



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

**Legislative Analysis**

**Government Operations**  
**Committee**

June 08, 2010

9:30 A.M.

Commission Chamber

Charles Anderson, CPA  
Commission Auditor  
111 NW First Street, Suite 1030  
Miami, Florida 33128  
305-375-4354

**Miami-Dade County Board of County Commissioners  
Office of the Commission Auditor**

**Legislative Notes  
Government Operations Committee  
Meeting Agenda**

**June 08, 2010**

Written analyses and notes for the below listed items are attached for your consideration:

**Item Number(s)**

1E3
2E

**Fiscal Impact Statement**

3B
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If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

Acknowledgements--Analyses prepared by:  
Michael Amador-Gil, Senior Legislative Analyst

**MIAMI-DADE COUNTY  
BOARD OF COUNTY COMMISSIONERS  
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

**Agenda Item:** 1(E)3  
**File Number:** 101224  
**Committee(s)  
of Reference:** Government Operations Committee  
**Date of Analysis:** June 3, 2010  
**Type of Item:** Resolution  
**Sponsor:** Commissioner Bruno A. Barreiro

**Summary**

This ordinance establishes County policy that for prospective fiscal years retail water and wastewater rates will be adjusted based on the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI), All Urban Consumers, Water and Sewerage Maintenance, U.S. City Average ("CPI"), to support Miami-Dade Water and Sewer's operations and maintenance costs.

*Also, beginning in Fiscal Year 2011, retail water and wastewater rates will be adjusted based on the annual index change for the just-ended calendar year for the United States Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI), All Urban Consumers, Water and Sewerage Maintenance, U.S. City Average (or any successor index established by the United States Department of Labor) available on October 1 ("CPI Adjustment"). The CPI Adjustment will be applied to the water and sewer rates effective annually on October 1.*

- **Additional revenues generated from the application of the CPI Adjustment in each Fiscal Year will be utilized solely to pay increased operation and maintenance costs of the Miami-Dade Water and Sewer Department.**

**Miami-Dade Water and Sewer Five Year Financial Outlook (Adopted Budget FY 2009-10)**

At the September 17, 2009, final public hearing regarding the County's Resource Allocation and Multi-Year Capital Plan, the Board of County Commissioner (BCC) adopted various rate adjustments for the Department. The water and wastewater retail customers' rate adjustment was phased into two effective dates, October 1, 2009, and April 1, 2010. Effective October 1, 2009, the water and sewer rate adjustment includes a six percent Maintenance Index increase to the average retail customer for FY 2009-10.

This Maintenance Index will be evaluated annually and applied in the proposed retail rate adjustment for FY 2010-11 through FY 2013- 14. For FY 2009-10, an additional 6% increase above the maintenance index will be in effect on April 1, 2010 to provide for an additional \$11.2 million in revenues to be utilized for a phased-in enhancement in operational requirements, additional renewal and replacement transfer to pay for capital expenditures, and increased debt service payments for a new issuance necessary for the implementation of the capital plan. The rate increase will not be applied to the retail lifeline customer.

- In future years, the Five-Year Outlook assumes maintenance index rate increases of four percent, except for FY 2010-11 and FY 2012-13 which include increases above the maintenance index of double digits. Rate increases assumed in future years are necessary to fund the Multi-Year Capital Improvement Plan estimated at \$6.4 billion in capital projects to meet regulatory requirements.
- Additionally, rate adjustments will pay for operational and maintenance expenditures for South Miami Heights Water Treatment Plant that will become operational in FY 2011-12, the Reverse Osmosis Plant, and the High Level Disinfection (HLD) process at the South District Wastewater Treatment Plant that will be operational in FY 2012-13.
- The Five-Year Financial Outlook assumes a weighted average percentage growth of four percent in operating expenditures annually through FY 2013-14. In FY 2011-12, an additional \$833,000 is included for six months of operating expenditures for the newly constructed South Miami Heights Water Treatment Plant, \$6.6 million for the operation of the Hialeah Reverse Osmosis Water Treatment Plant, and \$1.5 million for High Level Disinfection Process in FY 2012-13.
- The Department is proposing to issue new bonds of \$785 million in FY 2010-11, \$772.6 million in FY 2011-12, \$646.7million in FY 2012-13, and \$589 million in FY 2013-14 to provide funding for planned capital projects.

