

# FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

## Water and Sewer

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.

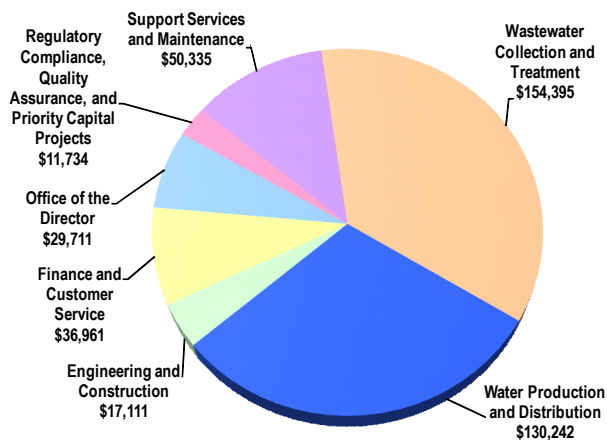
As part of the Neighborhood and Unincorporated Area Municipal Services strategic area, the Department's main functions are water production and distribution, as well as wastewater collection, treatment, reuse, and disposal. WASD operates three regional and five smaller water treatment plants, with a total rated capacity of 452 million gallons per day (MGD), and three regional wastewater treatment plants with a total treatment capacity of 368 MGD. Additionally, WASD operates and maintains 95 water supply wells (grouped into 14 wellfields) in the Biscayne Aquifer; five aquifer storage and recovery wells in the Floridian Aquifer; 1,035 sewer pump stations (1,016 County-owned and 19 maintained for other entities); 7,559 miles of water distribution mains; and 6,111 miles of wastewater mains and lateral 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 417,813 water and 336,272 wastewater retail customers as of September 30, 2009. Additionally, wholesale water service is provided to 13 municipalities and wholesale sewer service is provided to 11 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.

### FY 2010-11 Adopted Budget

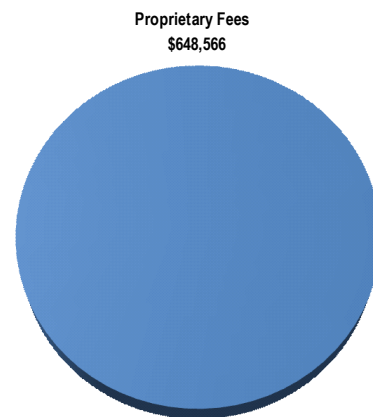
#### Expenditures by Activity

(dollars in thousands)



