

Memorandum



Date: April 10, 2006

To: Honorable Chairman Joe A. Martinez and Members,
Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Feasibility Study on Implementation of a Program to Offer Discounted Water and Sewer Rates to Senior Citizens and Disabled Citizens with Incomes Less than \$25,000 per Year

INLUC
Agenda Item No. 7(B)

The purpose of this memorandum is to advise the Board of County Commissioners (Board) of the findings of the feasibility study conducted by the Miami-Dade Water and Sewer Department (MDWASD) in response to R-1272-05 which was approved by the Board on November 1, 2005. The intent of the study is to assess the feasibility of providing discounted water and sewer charges to residential water and sewer customers with household incomes less than \$25,000 per year, and (1) where the person is 62 years of age or older, or (2) the person receives disability income from the Social Security Administration. The resolution noted that a number of municipal water utilities offer similar discounts, and requested that the option of offering a 30 percent discount to qualifying customers who apply for the discount be considered.

The feasibility study was coordinated by County staff and assisted by the MDWASD's Bond Consultant. The structure and analysis of the feasibility study included surveys of other utilities with similar programs. Particularly useful information was obtained from the water and sewer utilities operated by the cities of Atlanta, Philadelphia, and Seattle, which were cited in the R-1272-05. The study also looked into programs offered to low income customers by companies such as the Florida Power and Light Company (FPL) and Bell South, which were also mentioned in the resolution. The MDWASD staff compiled census data and information on water and sewer charges and customer flows. Estimates of the cost of implementing and administering the program were developed through a collaborative effort in which the project team determined the functions and level of effort that would be needed both to establish the program and maintain it on an annual basis.

Based on the findings of the Consultant's report, the economic fiscal impact to the County is projected to be approximately \$500,000 in lost water and sewer revenues on an annual basis, reduced DERM fees, Solid Waste fees, and administrative costs for the program. The program is projected to benefit approximately 10,800 eligible households within the MDWASD's retail service area. With an expected participation level of 33%, the number of households impacted would be approximately 3,600 households. These customers may already be benefiting from the MDWASD's existing rate structure for low volume users being charged at the informal "Lifeline" rate. The current rate structure provides a discounted rate for "Lifeline" or low volume users. Currently the "Lifeline" or low volume users pay \$15.27 per month compared to \$15.47 per month, which was the amount charged on a monthly basis in 1994-95. The Consultant's report also commented about the potential for negative feedback from rating agencies regarding the adverse impact to the MDWASD's revenue stream.

Summary of Results

A summary of the results from the feasibility study are follows:

- Target population for discounted water and sewer rates - The estimated number of eligible households is projected to be 10,800 water customers and 8,600 sewer customers of which

combined water and sewer customers are estimated to be 9,657 households. For purpose of the report, the 10,800 water customers are the basis for the estimated eligible households.

- Estimated participation in the rate discount program – By applying the estimated participation rate of other cities as reflected by the research (33 percent), the estimated number of eligible participating MDWASD households for the program would be approximately 3,600.
- Estimated customer savings and reduced revenues to the MDWASD - The estimated average savings per eligible participating customer would be \$10.31 per month, or \$123.66 per year. After the program matures, based on the estimated participation in the program, the total savings to qualifying customers, which would also represent reduced revenues to the MDWASD, would be about \$382,000 per year. In the first year, the estimated savings to customers are estimated to be about two-thirds this amount, or about \$255,000.
- Maximizing participation by eligible customers and proposed rules and procedures for program implementation and administration - The two basic activities for maximizing participation by eligible customers are public information and an application process that is streamlined. There are several effective means for notifying eligible customers including:
 - Flyers included with quarterly bills – in three languages
 - Publishing information about the program on the County's website
 - Advertising through local newspaper, radio, and television media
 - Announcements on the County's cable channel
- Economic impact to Miami-Dade County - The two types of economic impact to the County are reduced revenue and program implementation costs. The reduced revenues are equal to the estimated customer savings noted above. The estimated cost of program implementation occurs both as up-front and recurring. The estimated up-front costs, which would occur in the first year of the program, are about \$147,000. Recurring costs are estimated to amount to about \$102,000 per year during the early stages of the program. Combined with the reduced revenue to the MDWASD of \$255,000, the total economic impact to the County in the first year would be about \$500,000. This amount would remain at about that same level in future years because the elimination of up-front costs would be largely offset by estimated higher participation rates in the program and consequent greater loss of revenue to the MDWASD.
- Other Findings and Recommendations – The following are additional considerations:
 - Due to the Board's concerns for providing the vital resource of drinking water and sanitary sewer services as a basic necessity to all customers, the Board has adopted rates that have minimized the impact of rate increases over the past twelve years for the "Lifeline customers" or customers using low volumes of water and sewer services. The rate charge for Lifeline customers (customers using less than 3,750 gallons per month) in 1994-95 for combined water and sewer services was \$15.47 per month. The current rate charge for FY 2005-06 for these customers is \$15.27 per month. It is expected that a portion of the MDWASD's senior and disabled customers with the restrictions listed in the Resolution may be paying at the "Lifeline" or minimum usage rate, and consequently, already receiving a discount.

- By definition, any discount offered to any customer class by the MDWASD, without an increase in charges to another customer class, results in lower operating revenues to the MDWASD. Any decrease in revenues or increase in costs to the MDWASD that occurs through the implementation and administration of a rate discount program should be revenue neutral to the MDWASD, and therefore, consideration should be given to alternative financial sources.
- Some utilities encourage customers to voluntarily contribute to a fund dedicated to assisting low income customers. This could be an effective avenue for this subsidy.
- The MDWASD has limited capability in operating a program for qualifying and enrolling customers in a rate discount program. It may be more appropriate to assign this function to a County department such as the Community Action Agency (CAA) that already has similar responsibilities and experience and where the infrastructure for qualifying customers already exists. CAA has agreed to provide the support for these responsibilities, attached is a copy of a memorandum from Ophelia E. Brown-Lawson, Executive Director, CAA, attesting to their support.
- Persons that receive support in the ownership of housing from the U. S. Department of Housing and Urban Development generally receive an allowance for utilities as a part of their housing subsidy. Extending the rate discount program would provide a benefit redundant with the federal utility allowance, so such customers should be excluded from participating.
- Any rate discount program should be considered in the context of the utility's rate structure. It may be more appropriate to complete a comprehensive review of the water and sewer rate structure before a program of this nature is implemented. A review is planned for the current fiscal year.

