

FY 2007 - 08 Adopted Budget and Multi-Year Capital Plan

Water and Sewer



SUMMARY

The Miami-Dade Water and Sewer Department (WASD) provides high-quality drinking water and wastewater disposal services, while planning for future growth, implementing water conservation measures, safeguarding public health and the environment, and providing for process improvements and cost efficiencies.

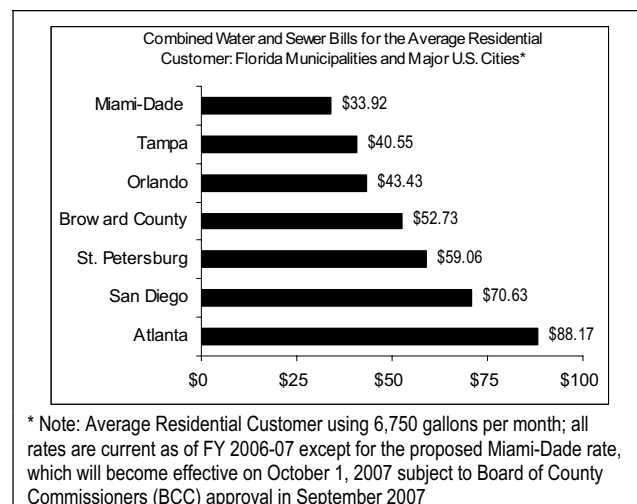
As part of the Neighborhood and Unincorporated Area Municipal Services strategic area, the Department's main functions are water transmission, treatment, and distribution, as well as wastewater collection, treatment, and disposal. WASD operates three regional and five smaller water treatment plants, with a total rated capacity of 455 million gallons per day (MGD), and three regional wastewater treatment plants with a total treatment capacity of 368 MGD. Additionally, WASD operates and maintains 93 water supply wells (grouped into 14 wellfields) in the Biscayne Aquifer; five aquifer storage and recovery wells in the Floridian Aquifer; 1,006 sewer pump stations (987 County-owned and 19 maintained for other entities); 7,253 miles of water distribution pipes; and 5,886 miles of sewer collection pipes. The Department implements water conservation measures, provides high quality drinking water, and plans and improves infrastructure for future growth.

The Department delivers water and sewer services to most residents and businesses within Miami-Dade County, serving approximately 412,000 water and 329,000 wastewater retail customers as of September 30, 2006. Additionally, wholesale water service is provided to 15 municipalities and wholesale sewer service is provided to 12 municipalities within Miami-Dade County. In providing these services, the Department interacts with and is regulated by the United States Environmental Protection Agency, the Florida Department of Environmental Protection, the Miami-Dade County Health Department, the South Florida Water Management District and the Department of Environmental Resources Management.