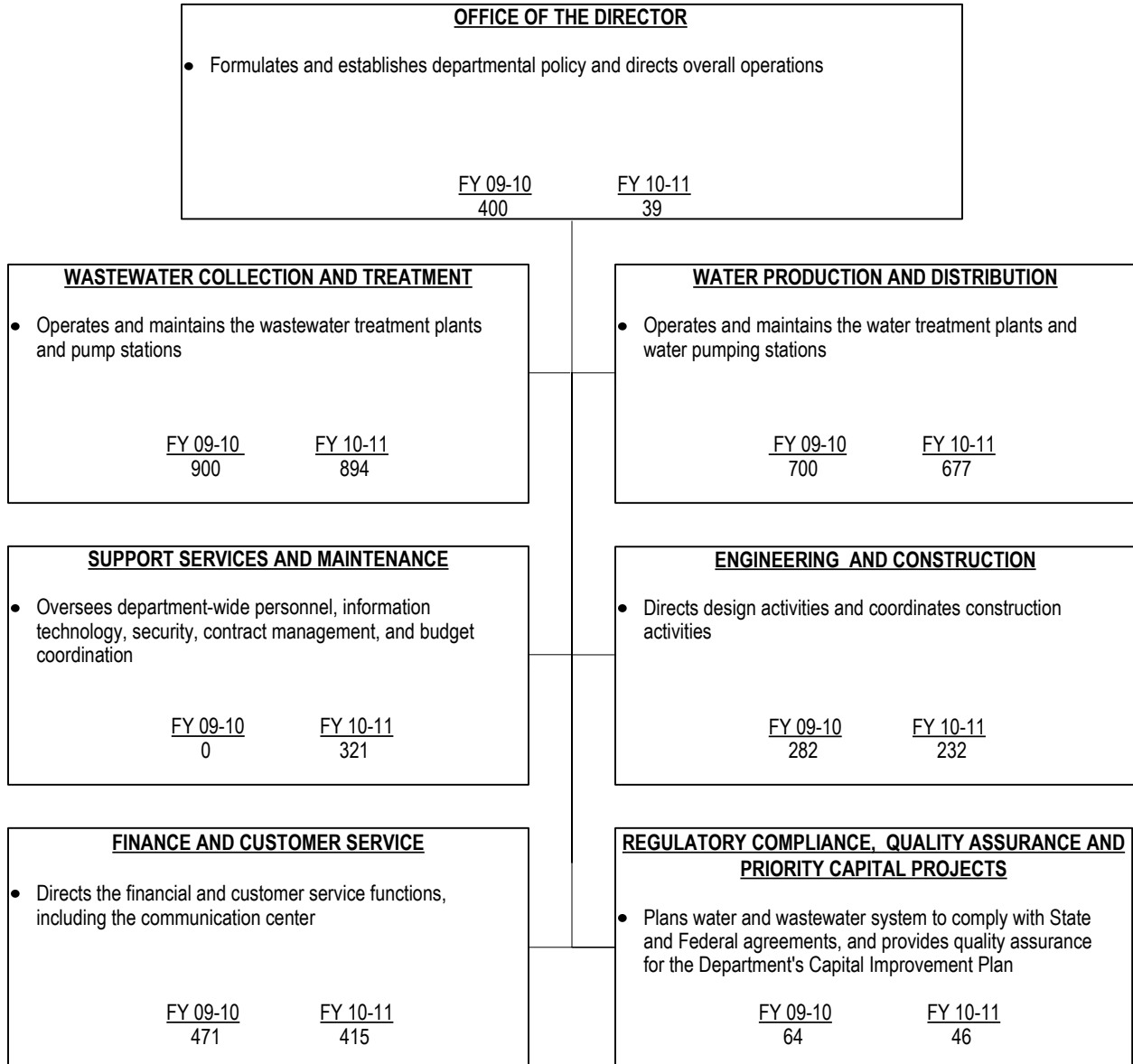
#### Revenues by Source

(dollars in thousands)



# FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

## TABLE OF ORGANIZATION



## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

### FINANCIAL SUMMARY

(dollars in thousands)	Actual FY 08-09	Budget FY 09-10	Adopted FY 10-11
<b>Revenue Summary</b>			
Carryover	55,046	58,666	63,226
Delinquency, Billing, and Service Charges	11,336	11,481	11,808
Fire Protection and Fire Hydrant Fees	4,596	4,733	4,842
Maintenance Fees	260	249	253
Miscellaneous Non-Operating Revenue	5,127	11,340	6,564
Miscellaneous Revenues	6,009	5,881	6,016
Septic Tanks and High Strength Sewage	2,222	2,609	2,570
Transfer From Other Funds	25,773	35,256	50,039
Wastewater Revenue	241,834	264,556	270,136
Water Revenue	212,480	225,068	233,112
Total Revenues	564,683	619,839	648,566
<b>Operating Expenditures Summary</b>			
Salary	143,769	149,756	141,283
Fringe Benefits	38,853	46,980	43,592
Other Operating	146,306	182,622	179,038
Capital	30,023	49,550	66,576
Total Operating Expenditures	358,951	428,908	430,489
<b>Non-Operating Expenditures Summary</b>			
Debt Service	147,066	127,705	132,292
Reserve	0	63,226	60,652
Transfers	0	0	25,133
Total Non-Operating Expenditures	147,066	190,931	218,077

(dollars in thousands)	Total Funding		Total Positions	
Expenditure By Program	Budget FY 09-10	Adopted FY 10-11	Budget FY 09-10	Adopted FY 10-11
<b>Strategic Area: Neighborhood and Unincorporated Area Municipal Services</b>				
Engineering and Construction	17,177	17,111	282	232
Finance and Customer Service	35,936	36,961	471	415
Office of the Director	86,151	29,711	400	39
Regulatory Compliance, Quality Assurance, and Priority Capital Projects	10,823	11,734	64	46
Support Services and Maintenance	0	50,335	0	321
Wastewater Collection and Treatment	143,398	154,395	900	894
Water Production and Distribution	135,423	130,242	700	677
Total Operating Expenditures	428,908	430,489	2,817	2,624