The MDWASD's Bond Consultant, Malcolm Pirnie Inc., utilized the support of their subconsultant, Planning and Economics Group, to provide assistance for the feasibility study. The Consultant's report is attached and contains details regarding the assumptions and findings of the feasibility study.


Assistant County Manager

Memorandum



Date: February 10, 2006
To: John Renfrow, Director WASD
From: Opheelia E. Brown-Lawson, Executive Director CAA
Subject: Senior Citizen and Disabled Resident Discount Program

Upon reviewing and discussing the objectives of the Senior Citizen and Disabled Resident Discount Program, Community Action Agency (CAA) is interested in joining Water and Sewer Department (WASD) in the implementation of the program if it is approved. CAA agrees to administer the eligibility and recertification responsibilities of the program.

Thank you for considering CAA as a partner in this beneficial service to our elderly and disabled citizens of Miami Dade County. We look forward to working with you.

Cc: ~~Dana M. Moss~~, Assistant Director - Finance WASD
William S. Atkins, Deputy Director CAA

**Feasibility Study on Implementation of
a Program to Offer Discounted Water
and Sewer Rates to Senior Citizens
and Disabled Citizens with Incomes
Less than \$25,000 per Year**

Prepared for

Water and Sewer Department

Prepared by

Planning and Economics Group, Inc.



As subconsultant to

Malcolm Pirnie, Inc.

**MALCOLM
PIRNIE**

December 27, 2005

Miami-Dade Water and Sewer Department

Feasibility Study on Implementation of a Program to Offer Discounted Water and Sewer Rates to Senior Citizens and Disabled Citizens with Incomes Less than \$25,000 per Year

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1. Background and Summary of Results

Background

The study was conducted in response to Resolution R-1272-05 (Resolution), approved by the Board of County Commissioners on November 1, 2005, to assess the feasibility of providing discounted water and sewer charges to residential water and sewer customers with household income less than \$25,000 per year and (1) where the person is 62 years of age or older, or (2) the person receives disability income from the Social Security Administration. The resolution noted that a number of municipal water utilities offer similar discounts, and directed the County Manager to study the feasibility of offering a 30 percent discount to qualifying customers who apply for the discount.

The resolution requires that the feasibility study to address the following specific items:

1. The number of persons (target population) who would be eligible for the proposed program
2. The average savings to the target population on a monthly and yearly basis
3. The economic impact to the County and affected departments
4. Proposed rules and regulations, including program application, needed to implement the program
5. Proposed method for maximizing the number of applicants
6. Any other recommendations regarding the program

The resolution directed that the study be completed within 60 days of the passage of the resolution.

This feasibility study was conducted jointly by Planning and Economics Group, a subconsultant to Malcolm Pirnie, Inc., the Water and Sewer Department's bond consultant, and County staff. Planning and Economics Group staff developed the structure of the feasibility analysis and surveyed other utilities with similar programs and compiled the results. Particularly useful information was obtained from the water and sewer utilities operated by the Cities of Atlanta, Philadelphia, and Seattle, three of the utilities cited in the Resolution. The project also inquired into programs for low income customers of FPL and Bellsouth, also mentioned in the Resolution. Water and Sewer Department staff compiled Census data and information on water and sewer charges and customer flows. Estimates of the cost of implementing and administering the program were developed through a collaborative effort in which the project team determined the functions and level of effort that would be needed both to establish the program and annually maintain it.

Summary of Results

Target population for discounted water and sewer rates

The project estimated the number of customers that could be expected to participate in a rate discount program, based on the income, age, and disability criteria in the Resolution. The estimated number of eligible water customers is 10,800; 8,600 sewer customers would be eligible. Virtually all of the eligible sewer customers are also water customers. Combined water and sewer service households are estimated to be 9,600.

Estimated participation in the rate discount program

Of the utilities contacted, only the City of Seattle has estimated the participation rate in its rate discount program. Applying their estimated participation rate – 33 percent – to the estimated number of eligible Water and Sewer Department customers, the estimated number of participants in such a program would be approximately 3,600 water customers and 2,800 sewer customers. Again, virtually all of the sewer

customers are also water customers. It is important to note that the participation rate in Miami-Dade County could differ from that of Seattle.

Estimated customer savings and reduced revenues to the Water and Sewer Department

Based on the provisions of the Resolution, the estimated average savings per eligible, participating customer would be \$10.31 per month, or \$123.66 per year. After the program matures, based on the estimated participation in the program, the total savings to qualifying customers, which would also represent reduced revenues to the Water and Sewer Department, would be about \$382,000 per year. In the first year the estimated savings to customers are estimated to be about two-thirds this amount, or about \$255,000.

Maximizing participation by eligible customers and proposed rules and procedures for program implementation and administration

The two basic activities for maximizing participation by eligible customers are the following:

- Public information program to notify eligible customers about the program and how to apply
- An application process that is streamlined, as simple as possible for both applicants as well as the County, while providing sufficient safeguards to minimize fraud

Four effective means for notifying eligible customers about the program are these:

- Flyers included with quarterly bills – in three languages
- Publishing information about the program on the County's website – in three languages
- Advertising through local newspaper, radio, and television media
- Announcements on the County's cable channel

The process of enrolling eligible customers also requires that the Water and Sewer Department modify its customer billing system.

Economic impact to Miami-Dade County

The two types of economic impact to the County are reduced revenue and program implementation costs. The reduced revenues are equal to the estimated customer savings noted above. The estimated cost of program implementation occurs both as up-front and recurring. The estimated up-front costs, which would occur in the first year of the program, are about \$147,000. Recurring costs are estimated to amount to about \$102,000 per year during the early stages of the program. Combined with the reduced revenue to the Water and Sewer Department of \$255,000, the total economic impact to

the County in the first year would be about \$500,000. This amount would remain at about that same level in future years because the elimination of up-front costs would be largely offset by estimated higher participation rates in the program and consequent greater loss of revenue to the Department.

Other Findings and Recommendations

The analysis made several other findings and developed the following recommendations:

Low volume users' rates are less than the "Lifeline" rate" established for Fiscal Year 1994-95. Due to the Board of County Commissioners concerns for providing the vital resource of drinking water and sanitary sewer services as a basic necessity to all customers, the Board has adopted rates that have minimized the impact of rate increases over the past twelve years for the "Lifeline customers" or customers using low volumes of water and sewer services. The rate charge for Lifeline customers (customers using less than 3,750 gallons per month) in 1994-95 for combined water and sewer services was \$15.47 per month. The current rate charge for FY 2005-06 for these customers is \$15.27 per month. It is apparent that a portion of the Department's senior and disabled customers with the restrictions listed in the Resolution maybe paying at the "Lifeline" or minimum usage rate, and consequently, already receiving a discount.

