

Utilities Department

Department Purpose:

Pinellas County Utilities (PCU) distributes clean drinking water, collects and treats wastewater, and delivers reclaimed water to Pinellas County residents and visitors. PCU operates and maintains two wastewater treatment facilities and one water treatment facility to provide services to over 112,000 water customers, approximately 84,000 sewer customers, and over 23,000 reclaimed water customers.

Department Executive Summary:

The Utilities Strategic Plan was revised for 2021 to align with BCC and County priorities and initiatives. In FY21, PCU has continued to see low customer disruptions for both sewer and water. This allows for not only improved customer service, but also safe product availability. The PCU customer service call center also continues to be at or below its target ceiling for dropped calls, however, average call wait times have experienced above target (one minute 37 seconds) figures due to vacancies in the department. The department also experienced higher call volumes in late 2020 due to deferred Utility bill customers calling to make their payments.

PCU is currently updating the Water System Master Plan, which will result in a Comprehensive System Assessment; with a long-term prioritized Capital Improvement Program (CIP) plan. Master plans for SCADA and the South Cross Bayou Treatment Facility will be completed within the year. The Wastewater Collection System Management Program is also in the process of development and was presented at the May 6th Board work session. The program will address Sanitary Sewer Overflows (SSOs) mitigation strategies and evaluate policy options for private sewer laterals.

The FY22 budget request does not include decision packages, and the number of positions remains at the FY21 adopted level of 429.9 FTEs. Utilities is partnering with the Pinellas County Sheriff's Office to initiate the Jail-to-Job Pipeline Program. The program will be aimed at recruiting exiting jail inmates for hard-to-fill positions within the Maintenance Division.

Staffing Summary:

Staffing Summary by Program					
	FY18	FY19	FY20	FY21	FY22
Water Program	193.2	200.7	203.8	204.6	204.6
Sewer Program	216.9	218.0	220.4	220.8	220.8
Solid Waste Site	4.3	4.3	4.3	4.5	4.5
Total Utilities FTE	414.4	423.0	428.5	429.9	429.9

Utilities Department

Department Total Budget Summary:

Revenues

- On May 19, 2019, the Board approved a rate plan for FY20 through FY23 that included annual increases in water, sewer, and reclaimed water service rates.
 - Retail and wholesale water (1.0% increase each year),
 - Retail and wholesale sewer (9.5% increase each year), and
 - Retail and wholesale reclaimed water (varies over four years), with a 5.9% increase in FY22.
- The next Rate Study for Water and Sewer is scheduled to begin in 2022 and finish in early 2023, so recommendations can be presented for FY24-FY27 rates.
- There are no proposed changes to Water or Sewer User Fees for FY22. The current structure and fees chart is included in the attachments. The department is currently conducting a comprehensive review of its user fees, and recommendations are expected for development of the FY23 proposed budget.
- The total combined Water and Sewer revenues for FY22 total \$191.5M, a \$6.6M (3.6%) increase over the FY21 adopted budget. The increase reflects the annual rate increase in retail and wholesale sewer rates. See Attachment 2 for the combined department, water program, and sewer program budget summary reports.

Operating Expenditures

- Personal Services: The total requested FY22 budget for Utilities salaries and benefits increased \$1.0M (2.7%) over the FY21 adopted budget. It reflects a general wage increase across County departments and implementation of the career ladder initiative.
- Operating Expenses: The requested FY22 budget for total operating expenses increased \$2.9M (3.2%) over the FY21 adopted budget. The increase is largely due to consulting services for the Wastewater Collection System Program Management initiative, as noted in the Sewer Program summary below.
- Capital Outlay: The increase of \$1.7M for the purchase of Vehicles and Heavy Equipment is driven by the Vehicle Replacement Plan (VRP). The budget fluctuates with the replacement schedule from year to year.
- The total combined Water and Sewer operating expenditures for FY22 total \$152.1M, a \$5.1M (3.4%) increase over the FY21 adopted budget. See Attachment 2 for the combined department, water program, and sewer program budget summary reports.