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

### ADOPTED FEE ADJUSTMENTS FOR SERVICES

Fee Adjustments	Current Fee FY 09-10	Adopted Fee FY 10-11	Dollar Impact FY 10-11
• Pipe Tapping Charge (water): Tap Size (4 inch, 6 inch, 8 inch, 12 inch, 16 inch, 20 inch: fees vary from \$385 to \$1,565)	various	various	\$14,695
• Tailpiece Charge: Tailpiece Size (3/4 inch, fee \$40; 1 inch, fee \$75; 2 inch, fee \$140)	various	various	\$29,109
• Water Meter Installation Fees: (Service Size 5/8 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 \$62 to \$10,995)	various	various	\$257,553
• Pipe Tapping Charge for Taps that are rejected due to contractor non-performance	180	205	\$75
• Surcharge for After-Hours Initial Meter Installation: (3/4 inch - 1 inch service, 2 inch - 4 inch service, 6 inch - 10 inch service; fees vary from \$385 to \$1,015)	various	various	\$680
• Curb Stop Replacement for Initial Meter Installation	120	165	\$900
• Sewer Force Main Pipe Tapping Charge: (Tap Sizes- 4 inch, 6 inch, 8 inch, 12 inch, 16 inch, 20 inch; fees vary from \$535 to \$1,790)	various	various	\$1,015
• Sewer Force Main Pipe Tapping Charge for Taps that are rejected due to contractor non-performance	180	205	\$25
• Water Retail Rates	various	various	\$4,360
• Wastewater Retail Rates	various	various	\$6,404
• Water Wholesale Rates	various	various	\$-4,594
• Wastewater Wholesale Rates	various	various	\$-1,581
• Return field visit to set meter after failed meter installation: 5/8 inch to 1 inch Fee \$35; 2 inch to 4 inch Fee \$55	various	various	\$500
• Backflow Preventer Initial Test and Certification	55	75	\$800
• Administrative Hearing Fee	75	75	\$0
• Water Allocation Certification Fee	0	90	\$347,220
• Water Allocation Re-Certification Fee	0	30	\$86,805
• Contract Documents- Plans/Specifications sold on a CD	0	20	\$300
• Contract Documents - Plans/Specifications without full-sized plan sheets	0	25	\$1,000
• Contract Documents Plans/Specifications for any project with engineer estimate up to \$500,000	0	25	\$2,000
• Contract documents-for Miscellaneous Construction Contracts (MCC) Projects with engineer estimate greater than \$500,000, but less than \$2.5 million.	0	40	\$8,000
• Construction Documents Plans/Specifications for non-miscellaneous construction contracts (MCC) with engineer estimates greater than \$500,000. Fees vary from \$50 to \$350 based on the project estimate.	0	varies	\$27,750
• Developer New Installation Credit - sewer lateral for existing property use	0	200 per linear foot	\$-50,000
• Developer New Installation Credit - water service for existing property use	0	varies	\$-43,000
• Fee for 1 inch is \$1,800 and for 2 inch is \$2,500			
• Water and Sewer Ordinance Letters - Residential Fee \$50 and Commercial Fee is \$75	0	varies	\$80,385
• Plans Review Processing Fees-	0	varies	\$53,152
• Revised Plans Fee \$1.25 per minute for each additional minute that takes longer than 5 minutes.			
• Reworks Plans Fees is \$106.59			
• Special Request Plans Review - Expedite review process after hours-on overtime Minimum one hour First hour \$190, each additional hour \$65 for a one hour minimum	0	varies	\$34,935

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

### CAPITAL BUDGET SUMMARY

(dollars in thousands)	PRIOR	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FUTURE	TOTAL
<b>Revenue</b>									
EPA Grant	4,526	0	1,479	0	0	0	0	0	6,005
Rock Mining Mitigation Fees	15,635	3,800	3,800	2,500	2,265	0	0	0	28,000
Wastewater Connection Charges	83,950	7,753	5,210	355	33	0	0	0	97,301
Water Connection Charges	54,804	5,671	4,000	4,000	0	560	0	0	69,035
Fire Hydrant Fund	6,756	2,157	2,155	2,152	2,152	2,152	2,152	2,152	21,828
HLD Special Construction Fund	146,543	0	0	0	0	0	0	0	146,543
Wastewater - Reuse Construction Fund	724	0	0	0	0	0	0	0	724
Wastewater Construction Fund	906	0	0	0	0	0	0	0	906
Wastewater Renewal Fund	134,361	47,515	18,661	15,979	15,979	15,979	15,979	0	264,453
Wastewater Special Construction Fund	5,695	0	0	0	0	0	0	0	5,695
Water Construction Fund	23,600	0	0	0	0	0	0	0	23,600
Water Renewal and Replacement Fund	118,536	50,050	19,663	18,840	18,840	18,840	18,840	18,840	282,449
Water Special Construction Fund	3,924	0	0	0	0	0	0	0	3,924
BBC GOB Future Series	0	0	4,897	0	2,000	0	0	157,464	164,361
BBC GOB Series 2005A	16,576	0	0	0	0	0	0	0	16,576
BBC GOB Series 2008B	4,471	0	0	0	0	0	0	0	4,471
BBC GOB Series 2008B-1	9,322	0	0	0	0	0	0	0	9,322
BBC GOB Series 2010B	0	12,040	0	0	0	0	0	0	12,040
Future WASD Revenue Bonds	0	0	753,807	704,368	685,201	679,980	369,779	1,685,844	4,878,979
State Revolving Loan Wastewater Program	20,000	10,000	10,000	0	0	0	0	0	40,000
State Revolving Loan Water Program	0	0	375	0	0	0	0	0	375
WASD Revenue Bonds Sold	120,209	0	0	0	0	0	0	0	120,209
WASD Wastewater Commercial Paper	9,597	0	0	0	0	0	0	0	9,597
Wastewater Construction -2009 Bonds	195,580	0	0	0	0	0	0	0	195,580
Wastewater Construction -2011 Bonds	0	279,734	0	0	0	0	0	0	279,734
Water Construction - 2009 Bonds	36,478	0	0	0	0	0	0	0	36,478
Water Construction - 2011 Bonds	0	145,118	0	0	0	0	0	0	145,118
<b>Total:</b>	<b>1,012,193</b>	<b>563,838</b>	<b>824,047</b>	<b>748,194</b>	<b>726,470</b>	<b>717,511</b>	<b>406,750</b>	<b>1,864,300</b>	<b>6,863,303</b>
<b>Expenditures</b>									
<b>Strategic Area: Neighborhood And Unincorporated Area Municipal Services</b>									
GOB Water and Wastewater Projects	30,362	12,047	2,897	2,000	2,000	0	2,555	154,909	206,770
Wastewater Projects	629,844	381,656	560,409	504,551	503,956	530,245	318,441	1,498,121	4,927,223
Water Projects	238,787	238,358	278,946	255,026	223,806	188,460	89,503	216,424	1,729,310
<b>Total:</b>	<b>898,993</b>	<b>632,061</b>	<b>842,252</b>	<b>761,577</b>	<b>729,762</b>	<b>718,705</b>	<b>410,499</b>	<b>1,869,454</b>	<b>6,863,303</b>