Explore alternative financial sources for recovering implementation and administrative costs and lost revenue. By definition, any discount offered to any customer class by the Water and Sewer Department, without an increase in charges to another customer class, results in lower operating revenues to the Water and Sewer Department. The Department's Master Bond Ordinance, Ordinance 93-134, requires that the Department maintain rates and charges sufficient to meet certain specific debt service coverage requirements and that the Department's revenues be sufficient to allow adequate spending for renewal and replacement of its facilities. The official statement prepared in support of the Series 2005 Bonds included revenue forecasts based on the Department's approved Fiscal Year 2005-06 budget, and it was largely on the basis of these revenue forecasts and associated rates that the Series 2005 Bonds received favorable bond ratings, which were instrumental in the County's obtaining the lowest possible interest rate on the bonds. Moreover, the Department's bond consultant has completed several analyses that concluded that the Department's spending on renewal and replacement is at best marginally adequate, and is likely to be below the recommended level during the next few years. Finally, even with the rates approved in the Department's Fiscal Year 2005-06 budget, the Department is projected to utilize between \$25 and \$33 million in reserves in just this one 12-month period.

For these reasons and because the rate discount program is driven by social and economic policy rather than water and sewer operations, cost of service, or related considerations, this study recommends that the County explore alternative funding sources to recover the decrease in revenues or increase in costs to the Water and

Sewer Department that occurs through the implementation and administration of a rate discount program. Some utilities encourage customers to voluntarily contribute to a fund dedicated to assisting low income customers. This is the avenue by which FPL provides its subsidy, inasmuch as the utility is not permitted to charge some customers more to subsidize others. Bellsouth has a similar program, which is funded by voluntary corporate contributions. The City of Seattle has also established a similar program designed to assist low income customers, mainly with their electric power bills during periods of peak demand. Such a program could be implemented in conjunction with the rate discount program to reduce the amount of revenue loss to the County.

Program administration by a County department other than WASD. The Water and Sewer Department has no experience in or capability to operate a program for qualifying and enrolling customers in a rate discount program. For this reason, it would be appropriate to assign this function to a County department already having similar responsibilities and experience and where the infrastructure for qualifying customers already exists, of which there are several.

No discounts to owners of federally subsidized housing. Persons that receive support in the ownership of housing from the U. S. Department of Housing and Urban Development receive an allowance for utilities as a part of their housing subsidy. Extending the rate discount program would provide a benefit redundant with the federal utility allowance, so such customers should be excluded from participating.

Consider rate discounts in the context of the water and sewer rate structure. Any rate discount program should be considered in the context of the utility's rate structure. All three of the large municipal utility systems cited in the Resolution – Atlanta, Philadelphia, and Seattle, share certain key characteristics in their rate structures:

- Each has established separate customer classes for residential and commercial customers
- Each has an increasing block rate structure, or graduated rates, applicable only to residential customers
- There is a single commodity charge for commercial customers regardless of amount of water or sewer service used
- The charge per 1000 gallons for commercial customers is less than the lowest block rate charged to residential customers

In comparison, the rate structure for Miami-Dade County places all customers into a single customer class, to which the increasing block rates are applied. Therefore, many commercial customers, whose water and sewer use exceeds that of residential customers, receive charges that are considerably higher per 1000 gallons than the charge to most residential customers. The Department's base charge, which is based on water meter size, further increases the cost per 1000 gallons to larger customers.

The fundamental reason for the difference in rate structures between the three large utilities cited in the Resolution and Miami-Dade County's rates is that the rates of the

three cited utilities are based on the cost of providing service to all customers, while Miami-Dade County's rates are based on the cost of providing service only to wholesale customers, a condition stipulated in the County's agreements with wholesale customers. Other criteria have been applied in setting retail customer rates, mainly encouraging conservation and providing essential water and sewer services to every customer at an affordable rate. As a result, the rate discount programs in the three cited utilities offer discounts to eligible customers from charges based on the cost of serving those customers, while such a program in Miami-Dade County would reduce rates from a level already considerably below the actual cost of providing service.

The remainder of this feasibility study addresses the specific requirements of the resolution, the methods applied in the analysis, and the findings from the feasibility analysis. The tables referenced in the report follow Section 7.

2. Target Population for Discounted Water and Sewer Rates

The characteristics of the target population for discounted water and sewer rates are specified in the Resolution:

- Retail Water and Sewer Department customers, in whose name the account is registered, with income less than \$25,000 per year and 62 years of age or over or disabled and receiving disability income
- By implication, eligible customers must both own and occupy a residential property

The most recently available Census data indicate that 59.7 percent of the single-family residences in the County are owner-occupied, 15.9 percent have a head of household age 62 or older, and 14.4 percent of households have household income of \$25,000 or less. Multiplying these data successively provides a preliminary estimate that approximately 1.4 percent of the Department's customers would qualify for a rate discount under the age-income criterion. The corresponding estimate for disabled customers is 1.0 percent. While there would be some overlap between these two target populations – that is, some of the disabled customers are 62 years of age or older, for purposes of this analysis, the number of eligible customers in the two groups was estimated by summing the estimates for the two groups.

Two other important assumptions concerning these preliminary estimates should be noted:

- The distribution of households within the Water and Sewer Department's direct service area is the same as that of the County as a whole
- The distribution of households with income less than \$25,000 per year is uniform among households regardless of the age of the head of the household and whether or not the owner-occupant is disabled.

While the first of these two assumptions is acceptable, the second requires additional consideration, because there may reasonably be expected to be a relationship between household income and the age of the head of household or a disabled head of household. Unfortunately, data on such relationships are not readily available. Nonetheless, it is reasonable to assume that the fraction of households with heads of household age 62 or older and disabled persons earning less than \$25,000 per year is greater than for the population as a whole. For this reason, the estimated percentage of eligible customers was incremented by 25 percent to reflect this factor.

While actual conditions may not align with these assumptions, these simplifying assumptions are necessary because of the limitations on readily available data. Also, these simplifying assumptions are warranted because there is some inherent inaccuracy in any such estimates, such as the effect on the actual number of eligible customers from the specific rules established for demonstrating eligibility.