Utilities Department

CIP Expenditures

- The total combined Water and Sewer CIP budget request for FY22 totals \$85.9M, a \$6.7M (8.4%) increase over the FY21 adopted budget. See Attachment 2 for the combined department, water program, and sewer program budget summary reports. Attachments 3 and 4 provide the proposed 6-Year Water and Sewer CIP Plans.

Department Efficiencies

- Increased level of service with the implementation of immediate customer notification of service outages and anticipated repair work timeline through Everbridge messaging (phone calls and text messages).
- Cost of service project began in early 2021 to assess costs for operational functions across the department, with the expected result allowing PCU to enhance operational efficiency and examine costs of operational functions in a global manner.
- Began a hybrid remote work schedule, with office sharing, to reduce office space needs and increase productivity.
- A new project management information system is being implemented to standardize CIP project management methods used by staff and to improve project tracking. The system will provide a unified location for all tangible project elements, increasing a project manager's ability to organize a project, identify risks, and maintain budgets and schedules.

Water Program Budget Summary

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Request	Budget to Budget Change	Budget to Budget Change
Total Revenues	93,478,548	95,436,713	94,599,479	93,326,710	93,846,990	93,512,000	185,290	0.2%
Personal Services	13,454,423	14,070,627	15,008,273	17,731,290	16,446,320	18,162,220	430,930	2.4%
Operating Expenses	55,445,897	58,734,359	57,454,492	60,286,200	58,582,202	61,219,470	933,270	1.6%
Capital Outlay	1,602,098	1,725,232	2,211,477	300,860	265,334	990,500	689,640	229.2%
Water CIP*	8,111,629	10,206,835	11,532,380	29,142,200	17,967,400	27,547,500	(1,594,700)	-5.5%
Debt Service	28,795	86,973	154,757	150,000	150,000	20,000	(130,000)	-86.7%
Total Expenses	78,642,842	84,824,026	86,361,379	107,610,550	93,411,256	107,939,690	329,140	0.3%

* The FY21 Estimate for Water CIP expense is \$11.2M less than the FY21 budget due to: revised schedules for relocation projects (shifting to FY22), moving three facility projects out to FY22 and FY23, and one project completion under estimate in FY21.

Utilities Department

Water Program Revenues

- A 1.0% annual increase in retail and wholesale water rates was approved by the BCC on May 21, 2019, effective FY20 through FY23.
- While the 1.0% rate increase is included in budget projections for FY22, Water Fund revenues are not increasing overall due to a reduction in wholesale sales to Pinellas Park and some reduction in sales due to water conservation efforts.