### CAPITAL HIGHLIGHTS AND OPERATIONAL IMPACTS

- In FY 2010-11, the Department will continue implementation of water system capital projects (\$238.4 million in FY 2010-11, \$1.73 billion all years), major water system projects include South Miami Heights Water Treatment Plant and Wellfield (\$58.2 million in FY 2010-11, \$185 million all years); Water Distribution System Extension Enhancements (\$14.6 million in FY 2010-11, \$239 million all years), Water Treatment Plant - Floridian Reverse Osmosis (\$31.064 million in FY 2010-11, \$105.807 million all years), Water System Maintenance and Upgrades (\$26.50 in FY 2010-11, \$130 million in all years), and Safe Drinking Water Act Modifications (\$15.05 million in FY 2010-11, \$453.36 million all years)
- In FY 2010-11, the Department will continue implementation of wastewater system capital projects (\$381.6 million in FY 2010-11, \$4.9 billion all years), major wastewater system projects include Wastewater Treatment Plants-Effluent Reuse (\$32.372 million in FY 2010-11, \$1.479 billion all years); South District Wastewater Treatment Plant-High Level Disinfection (\$119.675 million in FY 2010-11, \$522.987 million all years); Peak Flow Management Facilities (\$24.453 million in FY 2010-11, \$984.605 million all years); Sanitary Sewer Systems Extension (\$7.168 million in FY 2010-11, \$60.239 million all years); Outfall Legislation (\$6.028 million in FY 2010-11, \$584.618 million in all years); North District Wastewater Treatment Plant (\$17.801 million in FY 2010-11; \$129.702 million in all years); and Central District Wastewater Treatment Plant (\$23.877 million in FY 2010-11, \$120.623 million in all years)

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

- The Department will continue implementing Building Better Communities General Obligation Bond (BBC GOB) program projects for water and wastewater (\$12.040 million in FY 2010-11, \$206.770 million-total); projects funded with BBC GOB proceed allocations may be adjusted as final bond sale capacity determinations are made
- The FY 2010-11 Adopted Budget includes funding for a \$64 million transfer of funds to the Renewal and Replacement fund for an enhanced program to expedite repairs, replacements and rehabilitation of pipe infrastructure and plant facilities; a total of \$50 million of Water projects and \$47.5 million of Wastewater projects are planned
- The FY 2010-11 Adopted Capital Budget and Multi-Year Plan has identified \$6.548 billion of unfunded planned capital projects, including \$325 million in Renewal and Replacement (R&R) needs over ten years; the Department will continue to evaluate all of the funding requirements and allocations in the capital plan; as a result of the State Legislature approving the elimination of ocean outfalls by 2025, the Department will need to develop an alternative method to dispose of all discharges through outfalls and reclaim 60 percent of this flow for irrigation, groundwater recharges, reuse, and other uses (\$3.999 billion); the continuing review and assessment by the Department will provide the framework for developing and evaluating changes to the Capital Improvement Plan

### **DIVISION: OFFICE OF THE DIRECTOR**

The Office of the Director establishes departmental policy and directs overall operations.

- Coordinates state and federal legislative actions and liaises with municipalities
- Coordinates items submitted to the Board of County Commissioners
- Defines and monitors operating goals and procedures
- Defines and monitors engineering, construction, and quality assurance goals, as well as directs planning and regulatory functions
- Manages the Department's operating and capital budgets, and provides strategic planning
- Coordinates communications with media and customer relations
- Provides legal support

### **DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS**

- In FY 2010-11, the Department will provide funding (\$261,000) to the Consumer Services Department for Environmental Education Services and the Florida Yards and Neighborhoods Program
- In FY 2010-11, the Department will provide funding (\$400,000) to the Community Action Agency for Income Plumbing Fixture Retrofit Seniors and Low-Income Customers Project
- The FY 2010-11 Adopted Budget includes payments to the Department of Audit and Management Services (\$440,000) for expenses associated with audits and reviews
- *The FY 2010-11 Adopted Budget includes the elimination of six positions (\$458,000); elimination of these positions will weaken internal controls and impact the dissemination of management information; other operating expenses for this activity were reduced by \$863,000*

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

### **DIVISION: ENGINEERING AND CONSTRUCTION**

The Engineering and Construction Division directs design activities and coordinates construction activities.

