

The summarized FY2025 Water Fund budget is shown below. If rates remain the same, the Water Fund is projected to operate at a deficit in FY2025. Staff proposes a 26.5% increase in rates and seeks a recommendation from the Finance Advisory Board.

WATER DEPARTMENT PROJECTED REVENUES AND EXPENDITURES				
	533000	533000	533000	
Program	650: Employee Administration	640: Distribution	Total 2024-2025	Forecast 2023-2024
Revenues	\$0	\$3,742,412	\$3,742,412	\$4,411,829
Personnel	\$200,834	\$490,042	690,875	\$647,271
Operating	\$34,925	\$1,977,585	2,012,510	\$2,312,380
Capital and Transfers	\$0	\$2,096,516	2,096,516	\$2,335,000
Expense Subtotal	<b>\$235,759</b>	<b>\$4,564,143</b>	<b>\$4,799,901</b>	<b>\$5,294,651</b>
<b>Program Total</b>	<b>(235,759)</b>	<b>(821,731)</b>	<b>(1,057,490)</b>	<b>(882,822)</b>

Rate increases of 26.5% on the water base and usage across all categories would bring the fund to a budgeted gain of \$39,262.

The FY2025 budget is a fully-loaded budget and includes the following notable increases:

- Increase to cost of Pinellas County water, 5%
- Increase to water and engineering consulting costs, \$100,000
- Increase maintenance for distribution, meters and hydrants, \$52,000
- Increase services to replace galvanized pipe, \$235,000
- Administrative support fees projected at 5% (based on FY23 actuals) \$140,000
- Create a Capital Replacement Reserve \$76,000

The FY2023 unrestricted fund balance is \$2.8 million. The projected FY2024 unrestricted fund balance is \$1.9 million.

Effect on water base and usage rates (per 1,000 gallons) with a 26.5% increase:

Residential and Multi-Family Rates			
	FY2024	Proposed FY2025	Change
Base	20.52	25.96	5.44
0-4,000	3.08	3.90	0.82
4,001 - 25,000	10.30	13.03	2.73
25,001 +	12.36	15.64	3.28

Commerical Rates			
	FY2024	Proposed FY2025	Change
Base	41.05	51.93	10.88
0-25,000	10.30	13.03	2.73
25,001 +	12.36	15.64	3.28