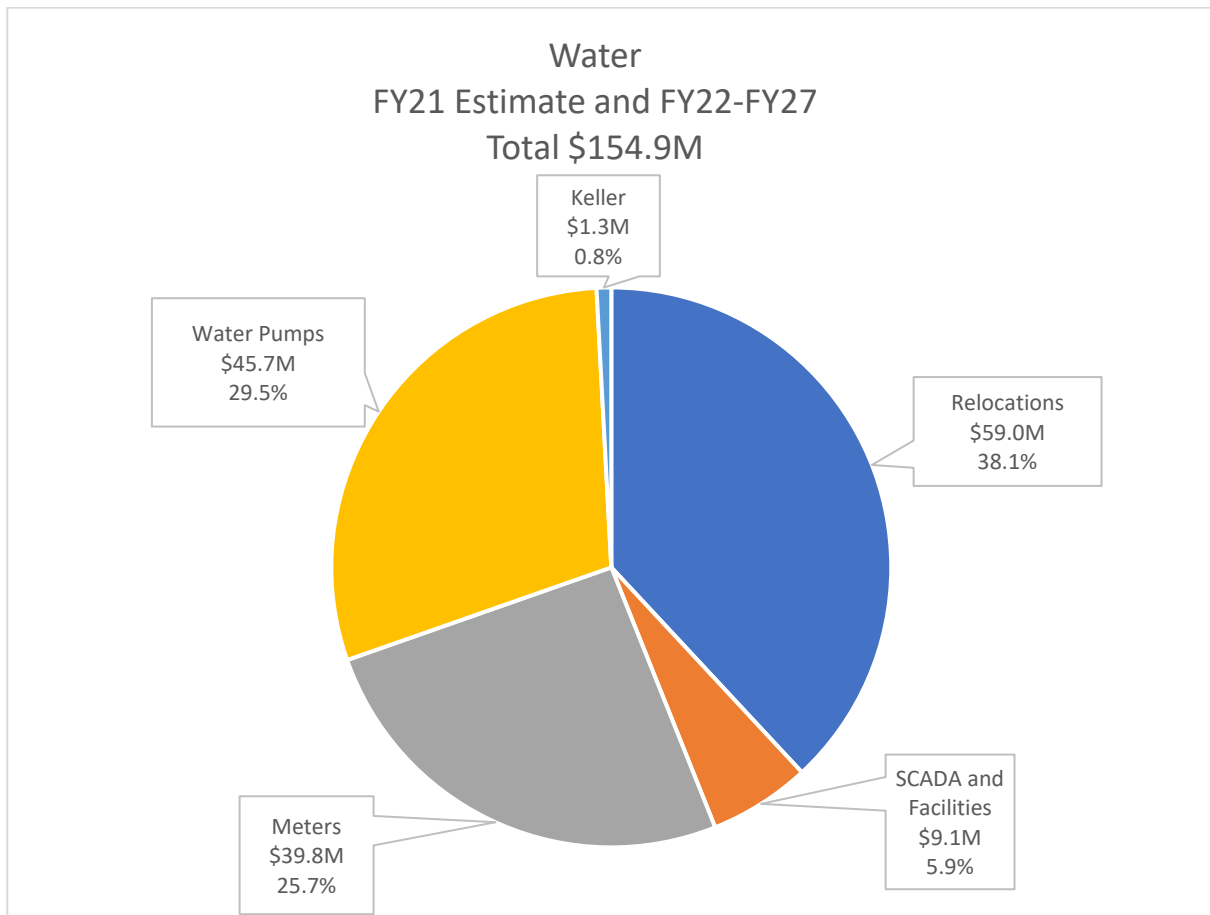
Water Program Operating Expenditures

- Personal Services: The requested FY22 budget increases \$430,930, or 2.4% over the FY21 adopted budget. It reflects a general wage increase across County departments and implementation of the career ladder initiative.
- Tampa Bay Water: Purchased water accounts for 54.1% of the annual water program operating expense. The FY22 budget for TBW currently remains at \$43.5M, as adopted for FY21.
- PCU is currently updating the Water System Master Plan, under a contract award up to \$705,236, and a final report is expected to PCU this year. The result of this effort will be a Comprehensive System Assessment, with a long-term prioritized Capital Improvement Program plan to ensure optimal and efficient timing of infrastructure improvements and alignment with strategic plan initiatives. A new focus of this plan is to include criticality/consequence of failure metrics to support data driven asset management decisions. Anticipating completion of the Master Plan update, additional funds have been programmed in the CIP.
- The Advanced Metering Infrastructure (AMI) request for proposal (RFP) closed in April 2021 and is expected to go before the BCC for award approval later this year. AMI will allow for improved customer data access, safer and more reliable data collection, and improved systems management. AMI is built into water and sewer project budgets at an estimated total of \$48.5M in the CIP Plan for FY21-FY24. Effective FY21, County staff are replacing meters that can support AMI technology.
- PCU staff are revising the Water Policy Manual and will evaluate private sewer collection system policies pending BCC feedback. The goal is for the Water Policy Manual to reflect current PCU policies and best practices.
- Water service customer disruptions per 1,000 customer accounts remained far below the 0.5 target in FY20 through FY21. The decline in water service customer disruptions is due to the transition from Maximo to CityWorks. The department has found that Cityworks is providing more accurate and reliable data and that Maximo was overstating past disruption figures. The reduction in disruptions does not equate to a noticeable change in the customer's experience.