- Establishes and enforces design standards
- Provides survey services and engineering support
- Processes applications for new water services, mains, pump stations, and fire hydrant installations by private contractors

#### **Strategic Plan Outcome - Measures**

- NU6-3: Improved public infrastructure level-of-service standards and policies

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Advance completion of EPA projects	Percentage of Consent Decree/Settlement Agreement (CD/SA) and County Economic Stimulus Ordinance (ESO) Projects on schedule*	EF	↑	90%	100%	90%	90%	75%
	Percent completion of pipeline relocation projects required for Miami Harbor Deepening Project	EF	↓	13%	13%	18%	20%	50%
Improve level of service to meet development industry demand	Average number of days for final plan review approval	EF	↓	10	8	10	6	12

\* In FY 2009-10, project completion schedules may be impacted due to uncertainties regarding CD/SA projects and associated deadlines from the United States Environmental Protection Agency

#### **DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS**

- *The FY 2010-11 Adopted Budget includes the elimination of 43 positions (\$2.068 million) in addition, other operating expenses for this activity were reduced by \$98,000; the elimination of these positions will impact the engineering design, permitting, and project tracking related to capital and repairs of treatment facilities and transmission systems*

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

### **DIVISION: FINANCE AND CUSTOMER SERVICE**

The Finance and Customer Service Division directs the financial operations and customer service functions, including the communication center.

- Coordinates financial activities including debt administration, investments, grants and cash management
- Administers the general ledger and asset control functions
- Prepares accounts payable, retail and wholesale bills, and special billings and collection
- Manages business process support for Customer Information System, Enterprise Resource Planning, and Enterprise Asset Management software systems
- Oversees contract administration
- Manages retail customer account services
- Operates the 24-Hour Emergency Communication Center to resolve urgent infrastructure issues

### **Strategic Plan Outcome - Measures**

- ES8-2: Planned necessary resources to meet current and future operating and capital needs

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Ensure sound asset management and financial investment strategies	Bond rating evaluation by Fitch	OC	↑	A+	A+	A+	AA-	AA-
	Bond rating evaluation by Standard and Poor's	OC	↑	A+	A+	A+	A+	A+
	Bond rating evaluation by Moody's	OC	↑	A1	A1	A1	A1	A1

- NU2-2: Improved community access to information and services (priority outcome)

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Provide information to customers in a timely manner	Average call wait time (in minutes)*	EF	↓	1.0	1.16	.75	2.3	6.92
	Percentage of calls answered within two-minute threshold (monthly)	EF	↑	80%	79%	85%	61%	51%
Effectively resolve customer complaints	Percentage of non-emergency requests dispatched in less than three business days	EF	↑	95%	93%	95%	95%	95%

\*In FY 2009-10, connectivity issues and slow response time of the Customer Information System were experienced

### **DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS**

- The FY 2010-11 Adopted Budget includes payments to the Finance Department (\$50,000) expenses associated with cash management services
- *The FY 2010-11 Adopted Budget includes the elimination of 63 positions (\$4.116 million); other operating expenses for this activity were reduced by \$152,000; elimination of these positions will close the Downtown service center impacting individuals who pay in person, which represent approximately 22 percent of payment transactions; further telephone support in Retail Customer Service Division will be reduced by two hours, limiting customer service hours of operation from 8am to 5pm thus eliminating 5pm to 7pm service, which is nine percent of the call volume primarily impacting customers returning home without water service; other units will be eliminated such as Floating Meter Unit, Tampering Unit and Routing Unit impacting high bill investigations, tampering inspections and the routing of new accounts and meter reading operating, and the ability to properly coach, assist, and manage staff*

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

### **DIVISION: REGULATORY COMPLIANCE, QUALITY ASSURANCE, AND PRIORITY CAPITAL PROJECTS**

The Regulatory Compliance, Quality Assurance, and Priority Capital Projects Division plans the water and wastewater system to ensure compliance with state and federal agreements, and provides quality assurance for the Department's Capital Improvement Plan.

