

Utilities Department

**FY 2024-25
Budget Work Session**

July 10, 2024



Presentation Outline

- **Organization Overview**
- **Proposed FY 2024-25 Budget**
- **Operating Budget Highlights**
- **Capital Improvement Highlights**
- **Rates**
- **Summary**

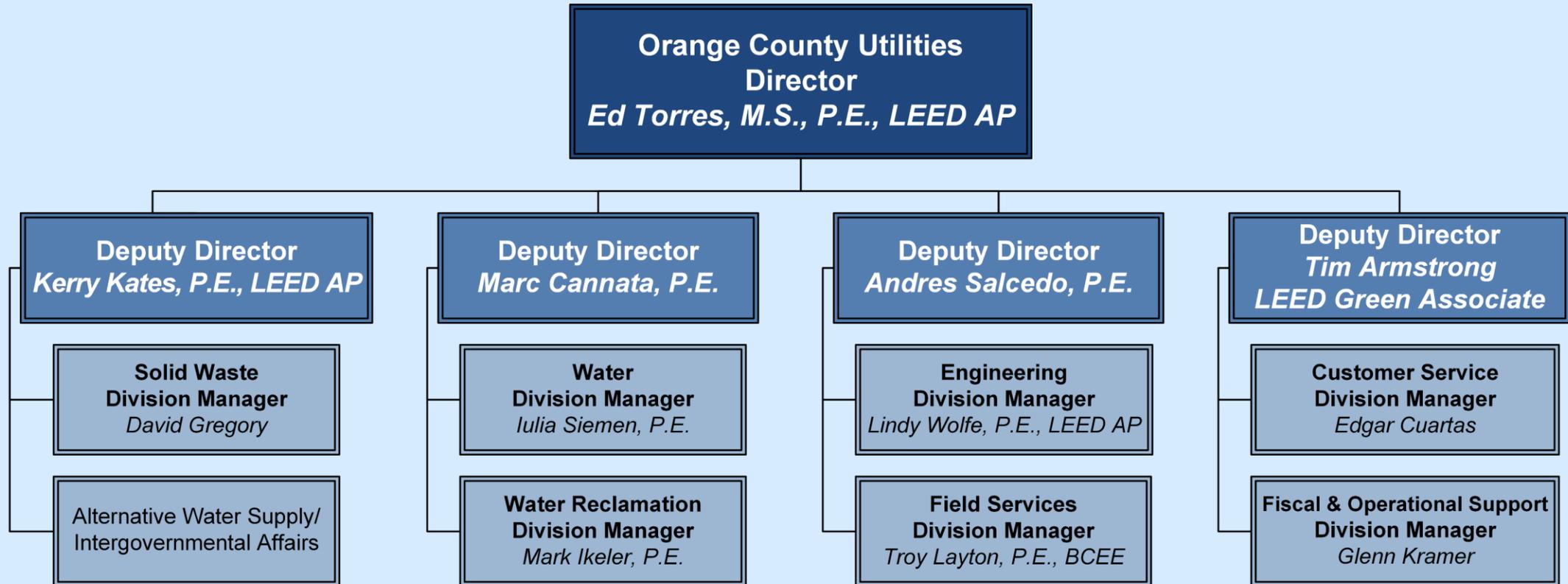


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Organization Overview



Innovation, Sustainability & Resilience!



Organization Overview

Utilities provides water resources and solid waste recovery services to protect and enrich the lives of the citizens and guests of Orange County.

Population Served

- Water – 855,000
- Wastewater – 1,098,000
- Reclaimed – 415,000
- Solid Waste – 660,000





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Proposed FY 2024-25 Budget

	<u>Adopted FY 2024</u>	<u>\$ Change</u>	<u>Proposed FY 2025</u>
Personal Services	\$97.0M	\$5.7M	\$102.7M
Operating Budget	<u>\$226.6M</u>	<u>\$25.3M</u>	<u>\$251.9M</u>
Total	\$323.6M	\$31.0M	\$354.6M