Table 1 shows the estimated number of water and sewer customers that would be eligible for the rate discount. The table indicates that about 6,194 water customers and 4,916 sewer customers would be eligible on the basis of the age and income criteria, while about 4,597 water customers and 3,648 sewer customers would qualify under the disabled and income criteria. The total estimated number of qualifying water customers is 10,791, and the corresponding estimate for sewer customers is 8,564. Because there are very few sewer only customers – only 129 total, the estimated total number of households eligible to participate in the program is approximately equal to the number of water customers, and most of those customers receive both water and sewer service.

It is important to note that these estimates are shown to four significant digits to show the basis for the estimates in Table 1. However, the actual accuracy of the data is probably no more than one significant digit.

3. Estimated Participation in the Rate Discount Program

The previous section provides an estimate of the number of customers that would be eligible for the proposed program. However, estimating the reduction in revenues and the additional administrative costs that would occur as a result of offering a rate discount for qualifying customers also requires developing an estimate of the fraction of eligible customers that would participate in the program. To develop an estimate of the participation rate, several utilities offering similar discounts were contacted, to determine whether or not such an estimate had been made and, if so, the estimated participation rate.

Only one water and sewer utility that was contacted, the City of Seattle, had conducted research on its participation rate. The City of Seattle offers three types of utility bill discounts - for senior citizens, disabled customers, and low income customers. The City's estimated participation rate for senior citizens, which was the city's largest discount rate group, was 33 percent. This figure was based on an analysis of Census data on eligible households and the number of qualifying residents that had applied for

and received the rate discount. The City's research has indicated that there are several reasons why eligible customers decline to apply, including an aversion to receiving government assistance, aversion to going through the somewhat arduous application process, and lack of knowledge of the program. Residents of Miami-Dade County might respond differently to these factors, which might result in a different participation rate.

For purposes of this analysis, the City of Seattle's estimate of one-third participation by eligible customers has been applied. Table 2 shows the estimated number of customers that would participate in the program – 3,561 water customers, 2,826 sewer customers, and 3,187 combined water and sewer customers. As noted above, the total estimated number of customers that would participate in the program is approximately equal to the number of water customers, because there are very few sewer only customers.

4. Estimated Customer Savings and reduced revenues to the Water and Sewer Department

The average savings that an eligible customer would realize under the rate discount program depends on the amount of water and sewer service received. While the flows of eligible customers may vary from overall customer averages, the estimated savings are based on the average flow per residential customer. These figures, along with the associated savings per customer and total for all eligible customers, are shown on Table 3. The estimated average savings per qualifying water and sewer customer are \$10.31 per month, or \$123.66 per year. The estimated total savings for all participating eligible customers is \$381,682 per year. About 3,187 households would derive savings for both water and sewer services, while about 374 households would receive savings on their water only accounts.

It is important to note that this level of savings would occur only after the program matured, which could take several months or as much as a year. During the first year, the actual savings could be expected to be about two-thirds of the estimated amount, or about \$255,000.

These estimates are based on several assumptions:

- The estimated number of participating eligible customers, the basis for which is provided above
- The average water and sewer use by participating eligible customers is close to the average for all retail customers
- The reduced rate would apply to the Utility Service Fee and Excise tax

While no data are available relating to water use by customer age group or for disabled customers, it is likely that these customer groups use less than the average for all customers. If this is the case, the actual savings would be less than those shown in Table 3. If the rate discount were applied only to the water and sewer charges, the actual savings would also be less than those shown.

5. Maximizing Participation by Eligible Customers and Proposed Rules and Procedures for Program Implementation and Administration

The strategy for maximizing participation in the program by eligible customers has two basic parts:

- Public information program to notify eligible customers about the program and how to apply
- Establish an application process that is streamlined, as simple as possible for both applicants as well as the County, while providing sufficient safeguards to minimize fraud

This section, which borrows from the experience of several other water and sewer utilities that have developed similar programs, describes the proposed process for notifying customers about the program, the procedure for enrolling eligible customers, and the process for modifying customer billing for enrolled customers. The procedures are designed to meet the goal of maximizing participation by eligible customers.

Notification of customers about the program

The principal means for informing eligible customers is to develop an effective program for notifying eligible customers about the program and designing the program enrollment process to make it as streamlined and easy as possible for both applicants as well as the County to administer. The principal elements of the notification process are the following:

- Flyers included with quarterly bills – in three languages
- Publishing information about the program on the County's website – in three languages
- Advertising through local newspaper, radio, and television media
- Announcements on the County's cable channel

Along with the County's existing customer service function, eligible customers would receive notice of the program and have ample opportunity to participate. However, based on the experience related to the project team by other utilities, achieving a high level of participation would also depend as well on maintaining a streamlined, not overly arduous application process.

Enrollment of eligible customers

Establishing the program for enrolling eligible customers would require several up-front activities:

- Develop criteria for eligibility – mostly stated in the resolution but may need some refinement
- Development of application form – designed to obtain only necessary information but enough information to minimize approval of ineligible customers and facilitate auditing
- Identification of required supporting documentation, such as income tax information, social security information, and utility bills
- Development of an affidavit for each applicant to sign to provide a legal basis for discouraging and possibly prosecuting fraudulent applicants – it is important to note that the utilities contacted indicated that they have not taken any action against customers found to have been fraudulently granted a rate discount
- Development of the application process, including application location, assignment of personnel, published rules and procedures, and procedure for modification of billing of enrolled customers
- Development of procedure for auditing applicants – other utilities indicated that they may conduct random audits of applicants
- Development of enrollment period – typically one year or 18 months
- Development of policy toward fraudulent application for enrollment – may include no action, retroactive water and sewer charges, or additional penalty
- Development of an efficient and effective process for notifying customer billing of customer enrollment

Once these criteria and procedures have been established, the entity responsible for enrolling eligible customers would have the continuing function of assisting customers with their applications, reviewing applications for qualifications, and notifying customer billing.

Modification of customer billing for enrolled customers

After a customer is enrolled in the program, the Water and Sewer Department must modify the customer's bill to reflect the rate discount. As in the case of enrolling eligible customers, there is both an up-front function as well as a continuing process of altering customers' charges.

The up-front function involves modifying the billing system to compute a discount rate for enrolled customers and testing the modifications.

6. Economic Impact to Miami-Dade County

The economic impact to Miami-Dade County was estimated in two parts:

- Reduced revenue
- Implementation and administrative costs, both up front and recurring

The reduced revenue is equal to the savings to participating eligible customers, estimated above. This section focuses on estimating the implementation and administrative costs associated with the rate discount program. The section also provides an estimate of the total annual economic costs of the program.

