00	\$18,546.00	\$6.31	\$19,504.21
10	MILLING, 1-INCH TO 2-INCH DEPTH (HMA) (380)	SY	3052	\$3.60	\$10,987.20	\$5.00	\$15,260.00	\$4.54	\$13,856.08
11	ASPHALT PATCH (BASE MATERIAL REPLACEMENT) (381)	SY	374	\$40.00	\$14,960.00	\$75.00	\$28,050.00	\$33.24	\$12,431.76
12	ASPHALT (HMA) (385-0001)	TN	368	\$125.00	\$46,000.00	\$200.00	\$73,600.00	\$116.00	\$42,688.00
13	MICROSURFACE (DOUBLE APPLICATION, 30 – 34 LB/YD2) (MS) (390)	SY	12557	\$4.05	\$50,855.85	\$5.00	\$62,785.00	\$10.25	\$128,709.25
14	MICROSURFACE, RUT FILLING (MS) (390)	TN	30	\$180.00	\$5,400.00	\$210.00	\$6,300.00	\$859.55	\$25,786.50
15	CRACK SEALING (MS) (391)	GAL	960	\$22.00	\$21,120.00	\$25.00	\$24,000.00	\$35.00	\$33,600.00
16	FULL DEPTH RECLAMATION (BETWEEN 6-INCH AND 9-INCH DEPTH) (FDR) (392)	SY	1035	\$9.45	\$9,780.75	\$11.00	\$11,385.00	\$17.89	\$18,516.15
17	EMULSION (FDR)	GAL	3104	\$2.45	\$7,604.80	\$2.50	\$7,760.00	\$4.17	\$12,943.68
18	PORTLAND CEMENT (2% MAXIMUM)(FDR)	TN	7	\$125.00	\$875.00	\$125.00	\$875.00	\$210.19	\$1,471.33
19	COMPACT AND GRADING (FDR)	SY	1035	\$2.75	\$2,846.25	\$3.00	\$3,105.00	\$14.90	\$15,421.50
20	BASE MATERIAL (FDR) (CONT.)	TN	20	\$25.00	\$500.00	\$25.00	\$500.00	\$39.61	\$792.20
21	REMOVAL OF UNSUITABLE MATERIAL (FDR) (CONT.)	TN	20	\$40.00	\$800.00	\$45.00	\$900.00	\$36.82	\$736.40
22	CURB, CONCRETE (IN-KIND) (520)	LF	592	\$22.00	\$13,024.00	\$60.00	\$35,520.00	\$22.00	\$13,024.00
23	SIDEWALK – CONCRETE (4-INCH THICK MIN.) (522)	SY	62	\$195.00	\$12,090.00	\$50.00	\$3,100.00	\$55.00	\$3,410.00
24	UTILITY ADJUSTMENT, VALVE BOX	EA	2	\$200.00	\$400.00	\$150.00	\$300.00	\$150.00	\$300.00
25	UTILITY ADJUSTMENT, MANHOLE RIM	EA	22	\$500.00	\$11,000.00	\$180.00	\$3,960.00	\$500.00	\$11,000.00
26	PERFORMANCE TURF (IN-KIND) (575)	SY	47	\$3.60	\$169.20	\$13.00	\$611.00	\$15.00	\$705.00
27	FDOT, REFLECTIVE PAVEMENT MARKERS (706)	EA	36	\$5.00	\$180.00	\$4.60	\$165.60	\$8.00	\$288.00
28	FDOT, PAINTED PAVEMENT MARKINGS, 24-INCH SOLID TRAFFIC STRIPE, WHITE (710)	LF	104	\$2.50	\$260.00	\$1.70	\$176.80	\$3.50	\$364.00
29	FDOT, PAINTED PAVEMENT MARKINGS, 6-INCH SOLID TRAFFIC STRIPE, YELLOW (710)	LF	720	\$1.25	\$900.00	\$1.20	\$864.00	\$0.94	\$676.80
30	FDOT, THERMOPLASTIC TRAFFIC STRIPES AND MARKINGS, 24-INCH SOLID, WHITE (711)	LF	104	\$3.50	\$364.00	\$5.20	\$540.80	\$7.80	\$811.20
31	FDOT, THERMOPLASTIC TRAFFIC STRIPES AND MARKINGS, 6-INCH SOLID, YELLOW (711)	LF	720	\$1.75	\$1,260.00	\$1.40	\$1,008.00	\$1.78	\$1,281.60
32	ARMOR-TILE, CAST-IN-PLACE DETECTABLE WARNING (09614)	EA	8	\$225.00	\$1,800.00	\$300.00	\$2,400.00	\$1,750.00	\$14,000.00
33	SIGN, SINGLE POST, REMOVE AND REPLACE	EA	9	\$350.00	\$3,150.00	\$500.00	\$4,500.00	\$275.00	\$2,475.00

## Executive Summary

The Water Department is an enterprise fund, meaning that all expenses are paid for through revenues from customers of the utility. The department has operating expenditures just below \$1.3 million annually. Additionally, the department has a substantial amount of fixed assets with significant maintenance and replacement costs.

At the request of the Commission, staff has prepared multiple rate scenarios that the town may adopt to meet its current and forecasted revenue requirements in the Water Department.

Staff's key considerations for the new rate structure are:

- 1) Creating a rate that is equitable and justifiable for town residents
- 2) Providing water at a rate comparable to nearby municipalities
- 3) Making the process more transparent and comprehensible to ratepayers

In response to the Commission's directive of a monthly billing cycle, staff recommends:

A) That the town adopts a simplified rate structure that contains the following characteristics:

- 1) a universal base fee that everyone pays,
- 2) three rate tiers,
- 3) a structure that makes basic water needs affordable and
- 4) a structure that sends a conservation price message to high consumers.