Budget Change **9.6%**

Staffing **1,036** **16** **1,052**





Proposed FY 2024-25 Budget

- Staffing Update

- Utilities' vacancy rate peaked at 18% with 181 vacant positions out of 1,036 FTEs
- Implemented recruitment and retention strategies
 - Job fairs
 - Workforce development programs
 - Career progression
 - Utilized temporary agency for early onboarding
- Vacancy rate reduced to 8% with 87 vacant positions





Proposed FY 2024-25 Budget

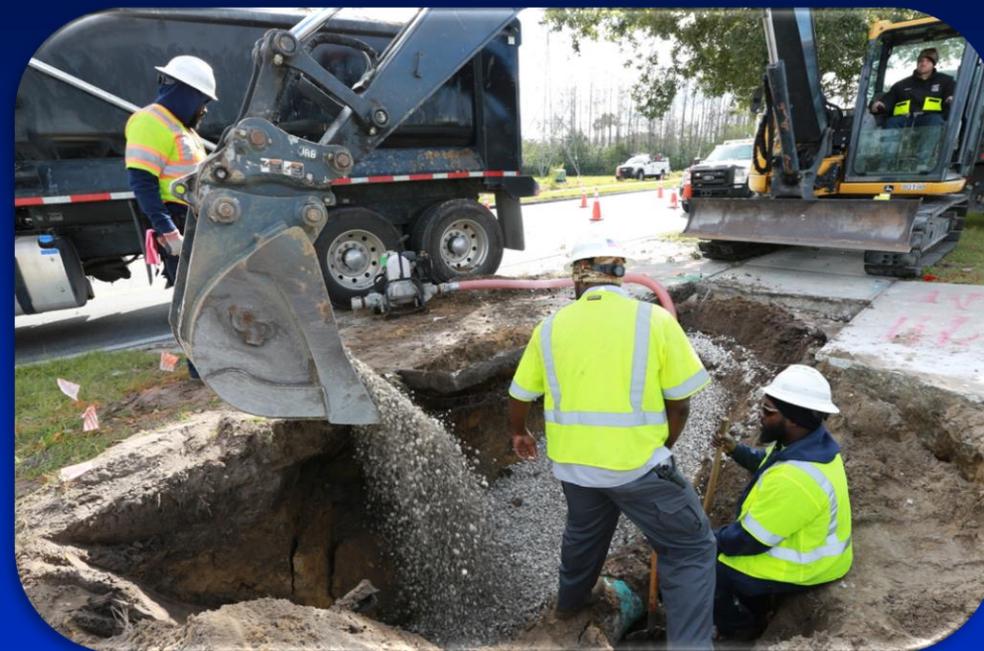
▪ Staffing Update

– Operational Growth

- Field Services additional pumping crew
 - 4 Industrial Electrician IIs
 - 4 Field Specialist IIIs
- New scalehouse at landfill
 - 2 Weighmasters

– Operations Support

- 2 Customer Service Reps
- Assistant Project Manager
- Business Unit Network Operations Specialist
- Surveyor and Mapper II
- Utilities Services Coordinator (Safety)





Proposed FY 2024-25 Budget

- **Critical Budget Considerations**
 - **Growth: more customers served**
 - **Regulatory Requirements: new and projected**
 - **Alternative Water Supply & Solid Waste Management: long-term planning**
 - **Sustained Inflation: pressuring rates and bonds**



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Operating Budget Highlights

Pump Station Operations Section

- Operate 861 OCU pump stations
- 600 square mile service area
- New pump stations added each year
- Responsible for:
 - Maintenance of impellers, electrical panels, etc.
 - Preparing generators and portable pumps
 - Deployment before, during, and after storm events
- Critical goal of minimizing sanitary sewer overflows (SSOs) and backups into homes and businesses





Operating Budget Highlights

Landfill Cover Operations

- Crew running operations with dump trucks, excavators, and dozers
- Responsible for:
 - Landfill regulatory “initial cover”
 - Cover keeps down “vectors” and reduces odor
 - Comprised of six inches of soil with mulch used for side-slope stabilization
- Soil is hauled from on-site borrow pits, and mulch is produced from yard waste
- Critical goal of mitigating odors and vectors and maintaining regulatory compliance