Implementation and administrative costs would be incurred for customer notification, customer enrollment, and customer billing. For each of these functions, the County would incur both labor and direct expenses, which would be incurred both for setting up the program as well as on a recurring basis for its continuing operation and maintenance. Labor costs include both direct salary as well as overhead, while direct costs include all other expenses such as office space and utilities.

Table 4 shows the estimated costs associated with the rate discount program. The estimated up-front costs are largely independent of the number of participating applicants, while recurring costs are directly related to the number of participants. It is important to note that the costs of operating the program would be substantially greater in the first year, when most of the enrollment would occur. In following years, the cost of operating the program would be substantially less. While the cost estimates shown in Table 4 are very preliminary, they provide a reasonable basis for evaluating the program.

Table 4 indicates that the total up-front cost of the program is estimate to be about \$147,000. Annual administrative costs during the first year are estimated to reach approximately \$102,000, and increase moderately in the following years.

Table 5 shows the total estimated economic impact to the County associated with setting up and maintaining the rate discount program. The impact is the sum of the costs of implementing and administering the program and the reduced revenues to the Water and Sewer Department, the Department of Environmental Resources Management, the Department of Solid Waste Management, and the County's General Fund. The table shows that the total direct economic cost in the first year is estimated to be approximately \$500,000. In the second year and successive years, the estimated annual cost is only a little less due to the increase in the estimated reduced revenues that largely offsets the drop off of up-front costs for implementation.

7. Other Findings and Recommendations

This section presents a number of additional findings and recommendations developed during the course of preparing this feasibility analysis.

Low volume users' rates are less than the "Lifeline" rate" established for Fiscal Year 1994-95. Due to the Board of County Commissioners concerns for providing the vital resource of drinking water and sanitary sewer services as a basic necessity to all customers, the Board has adopted rates that have minimized the impact of rate increases over the past twelve years for the "Lifeline customers" or customers using low volumes of water and sewer services. The rate charge for Lifeline customers (customers using less than 3,750 gallons per month) in 1994-95 for combined water and sewer services was \$15.47 per month. The current rate charge for FY 2005-06 for these customers is \$15.27 per month. It is apparent that a portion of the Department's senior and disabled customers with the restrictions listed in the Resolution maybe paying at the "Lifeline" or minimum usage rate, and consequently, already receiving a discount.

Explore alternative financial sources for recovering implementation and administrative costs and lost revenue

By definition, any discount offered to any customer class by the Water and Sewer Department, without an increase in charges to another customer class, results in lower operating revenues to the Water and Sewer Department. The Department's Master Bond Ordinance, Ordinance 93-134, requires that the Department maintain rates and charges sufficient to meet certain specific debt service coverage requirements and that the Department's revenues be sufficient to allow adequate spending for renewal and replacement of its facilities. The official statement prepared in support of the Series 2005 Bonds included revenue forecasts based on the Department's approved Fiscal Year 2005-06 budget, and it was largely on the basis of these revenue forecasts and associated rates that the Series 2005 Bonds received favorable bond ratings, which were instrumental in the County's obtaining the lowest possible interest rate on the bonds. Moreover, the Department's bond consultant has completed several analyses that concluded that the Department's spending on renewal and replacement is at best marginally adequate, and is likely to be below the recommended level during the next few years. Finally, even with the rates approved in the Department's Fiscal Year 2005-06 budget, the Department is projected to utilize between \$25 and \$33 million in reserves in just this one 12-month period.

For these reasons and because the rate discount program is driven by social and economic policy rather than water and sewer operations, cost of service, or related considerations, this study recommends that the County explore alternative funding sources to recover the decrease in revenues or increase in costs to the Water and Sewer Department that occurs through the implementation and administration of a rate discount program. Some utilities encourage customers to voluntarily contribute to a fund dedicated to assisting low income customers. This is the avenue by which FPL

provides its subsidy, inasmuch as the utility is not permitted to charge some customers more to subsidize others. Bellsouth has a similar program, which is funded by voluntary corporate contributions. The City of Seattle has also established a similar program designed to assist low income customers, mainly with their electric power bills during periods of peak demand. Such a program could be implemented in conjunction with the rate discount program to reduce the amount of revenue loss to the County.

Program administration by a County department other than WASD

The Water and Sewer Department has no experience in or capability to operate a program for qualifying and enrolling customers in a rate discount program. For this reason, it would be appropriate to assign this function to a County department already having similar responsibilities and experience and where the infrastructure for qualifying customers already exists, of which there are several.

No discounts to owners of federally subsidized housing

Persons that receive support in the ownership of housing from the U. S. Department of Housing and Urban Development receive an allowance for utilities as a part of their housing subsidy. Extending the rate discount program would provide a benefit redundant with the federal utility allowance, so such customers should be excluded from participating.

Consider rate discounts in the context of the water and sewer rate structure

The rate discount program should be evaluated in the context of the utility's existing rate structure. All three of the large municipal utility systems cited in the Resolution – Atlanta, Philadelphia, and Seattle, share certain key characteristics in their rate structures:

- Each has established separate customer classes for residential and commercial customers
- Each has an increasing block rate structure, or graduated rates, applicable only to residential customers
- There is a single commodity charge for commercial customers regardless of amount of water or sewer service used
- The charge per 1000 gallons for commercial customers is less than the lowest block rate charged to residential customers

In comparison, the rate structure for Miami-Dade County places all customers into a single customer class, to which the increasing block rates are applied. Therefore, many commercial customers, whose water and sewer use exceeds that of residential customers, receive charges that are considerably higher per 1000 gallons than the charge to most residential customers. The Department's base charge, which is based on water meter size, further increases the cost per 1000 gallons to larger customers.

The fundamental reason for the difference in rate structures between the three large utilities cited in the Resolution and Miami-Dade County's rates is that the rates of the three cited utilities are based on the cost of providing service to all customers, while Miami-Dade County's rates are based on the cost of providing service only to wholesale customers, a condition stipulated in the County's agreements with wholesale customers. Other criteria have been applied in setting retail customer rates, mainly encouraging conservation and providing essential water and sewer services to every customer at an affordable rate. As a result, the rate discount programs in the three cited utilities offer discounts to eligible customers from charges based on the cost of serving those customers, while such a program in Miami-Dade County would reduce rates from a level already considerably below the actual cost of providing service. It may be more appropriate to complete a comprehensive review of the water and sewer rate structure before a program of this nature is implemented. A review is planned for the current fiscal year.