B) The following rate structure

i. Residential:

- A universal base fee of \$12.37 for all residential customers
- A rate charge of \$1.86 per 1,000 gallons for consumption between 0 and 4,000 gallons
- A rate charge of \$6.21 per 1,000 gallons for consumption between 4,001 and 25,000 gallons
- A rate charge of \$7.45 per 1,000 gallons for consumption of 25,001 gallons and above

ii. Commercial:

- A universal base fee of \$24.74 for all commercial customers
- A rate charge of \$6.21 per 1,000 gallons for consumption between 0 and 25,000 gallons
- A rate charge of \$7.45 per 1,000 gallons for consumption of 25,001 gallons and above

## Current Rate Structure

Staff has included a summary of the Town's current bimonthly rate structure as a comparison for the other rate scenarios. The rates and increments are shown below:

Table 1

Fee Type	Tier Range		Fee Amount
<b>Base</b>	0	9,000	\$ 20.04
Rate Tiers	Tier Range		Rate/1,000 gal
<b>TIER 1</b>	9,001	36,000	\$ 3.04
<b>TIER 2</b>	36,001	60,000	\$ 5.06
<b>TIER 3</b>	60,001	100,000	\$ 6.73
<b>TIER 4</b>	100,001	150,000	\$ 8.95
<b>TIER 5</b>	150,001		\$ 11.91

This is a bimonthly billing system. The base covers usage from 0-9,000 gallons and any usage above 9,000 is charged at a volumetric rate.

## Proposed Rate Structure

The Commission directed staff to move billing from a bimonthly schedule to a monthly schedule. This schedule is possible due to efficiencies realized by the Commission with the implementation of automated meter reading. Furthermore, citizens have expressed interest in monthly billing and the additional cost of postage would be minimal.

Staff also recommends that the town adopt a simplified rate structure that contains the following characteristics:

- 1) **A universal base charge that everyone pays.** This will provide greater revenue stability to the water fund as consumption varies throughout the year.
- 2) **Three rate tiers.** This, in addition to a monthly billing schedule, will allow consumers to more easily understand the connection between their charges and consumption. Moreover, a three tier system will mitigate effects of watering restrictions and decreasing consumption.
- 3) **A structure that makes basic water needs affordable.** As explained on page 4, in the subsection titled "Tier 1", the basic water needs of consumers in Belleair can be met with 4,000 gallons per month.
- 4) **A structure that sends a conservation price message to high consumers.** This provision is intended to help the town preserve its most vital natural resource. This is also a requirement by state regulatory agencies in Florida.

## Residential

### Base

AWWA standards recommend a universal base fee for municipalities to charge all customers. Staff has calculated a base charge by doing the following:

- 1) **Establishing a base by allocating specific functions of the water utility to the rate.** Functions are determined by grouping the Water Department's expenditures amongst pre-determined categories; source transmission & plant, distribution, billing & meters, management, working capital, depreciation, and return on equity. For further breakdown of functions, refer to tables 13 and 14 (pages 10 and 11). Billing & meters and management expenses were chosen as components for the base. Both of these costs were selected because they are associated with service to customers under average load conditions, without the elements of cost incurred to meet water-use variations and resulting peaks in demand. The total revenue requirements for the billing & meters and management functions are shown below:

Table 2

Base Calculation	
<b>Billing &amp; Meters</b>	\$165,400
<b>Management</b>	\$197,700
<b>Total</b>	\$363,100

- 2) **Dividing this amount by the total number of annual residential users.** This calculation is displayed in tables 3 and 4 below:

Table 3

Residential Users Per Month	
<b>Single Family Residential</b>	1550
<b>Multi-Family Residential</b>	897
<b>Total Billable Units</b>	2,447

The amount calculated as a monthly base charge is \$12.37. The table below shows the assumptions for this calculation:

Table 4

Breakdown of Base Charge	
<b>Management</b>	\$197,800
<b>Billing &amp; Meters</b>	\$165,497
<b>Total</b>	\$363,297
<b>Annual Residential Users (excludes commercial)</b>	<b>29,364</b>
<b>Base Charge</b>	\$12.37

## Tier 1

In developing tier 1, staff created a structure that is associated with basic water needs and is set at an affordable rate. These basic water needs comprise of showering, flushing, laundry and dishwashing.

Staff has reviewed studies by the American Water Works Association (AWWA) and concluded that basic indoor water needs range from 45 to 80 gallons per day (gpd). Because of the variability of estimates, staff used an assumption of 80 gpd to estimate an average basic household consumption in Belleair of 126 gpd. Staff then multiplied this amount by 31 to evaluate a basic monthly household consumption of 3,906 gallons. The town would provide each unit of 1,000 gallons at a volumetric rate. Staff recommends that the lowest “economy” rate tier apply to the first four units purchased.

Table 5

Average Monthly Usage	
<b>Population</b>	3,867
<b>SFR Users</b>	1,550
<b>MF Users</b>	897
<b>Total</b>	2,447
<b>Average Users per Household</b>	1.5803
<b>Daily Usage</b>	126
<b>Monthly Usage</b>	3,919

In addition to creating a tier based on basic water consumption, staff set the tier 1 rate solely on infrastructure and basic operating expenses. These elements include specific functions and expenses, listed below:

Table 6

Tier 1 Breakdown			
Function	Units	Rate	Revenue
<b>Working Capital (1/8th) of O&amp;M</b>	88,881	\$ 0.58	\$ 1,551
<b>Depreciation Rate</b>		\$ 0.48	\$ 42,663
<b>Return on equity Rate</b>		\$ 0.50	\$ 44,441
<b>Electricity and Chemicals</b>		\$ 0.30	\$ 26,664
<b>Total</b>		<b>\$ 1.86</b>	<b>\$ 165,319</b>

## Tier 2

In selecting an intermediate rate tier, staff recommends that the town adopt a rate that, when combined with the base rate, meets the revenue requirement based on average consumption throughout town. Consumption in this tier is normally attributed to basic irrigation, pools, and water softeners. The tier 2 rate is set at \$6.21, which is also reflective of the unitary rate because there is no subsidy at this level of consumption. This rate was established by calculating the remaining revenue after setting the base and tier 1 rate. Below is the breakdown of the rate:

Table 7

Tier 2 Breakdown			
Function	Units	Rate	Revenue
Source, Transmission & Plant	105,319	\$ 2.30	\$ 242,234
Distribution		\$ 2.35	\$ 247,500
Working Capital (1/8th) of O&M		\$ 0.58	\$ 61,085
Depreciation Rate		\$ 0.48	\$ 50,553
Return on equity Rate		\$ 0.50	\$ 52,660
<b>Total</b>			<b>\$ 6.21</b>

## Tier 3

Tier 3 consumption is generally a result of high irrigation in addition to pools and water softeners. The tier 3 rate is set at a 20% increase from tier 2 to recover usage demands on infrastructure and increases in water flows. Staff recommends that the final tier be set higher than the unitary rate to send both a price signal to high volume users, as well as, a conservation message to protect and retain the Town's water resource. Furthermore, implementation of a third tier would also meet the state requirement of setting a conservation message. A breakdown of the rate is represented below:

Table 8

Tier 3 Breakdown			
Function	Units	Rate	Revenue
Source, Transmission & Plant	29,394	\$ 2.76	\$ 81,127
Distribution		\$ 2.82	\$ 82,891
Working Capital (1/8th) of O&M		\$ 0.70	\$ 20,458
Depreciation Rate		\$ 0.58	\$ 16,931
Return on equity Rate		\$ 0.60	\$ 17,636
<b>Total</b>			<b>\$ 7.45</b>

## Commercial

Commercial was designed without establishing the tier 1 rate at \$1.86 and setting the base at double the residential rate. This was done to create a more equitable structure, due to commercial users not requiring an affordable rate for basic water needs. Furthermore, the base was doubled to eliminate the need for a backflow fee. The rates are presented below and a breakdown is displayed in table 17 (pg. 14).

