



Administrator's Budget Session

FY26 Utilities

May 2025



Presentation Outline

- ✓ Introductions
- ✓ State of Utility
- ✓ Utility Service Levels
- ✓ New Initiatives
- ✓ Capital Improvement Plan
- ✓ Closing Remarks



State of Utility

Organizational Accomplishments

- **Maintained Regional Rate Competitiveness** - Inflationary pressures with energy, fuel, chemicals & construction costs.
- **Expanded our quest for a Safer Workplace Culture** –Safety Committee, including monthly safety meetings that include 100% of the Utility Workforce.
- **Pioneer in Career Path** – Maintain our commitment to development of training program and career path for employees - Over 2,400 active employee classes, with a 45% year-to-date completion rate.
- **Emergency Response** – Successful mitigation response to Hurricane Milton to minimize environmental impact.
- **Community Involvement** – SJCUD participated in the inaugural SJC 101 academy.
- **North Beach Acquisition** – Retooled our post-acquisition approach to complete significant lift station work in-house, community interaction, and meter replacement.
- **Capital Improvements** – Managing over 100 active capital projects that total over \$300 million. On-time, On-budget, of SR 207 Water Reclamation Facility, Full initiative of over \$7 million Hastings Infrastructure Capital Improvements that will help trigger re-vitalization, installed over 4,600 feet of pipeline in-house.
- **Sharing the SJC Success Story**– Staff representation at Regional & National Industry Organizations, multiple presentations at local, regional & National conferences, interest from neighboring and regional utilities

Frank Kenton
Assist. Director,
Finance &
Administration



Gordon Smith
Assist. Director,
Engineering



Larry Miller
Assist. Director,
Operations



James Galley
Finance &
Performance
Officer

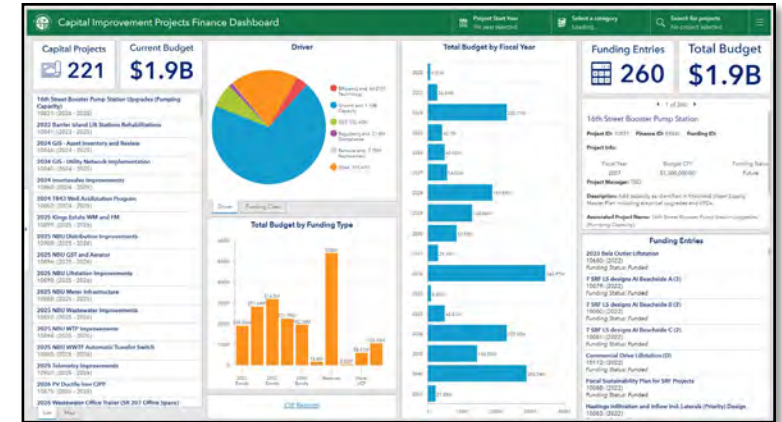


FY 2025 Efficiency Milestones

Capital Improvement Plan Dashboard – (Reduced budget by \$100,000 annually) Provides new framework for capital improvement plan tracking and project management. Fully integrated entire CIP dataset, including funding information that is available for all Utility staff in one web-based location.