### Survey of Florida Counties

The Office of the Commission Auditor surveyed five jurisdictions in Florida. OCA focused on examining how other counties establish their water and wastewater rates.

Counties	Population & Budget FY2009-10	Does the County adjust their water and wastewater based on CPI?	Comments
Broward (Water and Wastewater Services)	1,758,494 \$3.1 billion	<p>No. Broward County provides retail water and wastewater services to approximately 57,000 customers throughout the County's Water and Wastewater Services (WWS) service area. The recommended Fiscal Year 2010 operating and capital program budgets for the Water and Wastewater Fund include increases in water and wastewater retail rates, effective for services rendered after October 1, 2009. <sup>1</sup></p> <p>The new rates are necessary to fund increasing operating costs, debt services associated with the February 2009 sale of revenue bonds, and the effects of less than historical demands in the water and wastewater systems. The proposed Fiscal Year 2010 rates reflect an increase of 3.79% in the water rates and 6.05% in the sewer rates, for a cumulative impact of 5.1%.</p> <p>Fees for permits, reclaimed water, emergency rate</p>	<p>Alan Garcia, Director of Water and Wastewater Services 954.831.0707</p> <p>Charlie England, Revenue Protection Manager for Water and Wastewater Services 954.831.3216</p>

<sup>1</sup>The Commission approved these rates on August 25, 2009.

Counties	Population & Budget FY2009-10	Does the County adjust their water and wastewater based on CPI?	Comments
		adjustments, specific service charges, engineering service charges, and field service charges remain unchanged. An average WWS customer using 5,000 gallons per month of water consumption will experience an overall increase of \$2.63 in his monthly water and wastewater bill, from \$51.59 to \$54.22.	
Palm Beach County (PBC)	1,294,654 \$4.1 billion	Yes. The Board of County Commissioners approved an annual CPI adjustment several years ago. PBC applies this adjustment, to both water and wastewater at the beginning of October each year. The percentage allowed is 75% of the Water and Wastewater Maintenance Indicator as maintained by the Bureau of Labor Statistics.	Aaron, Budget Analyst 561.355.2393

Counties	Population & Budget FY2009-10	Does the County adjust their water and wastewater based on CPI?	Comments
Hillsborough (Water Resources Services)	1,200,541 \$2.972 billion	<p>No. Beginning June 1, 2010, Water Resource Services (WRS) customers will see changes in the rates they pay for water, wastewater and metered reclaimed water service. In order to keep the utility financially sound, Hillsborough County Commissioners in May approved the implementation of "rate indexing." Rate indexing will allow them to make annual adjustments to rates based on an inflation factor established by the <b>Florida Public Service Commission</b>.</p> <ul style="list-style-type: none"> <li>• The rate indexing will be applied on usage beginning June 1, 2010. The rate adjustment for this year is 0.37 percent, amounting to an additional 22 cents per month on the typical household use of 6,000 gallons of water. Furthermore, the indexing plan approved by the County Commission allows for WRS to begin charging the adjusted rate automatically on June 1 of each year if adjustments are necessary.</li> <li>• Rate adjustments can be made only once per calendar year, and will be tied to a factor set by the Florida Public Service Commission. Although WRS is not regulated by this authority, their standards are specific to Florida utilities. <b>This makes their inflation factor more applicable to WRS, unlike the Consumer Price Index, which incorporates a wide variety of commodities.</b></li> </ul>	<a href="http://www.hillsboroughcounty.org/water/accounts/rates.cfm">http://www.hillsboroughcounty.org/water/accounts/rates.cfm</a>
Orange (Water and Wastewater Department)	1,114,979 \$3.1 billion (FY 2010)	<p>No, consistent with and pursuant to Section 153.11 of Florida Statutes, the Board of County Commissioners adopts annually, effective October 1st of each year hereafter, an automatic increase of three percent (3%) to all rates, fees and charges contained in the Water System Charge Schedule in effect immediately prior to the effective date of such annual increase.</p> <p>The automatic increase will not apply to the Water Capital Charge or Specific Service Charges.</p>	<p>Christine Arrant, Budget Analyst</p> <p>407.836.7390</p> <p><a href="http://www.orangecountyfl.net/YourLocalGovernment/BudgetFinances/tabid/243/Default.aspx">http://www.orangecountyfl.net/YourLocalGovernment/BudgetFinances/tabid/243/Default.aspx</a></p>