Operating Budget Highlights

In-House Advanced Water Treatment Pilots

- Engineering and Water Operations staff full integration
- Evaluate advanced treatment technologies for enhanced water quality (color and sulfide)
- Same treatment technologies used for PFAS and Contaminants of Emerging Concerns (CECs)
- Knowledge and skillset development
- Cost savings and efficiencies in design and acquiring pilot equipment





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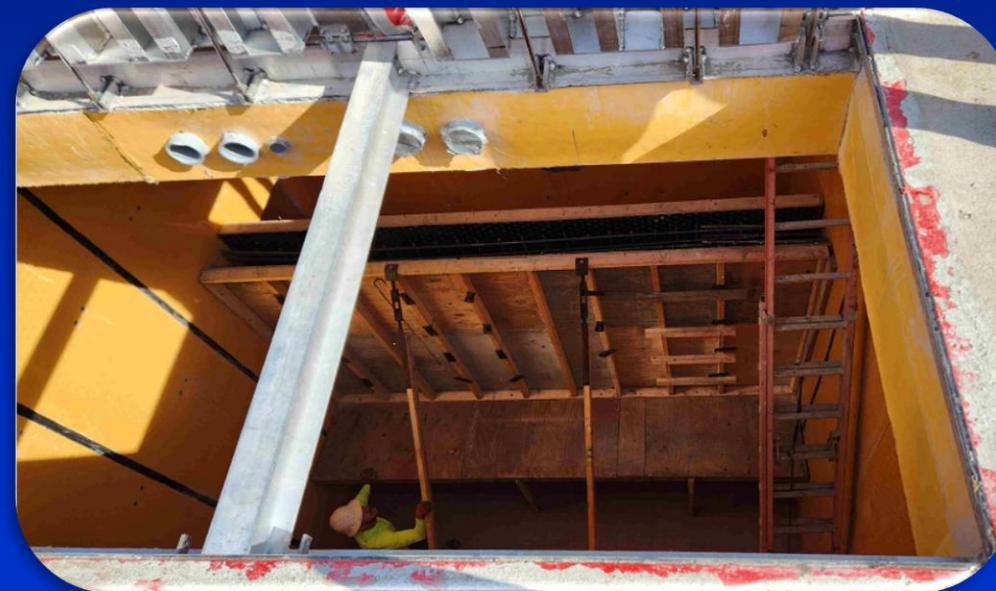