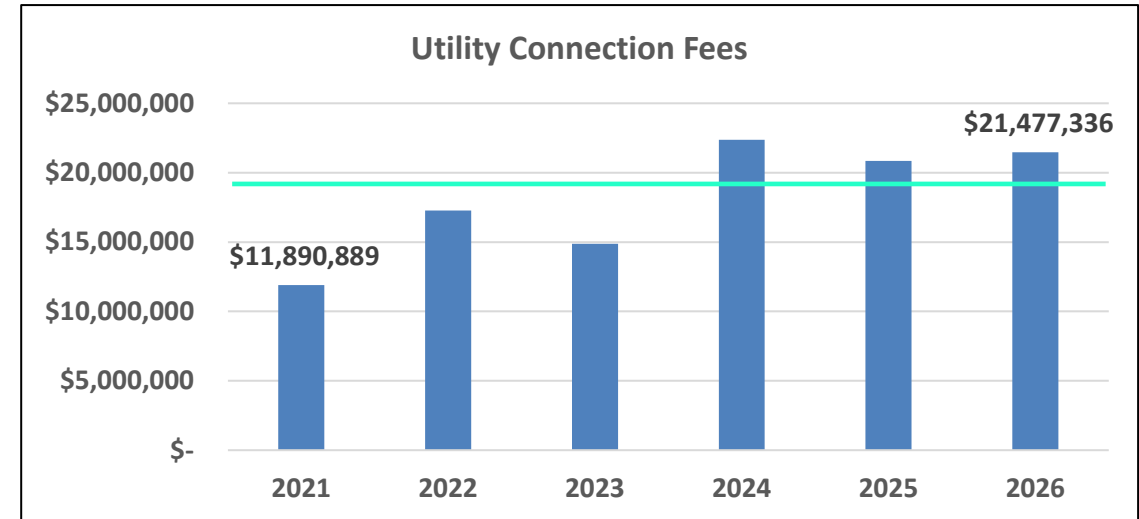
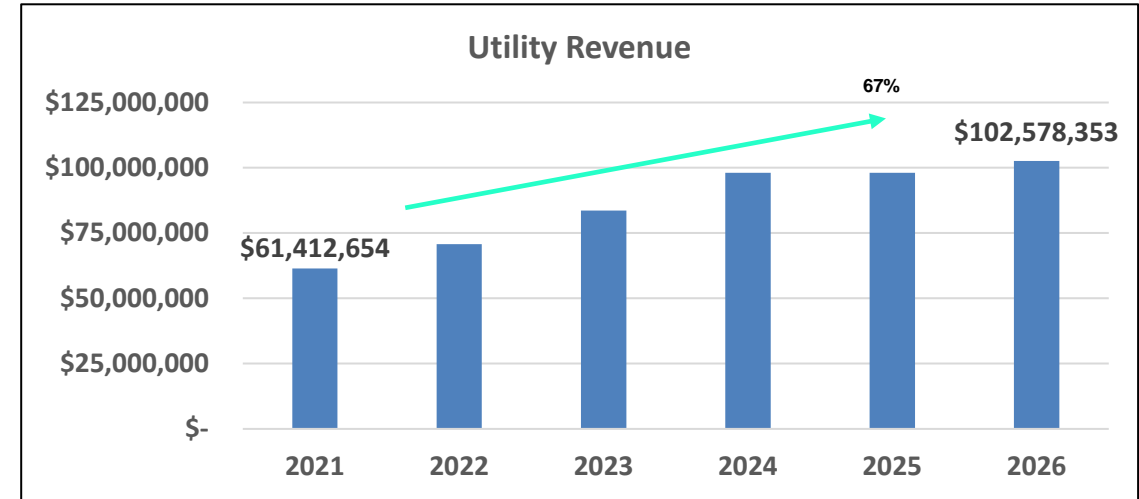
Water Information Management System (WIMS) – Full electronic standardization of treatment facilities, including daily operator log books, monthly FDEP processing and allowance of mobile data collection. Provides all Utility operators and management timely and direct access to the Utility's most critical operational and regulatory information for decision making.

Artificial Intelligence Initiative (SCADA) – We are excited to initiate review of two areas of our business with Generative AI systems that promise reductions in energy consumption at our Water & Wastewater Facilities.



Utility Financial Update

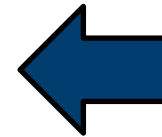
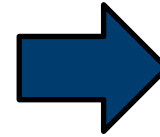
- **67% increase (over 5-years) in revenues from rates, fees and charges excluding unit connection fees**
 - Annual indexing of rates, safeguards operational effectiveness and revenue stabilization.
 - **Strong unit connection fee revenues supported by growth**
- The Utility maintains stable bond ratings of AAA and Aa2 from S&P and Moody's.
 - Utility reserves are maintained at or above BOCC policy for recommended reserves, including a 90-day working capital and R&R reserve.
 - Excellent Debt Coverage (2.0+ compared to 1.2 required by bond covenants)