Counties	Population & Budget FY2009-10	Does the County adjust their water and wastewater based on CPI?	Comments
Duval	904,971 \$4.57 billion	To Be Announced	John Proctor, Budget Analyst 904.630.1197  Dave McKee, Major Accounts Manager for Jacksonville Electric Authority  904.665.4336

**Attachments**

- Combined water and sewer bills for Florida municipalities and major U.S. cities for the average residential customer 2007, 2008, and FY 2009-10<sup>2</sup>
- Miami-Dade Monthly Water and Sewer Charges Percentage Changes Average 6,750 Gallon Customer

**Prepared by:** Michael Amador-Gil

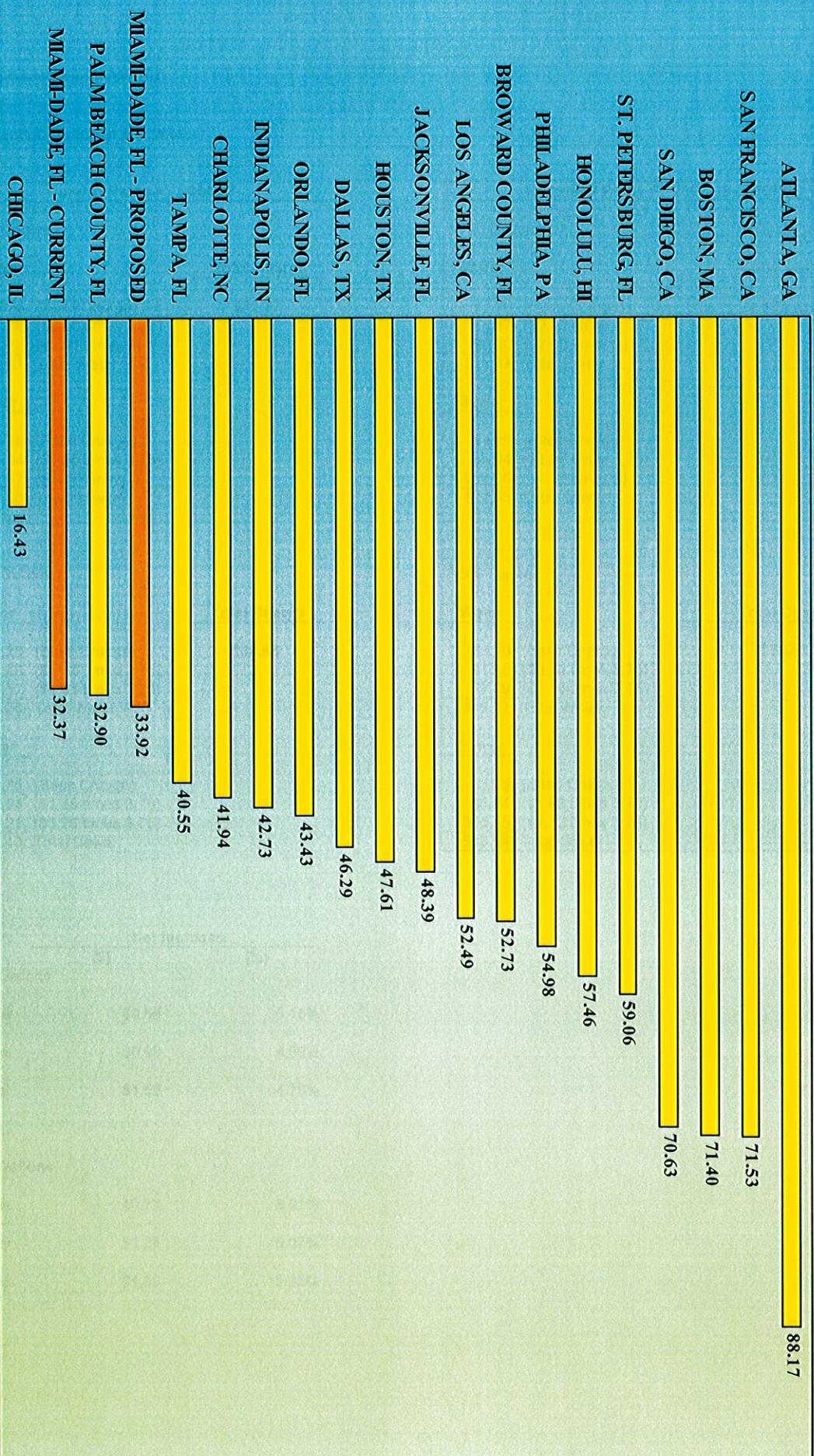
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<sup>2</sup>Average Residential Customer using 6,700 Gallons Per Month