Table 1
Estimated Number of Water and Sewer Customers Eligible for
Rate Discount

| Item | Percent/ Number of County Households |
|--|---|
| Number of Water and Sewer Department Customers | |
| Water - Single Family Residential Accounts | 362,527 |
| Sewer - Single Family Residential Accounts | 287,699 |
| Both water and sewer | 324,412 |
| Eligible Customers age 62 and older: | |
| Single-family owner-occupied | 59.7% |
| Age 62 years and over | 15.9% |
| Household income \$25,000.00 or less | 14.4% |
| Preliminary percent of households eligible for rate discount | 1.4% |
| Increment to reflect lower income among customers 62 and older | 25.0% |
| Estimated percent of households eligible for rate discount | 1.7% |
| Number of eligible customers | |
| Water | 6,194 |
| Sewer | 4,916 |
| Both water and sewer | 5,543 |
| Eligible Disabled Customers: | |
| Single-Family Owner-Occupied | 59.7% |
| Disabled and receive disability income | 11.8% |
| Household income \$25,000.00 or less | 14.4% |
| Preliminary percent of households eligible for rate discount | 1.0% |
| Increment to reflect lower income among customers 62 and older | 25.0% |
| Estimated percent of households eligible for rate discount | 1.3% |
| Number of eligible customers | |
| Water | 4,597 |
| Sewer | 3,648 |
| Both water and sewer | 4,114 |
| Total Eligible Customers: | |
| Water | 10,791 |
| Sewer | 8,564 |
| Both water and sewer | 9,657 |

Note: Figures based on 2004 American Community Survey, provided by the U.S. Census Bureau (The 2000 U.S. Census for Miami Dade County was updated through the American Community Survey in 2004.)

Table 2
Estimated Number of Participating Eligible Customers

| Service | Estimated number of eligible customers | Estimated Participation Rate | Estimated Number of Participants |
|----------------------|---|-------------------------------------|---|
| Water | 10,791 | 0.33 | 3,561 |
| Sewer | 8,564 | 0.33 | 2,826 |
| Both water and sewer | 9,657 | 0.33 | 3,187 |
| | | | |
| | | | |
| | | | |

Note: Estimated participation rate based on estimates developed by City of Seattle water and sewer utility for similar program.

Table 3
Estimated Customer Savings and Reduced Revenue to the
Water and Sewer Department from Rate Discount

| Item | Water* | Sewer* | Totals* |
|---|------------------|------------------|------------------|
| Monthly charges on water and sewer bill | | | |
| Monthly water and sewer charge - 6.750 gallons per month - FY 2005-06 rates | \$10.36 | \$20.63 | \$30.99 |
| Utility Service Fee - DERM - 4% | \$0.41 | \$0.83 | \$1.24 |
| Utility Service Fee - DSWM - 3.5% | \$0.36 | \$0.72 | \$1.08 |
| Excise Tax - 10% on water | \$1.04 | | \$1.04 |
| Total monthly charges | \$12.17 | \$22.18 | \$34.35 |
| Rate discount percent | 30% | 30% | 30% |
| Rate discount amount | \$3.65 | \$6.65 | \$10.31 |
| Savings per year per participating eligible customer and reduced revenue to Water and Sewer Department | \$43.82 | \$79.84 | \$123.66 |
| Number of participating eligible customers | 3,561 | 2,826 | 6,387 |
| Total savings to customers and reduced revenue to Water and Sewer Department per month | \$13,005 | \$18,802 | \$31,807 |
| Total savings to customers and reduced revenue to Water and Sewer Department per year | | | |
| Water and sewer charges | \$132,814 | \$209,885 | \$342,698 |
| Utility Service Fee - DERM - 4% | \$5,313 | \$8,395 | \$13,708 |
| Utility Service Fee - DSWM - 3.5% | \$4,648 | \$7,346 | \$11,994 |
| Excise Tax - 10% on water | \$13,281 | | \$13,281 |
| Total savings and reduced revenue per year - after program matures | \$156,056 | \$225,626 | \$381,682 |
| Total estimated customer savings and reduced revenues in year one - 2/3 of mature program savings | \$104,037 | \$150,417 | \$254,455 |

* Note - Various amounts have been rounded for projection purposes.

| Savings and households | Number | Annual savings/ reduced revenues |
|---|--------|-------------------------------------|
| Households receiving both water and sewer service savings | 3,187 | \$123.66 |

**Table 4
Estimated Costs for Implementing and Administering the Rate Discount Program**

| Function | Up-Front Costs - First Year | | Operating Costs - First Year | | Recurring Costs - Subsequent Years | | Notes |
|--|-----------------------------|--------------------|------------------------------|------------------|------------------------------------|------------------|--|
| | Labor Including Overhead | Direct Expenses | Labor Including Overhead | Direct Expenses | Labor Including Overhead | Direct Expenses | |
| Customer Notification | | | | | | | |
| Flyers | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | We would include the information in the Pipeline newsletter which is produced quarterly. There would be no additional costs to advertise this program in the newsletter. |
| County website publishing | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | There would be no additional cost to include this information on the website. |
| Media advertising | \$0.00 | \$35,000.00 | \$0.00 | \$35,000.00 | \$0.00 | \$35,000.00 | To advertise in the most widely read publications such as the Miami Herald/Diario de las Americas/Miami Times and Kesteya Herald - approximate cost for a total of 10 ads is \$15,000. Advertising in the small periodicals newspapers - 30 newspapers - \$20,000. |
| County's cable channel announcements | \$0.00 | \$14,325.00 | \$0.00 | \$9,600.00 | \$0.00 | \$9,600.00 | Production of a 30-second spot \$4,725 in English and Spanish. Advertising the spot for four months - \$9,600. |
| Subtotal | \$0.00 | \$49,325.00 | \$0.00 | \$44,600.00 | \$0.00 | \$44,600.00 | |
| Enrollment of eligible customers | | | | | | | |
| Develop eligibility criteria | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Previously defined. Age 62 or older and annual income of \$25,000 or less, or disabled and receiving disability income from Social Security Administration. |
| Develop application form | \$540.00 | \$200.00 | \$740.00 | \$0.00 | \$0.00 | \$0.00 | Startup only. Develop single page form including affidavit to be notarized attesting to eligibility and providing enclosed documentation. Review with County Attorney (AO3 - 10 hours). |
| Identify required supporting documentation (Develop affidavit | \$1,484.00 \$0.00 | \$100.00 \$0.00 | \$1,584.00 \$0.00 | \$0.00 \$0.00 | \$0.00 \$0.00 | \$0.00 \$0.00 | Startup only. AO3 (step 5) including fringes for 20 hours. Age Documentation: One or more of the following: driver's license, passport voters registration, birth certificate; income documentation: Federal Income Tax Return(s), or other documentation to be determined; Research best sources. |
| | | | | | | | Include dwlth application form. |