County Strategic Plan

County Priorities -> Utility Priorities

- ✓ **Community Trust** – Provider of vital water and wastewater services
- ✓ **Community Well-Being** – Ensure rates are affordable for customers
- ✓ **Economic Prosperity** – Operate a financially viable and sustainable Utility
- ✓ **Enhance Conservation** – Focus on environmental compliance and protection, while ensuring water supply for the future
- ✓ **Infrastructure** – Investment in appropriate, resilient, long-term capital projects
- ✓ **Organizational Excellence** – Continuous initiatives for operational efficiency, employee development, and collaboration with other County Departments



9 - Utility Related Performance Measures

Key Budget Initiatives

1. **Maintaining competitive rates**
2. **Sufficient capital reinvestment**
3. **Planning for customer survey**
4. **Increased career path training**
5. **Water conservation initiatives**

Utility Service Levels

Utility Service Levels

I

1.9% Increase in Operating Expenditures

Notable Items

- **Minor Increases to Operating Budget** – Very reasonable increases in annual costs, including contractual services, chemicals, and operating supplies
- **Other Maintenance** – continued focus on preventative maintenance for operational resiliency
- **Advertising** – new initiative for water conservation and requirement for consumptive use permit
- **Training** – dedicated to career path initiative (employee development and retention)

Combined System	2025	2026	%
Personnel Services	\$24,176,023	\$26,177,669	8.3%
Operating Expenditures	\$25,666,119	\$26,161,833	1.9%
Capital and Equipment	\$4,471,777	\$4,351,876	-2.7%
Total	\$54,313,919	\$56,691,378	4.38%

New Budget Entry

- ✓ **FPL** – 15% + Estimated annual increase of \$425,000
- ✓ **JEA** – Water (+37%) and Wastewater (-24%) bill estimated annual increase of \$150,000
- ✓ **JEA** – Reclaimed Water Service - \$600k per year

Utility Service Levels

2

2.7% Decrease in Operating Capital and Equipment

13 New and/or Replacement Vehicles

- Ford Maverick to F750 with 20-ton Crane
- Excellent job maintaining and replacing vehicles
- ~\$2.2M total requests

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Capital Equipment or Improvements (Operational)

- **Insert-a-valve Machine** (Req 44206 - \$100k) – **NEW PROGRAM**
- (2) **New Excavators** (Replacing Aging Equipment) - \$200k
- **15 Items** - \$500k Wastewater Critical Equipment Replacement
- ~\$2.1M total requests

Utility Service Levels

3

Staffing Requests

- **Wastewater Operator** (1)
- **Reclaimed Water Communication Specialist** (1) –
Assigned to OPA
- **Customer Relations Associate Trainee** (1)
- **Utility Information Systems Technician** (GIS) (1)
- **Water Treatment Operator** (1) ~ *Facilities Management*

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Metrics	2023	2024
Number of Customer Phone Calls	62,190	70,262
Number of Development Plan Reviews	1,121	1,416
Active Capital Improvement Projects	142	125
Work Orders	20,100	21,567

New Initiatives

Lift Station Realignment

New Lift Station Service Territories

SJCUD continually evaluates operational effectiveness and has determined a new service area maintenance region is required within the Lift Station Division. The new service area management team will be led by an additional coordinator (existing FTE) and require (3) new service vehicles as requested in the FY 2026 budget.