- Directs planning of water and wastewater facilities and infrastructure
- Oversees environmental regulations and compliance with federal and state agreements
- Provides quality assurance for the Department's Capital Improvement Plan
- Audits selected programs and projects, including projects conducted by outside consultants, and works with other County agencies on performance auditing assignments
- Interprets and monitors the Department's Rules and Regulations
- Coordinates High Level Disinfection (HLD) and wastewater reuse projects

#### **Strategic Plan Outcome - Measures**


- NU3-3: Preservation of wetlands and environmentally valuable uplands

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Comprehensive development of Master Plan	Percentage of Comprehensive Development Master Plan comments submitted timely	EF	↑	98%	100%	98%	100%	80%
	Percentage of Development of Impact Committee comments provided timely	EF	↑	98%	100%	98%	100%	80%

- NU3-1: Continuing supplies of quality drinking water to meet demand

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Ensure compliance with 20-year Water Use Permit with the South Florida Water Management District	Percentage of compliance with 20-Year Water Use Permit (WUP) as scheduled	EF	↑	100%	100%	100%	100%	90%

#### **DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS**

-  In FY 2010-11, the Department will reduce energy consumption by developing an energy management program that determines the appropriateness of facilities lighting and controls, studies operational equipment energy consumption, implements an Energy Star Power Plan, and utilizes an employee awareness program, which includes an energy conservation website, newsletter, and workshops
- The FY 2010-11 Adopted Budget includes payments to the Public Works Department (\$241,000) for rights-of-way survey crews to conduct surveys for capital projects
- *The FY 2010-11 Adopted Budget includes the elimination of 18 positions (\$1.530 million) and other operating expenses (\$722,000); elimination of these positions will impact the Quality Assurance and Quality Control of construction contracts, master planning capabilities, transmission systems, computer model maintenance and hydraulic modeling activities utilized in long-range planning, and the implementation of the Water Allocation System that tracks allocation of water as part of building permits*

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

### **DIVISION: WASTEWATER COLLECTION AND TREATMENT**

The Wastewater Collection and Treatment Division operates and maintains the wastewater treatment plants and pump stations.

- Directs wastewater operations including treatment and disposal, as well as maintenance of pumping and collection systems
- Directs installation, repairs, and maintenance of the sewer pipeline system
- Performs mechanical, electrical, and structural maintenance of treatment plants and lift stations
- Installs, repairs, relocates, maintains, and replaces all gravity sewer lines, force mains, valves, sewer laterals, and manholes countywide
- Administers and supervises the Supervisory Control and Data Acquisition System (SCADA)/Telemetry and Radios

#### **Strategic Plan Outcome - Measures**

- NU6-2: Reduction in sewage overflows and provision of sewage systems to unconnected commercial corridors. Protection of water quality and improved water pressure

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Ensure proper maintenance and operation of the sewage system	Percentage of compliance with wastewater effluent limits	EF	↑	100%	100%	100%	100%	100%
	Sewer Overflow Rate per 100 miles of pipe*	EF	↓	3.0	2.3	6.0	1.44	5.0
	Percentage of pumps in service	EF	↑	99%	99%	99%	99%	99%
	Wastewater mainline valves exercised	OP	↔	6,000	6,747	6,000	5,925	6,000

\* The sewer overflow rate for FY 2008-09 was lower than anticipated due to a lack of tropical storms or major rain events; the FY 2009-10 Target was adjusted because resources normally allocated to preventative maintenance activities were re-allocated to higher priority needs

- NU2-2: Improved community access to information and services (priority outcome)

Objectives	Measures			FY 08-09		FY 09-10		FY 10-11
				Target	Actual	Target	Actual	Target
Reduce response time to sanitary sewer overflows	Average response time to sewage overflows (in minutes)	EF	↓	55	36	55	45	50

#### **DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS**

- *The FY 2010-11 Adopted Budget includes the elimination of five positions (\$2.744 million); other savings include keeping positions vacant throughout the year and a reduction of operating expenses (\$89,000); elimination of these positions will impact internal controls, delaying monthly and quarterly monitoring reporting to management and regulatory agencies and possibly increasing equipment and infrastructure repairs and maintenance costs*

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

### **DIVISION: WATER PRODUCTION AND DISTRIBUTION**

The Water Production and Distribution Division operates and maintains the water treatment plants and water pumping stations.

- Directs operation of the water system, including the installation, repairs, and maintenance of the water infrastructure
- Installs, repairs, relocates, maintains, and replaces all water mains and valves, fire lines, and water meters countywide
- Directs Water Use Efficiency and Water Loss Reduction Plans
- Performs mechanical, electrical, and structural maintenance of treatment plants
- Implements Cross Connection Control Program
- Provides laboratory tests

#### **Strategic Plan Outcome - Measures**

- NU6-2: Reduction in sewage overflows and provision of sewage systems to unconnected commercial corridors. Protection of water quality and improved water pressure

Objectives	Measures		FY 08-09		FY 09-10		FY 10-11	
			Target	Actual	Target	Actual	Target	
Fully comply with drinking water standards	Percentage of compliance with drinking water standards	OC	↑	100%	100%	100%	100%	100%