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**Table 4
Estimated Costs for Implementing and Administering the Rate Discount Program**

| Function | Up-Front Costs - First Year | | | Operating Costs - First Year | | | Recurring Costs - Subsequent Years | | | Notes |
|---|-----------------------------|-----------------|-------------|------------------------------|-----------------|-------------|------------------------------------|-----------------|-------------|--|
| | Labor Including Overhead | Direct Expenses | Total | Labor Including Overhead | Direct Expenses | Total | Labor Including Overhead | Direct Expenses | Total | |
| Develop application process | \$3,711.00 | \$200.00 | \$3,911.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Startup only. AC3 100 hours. Research best method including utilization of WASD Call Center, 311 Answer Center, submitting on-line form, document via fax or U.S. Postal Service, etc. Draft procedures. |
| Develop auditing procedure | \$3,711.00 | \$200.00 | \$3,911.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Startup only. AC3 100 hours. Consult with Audit and Management Services and others as needed to establish best methods for ensuring valid and continuing eligibility. |
| Develop enrollment period | \$371.00 | \$50.00 | \$421.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Startup only. AC3 10 hours. Discuss optimum duration for initial and renewal enrollment periods and obtain appropriate management approvals. |
| Develop fraud policy | \$7,422.00 | \$500.00 | \$7,922.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Startup only. AC3 200 hours. Involve appropriate entities to determine best methods for detecting and dealing with fraudulent applications. |
| Develop customer billing notification procedure | \$2,989.00 | \$1,500.00 | \$4,489.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | Startup only. AC3 80 hours. Prepare bill inserts or WASD Pipeline article regarding program information; Prepare form letter for customer notification of acceptance, ineligibility, or request for additional documentation; Review by appropriate supervision and management. |
| Customer assistance | \$19,930.00 | \$100.00 | \$20,030.00 | \$19,930.00 | \$100.00 | \$20,030.00 | \$22,949.00 | \$150.00 | \$23,099.00 | Startup & Recurring Costs based on 33% 1st year enrollment & 38% recurring (CSR 2 -Step 5). Process of answering customer questions related to the program including explanation of eligibility requirements, procedures for application, and customer savings, etc. (10 minutes per customer) |
| Application review | \$29,895.00 | \$800.00 | \$30,695.00 | \$29,895.00 | \$800.00 | \$30,695.00 | \$34,424.00 | \$1,000.00 | \$35,424.00 | Identify and assign appropriate staffing to validate submitted documentation, make necessary entries into Customer Information System to cause account to be provided with discounts (15 minutes per application) |
| Notification of customer billing | \$1,484.00 | \$800.00 | \$2,284.00 | \$1,484.00 | \$800.00 | \$2,284.00 | \$1,484.00 | \$800.00 | \$2,284.00 | Prepare form letter or billing insert advising that current or next billing will begin to be credited with the discount. (40 hours) |

**Table 4
Estimated Costs for Implementing and Administering the Rate Discount Program**

| Function | Up-Front Costs - First Year | | | Operating Costs - First Year | | | Recurring Costs - Subsequent Years | | | Notes |
|--|-----------------------------|-----------------|--------------|------------------------------|-----------------|--------------|------------------------------------|-----------------|--------------|--|
| | Labor Including Overhead | Direct Expenses | Total | Labor Including Overhead | Direct Expenses | Total | Labor Including Overhead | Direct Expenses | Total | |
| Audit | \$3,711.00 | \$800.00 | \$4,511.00 | \$3,711.00 | \$800.00 | \$4,511.00 | \$3,711.00 | \$800.00 | \$4,511.00 | Develop program review process and revise as needed (100 hours) |
| Subtotal | \$75,228.00 | \$5,250.00 | \$80,478.00 | \$55,020.00 | \$2,500.00 | \$57,520.00 | \$62,568.00 | \$2,750.00 | \$65,318.00 | |
| Modification of billing system | | | | | | | | | | |
| Development and testing of new rates | \$15,385.60 | \$500.00 | \$15,885.60 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 1 Business Process Senior Specialist, 1 Business Process Specialist, 1 Account Clerk. (160 Hours each) |
| Development of new customer contact with letter generation | \$985.60 | \$0.00 | \$985.60 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 1 Business Process Senior Specialist, 1 Business Process Specialist, 1 Account Clerk. (10 Hours each) |
| Subtotal | \$16,370.60 | \$500.00 | \$16,870.60 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | |
| Total costs | \$91,598.60 | \$55,075.00 | \$146,673.60 | \$55,020.00 | \$47,100.00 | \$102,120.00 | \$62,568.00 | \$47,350.00 | \$109,918.00 | |

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Table 5
Estimated Direct Economic Impact of Establishing and Maintaining Rate Discount Program

| Item | First Year Economic Costs | | | Subsequent Year Economic Costs |
|--|---------------------------|-----------------|-----------|--------------------------------|
| | Up-front costs | Operating costs | Total | |
| Implementation and Administration | | | | |
| Customer Notification | \$49,325 | \$44,600 | \$93,925 | \$44,600 |
| Enrollment of eligible customers | \$80,478 | \$57,520 | \$137,998 | \$65,318 |
| Modification of billing | \$16,871 | \$0 | \$16,871 | \$0 |
| Subtotal | \$146,674 | \$102,120 | \$248,794 | \$109,918 |
| Reduced revenues | | | \$254,455 | \$381,682 |
| Total economic cost | \$146,674 | \$102,120 | \$503,248 | \$491,600 |

Note: Estimated reduced revenues in first year are estimated to be two-thirds of the amount estimated once the program reaches maturity, which is assumed to occur by the second year.

MEMORANDUM

Agenda Item No. 11(A)(9)

TO: Honorable Chairman Joe A. Martinez
and Members, Board of County Commissioners

DATE: November 1, 2005

FROM: Murray A. Greenberg
County Attorney

SUBJECT: Resolution relating to the
feasibility of implementing a
program to offer discounted
water & sewer rates to senior
citizens and disabled citizens

The accompanying resolution was prepared and placed on the agenda at the request
of Sen. Javier D. Souto.