Key Statistics

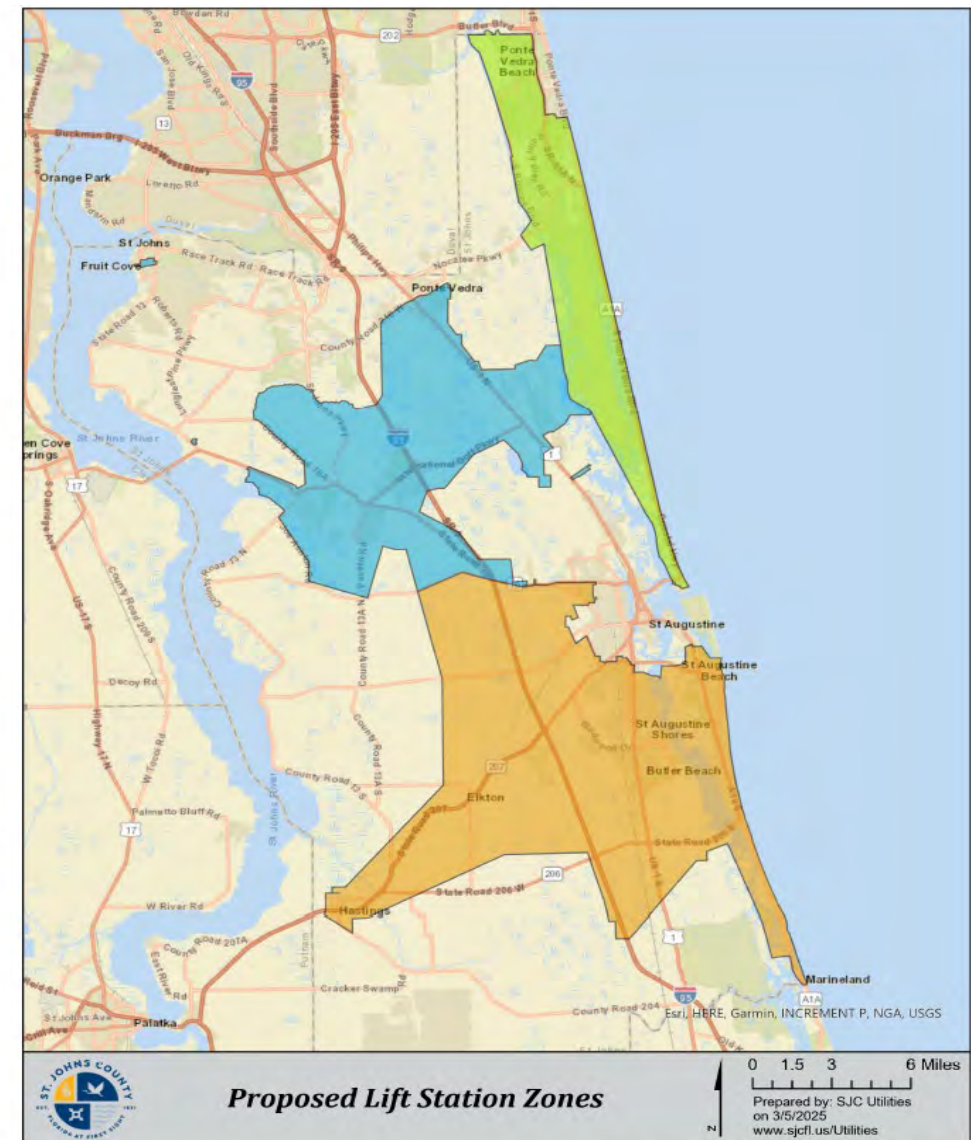
- New defined management region (changing from 2 to 3) to maintain level of service due to increased infrastructure asset responsibilities
- Limiting 35 LS per zone per Tech (currently 53) to increase (by 36%) needed level of service of aging infrastructure
- Realignment of 20 techs, 3 Electrical techs and 3 plant maintenance techs to attend to increased asset management at 19 Water & Wastewater Treatment Facilities.



**3 additional work trucks
needed plus equipment
(\$600K +/-)**



**Responsible for asset
management at Utility
Facilities**



Fire Hydrant Services

ISO Rating Improvements and Staff Realignment

SJCUD will provide an added level of service to provide fire hydrant inspections in cooperation with St. Johns County Fire Rescue for continued management and improvement of the County's ISO ratings.

Key Statistics

- Work is currently completed by St. Johns County Fire Rescue
- Estimated 12,000 – 15,000 work hours per year will be realigned for 911 and EMS calls
- Further opportunity to expand the realignment to the JEA Utility service area for additional benefit
- Transition to new utility maintenance team for added flexibility and efficiency
- Utilization of existing Cityworks maintenance management software (CMMS) will make transition seamless
- Continued coordination with County Administration and Fire Services for ISO certification with a Goal to improve!