**Miami-Dade Water & Sewer Department  
Monthly Water and Sewer Charges  
Percentage Changes  
Average 6,750 Gallon Customer**

<u>Effective Date</u>	<u>% Change Average 6,750 Gallon Water &amp; Sewer Bill</u>
10/1/1997	0.0%
10/1/1998	0.0%
10/1/1999	0.0%
10/1/2000	0.0%
10/1/2001	-11.1%
10/1/2002	-2.2%
10/1/2003	6.5%
10/1/2004	0.0%
10/1/2005	7.7%
01/1/2007	4.5%
10/1/2007	4.8%
10/1/2008	5.4%
10/1/2009	6.0%
04/1/2010	5.7%

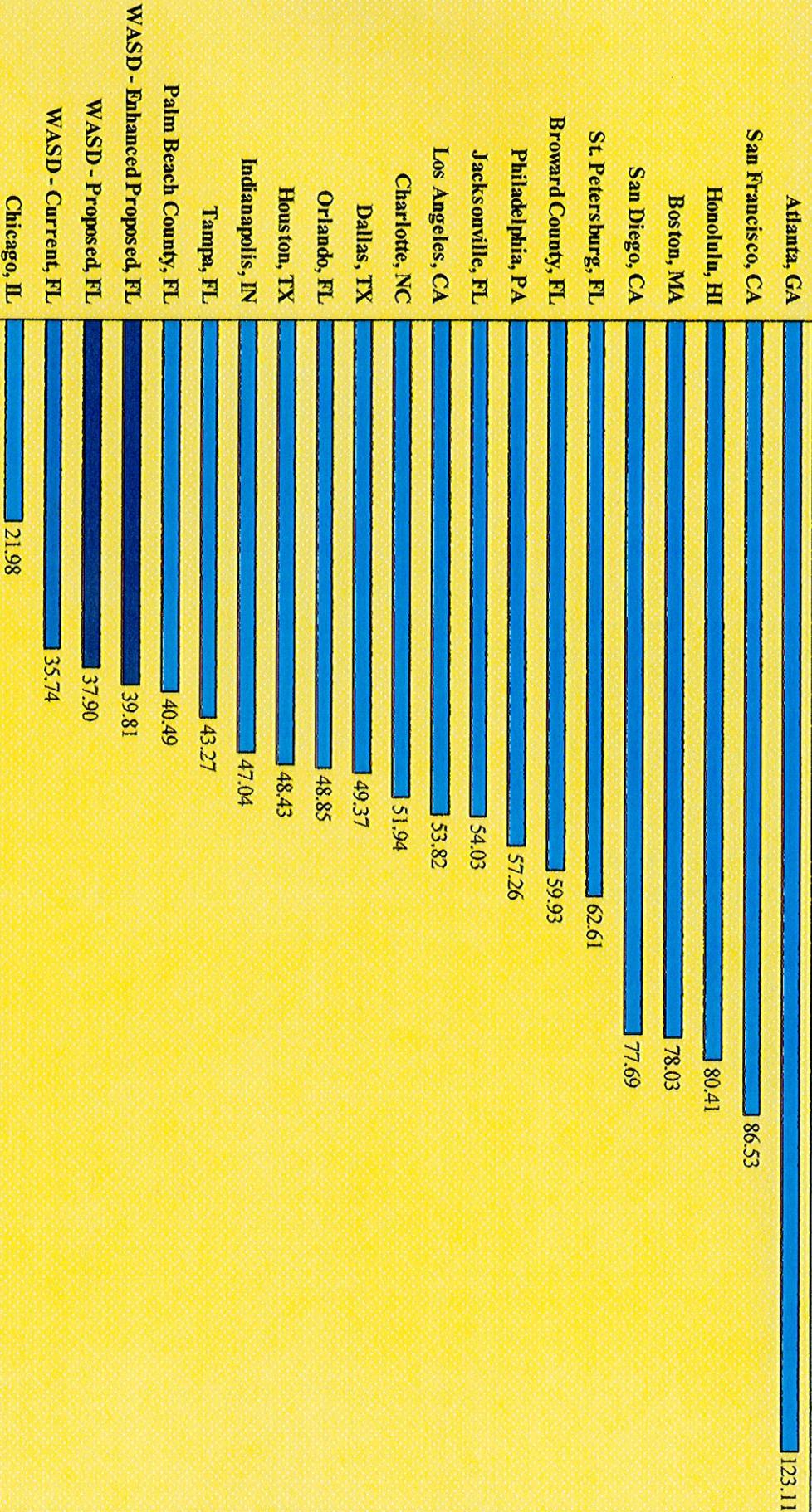
# COMBINED WATER AND SEWER BILLS FLORIDA MUNICIPALITIES AND MAJOR U.S. CITIES FOR THE AVERAGE RESIDENTIAL CUSTOMER\* EFFECTIVE OCTOBER 1, 2007



