



Surface Water Utility Update

Public Works Department
Kelli Hammer Levy
Public Works Director



Agenda

1. Program History
2. Level of Service & Accomplishments
3. Financial Planning
4. Major Drainage Survey



Community Flooding



Water Quality



Infrastructure Failures

2011 – 2013 Comprehensive Surface Water Management Initiative

- Understand Existing Level of Service (LOS)
- Identifying Program Gaps
- Opportunities for Improvement
- Developing Goal-Based LOS Alternatives and Associated Costs
- Develop rate structure to support adopted LOS

Surface Water Assessment

- Adopted in FY14
- Program achieved approved LOS since inception and surpassed in some areas
- Efficiencies achieved to maximize ROI
- Grant funding has offset expenditures in some areas
- Current fund forecast is not sustainable

Surface Water Program Level of Service



Level of Service	Program Management	NPDES Permit Non-O&M Compliance	NPDES Permit O&M Compliance
A	Comprehensive Planning + Full Implementation Capabilities	Exemplary Permit Compliance	Fully Preventative/100% Routine
B	Pro-Active Planning + Systematic CIP Implementation Capabilities	Pro-Active Permit Compliance	Mixture of Routine and Inspection Based
C	Priority Planning + Partial CIP Implementation Capabilities	Minimal Permit Compliance	Inspection Based
D	Reactionary Planning + Minimal CIP Implementation Capabilities	Below Minimum Permit Compliance	Responsive Only (Complaint-based)
F	No Planning + No CIP Implementation Capabilities	Non-Compliance	Less than full response to all complaints

2013
Adopted
LOS C+/B-

Prior LOS
C-/D-

Focus Areas & Key Accomplishments Since 2014 (Stantec, 2024)



Program Management Current LOS

B

✓	Watershed Planning
✓	Stormwater Technical Committee
✓	Comprehensive Plan/Land Development Code
✓	Stormwater Manual
✓	Fertilizer & Landscape Ordinance
✓	CRS Rating Class 2
✓	Asset Management Plans
✓	APWA Accreditation

NPDES Non-O&M Compliance Current LOS

B

✓	Floodplain Management
✓	Program for Public Information
✓	Water Quality Monitoring
✓	Impaired Waters Restoration Plans
✓	Reasonable Assurance Plans
✓	Adopt-A-Pond
✓	Resilient Pinellas Plan
✓	Flood Resiliency Tool

NPDES O&M Compliance Current LOS

C+/B-

✓	Inspections & Maintenance of Permitted Facilities
✓	Proactive Maintenance on Closed & Open Systems
✓	Replacing Failed Corrugated Metal Pipe
✓	Increased Street Sweeping
✓	Fertilizer & Landscape Ordinance
✓	GIS-based Asset Inventory
✓	Work Order Management System

Financial Planning Observations & Considerations (Stantec, 2024)



Background

- Fee adopted in 2013 at \$116 with an increase of 1.5% (\$117.74) in FY18 and 3% in FY24 & FY25. Current fee is \$124.91.
- Provides funding for personnel, operations/maintenance, and minor capital outlay.

Observations

- Revenue generated by fee has not kept up with increasing costs.
- \$23.2M estimated revenue in FY25 will not fully fund operating expenses of \$24M.

Key Issues

- Expenses are increasing due to inflation, personnel, fuel/supply escalated costs.
- Aging infrastructure is a priority to address resiliency of system.
- Water quality compliance is an on-going and pressing issue.

Financial Management Plan (Stantec, 2025)



Fund cash flow needs now and into the future

- Salaries/benefits
- Operating supplies and equipment
- System maintenance and repairs
- Permit compliance
- Planning and customer service