Table 9

Commercial Rate			
Fee Type	Tier Range		Fee Amount
<b>Base</b>			\$ 24.74
Rate Tiers	Tier Range		Rate/1,000 gal
<b>TIER 1</b>	0	4,000	\$ 6.21
<b>TIER 2</b>	4,001	25,000	\$ 6.21
<b>TIER 3</b>	25,001		\$ 7.45

## Utility Bill Comparison

Staff has prepared two alternative water rate scenarios to meet its revenue requirements. For each scenario, staff has shown the rate necessary for the town to meet its forecasted revenue requirements in 2014. Additionally, staff has calculated the minimum across-the-board increases needed to maintain a balanced budget, expressed both as a percentage as well as a dollar increase. Finally, staff has provided a breakdown of gallonage and revenue by consumption tier. For purposes of this forecast staff is using only the 2012 data for billed consumption. In staff's view, changing consumption patterns in the town would be best captured by utilizing the most recent year of data for purposes of forecasting future trends. The watering restrictions imposed by Southwest Florida Water Management District (SWFWMD) and increases in efficiency are likely to continue affecting consumption in Belleair. There was a slight decline in consumption between 2011 and 2012 and it is staff's view that using 2012 data is the more conservative and accurate forecasting approach for water consumption in the town.

### Modified Current Rate Structure (Billed Monthly and Meeting Revenue Requirements)

For comparison purposes, staff has created a rate scenario using the current tiers and dividing the increments in half, then rounding to the nearest thousand. Furthermore, the rate structure is based on a monthly billing cycle instead of the current bi-monthly system. Table 10 displays a breakdown of the monthly rates:

Table 10

Residential Rate Structure			
Fee Type	Tier Range		Fee Amount
Base	0	5,000	\$ 16.13
Rate Tiers	Tier Range		Rate/1,000 gal.
TIER 1	5,001	18,000	\$ 4.89
TIER 2	18,001	30,000	\$ 8.15
TIER 3	30,001	50,000	\$ 10.84
TIER 4	50,001	75,000	\$ 14.41
TIER 5	75,001		\$ 19.18
Commercial Rate Structure			
Fee Type	Tier Range		Fee Amount
Base	0	5,000	\$ 47.32
Rate Tiers	Tier Range		Rate/1,000 gal.
TIER 1	5,001	18,000	\$ 4.89
TIER 2	18,001		\$ 8.15

#### Alternative Structure: \$8.57 Base

Similar to the recommended rate structure a base was calculated by allocating specific functions. These functions include; working capital and depreciation. Tier 1 was based on the functions; source transmission & plant, distribution, billing & meters, and management. Tiers 2 and 3 contained all the functions of tier 1 and also included a return on equity.

Table 11

Residential Rate Structure			
Fee Type	Tier Range		Fee Amount
Base	FLAT CHARGE	FLAT CHARGE	\$ 8.57
Rate Tiers	Tier Range		Rate/1,000 gal.
TIER 1	0	4,000	\$ 3.72
TIER 2	4,001	25,000	\$ 5.46
TIER 3	25,001		\$ 7.73
Commercial Rate Structure			
Fee Type	Tier Range		Fee Amount
Base	FLAT CHARGE	FLAT CHARGE	\$ 17.14
Rate Tiers	Tier Range		Rate/1,000 gal.
TIER 1	0	4,000	\$ 5.15
TIER 2	4,001	25,000	\$ 5.15
TIER 3	25,001		\$ 6.44

## **Conclusion**

Staff has considered many possible rate structures in conducting analysis of the consumption and operational patterns of the water utility. It is the view of staff that the recommended rate structure will provide the funds necessary to maintain solvency and meet the capital needs of the department in the coming years. It is also staff's recommendation that the town reassess the water rate structure at least every two years to understand demand, cash flows, capital needs and revenue requirements.