COMMUNITY BUDGET DOLLARS AT WORK

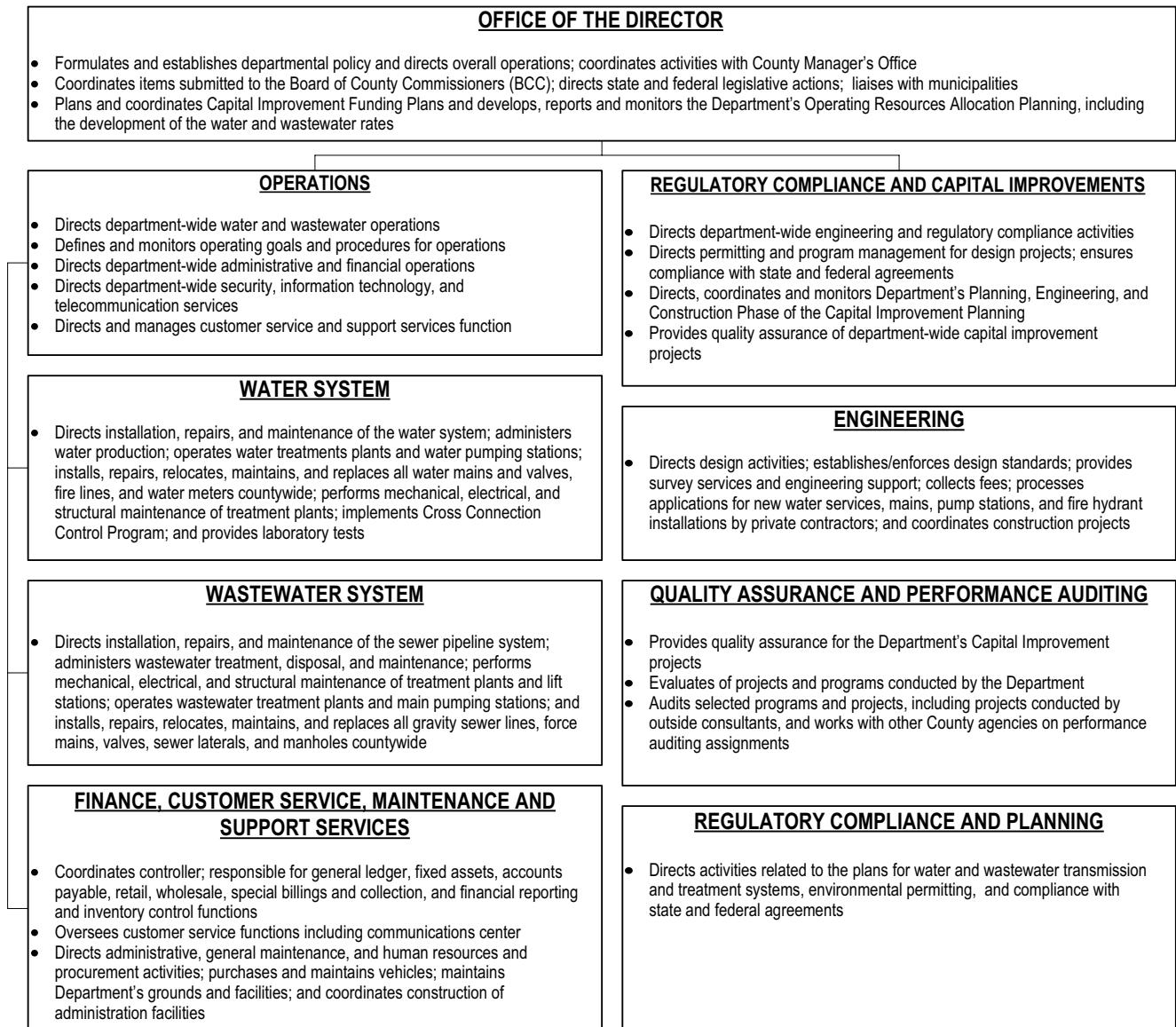
	Actual FY 05-06	Actual FY 06-07	Estimate FY 07-08
<ul style="list-style-type: none"> Average wait time for customers to speak with a Customer Service Representative (minutes)* 	4.9	2.1	3
<ul style="list-style-type: none"> Gallons of water saved per day by Water Efficiency Program 	N/A	1,159,446	1,000,000
<ul style="list-style-type: none"> Percent of non-emergency requests/calls dispatched within three business days 	89.8%	96.4%	89%

* Note: Actual FY 2005-06 numbers have been corrected subsequent to last year's budget publication