Proposed FY 2024-25 Budget

Capital Improvement Projects

**Proposed
FY 2025**

\$260.4M

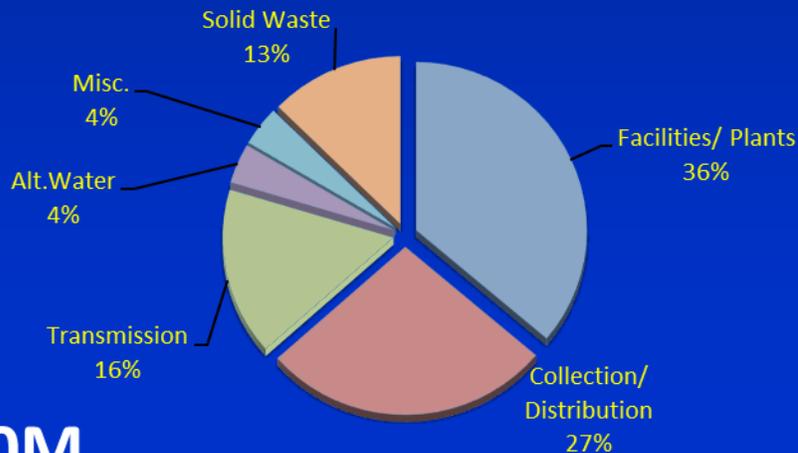




Capital Improvement Program

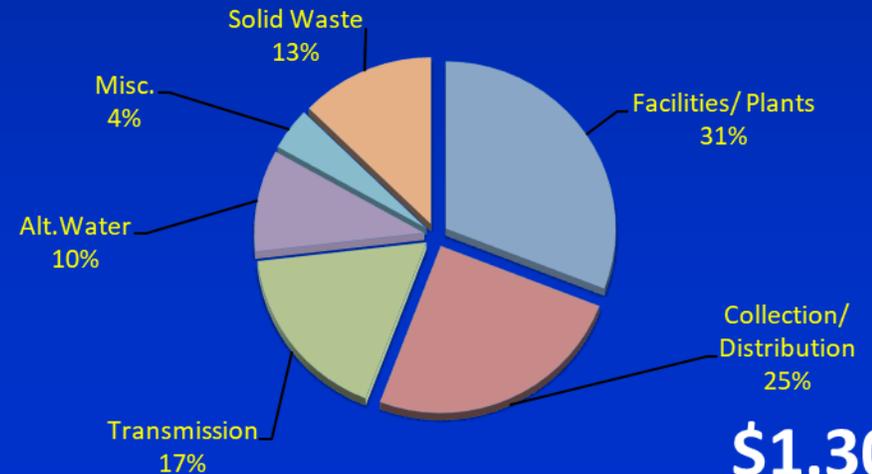
	<u>Proposed FY 2025</u>	<u>5-Year</u>
Facilities/Plants	\$94M	\$403M
Collection/Distribution	\$71M	\$326M
Transmission	\$42M	\$227M
Alternative Water	\$10M	\$129M
Solid Waste	\$33M	\$167M
Miscellaneous	\$10M	\$54M

FY 2024-25



\$260M

5-Year



\$1.306B



Capital Improvement Program

▪ Treatment Facilities Improvements

– **Water: FY25 \$11M / 5-Yr \$100M**

- Water quality enhancements
- Central Laboratory renovation/expansion

– **Water Rec: FY25 \$83M / 5-Yr \$303M**

- **South WRF**
 - Advanced wastewater treatment
 - Odor control
- **Treatment plant expansions (Eastern and Hamlin WRFs)**
- **Reuse pumps and clarifiers**





Capital Improvement Program

▪ Renewal and Replacement

– FY25 \$49M / 5-Yr \$256M

- Gravity sewer: renew 95 miles
- Pump station: rehab 104 stations
- Sewer force main: replace 24 miles
- Water distribution: replace 34 miles

▪ Septic to Sewer Program

– FY25 \$22M / 5-Yr \$70M

- \$69.4M in grants from FDEP & SJRWMD
- Wekiwa Springs Retrofit Program
- Pine Hills Septic to Sewer Project

– Septic Tank Workgroup Policy





Capital Improvement Program

▪ **Transmission Improvements**

– **FY25 \$42M / 5-Yr \$227M**

- **Econlockhatchee Trail/Lake Underhill Road**
- **Reams Road**
- **Ficquette Road**
- **Texas Avenue**
- **Woodbury Road**
- **Forest City Road**
- **Avalon Reclaim Storage & Repump**
- **Storey Park Master Pump Station**
- **Narcoossee Road Force Main**
- **Southwest Storage, Repump, and Master Pump Station**
- **Innovation Place Part E**





Capital Improvement Program

▪ **Alternative Water Supply**

– **FY25 \$10M / 5-Yr \$129M**

- **Cypress Lake AWS**

- **OCU's share: 30%**
- **Total OCU cost: \$229.7M**
- **9 MGD**

- **Taylor Creek AWS**

- **OCU's share: 45%**
- **Total OCU cost: \$230.2M**
- **10 MGD**

- **Additional Alternatives**

- **Integrated water resources**
- **Brackish groundwater**
- **Potable reuse**





Capital Improvement Program

▪ Solid Waste Improvements

– FY25 \$33M / 5-Yr \$167M

– Projects Include:

- **Cell 11 Construction**
 - 45.3 acres
 - \$32M
- **Cell 9-12 Landfill Closure**
 - Closure of Cell 9 and partial closure of Cell 10
 - \$71M
- **Class III Roadway and Scale**
 - \$2.7M
- **New Fuel Station at Landfill**
 - \$1.5M





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Rates

Total Utilities Operating Revenue Budget \$392.2M

Fund	Operating Revenue Sources
Water Utilities System	<ul style="list-style-type: none">• Water Bill Revenue• Wastewater Bill Revenue• Reclaimed Bill Revenue• Miscellaneous Operating
Solid Waste System	<ul style="list-style-type: none">• Tipping Fee Revenue• Landfill Gas Revenue• Miscellaneous Operating
Mandatory Refuse Program	<ul style="list-style-type: none">• MSBU Revenue