DOLLARS PER MONTH

\* AVERAGE RESIDENTIAL CUSTOMER USING 6,750 GALLONS PER MONTH

# COMBINED WATER AND SEWER BILLS FLORIDA MUNICIPALITIES AND MAJOR U.S. CITIES FOR THE AVERAGE RESIDENTIAL CUSTOMER\*

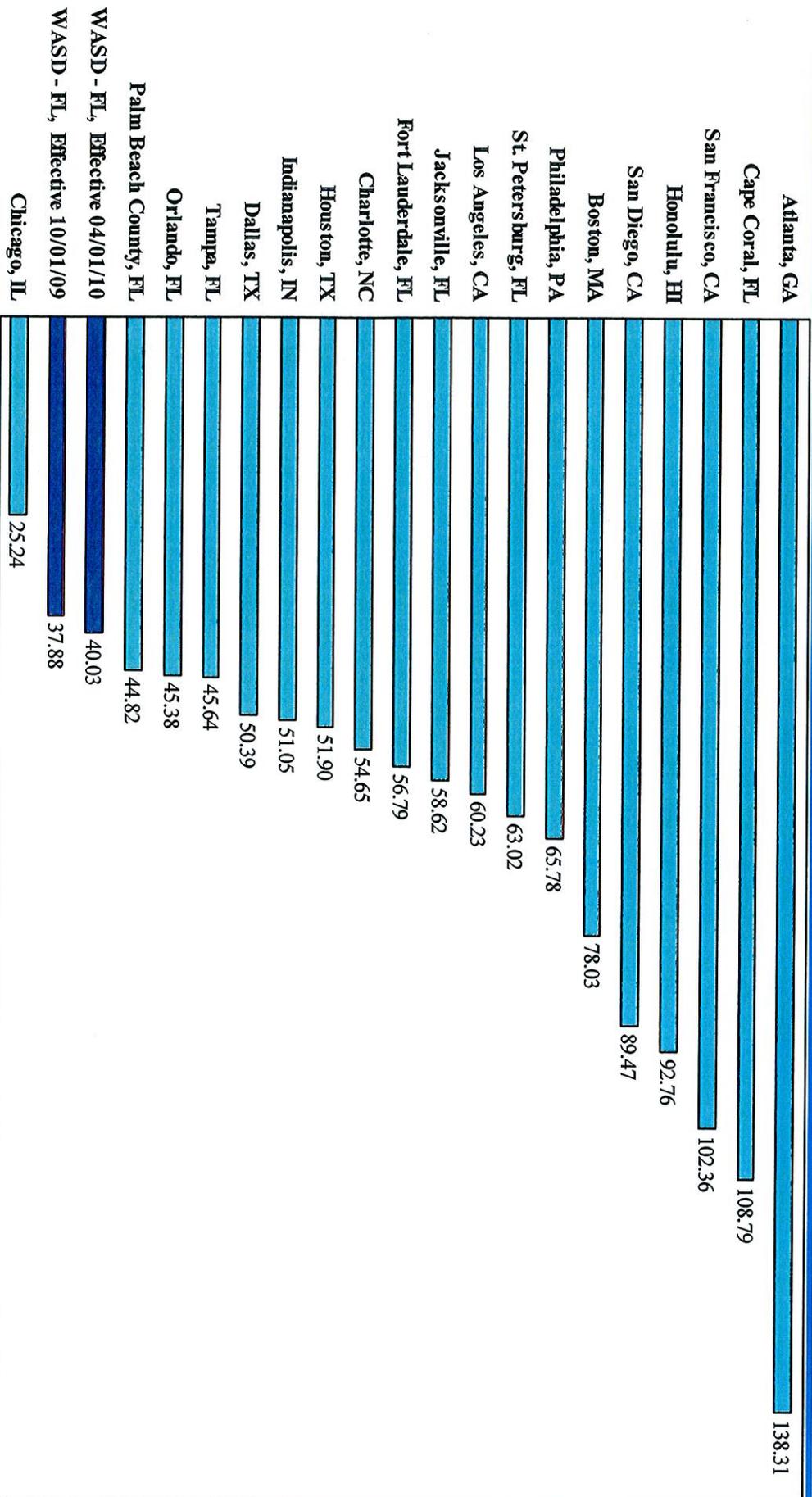


DOLLARS PER MONTH

\* AVERAGE RESIDENTIAL CUSTOMER USING 6,750 GALLONS PER MONTH

Note: Current Miami-Dade rate effective October 1, 2008

# COMBINED WATER AND SEWER BILLS FLORIDA MUNICIPALITIES AND MAJOR U.S. CITIES FOR THE AVERAGE RESIDENTIAL CUSTOMER\*



DOLLARS PER MONTH

\* AVERAGE RESIDENTIAL CUSTOMER USING 6,750 GALLONS PER MONTH  
 Note: Current Miami-Dade rate effective October 1, 2009

**MIAMI-DADE COUNTY  
BOARD OF COUNTY COMMISSIONERS  
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

**Agenda Item:** 2(E)  
**File Number:** 101343  
**Committee(s)  
of Reference:** Government Operations Committee  
**Date of Analysis:** June 4, 2010  
**Sponsor:** Commissioner Bruno A. Barreiro

**Summary**

This resolution rescinds Resolution 200-10 that authorized the execution of amendments to the Lease Agreement and the Concession and License Agreement between Miami-Dade County and the Miami Parking Authority.

**Background and Relevant Information**

On February 18, 2010, the Board of County Commissioners, through Resolution 200-10, amended a Lease Agreement and the Concession and License Agreement between Miami-Dade County and the Miami Parking Authority, for Lot 18, Folio No. 01-3135-037-0020; Lot 26, Folio No. 01-3135-037-0080; and Lot 27, Folio No. 01-3135-037-0010 to accommodate temporary use of an open-air flea market during weekend hours and legal holidays.

**The lots are located at the Richard E. Gerstein Criminal Courthouse (Civic Center area). In addition to the courthouse, the Civic Center area includes jails, hospitals, the Miami-Dade Public Defender's Office and the State Attorney's Office.**

**Amendment Highlights**

The Miami Parking Authority would have paid rent to Miami-Dade County in the amount of 50 percent of the total gross revenue received from the flea market and any parking income received during such operation.