Maintain adequate cash reserves

- Minimum ~2 months

No growth anticipated

- Equivalent Residential Units remaining constant

10-Year Expenditure Forecast

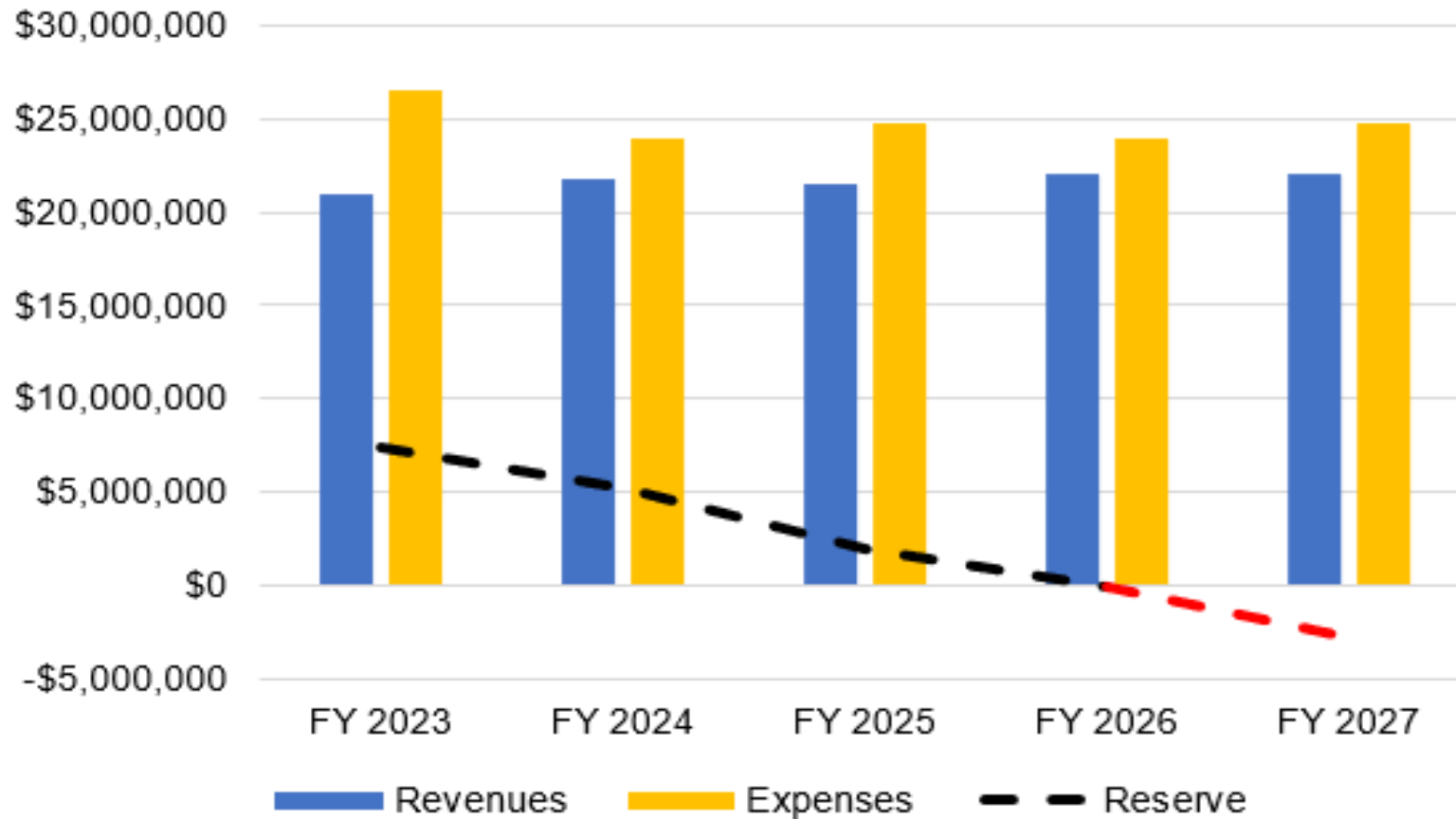


37%
Personnel

58% Operations &
Maintenance

5% Minor
Capital Repairs

Expenses Exceeding Revenues (Stantec, 2024)



- Revenues include 3% rate increase annually up to maximum \$128.66 in FY26 (Resolution 17-63)
- Average annual difference between revenues and expenses is approximately to \$3M

Initial Alternatives for Annual Rate Adjustments with Supplemental Funding



4-Year Plan

Future Projections

Alternative	FY 25	FY 26	FY 27	FY 28	FY 29 – FY 33	Estimated Payback
#1	12%	4%	4%	4%	4%	
Borrowing	-	-	-	-	-	NA
#2	9%	6%	4%	4%	4%	
Borrowing	\$500K	\$100K	-	-	-	FY 29
#3	9%	4%	4%	4%	4%	
Borrowing	\$500K	\$500K	\$450K	\$300K	-	FY 33
#4	4%	4%	4%	4%	4%	
Borrowing	\$1.5M	\$1.6M	\$1.5M	\$1.4M	\$3.7M	Likely Never
#5	5%	5%	5%	5%	5%	
Borrowing	\$1.3M	\$1.2M	\$850K	\$500K	-	FY 33