Rates

- **Utilities continues to face large increases in costs since FY 2022**

Description	FY 2022 Actuals	FY 2025 Proposed Budget	\$ Change	% Change
Personal Services	\$72.5M	\$102.7M	\$30.1M	42%
Contractual Services	\$21.0M	\$43.6M	\$22.6M	108%
Maintenance of Buildings, Equipment, & Infrastructure	\$26.0M	\$36.2M	\$10.2M	39%
Chemicals	\$7.9M	\$16.6M	\$8.8M	112%
Payments to Franchise Haulers	\$33.1M	\$40.2M	\$7.1M	21%
Utilities	\$17.7M	\$22.6M	\$4.9M	28%
Payments to Other Govt. Agencies	\$15.0M	\$18.8M	\$3.8M	25%
Total			\$87.5M	



Rates

▪ **Water and Wastewater System**

- 5-year rate plan approved for FY 2024–2028
- 3% increase for other system rates
- Cost increases outpacing revenues
- Evaluating future options to address cost increases, should inflation persist

▪ **Solid Waste System**

- 3-year rate plan to increase tipping fees 12%/Yr FY 2024-2026

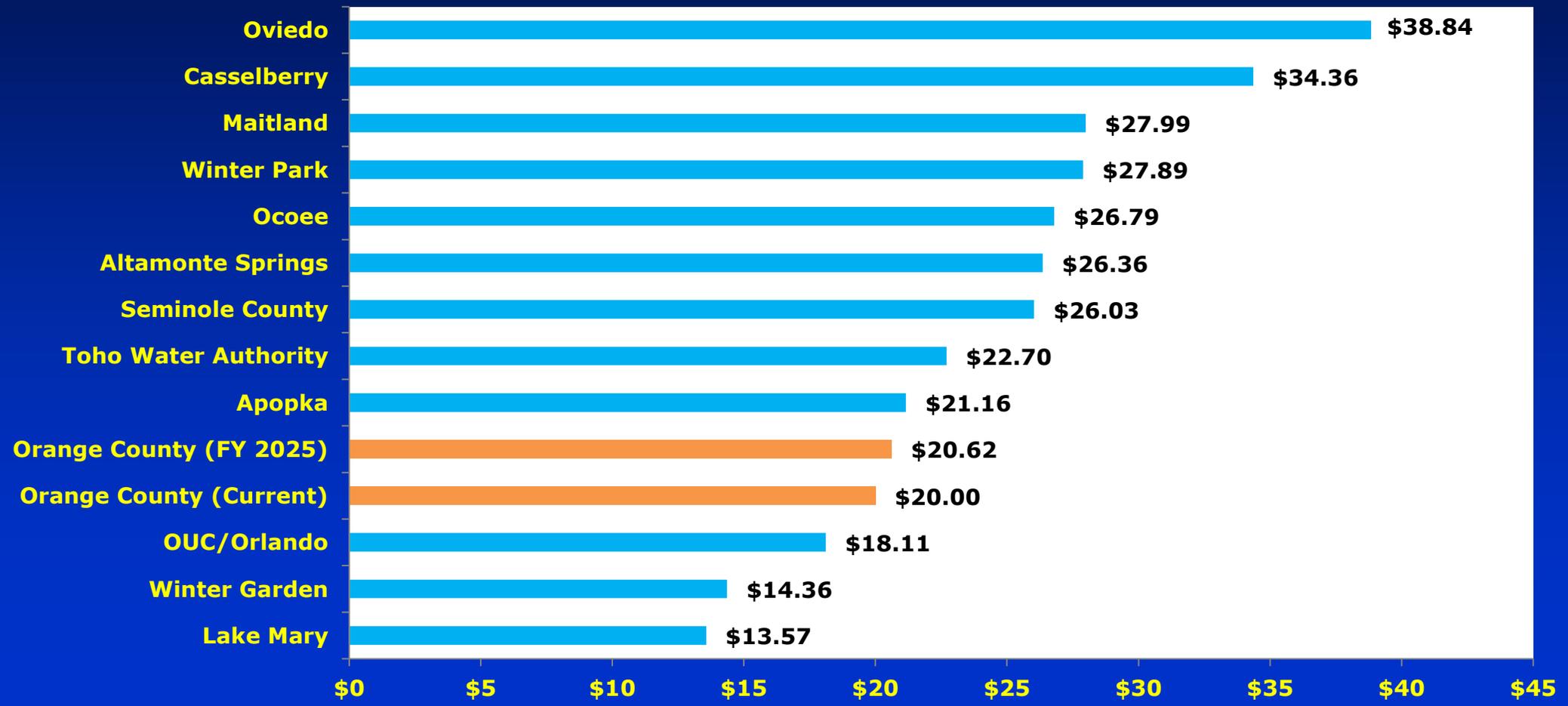
▪ **Mandatory Refuse and Recycling Program**