Utilities Department

Water Program Multiyear CIP

- The proposed total CIP is \$154.9M, which is a net increase of \$16.2M from the current total CIP. The increase is mainly due to anticipated projects stemming from the Water System Master Plan that will be completed this summer. Beginning in FY24, an additional \$15.0M is programmed into the Future Supply and Treatment Project (PID 001525A).
- The proposed plan also includes new Water CIP Project Requests totaling \$4.6M.
 - Vina Del Mar Water Main Improvements – Total project costs \$3.0M (FY21 – FY23), and
 - 127th Place Water Main relocation as part of a City of Largo’s roadway improvement project. Total project cost \$1.6M (FY21 – FY23)



Utilities Department

Water Program Efficiencies

- PCU is collaborating with Tampa Bay Water (TBW) on promoting water conservation through the Tampa Bay Water Wise program and rebates for customers. The program will help offset future demand and the need for more TBW projects, resulting in cost avoidance for the system.

Sewer Program Budget Summary

	FY18 Actual	FY19 Actual	FY20 Actual	FY21 Budget	FY21 Estimate	FY22 Request	Budget to Budget Change	Budget to Budget Change
Total Revenues	79,974,605	82,920,647	90,055,366	91,566,200	92,603,620	97,936,550	6,370,350	7.0%
Personal Services	16,192,750	17,405,230	17,660,414	20,643,600	19,081,280	21,243,790	600,190	2.9%
Operating Expenses	27,561,406	28,146,828	28,736,311	31,338,090	32,885,427	33,355,740	2,017,650	6.4%
Capital Outlay	1,793,504	2,916,209	2,482,609	1,865,200	1,515,238	2,921,300	1,056,100	56.6%
Sewer CIP	28,716,756	19,018,645	32,462,693	50,053,800	48,622,350	58,315,800	8,262,000	16.5%
Debt Service	14,629,330	14,635,916	14,641,443	14,623,750	13,675,570	14,140,800	(482,950)	-3.3%
Total Expenses	88,893,746	82,122,828	95,983,470	118,524,440	115,779,865	129,977,430	11,452,990	9.7%

Sewer Program Revenues

- Sewer Fund: Total FY22 revenues are increasing \$6.4M, or 7.0% over FY21, with almost all of the net increase from Charges for Services. The revenue budget reflects the annual rate increase of 9.5% approved through FY23.

Sewer Program Operating Expenditures

- Personal Services: The requested FY22 budget increases \$600,190, or 2.9% over the FY21 adopted budget. It reflects a general wage increase across County departments and implementation of the career ladder initiative.