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TABLE OF ORGANIZATION



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FINANCIAL SUMMARY

(Dollars in Thousands)	Actual FY 05-06	Budget FY 06-07	Adopted FY 07-08
Revenue Summary			
Carryover	43,682	48,812	53,242
Delinquency, Billing, and Service Charges	9,058	8,974	9,398
Fire Protection and Fire Hydrant Fees	4,436	4,404	4,534
Maintenance Fees	245	193	210
Miscellaneous Non-Operating Revenue	35,814	13,491	22,575
Miscellaneous Revenues	3,895	3,655	3,792
Rock Mining Mitigation Fees	0	0	5,000
Septic Tanks and High Strength Sewage	2,817	2,637	2,671
Transfer From Other Funds	41,394	38,294	983
Wastewater Revenue	232,845	233,314	240,058
Water Revenue	187,020	196,279	204,482
Total Revenues	561,206	550,053	546,945
Operating Expenditures Summary			
Salary	105,368	101,149	106,263
Fringe Benefits	49,871	54,591	62,895
Other Operating	137,649	163,707	161,119
Capital	53,210	58,612	38,612
Total Operating Expenditures	346,098	378,059	368,889
Non-Operating Expenditures Summary			
Debt Service	113,398	118,753	118,010
Reserve	0	53,241	55,046
Transfers	22,868	0	5,000
Other Non-Operating Adjustments	30,030	0	0
Total Non-Operating Expenditures	166,296	171,994	178,056

(Dollars in Thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 06-07	Adopted FY 07-08	Budget FY 06-07	Adopted FY 07-08
Strategic Area: Neighborhood and Unincorporated Area Municipal Services				
Administration	54,605	72,309	408	406
Engineering and Construction	10,135	15,737	277	290
Finance and Customer Service	48,751	37,421	469	468
Regulatory Compliance and Quality Assurance	5,355	5,571	62	56
Wastewater Collection and Treatment	134,555	125,370	785	786
Water Production and Distribution	124,658	112,481	701	696
Total Operating Expenditures	378,059	368,889	2,702	2,702

STRATEGIC PLANNING PRIORITIES AND BUDGET HIGHLIGHTS

Neighborhood and Unincorporated Area Municipal Services

Desired Outcome	Highlights	Performance Impact
NU2-2: Improved community access to information and services (priority outcome)	Maintain high level of responsiveness to customer service requests	Maintain percentage of all non-emergency requests/calls dispatched within three business days to 89 percent in FY 2007-08
NU2-2: Improved community access to information and services (priority outcome)	Continue to make information available to customers in a timely manner	Maintain wait time for customer service calls to three minutes in FY 2007-08

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<p>NU3-1: Continuing supplies of quality drinking water to meet demand</p>	<p>Continue to meet scheduled milestones in the Interim Water Use Authorization and Agreement with the South Florida Water Management District (Interim Agreement) and obtain a 20-Year Consumptive Use Permit to withdraw up to 350 million gallons per day from the Biscayne Aquifer by complying with all requirements of the Interim Water Use Authorization and Agreement</p>	<p>Obtain 20-Year Water Consumptive Use Permit (CUP) by November 2007 and maintain 100 percent compliance with the CUP conditions</p>
<p>NU3-1: Continuing supplies of quality drinking water to meet demand</p>	<p>Enhance water conservation initiatives through implementation of the Goal Based Water Use Efficiency 20-Year Plan including landscape and irrigation evaluation, high efficiency washer rebate, showerhead exchange and retrofit kits; and industrial commercial and institutional water evaluation (\$850,000); offer educational programs, such as "Wet in the City," in 25 schools and conduct media and public information campaigns (\$350,000)</p>	<p>Provide opportunities for residents to save money and conserve water through the implementation of proposed water saving projects; new quantifiable best management practices will keep producing an approximate water saving of more than one million gallons per day in FY 2007-08</p>
<p>NU3-1: Continuing supplies of quality drinking water to meet demand</p>	<p>Continue implementation of water system capital projects (\$92.808 million in FY 2007-08, \$1.281 billion all years) including Building Better Communities (BBC) Bond Program projects (\$7.014 million in FY 2007-08, \$109.488 million all years); major water system projects include South Miami Heights Water Treatment Plant and Wellfield (\$13.144 million in FY 2007-08, \$99.885 million all years); Water Distribution System Extension Enhancements (\$9.357 million in FY 2007-08, \$189.987 million all years), Water Treatment Plant - Upper Floridian Reverse Osmosis (\$8.9 million in FY 2007-08, \$127.7 million all years), and Wellfield Improvements (\$10.377 million in FY 2007-08, \$112.787 million all years)</p>	<p>Proceed with planning and construction of water capital projects which will modify or enhance existing water distribution system, improve and protect wellfield, and upgrade water treatment</p>