Three additional work trucks needed, plus equipment **(\$150K +/-)**



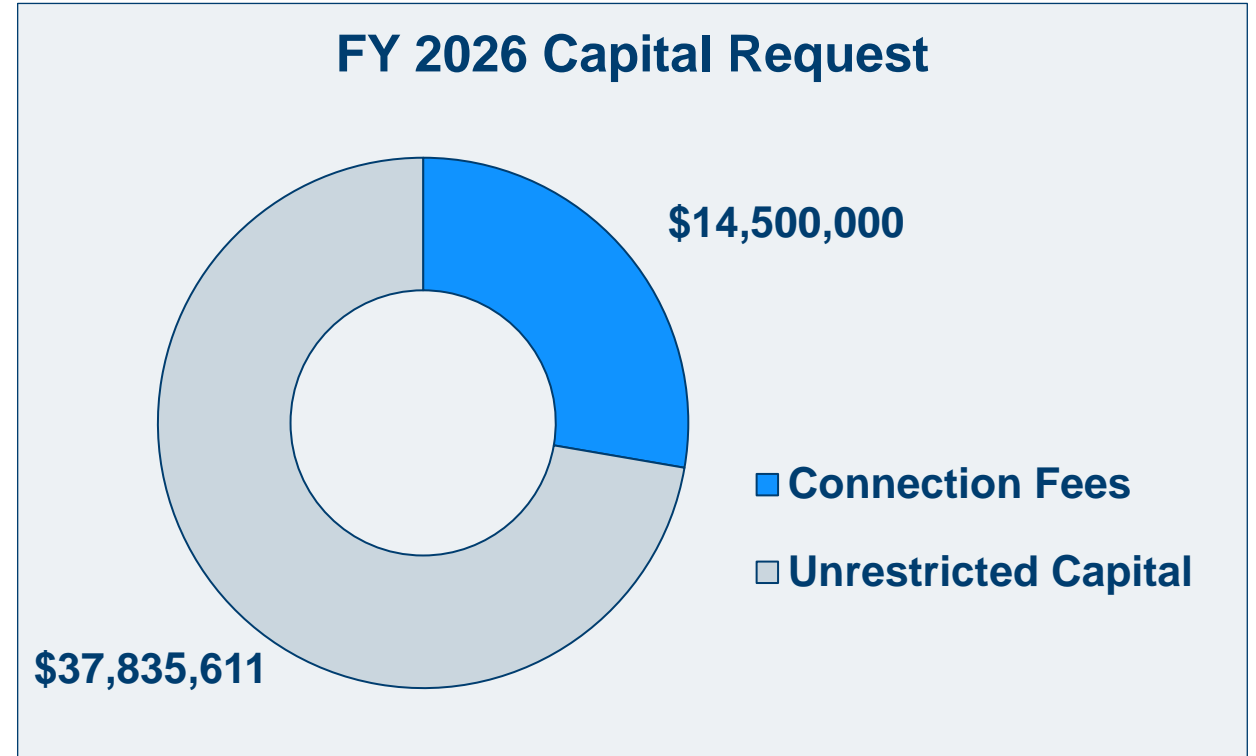
Utility Department will hire (4) full time FTEs to complete annual maintenance program

Capital Improvement Plan

FY 26 – Capital Improvement Plan (CIP)

\$52M CIP Program Request

- **\$10M** – 3.0 MG Reclaimed Tank and Pump Station at the Northwest WRF
- **\$4.5M** – 3.0 MG Reclaimed Tank at Silverleaf
- **\$4.0M** – SR16 WRF Reclaimed Pump Station
- **\$4.0M** – New 5 MGD Water Treatment Facility Design - Silverleaf
- **\$8.0M** – (4) New Water Supply Wells
- **\$3.0M** – North Beach Water Treatment Plant