- Tentative MSBU rate of \$300 per household adopted in June
- Last year of the 10-year contract



Rates

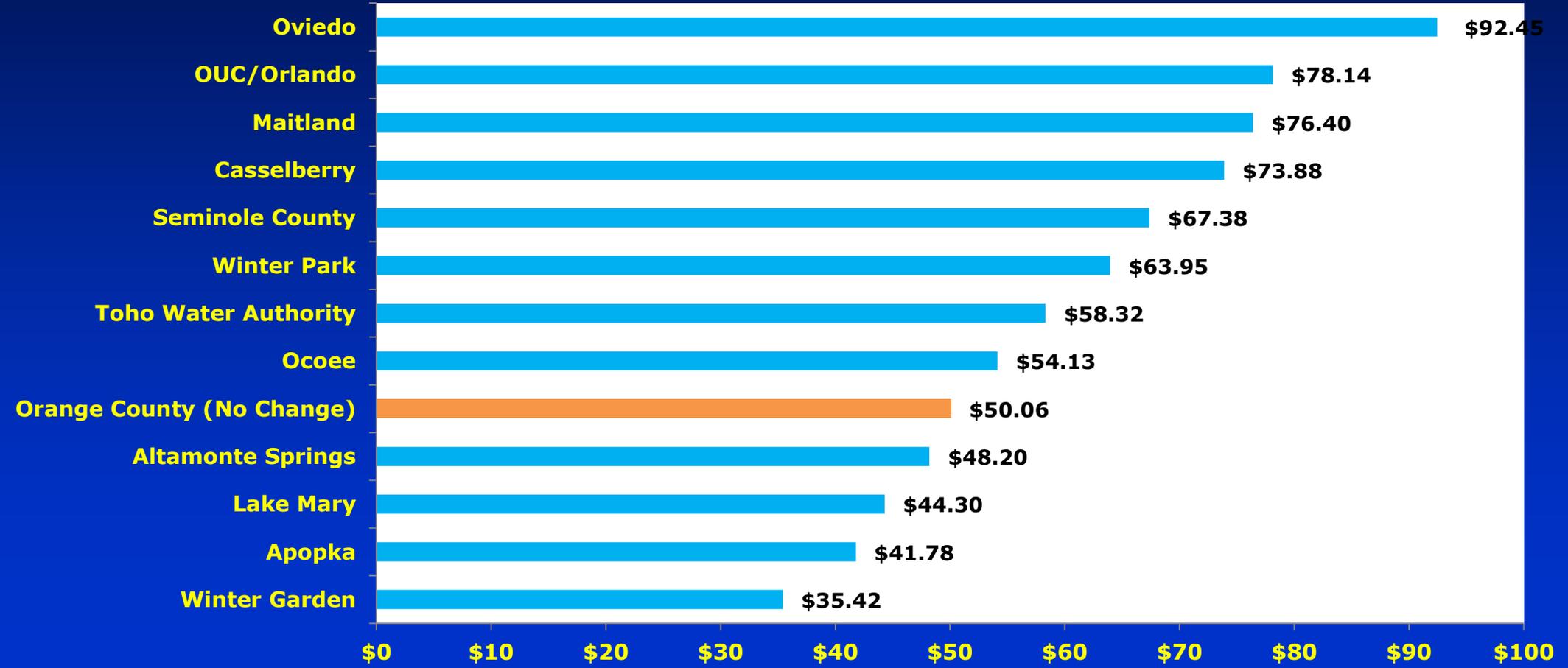
Monthly Water Bill Comparison Single-Family Residential Service (7,000 gallons)





