

# Utilities FY27 Budget Strategy:

Maintaining Compliance While Managing Costs

Level of Service Considerations & Operational Tradeoffs

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**NORTH PORT**  
FLORIDA

# Utilities is an Enterprise Fund

Utilities Operates Like a Business- With Public Accountability

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- Funded by user fees— not property taxes
- Revenues must support operations, maintenance, and capital improvements
- Subject to public-sector regulations, procurement, and transparency
- Rates must reflect actual cost of service



# FY 27 Budget Development

## Current Financial Framework

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- Inflation impacting chemicals, materials, and contracts
- Limited borrowing capacity → greater reliance on cash funding
- Growing deferred maintenance needs
- Increasing regulatory expectations
- Rapid growth increasing system demand



# FY 27 Budget Creation

## Evaluating All Options to Balance the Budget

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- Operational efficiencies
- Staffing adjustments
- Capital deferrals

Remaining gap required evaluation of level of service changes

- Two level of service options identified for consideration:



**Reduced chemical  
treatment  
optimization**



**Reduced system  
pressure**

# Chemical Treatment Reduction

## Current vs. Proposed Service



### Current Process:

- Optimized coagulation
- Enhanced disinfection margins
- Focus on clarity, taste, odor



### Proposed Level of Service Reduction for Consideration:

- Reduce chemical dosing to minimum requirements
- Maintain full compliance with the Safe Drinking Water Act (SWDA) & FDEP regulations
- Estimated \$165,000 annual savings



# Water Pressure Reduction

## Reduce System Pressure

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**Current system pressures exceed minimum requirements**

Proposal:

- Reduce pressure within acceptable regulatory range

Benefits:

- Reduced pumping costs (energy savings)
- Lower system stress (potential leak reduction)
- Estimated \$248,030 annual savings

Impacts:

- Reduced fire flow performance - may impact NPFR ISO rating
- Lower pressure at customer taps (especially peak demand)
- Potential public perception concerns



# Summary of Level of Service Options

## Overview

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### Both options:

- Maintain regulatory compliance
- Protect public health

### Key considerations:

- Customer experience
- Fire protection capability
- Long-term system sustainability

### Commission consideration requested on:

- Acceptable level of service
- Trade-off between cost savings and customer impact

