Utilities

To: Board of County Commissioners

Through: Barry Burton, County Administrator
Jill Silverboard, Deputy County Administrator

From: Jeremy Waugh, PE, Director of Utilities

Subject: Follow Along Notes
2026 Water/Sewer/Reclaimed Status Presentation

Date: April 26th, 2026

The Utilities Department continues to assess and manage more than 230,000 water, sewer, and reclaimed water assets. This presentation is meant to provide a brief update on the status of the physical assets, financial health, and overall funding strategy.

Terms used throughout:

- RUL – Remaining Useful Life – Calculation of the "Expected Life" of an Asset when new versus the age of the asset expressed as a percent. Many times this is an estimated value.

- BRE – Business Risk Exposure – Calculation of the "importance" of an asset and the likelihood it will fail. Each Asset has a different BRE formula specific to that asset.

Slide 3 - BRE

- BRE Scores (1-25) are a Calculation of "Likelihood or Failure" (1-5) x "Consequence of Failure" (1-5)
- Note: When there is missing data, we classify that Null BRE as Extreme. *This helps us focus our attention on obtaining missing data to reduce risk exposure.*

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- BRE for Horizontal (Gravity and Pressurized Pipe) Sewer Assets

BRE	Length of Pipe	Risk
Null	14 Miles	Unknown
15-25	33 miles	Extreme
8-14	88 miles	High
3-7	210 miles	Moderate
1-3	807 miles	Low

Slide 4 – Sewer RUL

- Sewer Horizontal Pipe (Gravity and Pressurized) % RUL in Linear Miles:

RUL %	Length of Pipe
<20%	290 miles
20%-39%	518 miles
40%-59%	70 miles
60%-79%	240 miles
80%-100%	25 miles

Slide 5 – Sewer Condition

- Condition Scores are on a 1-5 scale with 5 representing "Failed" assets.
- Horizontal Sewer Pipe (Gravity and Pressurized) Condition in Linear Miles:

Condition	Length
Null	17 miles
5	16 miles
4	37 miles
3	270 miles
2	166 miles
1	590 miles

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Overall Sewer Asset Health

The system is aging, with approximately 290 miles of pipe having less than 20% remaining useful life. An estimated 13.8 miles of large-diameter pipe (>12 inches) are in poor or failed condition, 33 miles are classified as extreme-risk, primarily among pressurized mains.

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Slide 6 – Water BRE

- BRE Scores (1-25) are a Calculation of "Likelihood or Failure" (1-5) x "Consequence of Failure" (1-5)
- Note: AMI Water Meters are not included as they are all new assets.

- BRE for Horizontal (Pressurized Pipe) Water Assets

BRE	Length of Pipe	Risk
15-25	255 miles	Extreme
8-14	100 miles	High
3-7	383 miles	Moderate
1-3	57 miles	Low

- Note: Because there is not condition data for Water Main pipes, the BRE is based on Pipe Size and RUL.
- Note: 44 miles of pipes >12" diameter are Extreme BRE.

Slide 7 – Water RUL

- Water Horizontal Pipe % RUL in Linear Miles:

RUL %	Length of Pipe
<20%	162 miles
20%-39%	324 miles
40%-59%	1,011 miles
60%-79%	146 miles
80%-100%	57 miles

Slide 8 – Water Condition

- Condition Scores are on a 1-5 scale with 5 representing "Failed" assets.
- The condition scores for Water Assets *does not include* most horizontal pipes…. Condition for buried water mains pipes is very expensive to obtain.

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Overall Water Asset Health
Water mains are largely mid-life, with most falling within the 40–59% remaining useful life range. 254 miles are rated as extreme-risk, however, formal condition scoring for water mains is not currently available.

Slide 9 – RCW Status

- Because the RCW is a newer system: RUL, Condition, and BRE are in much better status than Sewer or Water
- Also, RCW contains much fewer “plant” assets.