Table 12

Bay Area Comparison of Residential Water Bills for Varying Consumptions (Base is included in Bill Amount)												
Municipality	Base (universal fee)	1,000	2,000	3,000	4,000	5,000	8,000	12,000	15,000	20,000	25,000	50,000
TOB Current Rate (Monthly)	\$ 10.02	\$ 10.02	\$ 10.02	\$ 10.02	\$ 10.02	\$ 13.06	\$ 22.18	\$ 34.34	\$ 40.42	\$ 59.66	\$ 84.96	\$ 244.86
<b>TOB Staff's Recommendation- (12.37 Base)</b>	<b>\$ 12.37</b>	<b>\$ 14.23</b>	<b>\$ 16.09</b>	<b>\$ 17.95</b>	<b>\$ 19.81</b>	<b>\$ 26.02</b>	<b>\$ 44.65</b>	<b>\$ 69.49</b>	<b>\$ 88.12</b>	<b>\$ 119.17</b>	<b>\$ 150.22</b>	<b>\$ 336.52</b>
TOB Current Rate Monthly Meets Rev Req	\$ 16.13	\$ 16.13	\$ 16.13	\$ 16.13	\$ 16.13	\$ 16.13	\$ 30.82	\$ 50.39	\$ 65.08	\$ 96.05	\$ 136.79	\$ 394.22
TOB Alternative Rate- (8.57 Base)	\$ 8.57	\$ 12.29	\$ 16.01	\$ 19.73	\$ 23.45	\$ 28.90	\$ 45.25	\$ 67.05	\$ 83.40	\$ 110.65	\$ 137.90	\$ 344.40
Pinellas County	\$ 6.35	\$ 11.13	\$ 15.91	\$ 20.69	\$ 25.47	\$ 30.25	\$ 44.59	\$ 63.71	\$ 78.05	\$ 101.95	\$ 125.85	\$ 245.35
City of Safety Harbor	\$ 13.53	\$ 15.56	\$ 17.59	\$ 19.62	\$ 21.65	\$ 23.68	\$ 33.27	\$ 60.95	\$ 85.88	\$ 148.14	\$ 226.05	\$ 615.55
City of St. Petersburg	\$ 9.76	\$ 12.12	\$ 14.48	\$ 16.84	\$ 19.20	\$ 21.56	\$ 31.47	\$ 49.19	\$ 62.48	\$ 102.29	\$ 181.91	\$ 579.91
City of Dunedin	\$ 13.08	\$ 16.92	\$ 20.76	\$ 24.60	\$ 30.36	\$ 36.12	\$ 53.40	\$ 82.24	\$ 108.22	\$ 151.52	\$ 194.82	\$ 411.32
City of Oldsmar	\$ 12.25	\$ 12.25	\$ 17.72	\$ 23.19	\$ 28.66	\$ 34.13	\$ 50.54	\$ 74.28	\$ 96.27	\$ 132.92	\$ 169.57	\$ 352.82
City of Gulfport	\$ 11.04	\$ 11.04	\$ 11.04	\$ 16.56	\$ 22.80	\$ 29.04	\$ 50.01	\$ 79.41	\$ 102.54	\$ 144.80	\$ 187.05	\$ 398.30
City of Clearwater	\$ 17.03	\$ 17.03	\$ 17.03	\$ 17.03	\$ 23.93	\$ 30.83	\$ 51.53	\$ 84.53	\$ 110.63	\$ 154.13	\$ 197.63	\$ 415.13
City of Pinellas Park	\$ 20.04	\$ 26.72	\$ 33.40	\$ 40.08	\$ 46.76	\$ 53.44	\$ 73.48	\$ 102.78	\$ 125.34	\$ 167.12	\$ 211.02	\$ 430.52
AVERAGE COST OF SAMPLE BILL	\$ 12.89	\$ 15.35	\$ 18.49	\$ 22.33	\$ 27.35	\$ 32.38	\$ 48.54	\$ 74.64	\$ 96.18	\$ 137.86	\$ 186.74	\$ 431.11
<b>TOB Tier Breakdown</b>	<b>Base</b>	<b>Tier 1</b>			<b>Tier 2</b>			<b>Tier 3</b>				
Residential Percentage of Gallonage per Tier		40%			47%			13%				
Overall Percentage of Gallonage per Tier		38%			46%			16%				

The "Heat Map" is a graphical tool that sorts the water bills from least to most expensive. Dark green represents the least expensive bills paid while dark red represents the most expensive bills paid for varying levels of consumption. The bottom row shows the average cost of water bills among the sample selected. Staff recommends the town adopt a rate structure that will allow Belleair to remain competitive with other municipalities in the bay area while meetings its revenue requirements in an equitable and sustainable manner.

## Comparison of Projected Revenue Breakdowns by Alternative

Table 13

	TOB Rates (Monthly Meeting Revenue Requirement)			Staff's Recommendation: Base 12.37, T1 1.86			Base At 8.57		
<b>2014 Revenue Requirement</b>	<b>\$1,467,951</b>			<b>\$1,467,951</b>			<b>\$1,467,951</b>		
<b>Base Comparison</b>									
<b>Base</b>	<b>Rate</b>	<b>Users</b>	<b>Revenue</b>	<b>Rate</b>	<b>Users</b>	<b>Revenue</b>	<b>Rate</b>	<b>Users</b>	<b>Revenue</b>
	0-5,000 incl								
Residential	\$ 16.13	29,364	\$ 473,641	\$ 12.37	29,364	\$ 363,233	\$ 8.57	29,364	\$ 251,649
Commercial	\$ 47.32	564	\$ 26,688	\$ 24.74	564	\$ 13,953	\$ 17.14	564	\$ 9,667
<b>Base Revenue Subtotal</b>	<b>\$ 500,330</b>			<b>\$ 377,186</b>			<b>\$ 261,316</b>		
<b>Tier Comparison</b>									
<b>Tier 1</b>	<b>Rate</b>	<b>Gallons</b>	<b>Revenue</b>	<b>Rate</b>	<b>Gallons</b>	<b>Revenue</b>	<b>Rate</b>	<b>Gallons</b>	<b>Revenue</b>
Single Family Residential	4.89	78,947	\$ 386,051	1.86	58,515	\$ 108,838	3.72	58,515	\$ 217,676
Multi-Family Residential	4.89	2,224	\$ 10,875	1.86	30,366	\$ 56,481	3.72	30,366	\$ 112,962
Commercial	4.89	2,834	\$ 13,858	6.21	1,215	\$ 7,545	5.15	1,215	\$ 6,257
		<b>84,005</b>	<b>\$ 410,784</b>		<b>90,096</b>	<b>\$ 172,864</b>		<b>90,096</b>	<b>\$ 336,895</b>
<b>Tier 2</b>									
Single Family Residential	8.15	24,625	200,694	6.21	101,691	\$ 631,501	5.46	101,691	\$ 555,233
Multi-Family Residential	0	-	-	6.21	3,628	\$ 22,530	5.46	3,628	\$ 19,809
Commercial	8.15	8,612	70,188	6.21	4,056	\$ 25,188	5.15	4,056	\$ 20,888
		<b>33,237</b>	<b>\$ 270,882</b>		<b>109,375</b>	<b>\$ 679,219</b>		<b>109,375</b>	<b>\$ 595,930</b>
<b>Tier 3</b>									
Single Family Residential	10.84	12,946	140,335	7.45	29,394	\$ 218,985	7.73	29,394	\$ 227,216
Multi-Family Residential	0	-	-	7.45	-	\$ -	7.73	-	\$ -
Commercial	0	-	-	7.45	7,520	\$ 56,024	6.44	7,520	\$ 48,429
		<b>12,946</b>	<b>\$ 140,335</b>		<b>36,914</b>	<b>\$ 275,009</b>		<b>36,914</b>	<b>\$ 275,644</b>
<b>Tier 4</b>									
Single Family Residential	14.41	4,110	\$ 59,225						
Multi-Family Residential	0	-	\$ -						
Commercial	0	-	\$ -						
		<b>4,110</b>	<b>\$ 59,225</b>						
<b>Tier 5</b>									
Single Family Residential	19.18	4,778	\$ 91,642						
Multi-Family Residential	0	-	\$ -						
Commercial	0	-	\$ -						
		<b>4,778</b>	<b>\$ 91,642</b>						
<b>Volumetric Revenue Subtotal</b>	<b>\$ 972,868</b>			<b>\$ 1,127,092</b>			<b>\$ 1,208,469</b>		
<b>Revenue Total</b>	<b>236,385 \$ 1,473,198</b>			<b>236,385 \$ 1,504,278</b>			<b>236,385 \$ 1,469,786</b>		