Utilities Department

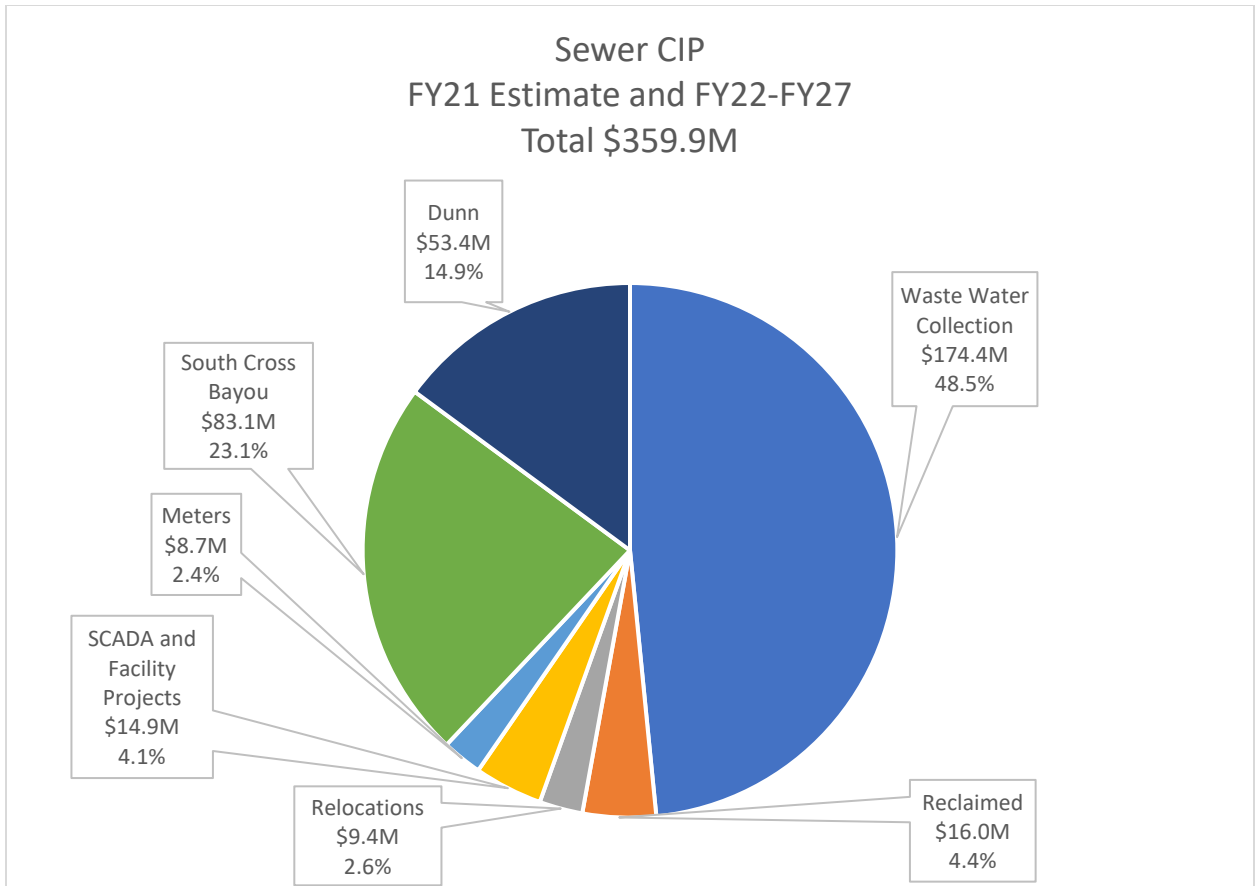
- Operating Expense: Engineering consultant costs for the Regional Resource Recovery Facility and Wastewater Collection System Management Program are budgeted at \$2.5M in FY22.
 - The Regional Resource Recovery Facility (RRRF) consultant has been selected, and agreement negotiations are currently in progress. PCU will seek BCC approval of the consultant agreement this year. This initiative will develop a facility with regional stakeholder partnerships and Solid Waste. It will eliminate waste streams through beneficial reuse and the need for land application of biosolids generated by wastewater treatment facilities. Design costs are programmed in the CIP at \$3.5M, with a new project request beginning in FY23.
 - State rulemaking limiting land applied biosolids disposal, to improve water quality, could have potential benefits to PCU, including the development of an RRRF.
 - The Wastewater Collection System Management Program initiative seeks to address SSOs and develop private sewer lateral policies. In anticipation of findings and recommendations to enhance management of the wastewater collection system, additional funding has been programmed into the CIP. The contract for professional engineering services was approved by the Board on March 9, 2021 for a total estimated \$9.4M over five (5) years.
- The Sewer bond refunding in January resulted in savings of \$948,170 for FY21 and savings of \$483,065 in the FY22 budget. Savings over the life of the notes are estimated at \$4.9M (net present value). Should the 2021A Note be converted, approximate savings would increase to \$5.3M.
- Sanitary Sewer Overflow (SSO) Abatement Studies are almost complete.
 - Inflow and infiltration (I&I) is a leading cause of SSOs. Replacing and repairing manholes and lining gravity sewer pipes are two methods PCU utilizes to help prevent overflows. PCU is on track to meet its target of lining 15.8K linear feet of gravity sewer pipes and repairing or replacing 200 manholes in FY21. Lining the pipes also increases structural integrity and prolongs the useful life of the asset.
 - PCU experienced 24 SSOs totaling 67,430 gallons in FY20. The department experienced a total of 33 SSOs in FY19 that equated to 366,420 gallons. In the first seven months of FY21, from October 2020 through April 2021, there have been 24 SSOs and 307,085 gallons spilled.
- Sewer service customer disruptions per 1,000 customer accounts dropped below the target of 0.55 in October 2019 and has remained below target to date. The decline in sewer service customer disruptions near the end of Calendar Year 2019 (CY19) is due to the transition from Maximo to Cityworks. The department has found that Cityworks is providing more accurate and reliable data and that Maximo was overstating past disruption figures. The reduction in disruptions does not equate to a noticeable change in the customer's experience.