Capital Improvement Plan

Asset Management Program

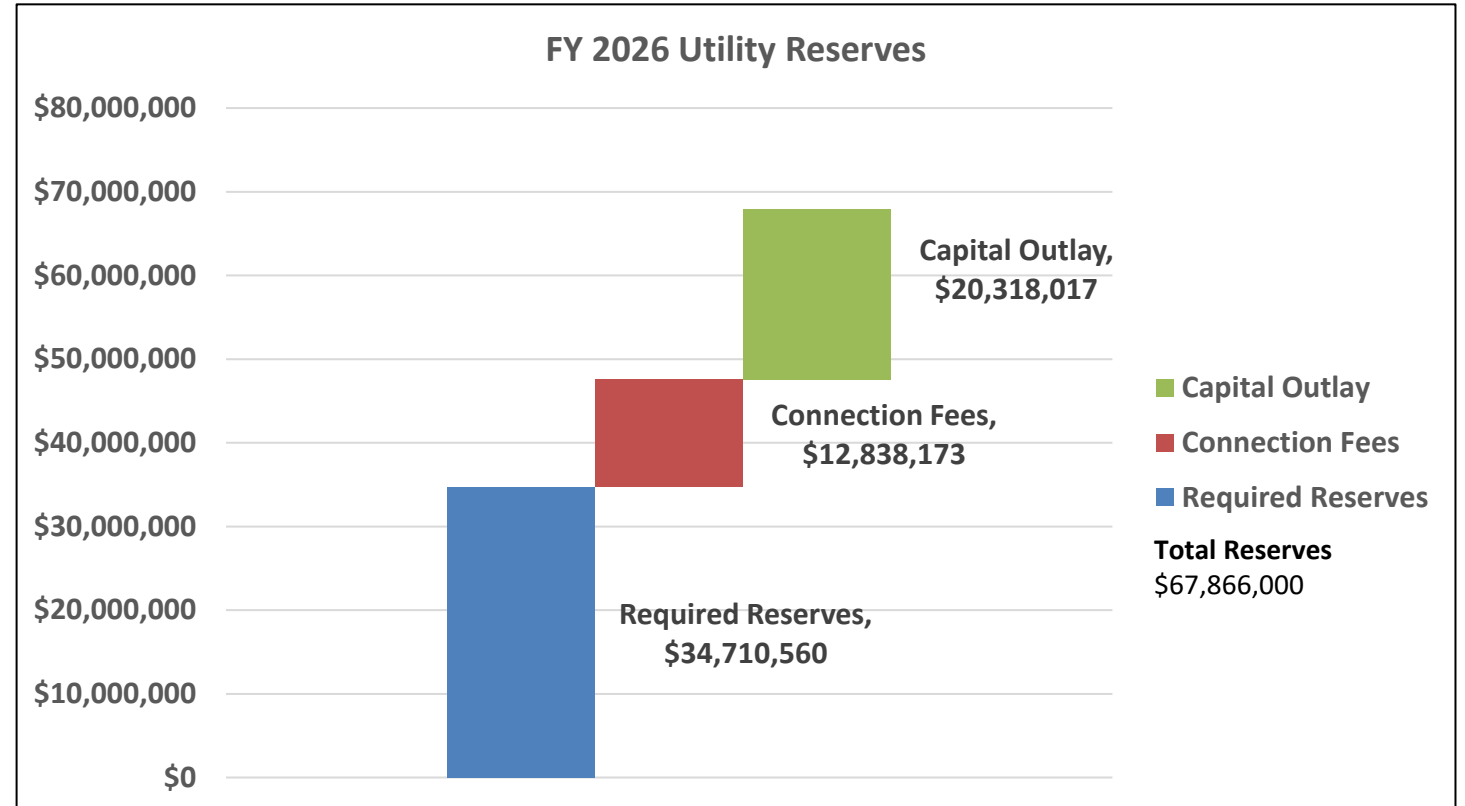
- **Renewal and Replacement Program**
 - \$6M Annually for Lift Stations, Manhole Rehab, Line Extensions and other improvements
 - Currently funded at 60%
 - Planned acceleration to 80% in the next 5 years