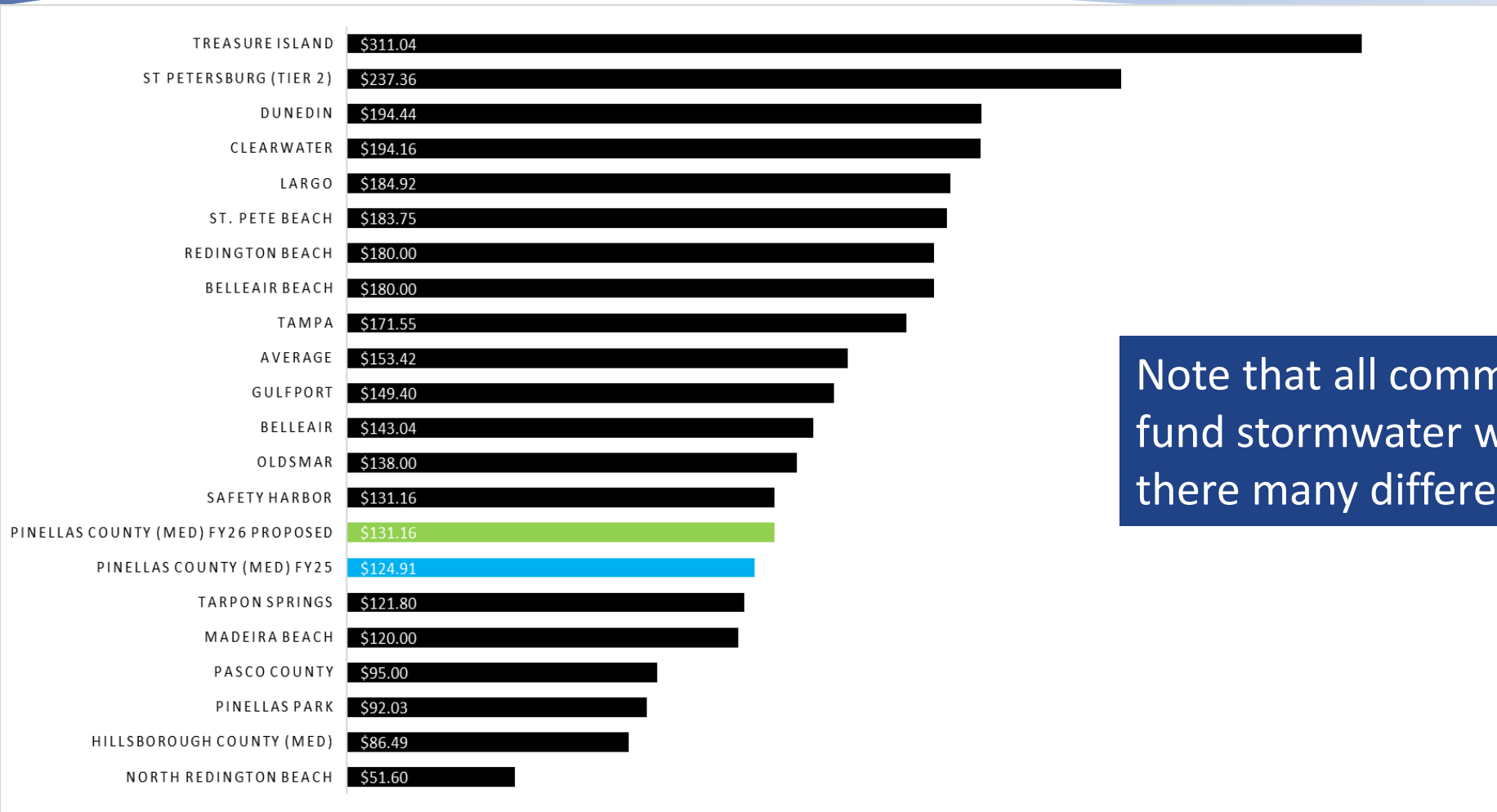
FY25 Annual Rate Adjustment with Supplemental Funding



