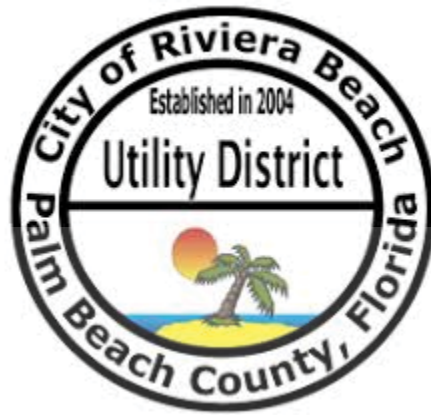


The Future of the Utility and Water Treatment Plant



“ The City of Riviera Beach has been working diligently over the last year to deliver a state-of-the-art water treatment facility. The existing facility is approaching the end of its useful life. We must move forward with a water treatment plant that can deliver the quality product we don't expect but demand. We encourage you to stay connected with us, so that you know what is being done to meet this need. We are determined to provide you with opportunities to engage with us on important topics like this. ”

– **Jonathan Evans**, City Manager, MPA, MBA, ICMA-CM

PUBLIC NOTICE TO ALL UTILITY CUSTOMERS

In accordance with Chapter 180.136 Florida Statutes, the Utility Special District (District), Riviera Beach, Florida, hereby provides notice that the District will hold a public hearing to consider a rate increase of 6% increase for four consecutive years.

The public hearing is scheduled to take place on Wednesday, October 20, 2021, at 5:30 PM, at the Riviera Beach Marina Village Event Center, 190 E 13th Street, Riviera Beach, FL 33404. The purpose of the hearing is to solicit public comments regarding the proposed changes to the District's water monthly rates and fees. For additional information, you may contact the Utility Special District at **561-845-4185** or **utilities@rivierabeach.org**.

Why a Proposed Rate increase?

The Utility Special District is working to provide the very best water to its customers by addressing issues such as color and hardness residue. Although improvements are underway to address these concerns staff is consistently challenged as a result of three (3) fundamental circumstances:

- ☑ The plant was constructed in 1958 (63 Years Old)
- ☑ The equipment is out-of-date and has surpassed its useful life.
- ☑ The treatment technology is outdated and it relies heavily on chemical usage.

Ten Year Utility System CIP Spending History

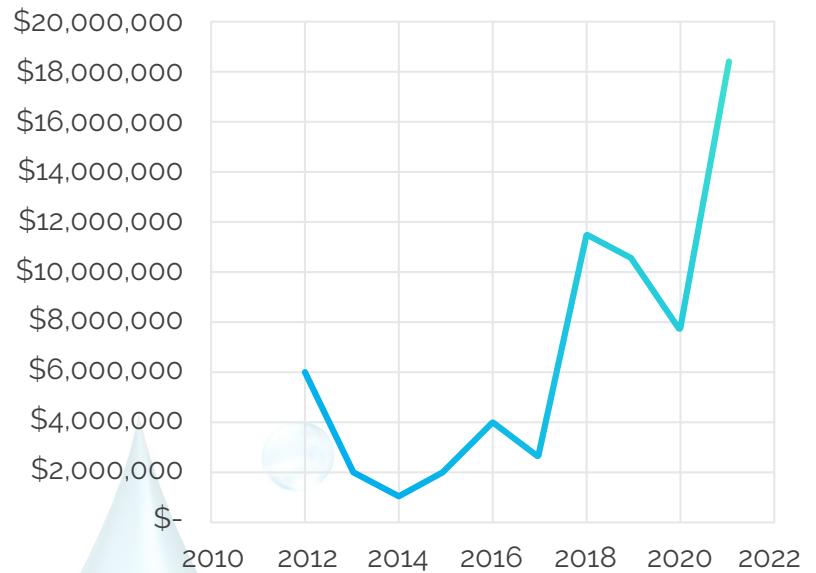


FIGURE 1

As depicted in **Figure 1** the District intends to make up for the last ten (10) years of insufficient capital investment and undertake at least \$60 million of overdue improvements in the next five (5) years, to include:

- ☑ Rehabilitation and replacement of lift stations, including LS 19 and LS 47, in concert with groundwater wells.
- ☑ Critical improvements to the existing water treatment plant.
- ☑ Rehabilitation and replacement of water and sewer mains.