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<p>NU6-2: Reduction in sewage overflows and provision of sewage systems to unconnected commercial corridors. Protection of water quality and improved water pressure</p>	<p>Continue to fully comply with drinking water standards through water treatment and distribution processes; and continue to maintain softening process to meet future Disinfection and Disinfection By-Products standards; and maintain Florida Department of Health certification for all five laboratories in accordance with National Environmental Laboratory Accreditation Conference standards</p>	<p>Maintain 100 percent compliance with water standards</p>
<p>NU6-2: Reduction in sewage overflows and provision of sewage systems to unconnected commercial corridors. Protection of water quality and improved water pressure</p>	<p>Continue upgrading the Supervisory Control & Data Acquisition System at water treatment plants</p>	<p>Monitor water pressure at five primary system points and ensure a minimum of 35 pounds per square inch (PSI) 98 percent of the time</p>
<p>NU6-2: Reduction in sewage overflows and provision of sewage systems to unconnected commercial corridors. Protection of water quality and improved water pressure</p>	<p>Continue to ensure the proper maintenance and operation of sewage system</p>	<p>Reduce sewage overflows by maintaining 99 percent of pumps in service at pump stations on a daily basis and continue to dispatch emergency calls for sewage overflows within one hour of receipt</p>
<p>NU6-2: Reduction in sewage overflows and provision of sewage systems to unconnected commercial corridors. Protection of water quality and improved water pressure</p>	<p>Continue implementation of wastewater system capital projects (\$128.525 million in FY 2007-08, \$3.581 billion all years), including BBC Bond Program projects (\$1.965 million in FY 2007-08, \$95.732 million all years); major wastewater system projects include Wastewater Treatment Plants-Effluent Reuse (\$14.554 million in FY 2007-08, \$944.017 million all years); South District Wastewater Treatment Plant-High Level Disinfection (\$37.313 million in FY 2007-08, \$505.985 million all years); and Peak Flow Management Facilities (\$3.328 million in FY 2007-08, \$380.202 million all years)</p>	<p>Proceed with planning and construction of wastewater capital projects which will modify or enhance existing wastewater collection system, reduce sewage overflows, and upgrade wastewater treatment</p>

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CAPITAL BUDGET SUMMARY

(Dollars in Thousands)	PRIOR	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FUTURE	TOTAL
Revenue									
Building Better Communities GOB Program	5,489	8,979	12,230	19,658	10,426	5,935	7,714	134,789	205,220
EPA Grant	500	500	0	1,380	1,500	0	0	0	3,880
Fire Hydrant Fund	11,643	2,641	2,669	2,697	2,725	2,754	2,783	2,812	30,724
Future WASD Revenue Bonds	0	0	0	555,867	0	563,032	0	1,553,351	2,672,250
HLD Special Construction Fund	80,000	0	0	0	0	0	0	0	80,000
Miscellaneous - Other County Sources	294	0	0	0	0	0	0	0	294
Rock Mining Mitigation Fees	3,000	5,000	5,000	5,000	5,000	5,000	0	0	28,000
S. Fl. Water Mgmt. District Grant	5,000	5,000	5,000	5,000	5,000	5,000	0	0	30,000
State Revolving Loan Wastewater Program	95	0	34,680	25,000	27,320	13,000	0	0	100,095
State Revolving Loan Water Program	48,295	0	0	0	0	0	0	0	48,295
WASD Revenue Bonds Sold	234,506	0	0	0	0	0	0	0	234,506
Wastewater Connection Charges	160,372	31,000	31,000	31,767	30,999	31,719	31,204	28,430	376,491
Wastewater Construction Fund	906	0	0	0	0	0	0	0	906
Wastewater Renewal Fund	197,249	24,001	54,000	54,001	54,000	54,000	54,001	54,000	545,252
Wastewater Special Construction Fund	5,610	0	0	0	0	0	0	0	5,610
Water Connection Charges	63,952	6,999	7,000	7,311	7,700	7,701	3,540	989	105,192
Water Construction Fund	34,788	0	0	0	0	0	0	0	34,788
Water Renewal and Replacement Fund	123,739	16,001	36,000	36,000	36,000	36,000	36,000	36,000	355,740
Water Special Construction Fund	4,412	0	0	0	0	0	0	0	4,412
Total:	979,850	100,121	187,579	743,681	180,670	724,141	135,242	1,810,371	4,861,655
Expenditures									
Strategic Area: Neighborhood And Unincorporated Area Municipal Services									
Wastewater Projects	236,911	128,525	288,220	379,069	331,731	325,243	308,958	1,581,926	3,580,583
Water Projects	199,112	92,808	112,929	174,214	139,915	151,539	130,661	279,894	1,281,072
Total:	436,023	221,333	401,149	553,283	471,646	476,782	439,619	1,861,820	4,861,655