Overall Water Asset Health
Overall condition is stable, with most assets showing 40–79% remaining useful life.

Slide 11 – FY27 Capital Improvement Program (CIP)

- The FY27 CIP includes 38 projects for Construction totaling $67 million.
- New Customer Project includes the MHC Projects and Septic to Sewer project.
- Over the six-year period (FY27–FY32), the largest planned investments are in pipelines ($249 million), pump stations ($168 million), and water reclamation facilities (WRFs) at $154 million.

Slide 12 – FY27-FY32 CIP Overview

- The Metering Projects include $1.7M in Large Meter Rehab. Not residential AMI replacements.
- “Pipeline” projects represent renewal of existing assets.
- “New Pipeline” projects represent new pipes (i.e. Septic to Sewer, MHC projects, etc.)

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Slide 13 – Funding Gap Analysis

- There is $70M of projects that we have already applied for or anticipate Fed/State Grant funding for. These are not included in the GAP analysis
- The is $119M of projects that we are not sure yet where funding will come from.
- Note: The proposed Rate Structure the BCC approved in 2023 anticipated future borrowing.
- **Note: In calendar year 2026, PCU will be evaluating options for Rate Increases, Borrowing, and Other Revenue Sources to bring options back to the BCC.**
- PCU total borrow capacity is approximately $400M. However, we would propose less than that to ensure we have adequate emergency coverage.

Slide 14 – 6-Yr CIP Funding Example Scenarios

- Scenario 1
  - Assume some borrowing and other revenue (i.e. Rate Increases, Fed Money, State Monet, etc.)
  - Includes most of the current list of CIP projects per the 6-yr Plan.

- Scenario 2
  - Assumes users Rates stay the same, but some borrowing.
  - Rates will still increase some to cover loan repayments
  - Reductions in mainly Capacity type projects. These are generally Customer Level of Service and Efficiency projects.
  - Reduction in some Asset Renewal projects.

- Scenario 3
  - Assumes no borrowing and user rates remain the same.
  - Reduction in Resilience projects that are not already in construction.
  - Reduction in Modernization projects
  - Reduction in Capacity projects
  - Reduction in Asset Renewal projects

- Note: In all scenarios, the Relocation Projects remain the same. These are obligations out of the control of PCU (i.e. FDOT projects, City projects, etc.).

Slide 16 and 17 – Financial State of Water and Sewer Fund

- Graphs shown for current proposed CIP program
- Both the Water and Sewer enterprise funds are structurally sound, but under flat rate structures, each fund will exhaust borrowing capacity by FY37. *Borrowing alone will not support current plan.*
- Sustaining infrastructure reliability and CIP delivery will require adjustments such as rate increases, alternative funding, reprioritization/reduction in CIP.
- Different Options around these parameters will be evaluated in Rate Study.

Slide 18 – Customer Service Status

- In FY19-FY21 – PCU averaged 20 FTE's in the Customer Service Center
- 15 FTE's averages in FY23-FY25

Slide 21 – Payment Fee by Transaction Type

- Payment Transactions are governed by PCI compliance. Currently 3rd Party contracts dictate the fees.
- 1/3 of Payers prefer Credit/Debit card type transactions. These incur 94% of the transaction fees.
- It is likely that more people would adopt Credit/Debit card transactions if smaller or no fee.
- PCU will be evaluating the impact of absorbing the fees into our rate structures.

Strategic Takeaways

1. Aging sewer infrastructure and high-risk water assets will continue to drive CIP prioritization.
2. Improved asset data will reduce inflated BRE scores and strengthen investment planning.
3. Funding constraints necessitate tradeoffs, including project reprioritization, grants, borrowing, or rate adjustments.
4. CIP execution is closely linked to long-term financial planning and requires coordinated decision-making.
5. Long-term sustainability depends on balancing asset renewal, risk mitigation, customer impact, rate strategy, and borrowing capacity.

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