Table 14

Water Department Function Allocation Based on 2014 Expenditure Forecasts									
Expenditure Items		Source,			Billing and Meters	Management	Total		
		& Plant	Distribution						
Salaries	\$	454,076							
Unused Medical	\$	1,195							
Overtime	\$	6,974							
Sick Leave	\$	5,581							
FICA	\$	39,378							
Retirement	\$	42,946							
Life/hospital Insurance	\$	80,517							
Medical Benefit	\$	13,731							
Unemployment	\$	-							
Physical Exams	\$	100							
<b>Personnel Cost SubTTL</b>		<b>\$ 644,498</b>	\$ 212,039	\$ 318,059	\$ 31,200	\$ 83,200	\$ 644,498		
Travel and Per Diem	\$	1,500				\$ 1,500	\$ 1,500		
Professional Services	\$	34,043	\$ 17,021	\$ 17,021			\$ 34,043		
Telephone	\$	1,552	\$ 1,552				\$ 1,552		
Postage	\$	1,457			\$ 1,457		\$ 1,457		
Electricity	\$	50,150	\$ 50,150				\$ 50,150		
Water	\$	308					\$ -		
Sanitation	\$	2,262	\$ 1,131	\$ 1,131			\$ 2,262		
Sewer	\$	206					\$ -		
Water (PINCNTY)	\$	500	\$ 500				\$ 500		
Equip. Rental	\$	213		\$ 213			\$ 213		
Maint. Meters	\$	16,243			\$ 16,243		\$ 16,243		
Maint. Vehicles	\$	5,000	\$ 1,000	\$ 4,000			\$ 5,000		
Maint. BLDG	\$	4,308	\$ 4,308				\$ 4,308		
Maint Equip.	\$	8,997	\$ 8,997				\$ 8,997		
Maint- Grounds	\$	2,216	\$ 2,216				\$ 2,216		
Bad Debt	\$	400	\$ 200	\$ 200	\$ -		\$ 400		
Office Supplies	\$	1,186	\$ 395	\$ 395		\$ 395	\$ 1,186		
Operating Supplies	\$	7,359	\$ 3,680	\$ 3,680			\$ 7,359		
Lab Test	\$	12,150	\$ 12,150				\$ 12,150		
Lab Supplies	\$	7,500	\$ 7,500				\$ 7,500		
Tools	\$	2,400		\$ 2,400			\$ 2,400		
Chemicals	\$	20,400	\$ 20,400				\$ 20,400		
Uniforms	\$	1,500	\$ 500	\$ 500		\$ 500	\$ 1,500		
Protect. Cloth	\$	1,205	\$ 603	\$ 603			\$ 1,205		
Memberships	\$	1,500				\$ 1,500	\$ 1,500		
Trainings	\$	3,800	\$ 1,900	\$ 1,900			\$ 3,800		
Lab Analyzer	\$	-	\$ -				\$ -		
Computer System	\$	-				\$ -	\$ -		
Misc	\$	4,260	\$ 4,260				\$ 4,260		
FEES SS	\$	177,500			\$ 106,500	\$ 71,000	\$ 177,500		
FEES PW	\$	29,600				\$ 29,600	\$ 29,600		
FEES-Mech	\$	14,901		\$ 14,901			\$ 14,901		
Loan Repayment	\$	40,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000	\$ 40,000		
	\$	1,099,114	\$ 360,502	\$ 375,003	\$ 165,400	\$ 197,695	\$ 1,098,600		
Depreciation	\$	114,500	\$ 6,264.67	\$ 81,696.27	\$ 26,539.92		\$ 114,501		
			5%	71%	23%				
							\$ 1,213,101		

Table 15

Base 12.37, 3 Tier Function Allocation and Unitary Rate Calculation					
Revenue Requirements Cost-Based Method	FUNCTIONS				
	Source, Transmission & Plant	Distribution	Billing and Meters	Management	Total
Annual Cost by Function	\$360,500	\$375,000	\$165,400	\$197,700	\$1,098,600
% of Total Cost	33%	34%	15%	18%	100%
Annual Water Sales (Metered Units)	236,385	236,385	236,385	236,385	236,385
<b>Water Usage Per Year (1,000s of Gallons)</b>					
Operating & Maintenance per 1000 Gallons	\$1.53	\$1.59	\$0.70	\$0.84	\$4.65
Working Capital (1/8th) of O&M	\$0.19	\$0.20	\$0.09	\$0.10	\$0.58
Subtotal Working Capital Function	\$45,063	\$46,875	\$20,675	\$24,713	\$137,325
<b>Total O&amp;M Rate</b>	<b>\$1.72</b>	<b>\$1.78</b>	<b>\$0.79</b>	<b>\$0.94</b>	<b>\$5.23</b>
<b>Capital Expense</b>					
Depreciation Expense by Function	\$6,265	\$81,695	\$26,540	\$0	\$114,500
Depreciation Rate	\$0.03	\$0.35	\$0.11	\$0.00	\$0.48
Return on Equity Rate*	\$1.74	\$2.13	\$0.90	\$0.94	\$0.50
Total Cost Based Rate by Function					\$5.71
					\$6.21
<b>Return on Equity</b>					
Total Capital Assets (Net of Accumulated Depreciation)	\$ 2,372,970				
5% Rate of Return (ROR) Assumed	\$ 118,649				
ROR per thousand gallons	\$ 0.50				

\*(Netbook value x Rate of Return.) Where Net book Value= cost of asset-accumulated depreciation  
5%ROR assumed, page 23 of 2011 CAFR