Rates

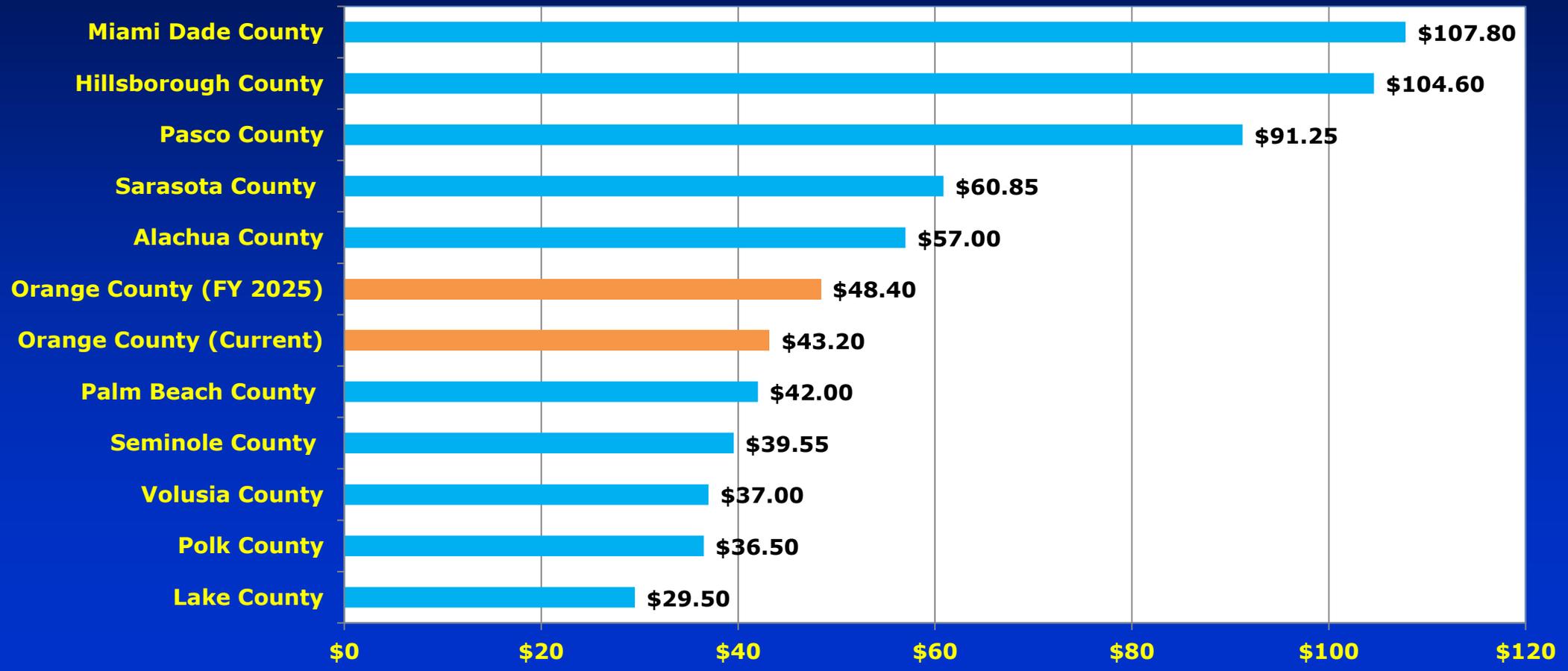
Monthly Wastewater Bill Comparison Single-Family Residential Service (7,000 gallons)





Rates

Solid Waste System Class I Tipping Fee Survey





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Summary

Proposed FY 2024-25 Budget Reflects:

- Funding to maintain reliable services and support growth
- Continued reinvestment in our infrastructure addressing regulatory requirements
- Budget adjustments to maintain operations while incurring sustained inflation
- Rate adjustments to meet immediate needs, while revenue enhancements are planned



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