Scenario	FY24 Supplemental Funding	FY25 Supplemental Funding	Total Supplemental Funding	FY25	FY26	FY27	FY28	FY29 - FY33
FY 24 Selected Alternative	\$2,750,000	\$1,350,000	\$4,100,000	3%	5%	5%	5%	5%

	FY25 (current)	FY26	FY27	FY28	FY29	FY30	FY31	FY32
Proposed Rate		5%	5%	5%	5%	5%	5%	5%
Medium Home Rate	\$ 124.91	\$131.16	\$137.71	\$144.60	\$151.83	\$159.42	\$167.39	\$175.76

Annual Medium Home Comparison



Note that all communities do not fully fund stormwater with the fee and there many differences in ERU size.

Key Observations & Guidance (Stantec, 2024)

Current revenue level not sustainable.

Significant rate adjustment needed near term to catch up with increasing costs.

Annual 5% indexing to address future inflationary pressure.

Update financial plan annually to account for changes in expenses.

Rates are comparable to peer communities.



Major Drainage System Level of Service

Explored municipal interest to collaborate on major drainage maintenance via survey (completed Fall of 2024), identified:

- Maintenance, frequency and current level of service (LOS)
- Estimated cost of achieving the LOS

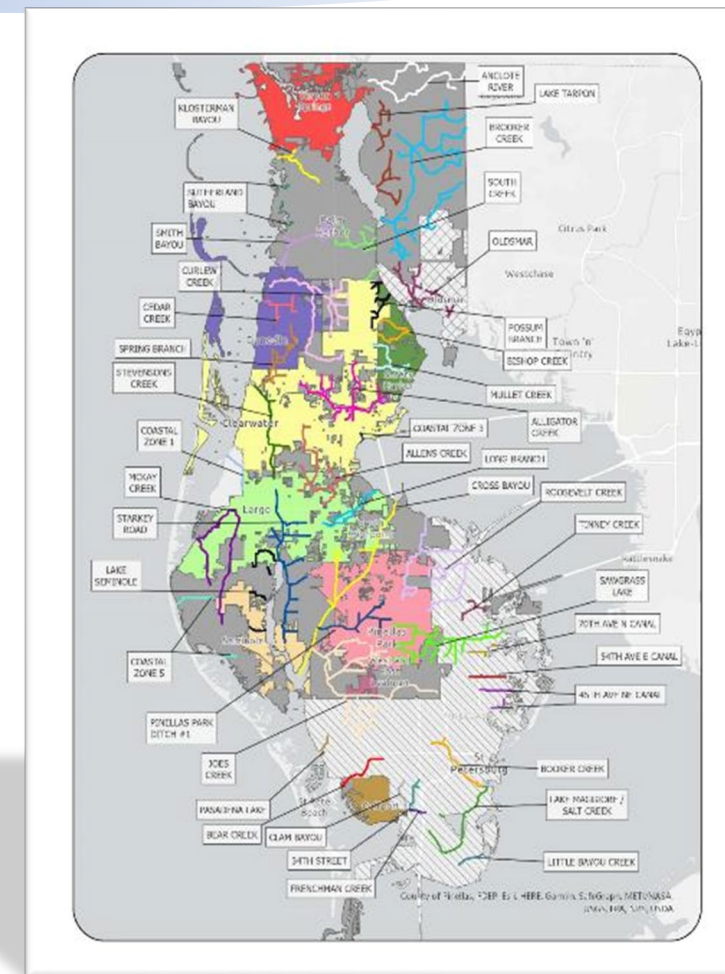
Calculated average linear foot costs for major drainage and potential contribution for major drainage channels within municipal jurisdiction.



Major Drainage System Discussions

Breakout meetings: Clearwater, Dunedin, Largo, Safety Harbor and Tarpon Springs where major drainage collaboration opportunities may exist if funding and resources were in place:

- Mechanisms for shared work such as Interlocal Agreements
- Opportunities include ditch bank maintenance, sediment removal, sediment sump maintenance and street sweeping activities.
- Recommendations to maintain regular communications, follow up on maintenance activities and needs, sharing resources and manpower.
 - Acknowledgement that current capabilities are limited.



Next Steps in Fee Adoption Process



Update the Rate Resolution



Incorporate into FY26 budget



Monitor and update annually