With these issues in mind, a new membrane treatment facility is being planned with an estimated cost of between \$110 - \$120 million. Accordingly, the District has begun the process to replace the outdated water treatment plant with a new membrane facility just as other nearby utilities have done such as Seacoast Utility Authority, Village of Gulf, Palm Beach County, Town of Highland Beach, Town of Jupiter and Town of Manalapan.

Further, in comparison to the existing lime softening treatment process, a membrane treatment system would:

- ☑ Produce drinking water with little to no color.
- ☑ Utilize state-of-the-art automated processes.
- ☑ Reduce chemical use.
- ☑ Create the opportunity for a new water supply to foster future economic growth.



Recommendation of the Rate Increase

The District engaged the services of a rate consultant and the results of the rate study were presented to the District in June of 2020. Over the summer, and before the District's annual budget was adopted, the Board was provided two additional presentations on the proposed rate changes. The rate adjustment was also discussed at several budget workshops. The conclusion of the consultant is, in order for the District to derive sufficient funds to meet operating costs and the needed capital initiatives, an increase to water rates would be needed for each year until 2025. The fiscal impact to the average residential customer is \$2-\$4 per month per year. As an example, a customer with a monthly water and wastewater bill of \$69.21 would for the first year see an increase to \$73.38

See Figure 2 to see how a rate increase would affect an example bill.

Proposed Rate Adjustments - Riviera Beach, FL

Year	2022	2023	2024	2025
Total Rate Adjustment	6.00%	6.00%	6.00%	6.00%
Current Sample Water and Wastewater at 6,000 Gallons Usage	\$ 69.21	\$ 73.38	\$ 75.72	\$ 78.20
Increase to Sample Monthly Bill	\$ 4.17	\$ 2.34	\$ 2.48	\$ 2.63
Proposed Sample Monthly Bill	\$ 73.38	\$ 75.72	\$ 78.20	\$ 80.83

FIGURE 2



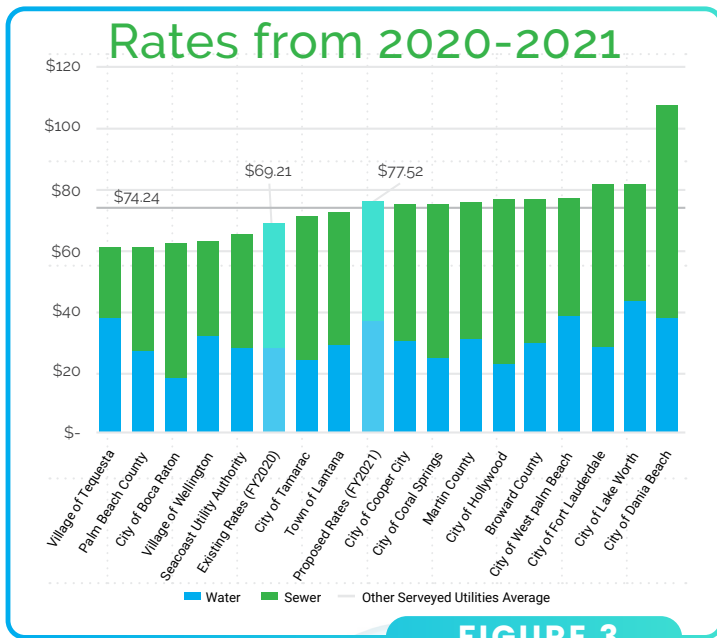


FIGURE 3

Rate Comparisons

The District's water and wastewater rates are currently in the bottom third as compared to other area utilities. The average District customer pays \$69.21 per month. The average utility bill in the area is \$74.24. If the rate increased as proposed, is adopted, the average District customer will pay \$77.52 per month in year one of the four-year implementation. The rate change will increase the amount of the available annual credit from the Utility Assistance Program, from \$320 to \$428.