## Breakdown of Rate Structures

## Staff's Recommendation

Table 16

Residential Tier Breakdown- Base at \$12.37				
Tier	Function	Units	Rate	Revenue
<b>BASE</b>	Billing & Meters	29,364	\$ 5.64	\$ 165,497
	Management		\$ 6.74	\$ 197,800
	<b>Total</b>		<b>\$ 12.37</b>	<b>\$ 363,297</b>
<b>Tier 1</b>	Working Capital (1/8th) of O&M	88,881	\$ 0.58	\$ 51,551
	Depreciation Rate		\$ 0.48	\$ 42,663
	Return on equity Rate		\$ 0.50	\$ 44,441
	Electricity and Chemicals		\$ 0.30	\$ 26,664
	<b>Total</b>		<b>\$ 1.86</b>	<b>\$ 165,319</b>
<b>Tier 2</b>	Source, Transmission & Plant	105,319	\$ 2.30	\$ 242,234
	Distribution		\$ 2.35	\$ 247,500
	Working Capital (1/8th) of O&M		\$ 0.58	\$ 61,085
	Depreciation Rate		\$ 0.48	\$ 50,553
	Return on equity Rate		\$ 0.50	\$ 52,660
	<b>Total</b>		<b>\$ 6.21</b>	<b>\$ 654,031</b>
<b>Tier 3</b>	Source, Transmission & Plant	29,394	\$ 2.76	\$ 81,127
	Distribution		\$ 2.82	\$ 82,891
	Working Capital (1/8th) of O&M		\$ 0.70	\$ 20,458
	Depreciation Rate		\$ 0.58	\$ 16,931
	Return on equity Rate		\$ 0.60	\$ 17,636
	<b>Total</b>		<b>\$ 7.45</b>	<b>\$ 219,044</b>
<b>Total Projected Residential Revenue</b>				<b>\$ 1,401,691</b>

Table 17

Commercial Tier Breakdown- Base \$24.74				
Tier	Function	Units	Rate	Revenue
<b>BASE</b>	Billing & Meters	564	\$ 11.28	\$ 6,362
	Management		\$ 13.46	\$ 7,591
	<b>Total</b>		<b>\$ 24.74</b>	<b>\$ 13,953</b>
<b>Tier 1</b>	Source, Transmission & Plant	1,215	\$ 2.30	\$ 2,795
	Distribution		\$ 2.35	\$ 2,855
	Working Capital (1/8th) of O&M		\$ 0.58	\$ 705
	Depreciation Rate		\$ 0.48	\$ 583
	Return on equity Rate		\$ 0.50	\$ 608
	<b>Total</b>		<b>\$ 6.21</b>	<b>\$ 7,545</b>
<b>Tier 2</b>	Source, Transmission & Plant	4,056	\$ 2.30	\$ 9,329
	Distribution		\$ 2.35	\$ 9,532
	Working Capital (1/8th) of O&M		\$ 0.58	\$ 2,352
	Depreciation Rate		\$ 0.48	\$ 1,947
	Return on equity Rate		\$ 0.50	\$ 2,028
	<b>Total</b>		<b>\$ 6.21</b>	<b>\$ 25,188</b>
<b>Tier 3</b>	Source, Transmission & Plant	7,520	\$ 2.76	\$ 20,755
	Distribution		\$ 2.82	\$ 21,206
	Working Capital (1/8th) of O&M		\$ 0.70	\$ 5,234
	Depreciation Rate		\$ 0.58	\$ 4,332
	Return on equity Rate		\$ 0.60	\$ 4,512
	<b>Total</b>		<b>\$ 7.45</b>	<b>\$ 56,039</b>
<b>Total Projected Commercial Revenue</b>				<b>\$ 102,725</b>

## Alternative for Comparison

Table 18

Residential Tier Breakdown- Base at \$8.57				
Tier	Function	Units	Rate	Revenue
<b>BASE</b>	Working Capital (1/8th) of O&M	29,364	\$ 4.67	\$ 137,263
	Depreciation Rate		\$ 3.90	\$ 114,501
	<b>Total</b>		<b>\$ 8.57</b>	<b>\$ 251,764</b>
<b>Tier 1</b>	Source, Transmission & Plant	88,881	\$ 1.53	\$ 135,988
	Distribution		\$ 1.58	\$ 140,432
	Billing & Meters		\$ 0.70	\$ 62,217
	Management		\$ 0.84	\$ 74,660
	Subtotal		\$ 4.65	\$ 413,297
	20% Rate Discount		\$ (0.93)	\$ 82,659
	<b>Subtotal After Discount</b>		<b>\$ 3.72</b>	<b>\$ 330,637</b>
<b>Tier 2</b>	Source, Transmission & Plant	105,319	\$ 1.53	\$ 161,138
	Distribution		\$ 1.58	\$ 166,404
	Billing & Meters		\$ 0.70	\$ 73,723
	Management		\$ 0.84	\$ 88,468
	Return on equity Rate		\$ 0.80	\$ 84,255
	<b>Total</b>		<b>\$ 5.45</b>	<b>\$ 573,989</b>
<b>Tier 3</b>	Source, Transmission & Plant	29,394	\$ 1.53	\$ 44,973
	Distribution		\$ 1.58	\$ 46,443
	Billing & Meters		\$ 0.70	\$ 20,576
	Management		\$ 0.84	\$ 24,691
	Return on equity Rate		\$ 0.80	\$ 23,515
	<b>Total</b>		\$ 5.45	\$ 160,197
	20% Conservation Modifier		\$ 2.81	\$ 82,597
	<b>Overall Fee</b>		<b>\$ 8.26</b>	<b>\$ 242,794</b>
<b>Total Projected Residential Revenue</b>				<b>\$ 1,399,184</b>

Table 19

Commercial Tier Breakdown- Base at \$17.15				
Tier	Function	Units	Rate	Revenue
<b>Base</b>	Working Capital (1/8th) of O&M	564	\$ 9.35	\$ 5,273
	Depreciation Rate		\$ 7.80	\$ 4,398
	<b>Total</b>		<b>\$ 17.15</b>	<b>\$ 9,671</b>
<b>Tier 1</b>	Source, Transmission & Plant	1,215	\$ 1.53	\$ 1,859
	Distribution		\$ 1.58	\$ 1,920
	Billing & Meters		\$ 0.70	\$ 851
	Management		\$ 0.84	\$ 1,021
	Return on equity Rate		\$ 0.50	\$ 608
	<b>Total</b>		<b>\$ 5.15</b>	<b>\$ 6,257</b>
<b>Tier 2</b>	Source, Transmission & Plant	4,056	\$ 1.53	\$ 6,206
	Distribution		\$ 1.58	\$ 6,408
	Billing & Meters		\$ 0.70	\$ 2,839
	Management		\$ 0.84	\$ 3,407
	Return on equity Rate		\$ 0.50	\$ 2,028
	<b>Total</b>		<b>\$ 5.15</b>	<b>\$ 20,888</b>
<b>Tier 3</b>	Source, Transmission & Plant	7,520	\$ 1.91	\$ 14,382
	Distribution		\$ 1.98	\$ 14,852
	Working Capital (1/8th) of O&M		\$ 0.88	\$ 6,580
	Depreciation Rate		\$ 1.05	\$ 7,896
	Return on equity Rate		\$ 0.63	\$ 4,700
	<b>Total</b>		<b>\$ 6.44</b>	<b>\$ 48,410</b>
<b>Total Projected Commercial Revenue</b>				<b>\$ 85,227</b>