**The following questions were posed to General Administration Services (GSA) staff:**

- By how much would the rental income increase? What is the rental income now?  
*The County is paid approximately \$75,000 per annum Monday to Friday for operations on each lot. The proposed dollars would be in addition to the \$75,000 since the lots are not currently used on weekends.*

**Prepared by:** Michael Amador-Gil

MIAMI-DADE COUNTY  
BOARD OF COUNTY COMMISSIONERS  
OFFICE OF THE COMMISSION AUDITOR



FISCAL IMPACT ANALYSIS

Agenda Item: 3(B)

File Number: 101323

Type of Item: Resolution

Committee(s)  
of Reference: GOC

Date of Analysis: June 4, 2010

Funding Request: \$13,180

<p>Operating <input checked="" type="checkbox"/></p> <p>Operating Funding Source(s):</p> <p>General Fund <input checked="" type="checkbox"/></p> <p>Federal <input type="checkbox"/></p> <p>State <input type="checkbox"/></p> <p>Proprietary <input type="checkbox"/></p> <p>Other (explain) <input type="checkbox"/></p> <p>_____</p> <p>_____</p>	<p>Capital <input type="checkbox"/> CIP page number _____</p> <p>Recurring Estimated Operating Cost \$ _____</p> <p>Capital Funding Source(s):</p>
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County Match required:

Yes  \$ \_\_\_\_\_ % \_\_\_\_\_

No

ISSUES/COMMENTS None

The month-to month agreement is primarily due to the unknown actual construction completion date of the Children's Courthouse and the West Lot Garage and office building. The cost may exceed \$13,180 annually if construction extends past July 1, 2011. Further inquiries into the lease management fee and estimated revenue losses have been made to the department and should be provided when this item reaches the BCC.

Prepared by: Charlie Queen