The recommended rate increase will only impact the rates charged for water services, and will not alter the rates currently in effect for wastewater. **It's important to note that rates also increase at other utilities in cities across the U.S. as the years progress.** Which is done in an effort to cover costs to optimally operate and produce quality water.

See Figure 3

Paying the Debt of a New Water Treatment Plant

Currently the District has \$57 million in outstanding debt. The debt is attributable to the creation of the District and previous capital improvement projects. To construct a new water treatment plant, additional debt will need to be borrowed.

As a condition to issuing debt, the debt holders require the revenues available to pay debt service to be 25% greater than the debt service requirement. Financial performance that generates an amount greater than the 25% leads to lower interest rates and savings to the customer. The red line indicates the requirement; the green line indicates the preferred target.

See Figure 4

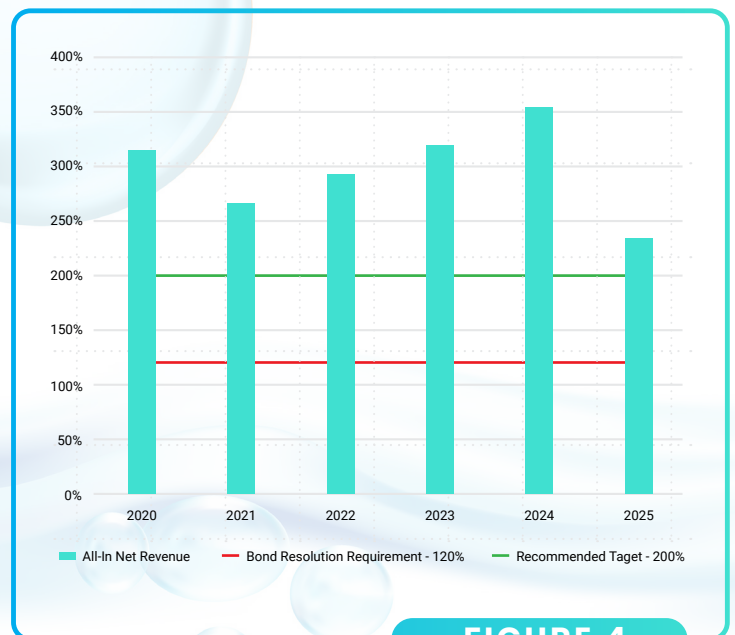


FIGURE 4



City of Riviera Beach
Utility Special District

Office: 561-845-4185
utilities@rivierabeach.org

Meeting the Utility's Capital and Operating Expenses

The District engaged the services of a rate consultant to establish revenue requirements to meet the capital needs and the projected increases in operating costs. The consultant uses the District's historical data and projects forward for a five-year period to determine the revenue requirements. Spending is anticipated to grow from an annual amount of \$26 million in fiscal year 2020 to \$37.5 million in fiscal year 2025, due to an increase in operating costs of 21% over the five-year period plus a 160% or \$7 million increase to fund the debt service for the capital improvements including the new water treatment plant.



FIGURE 5

Therefore, the rate increase helps to ensure that the District has the means to borrow the money needed for the new water treatment plant, while continuing to have the necessary funds to sufficiently manage operations for the years to come.

See Figure 5

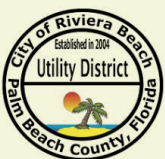
For more information and details on upcoming community meetings on the proposed utility rate increase, visit rivierabeach.org/water.

For any questions, contact us at **561-845-4185** or utilities@rivierabeach.org

Follow our social media



In accordance with the Americans with Disabilities Act of 1990, persons needing special accommodations to participate in the proceedings should contact the Riviera Beach Special Utility District at 561-845-4185 no later than 96 hours prior to the proceedings. If hearing impaired, telephone the Florida Relay Services 1-800-955-8771 (TDD) or 1-800-955-8770 (Voice) for assistance.



**City of Riviera Beach
Utility Special District**

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