- NU3-1: Continuing supplies of quality drinking water to meet demand

Objectives	Measures		FY 08-09		FY 09-10		FY 10-11	
			Target	Actual	Target	Actual	Target	
Ensure compliance with 20-year Water Use Permit with the South Florida Water Management District	Estimated millions of gallons of water saved per day (GPD) through the Water Use Efficiency Program (in thousands)*	EF	↑	1,158	2,140	1,500	1,608	1,500

\*For FY 2008-09, the goal was exceeded by 640,793 MGD due to a very positive response to the water conservation initiatives from residents

#### **DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS**

- *The FY 2010-11 Adopted Budget includes the elimination of 21 positions and savings due to keeping vacant positions throughout the year (\$3.661 million); elimination of the 21 positions will impact internal controls, delaying monthly and quarterly reporting to management and regulatory agencies as well as possibly increasing equipment and infrastructure repairs and maintenance costs; other operating expenses for this activity were reduced by \$277,000*

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

### **DIVISION: SUPPORT SERVICES AND MAINTENANCE**

The Support Services and Maintenance Division manages security services, information technology, procurement, support services and general maintenance.

- Directs department-wide security services
- Directs department-wide IT resources and support
- Directs general maintenance services, human resources, and procurement activities

#### **Strategic Plan Outcome - Measures**

- ES5-4: Workforce skills to support County priorities (e.g. leadership, customer service, fiscal problem-solving technology, etc.)

Objectives	Measures		FY 08-09		FY 09-10		FY 10-11
			Target	Actual	Target	Actual	Target
Workforce skills to support County priorities	Training hours per employee*	OP ↔	20	17	16	10	12

\* In FY 2008-09, training hours show a decrease due to one vacancy and the temporary assignment of two staff to a special task force; in FY 2009-10, the Training Unit continues to operate with resource shortages due to staff re-assignments to special task forces

#### **DIVISION HIGHLIGHTS AND BUDGET ENHANCEMENTS OR REDUCTIONS**

- *The FY 2010-11 Adopted Budget includes the elimination of 37 positions (\$2.041 million) and a reduction in operating expenses (\$2.9 million); elimination of these positions will impact IT support related to the network and plant operations reporting systems, timeliness of recruitment functions including ADA accommodation and fair employment investigations, mowing cycles will be reduced from a 10 day cycle to 20 days, and delay infrastructure and maintenance repairs of office facilities*

#### **BUDGET ENHANCEMENTS OR REDUCTIONS AND ADDITIONAL COMMENTS**

- As part of the FY 2010-11 Adopted Budget, a retail water and wastewater rate adjustment of five percent is included; operating and maintenance expenses are virtually flat, despite the experience of other water and sewer utilities as reflected in the Maintenance Index of seven percent, based on the United States Department of Labor, Bureau of Labor Statistics, 2009 Consumer Price Index (CPI), All Urban Consumers, Water and Sewerage Maintenance U.S. City Average and can therefore offset the needed adjustment which is almost one percent below the increase required to fund the additional contribution to the Renewal and Replacement reserve and additional debt service requirements for debt issuances and pay as you go projects needed to support the department's current infrastructure and capital improvement plan; this rate increase does not apply to the retail lifeline rate; effective October 1, 2010 the bill of the average retail water and sewer customer (6,750 gallons per month) increased by \$2.00 per month to approximately \$42.03 per month in FY 2010-11 from \$40.03 per month in FY 2009-10
- In FY 2010-11, the wholesale water rates remained flat, the water wholesale rate per thousand gallons remained at \$1.7142 in FY 2010-11; the City of Hialeah's water wholesale rate per thousand gallons increased from \$1.563, to include the third year of the five-year phase out of the City of Hialeah transmission credit; in addition, the wholesale wastewater rate per thousand gallons remained at an average of \$2.0436 per thousand gallons in FY 2010-11; the Department used an annual true-up methodology to determine the FY 2010-11 cost recovery allocation for wholesale customers
- In FY 2010-11, the Department is projecting a combined year-end fund balance of \$30.6 million in the Rate Stabilization and General Reserve funds; for FY 2009-10, the Department's budgeted combined balance is \$12.8 million in the Rate Stabilization and General Reserve funds; during FY 2010-11 the Department is projecting to utilize \$50.039 million from the Rate Stabilization and General Reserve funds in FY 2010-11 to pay for non-operating expenditures including debt service payments; the Department will have a year-end fund balance of \$60.7 million in the operating budget as Reserve Required by Bond Ordinance

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

- The Department's Adopted Budget includes \$14.491 million as an administrative reimbursement to the General Fund and \$7.087 million contribution to the Countywide Emergency Contingency Reserve
- The FY 2010-11 Adopted Budget includes a \$25.133 million utility transfer to the General Fund
- In FY 2010-11, the Department will continue the implementation of efficiency initiatives; since the establishment of the POWER Efficiency Program in March 1998, the Department has realized approximately \$34.4 million in efficiency savings; in FY 2009-10, efficiency savings of \$1.2 million were projected; the projects include updating the water and wastewater Emergency Action Plan, Process Safety and Risk Management plans with in-house personnel (\$400,000), the WASD Voice Over Internet Protocol System upgrade for telecommunications (\$150,000) and other efficiency initiatives
- The FY 2010-11 Adopted Budget is based on an attrition rate of 3 percent