SELECTED ITEM HIGHLIGHTS AND DETAILS

Line Item Highlights	(Dollars in Thousands)				
	Actual	Actual	Budget	Actual	Budget
	FY 04-05	FY 05-06	FY 06-07	FY 06-07	FY 07-08
Chemicals and Lime	12,340	12,136	20,513	13,602	15,037
Electricity	24,801	27,573	33,404	29,262	31,265
Insurance	4,629	7,395	8,280	5,985	5,924
Natural Gas	6,068	7,449	8,511	5,364	8,108
Security Services	6,346	4,950	7,085	9,066	7,992
Travel	70	76	335	101	305
Contract Temporary Employees	885	760	648	1,001	1,041
Administrative Reimbursement	11,052	13,737	13,790	13,790	14,984
Community-based Organizations	250	250	250	250	250
Transfers and Reimbursements					
• Consumer Services - Florida Yards and Neighborhoods Program	0	0	0	27	27
• Audit and Management Services Department - Auditing Services	440	440	440	440	440

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ADOPTED FEE ADJUSTMENTS FOR SERVICES

Fee Adjustments	Current Fee FY 06-07	Adopted Fee FY 07-08	Dollar Impact FY 07-08
• Pipe Tapping Charge: Tap Size (4 inch, 6 inch, 8 inch, 12 inch, 16 inch, 20 inch: fees vary from \$270 to \$885)	various	various	16,455
• Tailpiece Charge: Tailpiece Size 3/4 inch	20	30	150,000
• Tailpiece Charge: Tailpiece Size 1 inch	40	50	80,000
• Floating Meters Damaged/Cleaning Fees: Meter Size 2 inch	110	125	6,000
• Water Meter Installation Fees: (Service Size 5/8 inch, 1 inch, 2 inch, 4 inch, 4 inch turbo, 6 inch turbo, 6 inch by 4 inch turbo, 8 inch turbo, 8 inch by 4 inch turbo, 10 inch turbo, 10 inch by 4 inch turbo: fees vary from \$60 to \$9,205)	various	various	83,885
• Return Field Visit to Set Meter after Failed Meter Installation: Service Size: 2 inch to 10 inch	40	50	2,500
• Water Retail Rates	various	various	7,331,000
• Wastewater Retail Rates	various	various	7,787,000
• Hialeah and Miami Springs Wholesale Water and Wastewater Rates	various	various	188,000
• Floating Meters Damaged/Cleaning Fees: Meter Size 1 inch	55	65	5,000
• Floating Meters Damaged/Cleaning Fees: Meter Size 3 inch	0	125	62,500
• Sulfate - Charges to Various Outside Utilities	8	16	800
• Sodium - Charges to Various Outside Utilities	0	18	900
• Return Field Visit After Initial Attempt to Read Meter	25	50	9,256
• Report Listing New Customers Fee	0	40	12,480
• Civil Penalties for Violation of Permanent Landscape Irrigation Restrictions	0	50	20,000
• Westwood Lake Weed Control Fee	208	148	-12,501