# Summary

To: Infrastructure Board  
Cc:  
From: Micah Badana  
Subject:  
Date: 04/07/2014

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**Summary:** Town staff completed a comprehensive study of the water utility's rate structure.

**Previous Board Action:** None.

**Background/Problem Discussion:** The water department has experienced negative net operating income at an annual average loss of \$ (331,108) over the past five years. If the town decides to retain its water department the town must re-assess the current rate structures and increase revenue.

**Financial Implications:** If rates are not redesigned then the Water Department will continue to run at a deficit.

**Recommendation:** Staff has evaluated various rate scenarios and recommends a structure exhibiting the following characteristics:

- 1) A universal base charge that everyone pays,
- 2) Three rate tiers,
- 3) A structure that makes basic water needs affordable and
- 4) A structure that sends a conservation price message to high consumers.

i. Residential:

- A universal base fee of \$12.37 for all residential customers
- A rate charge of \$1.86 per 1,000 gallons for consumption between 0 and 4,000 gallons
- A rate charge of \$6.21 per 1,000 gallons for consumption between 4,001 and 25,000 gallons
- A rate charge of \$7.45 per 1,000 gallons for consumption of 25,001 gallons and above

ii. Commercial:

- A universal base fee of \$24.74 for all commercial customers
- A rate charge of \$4.67 per 1,000 gallons for consumption between 0 and 25,000 gallons
- A rate charge of \$5.85 per 1,000 gallons for consumption of 25,001 gallons and above

**Proposed Motion:**

## Summary

To: Infrastructure Board  
From Micah Maxwell, Town Manager  
Subject: Role of the Infrastructure Board  
Date: 04/2/2014

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**Summary:** As part of the Commission's annual review of its policies and procedures, staff is reviewing the role of citizen boards as it relates to town business and looking to make changes if needed.

**Previous Board Action:** None

**Background/Problem Discussion:** The town has not recently reviewed the roles and duties of the different citizen boards in the town. Staff has gathered the documents that provide various duties and responsibilities for the Historic Preservation board.

**Resolution 2010-55** – This resolution identifies the main duties and responsibilities of the Infrastructure board, which are listed below.

1. Review and Analyze the present and future infrastructure needs of the Town of Belleair to identify short term and long term needs.
2. Conduct surveys and fact finding studies as requested by the Town Commission
3. Make recommendations to the commission on issues that become before the board.

**Resolution 95-13** – This resolution identifies the role of the board advisor to the commission.

1. Serve as Chair pro-tem when necessary;
2. Keep the Board informed of Town matters that are related to the duties and responsibilities of the Board;
3. Is the instrument through which the Board asks for assistance or guidance from the Commission;
4. Shall not vote, hold office nor actively participate in the decision making process of the Board.

**Alternative/Options:**

1. Recommend changes to resolution 2010-55 to the commission
2. Do nothing

**Financial Implications:** N/A

**RESOLUTION NO. 2010-55**

**A RESOLUTION OF THE TOWN OF BELLEAIR, FLORIDA,  
ESTABLISHING THE INFRASTRUCTURE BOARD;  
APPOINTING MEMBERS THERETO; AND SETTING  
FORTH ITS DUTIES AND RESPONSIBILITIES.**

**WHEREAS**, the Town Commission of the Town of Belleair is desirous of establishing the Infrastructure Board; and

**WHEREAS**, the membership of the Infrastructure Board shall be comprised of five members; and

**WHEREAS**, the Commission further establishes the duties and responsibilities for the Infrastructure Board.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF BELLEAIR, FLORIDA:**

**Section 1.** That the Infrastructure Board is hereby established to serve in an advisory capacity, to make recommendations on matters set forth herein. The substantive duties and responsibilities of the Infrastructure Board shall be governed by the following provisions:

(a) The Infrastructure Board shall continually review and analyze the present and future infrastructure needs of the Town, as well as short and long term infrastructure planning.

(b) The Infrastructure Board shall conduct surveys and fact-finding studies as requested by the Town Commission.

(c) All recommendations by the Infrastructure Board for action by the town shall be made to the Town Manager, who in turn shall furnish such reports to the Town Commission

**Section 2.** That all Resolutions or parts of Resolutions in conflict with Section I above also are to the extent of such conflict hereby repealed.

**Section 3.** The procedural Rules and Regulations of Resolution 95-13 shall apply to the Infrastructure Board.

**PASSED AND ADOPTED** by the Town Commission of the Town of Belleair, Florida,  
this 21<sup>st</sup> day of **DECEMBER, A.D., 2010.**



Mayor

**ATTEST:**

Anna Carlen  
**Town Clerk**

presently developing and constantly changing, in conducting such hearings the town commission and administrative boards will abide by rules and procedures adopted by the town commission and set forth in full in appendix C of this Code. Appendix C shall be amended as provided therein by resolution.

(Ord. No. 357, § 1, 4-18-95; Ord. No. 399, § 1, 11-20-01)

**Secs. 66-17—66-40. Reserved.**

## ARTICLE II. BOARDS, COMMITTEES AND COMMISSIONS

### DIVISION 1. GENERALLY

#### **Sec. 66-41. Purpose.**

The boards and agencies described in this article are created to administer the provisions of this land development code under the authority prescribed by this Code, the town Charter and state law.