Utilities Department

Sewer Program Multiyear CIP

- The proposed total CIP is \$359.9M, which is a net increase of \$71.6M from the current total CIP. The increase is largely due to anticipated projects identified as part of the Wastewater Collection System Management Program that will be completed in FY26. An additional \$56.5M is programmed into the Gravity Sewer Ductal Iron Pipe Rehab Project (PID 003605A) beginning in FY26.
- The proposed plan also includes new Sewer CIP Project Requests totaling \$23.0M.
 - Regional Resource Recovery Facility – Design cost only: \$3.5M (FY23 – FY24)
 - South Cross Bayou Fiber Optic Upgrades – Total project cost: \$535,000 (FY21 – FY23)
 - South Cross Bayou Reclaim Water Storage Tanks Rehabilitation – Total project cost: \$650,000 (FY21 – FY24)
 - South Cross Bayou Electrical Switchgear Replacement – Total project cost: \$6.1M (FY22 – FY26)
 - South Cross Bayou Pelletizer Dust Hazard Mitigation – Total project cost: \$400,000 (FY22)
 - 20" Force Main and ARV Replacement Camelot Court – Total project cost: \$1.7M (FY22 – FY24)
 - 30" Force Main and ARV Replacement Pinellas Trail and Klosterman – Total project cost: \$7.8 (FY22 – FY25)
 - 62nd Street North Force Main and Gravity Main Capacity Improvement – Total project cost: \$700,000 (FY21 – FY23)
 - Bear Creek 14" Force Main Replacement – Total project cost: \$400,000 (FY21 – FY23)
 - Kingfisher Drive & Belcher Road Sewer Gravity Main Replacement – Total project cost: \$501,000 (FY21)
 - Crescent Oaks Blvd Gravity Sewer Main Replacement – Project Cost: \$651,000 (FY21)

Utilities Department



Sewer Program Efficiencies

- A grant award of \$106,000 was recently approved by the Florida Department of Agriculture and Consumer Services (FDACS) for the Florida Wastewater Treatment Plant Energy Program. Annual savings in electrical costs are estimated at \$85,000 within two years of project completion.
- Constructing a Regional Resource Recovery Facility (RRRF) to sustainably treat biosolids and eliminate waste streams through beneficial reuse in partnership with other municipalities. PCU is also coordinating with the Solid Waste Department to help meet its zero-landfill needs.

Utilities Department

Potential Department Threats:

- The US Environmental Protection Agency (EPA) completed revising the lead and copper rule for drinking water, requiring expansion of testing for schools and daycare facilities as well as development of a lead service line replacement program. The FY22 budget includes \$150,000 for consulting services as needed.
- PFAS (“Per-and polyfluoroalkyl substances”) - Additional testing and regulations are anticipated to be added to the Safe Drinking Water Act. Superfund rules could impact biosolids and reclaimed water.
- State legislation increasing penalties for sewer overflow and encouraging private lateral inspection programs. The House and Senate bills died in committee before the 2021 session ended, but the legislative effort can repeat in future sessions. The department has been performing SSO abatement studies since FY18 and continues to do so currently, with \$250,000 in the FY21 estimate and \$60,000 in the FY22 budget. The budgeted amount since FY18 totals \$2.3M.
- State legislation for Surface Water Discharge Elimination passed the Florida House and Senate and was Enrolled on April 21, 2021. Finding an alternate effluent disposal for the South Cross Bayou Advanced Water Reclamation Facility will impact PCU by requiring significant capital investment estimated at \$96.0M.

Related Supporting Documents:

Attachment 1 – Utilities Performance Dashboard

Attachment 2 – Utilities Revenues and Expenditures Summary Report

Attachment 3 – CIP - Water FY22-FY27

Attachment 4 – CIP - Sewer FY22-FY27

Attachment 5 – Schedule of Utilities User Fees

Attachment 6 – Utilities Organizational Chart