ADDITIONAL COMMENTS AND HIGHLIGHTS

- As part of the FY 2007-08 Adopted Budget, a retail water and wastewater rate adjustment was approved utilizing a Maintenance Index of 4.8 percent based on a twenty-year historical average of 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; this increase, combined with transfers from other Department funds, are required to cover the current operating and maintenance costs and the current level of capital expenditures
- The adjustment to the retail rate, based on the Maintenance Index and representing a 4.8 percent increase became effective October 1, 2007; the bill of the average retail water and sewer customer (6,750 gallons per month) increased by \$1.55 per month to approximately \$33.92 per month in FY 2007-08 from \$32.37 per month in FY 2006-07; the rate increase was not applied to retail lifeline and low-use customers; wholesale water and sewer rates will remain the same for FY 2007-08; wholesale revenues for FY 2007-08 do not include providing water to the City of North Miami; the City plans on purchasing water from WASD on an emergency basis only

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- The Department received the final report for retail and wholesale rates from the independent rate consultant and has reviewed and evaluated the recommendations; during the first quarter of FY 2007-08, the Department will present the proposed wholesale rate recommendations to the Board of County Commissioners (BCC) and advise the BCC as to the potential impacts of the retail rate structure on the various customers
- The Department will continue assessing water and wastewater rate levels annually to accommodate increasing operating and maintenance costs, to fund a portion of the Department's delayed capital renewal and replacement costs, and to address major capital expenditures in the future for projected new demands on the system and additional regulatory requirements such as High Level Disinfection and Alternative Water Supply initiatives including reuse
- The FY 2007-08 Adopted Budget includes a reduction in the transfer from the Revenue Fund to the Renewal and Replacement (R&R) fund to \$40 million from \$60 million; the reduction of the transfer is possible as a result of the reallocation of R&R expenditures to the WASD Construction Bond fund which increased the R&R fund balance to \$179.871 million at the end of FY 2005-06 from \$41.278 million at the end of FY 2004-05
- The Department has identified \$2.994 billion of unfunded planned projects including \$355 million in R&R needs over ten years; the Department will continue to reevaluate all of the funding requirement and allocations in the capital plan; reuse and alternative water supply projects are presented as \$23.014 million of funded projects and \$1.09 billion of unfunded projects in the Multi-Year Capital Plan; the continuing review and assessment by the Department will provide the framework for developing and evaluating changes to the Capital Improvement Plan
- In FY 2006-07, the Department ended with a fund balance of \$30.7 million in the Rate Stabilization fund; no transfer to the operating budget is planned from the Rate Stabilization fund in FY 2007-08; in FY 2006-07, the Department ended with a fund balance of \$37.9 million in the General Reserve Fund and is projecting to utilize \$938,000 in FY 2007-08 to pay for non-operating expenditures including debt service payments and a transfer to R&R; in FY 2006-07, the Department ended with a fund balance of \$53.2 million in the operating budget as Reserve Required by Bond Ordinance and estimating \$55 million in year-end for FY 2007-08
- WASD will continue the implementation of efficiency initiatives in FY 2007-08; since the establishment of the POWER Efficiency Program in March 1998, WASD has realized approximately \$29 million in efficiency savings; in FY 2007-08, efficiency savings of \$1.998 million is estimated within the capital budget, projects include transferring the capital plan program management function from a consultant to in-house personnel (\$500,000), transferring sanitary sewer lateral repair and replacement from outside contractors to in-house personnel (\$800,000), and recovering and salvaging fire hydrant parts instead of buying new parts (\$90,000)
- The Office of Strategic Business Management completed the Land Use and Permitting in Miami-Dade County Study with recommended process improvements; WASD, as a member of the County's Building and Permitting Consortium, will continue to implement the recommendations of this study; the cost of the permit improvement initiatives, including the Concurrent Plan Review system, will be shared among the six departments at a rate commensurate with the number of plans processed by each department
- The FY 2007-08 Adopted Budget is based on an attrition rate of four percent