(Ord. No. 300, § III(13.00.00), 11-7-90; Ord. No. 399, § 1, 11-20-01)

#### **Sec. 66-42. Citizen boards.**

All citizen boards created to administer this land development code shall be governed by the following provisions:

- (1) Membership; organization; funding.
  - a. Each board shall have no more than seven members appointed by the town commission.
  - b. Each member shall reside in the town.
  - c. When a position becomes vacant before the end of the term, the town commission shall appoint a substitute member to fill the vacancy for the duration of the vacated term. A member whose term expires may continue to serve until a successor is appointed and qualified.
  - d. Members may be removed without notice and without assignment of cause by a majority vote of the town commission.
  - e. The members of each board shall annually elect a chair and vice-chair from among the members and may create and fill other offices as the board deems needed.
  - f. Each board shall create whatever subcommittees it deems needed to carry out the purposes of the board.
  - g. The chair of the board shall annually appoint the membership of each subcommittee from the members of the board.

- h. The manager shall appoint a town employee to serve as secretary to the board, recorder and custodian of all board records.
  - i. Members shall not be compensated, but may be paid for travel and other expenses incurred on board business under procedures prescribed in advance by the town commission.
  - j. The town commission shall appropriate funds to permit each board to perform its prescribed functions.
  - k. If any member fails to attend three successive meetings, the board shall notify the town commission.
- (2) Rules of procedure; meetings.
- a. Each board shall adopt rules of procedure to carry out its purposes. All rules must conform to this land development code, other town ordinances and state law.
  - b. Each board shall meet at least once each calendar month, unless cancelled by the board or its chair, and more often at the call of the chair or the town commission.
  - c. Each board shall keep minutes of its proceedings, indicating the attendance of each member and the decision on every question.
  - d. Four members shall constitute a quorum.
  - e. Each decision of a board must be approved by a majority vote of the members present at a meeting in which a quorum is in attendance and voting.

(Ord. No. 300, § III(13.01.00), 11-7-90; Ord. No. 363, § 1, 3-19-96; Ord. No. 399, § 1, 11-20-01)

**Secs. 66-43—66-60. Reserved.**

## DIVISION 2. BUILDING BOARD OF ADJUSTMENT AND APPEALS

**Sec. 66-61. Established; membership.**

There is hereby established the building board of adjustment and appeals, also referred to in this article as the building board, which shall consist of five members. The membership of the board shall be composed of one architect, one general contractor or engineer, and three members at large from the building industry. The members shall be appointed by the town commission.

(Code 1980, § 6-52; Ord. No. 399, § 1, 11-20-01)

**Sec. 66-62. Term of office; removal of members.**

- (a) The members of the initial building board shall be appointed as follows:
  - (1) Two members of the initial board shall be appointed for a term of one year; and
  - (2) Three members shall be appointed for a term of two years.

**RESOLUTION NO. 95-13**

**A RESOLUTION OF THE TOWN OF BELLEAIR, FLORIDA,  
ESTABLISHING RULES AND REGULATIONS FOR ALL ADVISORY  
BOARDS AND REGULATORY BOARDS CREATED BY THE BELLEAIR  
TOWN COMMISSION.**

**WHEREAS**, Article II, TOWN COMMISSION, Section 2.08 of the Belleair Charter provides for the Commission to appoint by resolution or ordinance such advisory boards or regulatory boards as it deems necessary; and

**WHEREAS**, said resolution or ordinance shall define the terms of appointment, the function, duties and authority of any Board created.

**NOW, THEREFORE BE IT RESOLVED BY THE TOWN COMMISSION OF THE TOWN OF BELLEAIR:**

**Section I.** That all boards created shall be governed by the following provisions:

**(1) Membership: Organization:**

- a) Each Board shall have no more than seven voting members appointed by the Commission.
- b) Each member shall be appointed for a two-year term. In order to provide continuity, a majority number of members shall be appointed in odd numbered years and a minority number of members shall be appointed in even numbered years. (Example - on a 7-member board, 4 members will be appointed in odd numbered years, and 3 will be appointed in even numbered years)
- c) When a position becomes vacant before the end of the term, the Town Commission shall appoint a substitute member to fill the vacancy for the duration of the vacated term. A member whose term expires may continue to serve until a successor is appointed and qualified.
- d) If any member fails to attend three successive meetings, the Board shall notify the Town Commission.
- e) Members may be removed without notice and without assignment of cause by a majority vote of the Town Commission.
- f) The members of each Board shall annually elect a Chair, Vice-Chair and Secretary from among the members and may create and fill other offices as the Board deems necessary.
- g) The Town Manager may appoint a Town employee to serve as Secretary to a Board as he deems necessary.
- h) The Town Clerk is custodian of all Board records.
- i) Each Board shall create whatever sub-committees it deems necessary to carry out the purposes of the Board.
- j) The Chair of the Board shall annually appoint the membership of each sub-committee from members of the Board.
- k) The Commission may appoint a consultant(s) to a Board. A consultant may not vote or hold office.

- l) The Mayor shall appoint a member of the Town Commission to serve as Commission Advisor to the Board. The Advisor shall serve as Chair pro-tem when necessary; shall endeavor to keep the Board informed of Town matters that are related to the duties and responsibilities of the Board; may be the instrument through which the Board asks for assistance or guidance from the Town; and provided further that the Commission Advisor shall not vote, hold office nor actively participate in the decision making process of the Board.
- m) An appointed member of any Board must resign from said Board if the member is elected to the Town Commission. The resignation to be effective no later than the date the Commission begins.

**(2) Rules of Procedure: Meetings:**

- a) Each Board shall adopt rules of procedure to carry out its purposes. All rules must conform to the Town Charter, Town Ordinances and State Law. In the absence of specific rules, Robert's Rules of Order, (current edition) shall govern the deliberations of the Board.
- b) Each Board shall meet at regular intervals, such meetings to be called by the Town, the Board Chair, or scheduled by the Board.
- c) Minutes of all Board meetings shall be kept, indicating the attendance of each member and the decision on every question. The minutes are to be approved by the Board at the next meeting and original signed copies of such minutes shall be filed with the Town Clerk immediately.
- d) A majority of the members shall constitute a quorum.
- e) Each decision of a Board must be approved by a majority vote of the members present at a meeting in which a quorum is in attendance and voting. Each vote shall be recorded in the minutes of the meeting.

**Section II.** That if any portion of this resolution is in conflict with the Town Code, the Town Code shall prevail for the named Board only.

**PASSED AND ADOPTED BY THE TOWN COMMISSION OF THE TOWN OF BELLEAIR, FLORIDA, this 4TH day of APRIL, A.D., 1995**

  
\_\_\_\_\_  
MAYOR

**ATTEST:**

  
\_\_\_\_\_  
TOWN CLERK