### Department Operational Unmet Needs

Description	(dollars in thousands)		Positions
	Startup Costs/ Non Recurring Costs	Recurring Costs	
Hire two positions in Public Affairs Section to maintain FY 2009-10 service levels of disseminating water and wastewater issues to the public, BCC, and management; respond to public requests; one Administrative Secretary and one Public Information Officer	\$0	\$110	2
Hire one W&S Contract Compliance Specialist in the Legislative and Municipal Section to maintain FY 2009-10 service level related to professional agreements	\$0	\$50	1
Hire one W&S Secretary and two Administrative Officer 3 positions in the Budget, Funding and Strategic Management Division to maintain FY 2009-10 service levels of establishing, coordinating, and tracking savings resulting from Process Improvement Teams	\$0	\$190	3
Hire 11 positions in New Customer Division to maintain FY 2009-10 service level and to comply with Florida Statue 556 (Damage Prevention Act)	\$0	\$588	11
Hire 16 positions in the Engineering and Design Division to maintain FY 2009-10 service levels to process contract awards, maintain internal controls, process documents in a timely manner; ensure coordination of roadway projects with other governmental entities related to repairs of water and wastewater treatment facilities and transmission systems	\$0	\$475	16
Hire four positions in the Program Management Division to ensure the proper management and oversight of the treatment facilities and the transmission systems project tracking services	\$0	\$173	4
Hire 12 positions in Construction Management Division to manage and inspect treatment facilities and transmission systems construction projects	\$0	\$316	12
Hire one W&S Assistant Controller to assist with the oversight and management of the financial operations	\$0	\$153	1
Hire four positions in System Implementation Section to support the billing and financial systems	\$0	\$262	4
Hire one Contracts Officer and one W&S Secretary in the Contract Processing Section to maintain internal controls related to professional service task agreements, purchase orders, and payments	\$0	\$113	2
Hire 16 positions in Controller Division to maintain internal controls and improve customer service by reopening pay stations in Overtown	\$0	\$713	16
Hire 38 positions in Retail Customer Service Division to restore two additional hours (5 pm to 7 pm) of telephone support and re-opening of the Caleb customer service office	\$0	\$1,763	38
Hire one W&S Secretary and one W&S Communication Support Specialist in Emergency Communications Section to maintain customer service and reporting levels	\$0	\$82	2

## FY 2010 - 11 Adopted Budget and Multi-Year Capital Plan

Description	(dollars in thousands)		Positions
	Startup Costs/ Non Recurring Costs	Recurring Costs	
Hire one Senior Professional Engineer in Priority Capital Projects Section to manage construction audits and project management on large scale capital projects	\$0	\$32	1
Hire one Chief-W&S Quality Assurance and Performance Auditing in the Regulatory Compliance and Planning Office to maintain quality assurance levels	\$0	\$99	1
Hire 12 positions in Planning Division to maintain the integrity of the hydraulic and transmission modeling systems and Master Plan activities	\$0	\$695	12
Hire two Professional Engineers and one Engineer 2 in Regulatory Compliance Division to ensure regulatory compliance	\$0	\$186	3
Hire one Assistant Director-Quality Assurance and Performance Auditing	\$0	\$136	1
Hire five positions in Wastewater Collection and Transmission Division to maintain wastewater collections regulatory reporting	\$0	\$159	5
Hire nine positions in the Meter Section to maintain reporting level notifications to field operators as well as field investigations of billing issues	\$0	\$412	9
Hire 11 positions in Water Transmission Division to maintain service and reporting levels of water transmission and distribution systems	\$0	\$380	11
Hire one Lime Production Plant Supervisor in Water Production Division	\$0	\$65	1
Hire 13 positions in the Information Technology Division to maintain the network uptime, the departmental billing system and SCADA	\$0	\$936	13
Hire eight positions in the Procurement/Stores Section to maintain procurement activities for Requests for Proposals (RFP) processing, securing materials specifications, evaluating vendor performance and delivery of materials	\$0	\$0	8
Hire four positions in the Human Resources Section for employee recruitment and ADA compliance	\$0	\$279	4
Hire one Duplication Equipment Supervisor and one W&S Mail Center Clerk 1 in the Support Service Section to maintain timeliness of and the distribution of mail and duplication activities	\$0	\$76	2
Hire ten positions in the General Maintenance Division for general building and fleet maintenance	\$0	\$240	10
<b>Total</b>	<b>\$0</b>	<b>\$8,683</b>	<b>193</b>