Reserves

Notable Comments

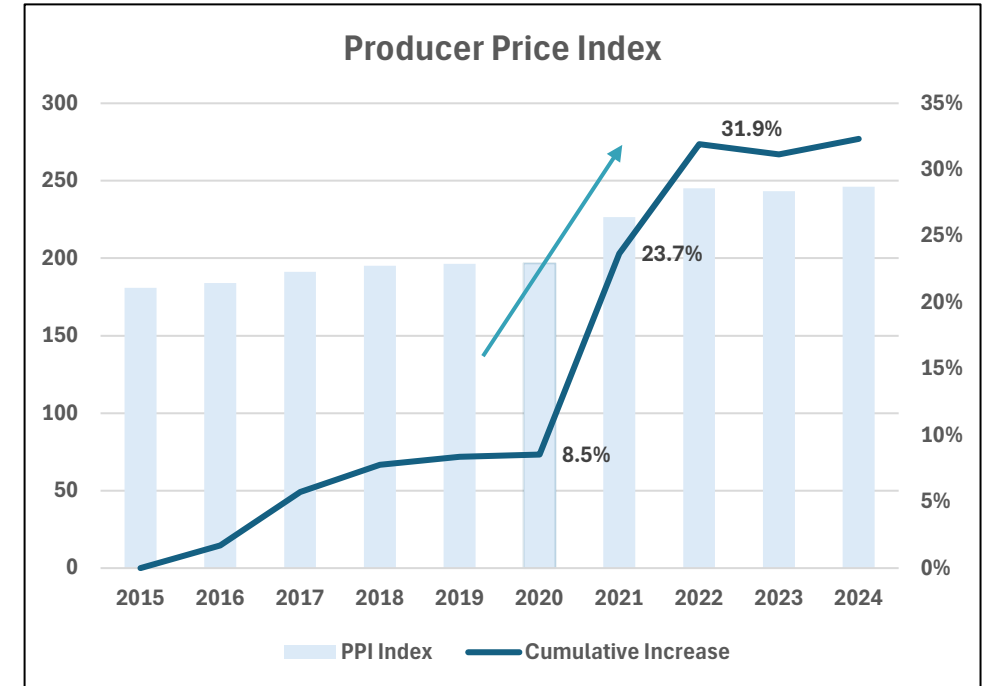
- \$68M in total FY 2026 Reserves
- **Revenue Surplus Funding** moves to Capital Outlay reserve each year
- Upcoming North Beach **bond reimbursement** not included



Closing Remarks

Opportunities

- **Construction** cost estimates
- **Project Timing** for delivery and capital availability
- **Technical Practice Lead** – (Odor Control, SB 64), PFAS, Biosolids, Cyber security, AI, etc.
- **Policy** – Work with Clerk of Courts, OMB & OPA to strengthen existing policies.
- **Customer Outreach** – Customer knowledge & expectations need to be synchronized to adopted regulatory mandates



Challenges

- **Senate Bill 64** – No effluent can be discharged to surface waters by 2032
- **MFL Mitigation** – Potable **water resource challenges** which will require utilization of lower quality source water for new water demands
- **More Regulations** - Potential to treat for **PFAS** or Polyfluoroalkyl are being developed requiring additional treatment at facilities
- **Biosolids** - Class B biosolids disposal eliminated by mid 2026; No available capacity for Class A – will take years to catch up
- **Infrastructure Construction Index** – Continues to increase



Interdepartmental Cooperation – Thank You!

- **Purchasing** – 100s of purchase orders, contracts, task orders, change orders on an annual basis
- **Land Management** – Easements and infrastructure donations, critical to our success
- **OCA** – Services contract assistance, BOCC item review, rate changes and implementations, studies, reclaimed water ordinance changes, etc.
- **OPA** – You make us look good!
- **HR** – Career Path, Quarterly Events, and Excellent Support!
- **OMB** – Consistent guidance and oversight for on going operations, purchasing verifications, BOCC items and fund management
- **Legislative Affairs & FM** – Lowers our expenses