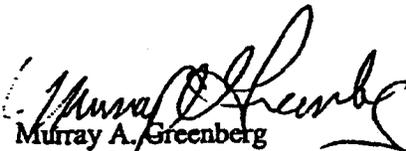

Murray A. Greenberg
County Attorney

MAG/jls



MEMORANDUM
(Revised)

TO: Honorable Chairman Joe A. Martinez **DATE:** November 1, 2005
and Members, Board of County Commissioners

FROM: 
Murray A. Greenberg
County Attorney

SUBJECT: Agenda Item No. 11(A)(9)

Please note any items checked.

- "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- 6 weeks required between first reading and public hearing
- 4 weeks notification to municipal officials required prior to public hearing
- Decreases revenues or increases expenditures without balancing budget
- Budget required
- Statement of fiscal impact required
- Bid waiver requiring County Manager's written recommendation
- Ordinance creating a new board requires detailed County Manager's report for public hearing
- Housekeeping item (no policy decision required)
- No committee review

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 11(A)(9)

11-01-05 OFFICIAL FILE COPY
CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
DADE COUNTY, FLORIDA

RESOLUTION NO. R-1272-05

RESOLUTION DIRECTING THE COUNTY MANAGER TO CONDUCT A FEASIBILITY STUDY AND ISSUE A REPORT ON THE IMPLEMENTATION BY THE MIAMI-DADE WATER AND SEWER DEPARTMENT OF A PROGRAM TO OFFER DISCOUNTED WATER AND SEWER RATES TO SENIOR CITIZENS AND DISABLED CITIZENS WITH INCOMES BELOW \$25,000.00 PER YEAR

WHEREAS, Miami-Dade Water & Sewer Department does not offer discounted utility rates to elderly and disabled customers like other utility companies within Miami-Dade County or like other water and sewer utility companies in most major cities throughout the United States; and

WHEREAS, Bell South provides a \$13.50 discount off the monthly bill for Senior Citizens or disabled persons if the customer qualifies as needy based on eligibility for Medicaid or food stamps through the Lifeline program, which ensures that the basic telephone connection and service remain affordable to all residents of Florida; and

WHEREAS, Florida Power & Light offers emergency assistance to any customer in a crisis situation and unable to pay her or his electric bill by providing up to \$350.00 in assistance to pay a household electric bill during any 12 month period through the Care To Share Program; and

WHEREAS, Florida Power & Light also offers the 62Plus Payment Plan, which matches the bill due date to the arrival of a social security, disability or other government monthly benefit check in order to assist residents on fixed incomes manage their bills; and

WHEREAS, the City of Philadelphia, Pennsylvania offers a 25% Senior Citizen Discount Rate on monthly water and sewer bills to residents who are 65 years and older, as long as the bill is under the customer's name and the customer meets an annual income rate; and

WHEREAS, the City of Atlanta, Georgia offers a 30% Senior Citizen Discount Rate on monthly water and sewer bills to residents who are 65 years and older, as long as the bill is under the customer's name and the maximum household income is \$25,000.00 or less; and

WHEREAS, the City of Cambridge, Massachusetts offers a 15% Senior Citizen Discount Rate, not to exceed \$90.00 annually, on monthly water and sewer bills to residents who are 65 years and older, and a 30% Senior Citizen Discount Rate, not to exceed \$180 annually, on monthly water and sewer bills to residents who are 70 years and older; and

WHEREAS, the Cities of Tacoma and Seattle, Washington offer a 25% discount on monthly water and sewer bills and a 35% discount on their Solid Waste Utility to residents who are 62 years of age or disabled; and

WHEREAS, the City of Los Angeles, California offers a 15% discount on monthly water and sewer bills and garbage rates to residents who are 62 years of age or residents who are paraplegic, quadriplegic or afflicted with Multiple Sclerosis ; and

WHEREAS, this Board desires to study the feasibility of establishing a program of discounted utility rates for elderly and disabled customers,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The County Manager is directed to conduct a feasibility study of a establishing a program, administered by the Miami-Dade Water and Sewer Department, to offer a 30% Senior Citizen and Disabled Resident Discount Rate on monthly water and sewer bills, dating from January 2006, to residents who are 62 years and older or who receive disability income from the Social Security Administration, as long as the account and bill is under the customer's name and the maximum household income is \$25,000.00 or less.

Section 2. The County Manager's feasibility study and report should include all of the following: (1) the number of persons within Miami-Dade County who would be eligible for the proposed program under the criteria set forth in Section 1 (the "Target Population"); (2) the average savings to the Target Population on a monthly and yearly basis resulting from the proposed program; (3) the fiscal impact to the County, and any affected departments, of the proposed program based on estimated participation; (4) proposed rules and regulations, including program application, for the proposed program; (5) the proposed method for maximizing the number of applicants and participants from the Target Population, and (6) any other recommendations of the County Manager regarding the proposed program.

Section 3. The County Manager shall provide this Board a written report on his findings no later than 60 days following the passage of this resolution.

The foregoing resolution was sponsored by Senator Javier D. Souto and offered by Sally A. Heyman, who moved its adoption. The motion was seconded by Commissioner Katy Sorenson and upon being put to a vote, the vote was as follows:

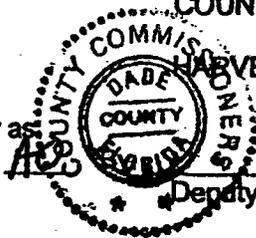
| | | | |
|-------------------------------|--------|--------------------------|-----|
| Joe A. Martinez, Chairman | aye | | |
| Dennis C. Moss, Vice-Chairman | aye | | |
| Bruno A. Barreiro | absent | Dr. Barbara Carey-Shuler | aye |
| Jose "Pepe" Diaz | aye | Carlos A. Gimenez | aye |
| Sally A. Heyman | aye | Barbara J. Jordan | aye |
| Dorin D. Rolfe | aye | Natacha Seijas | aye |
| Katy Sorenson | aye | Rebeca Sosa | aye |
| Sen. Javier D. Souto | absent | | |

The Chairperson thereupon declared the resolution duly passed and adopted this 3rd day of November, 2005. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as
to form and legal sufficiency.



KAY SULLIVAN

Deputy Clerk

Angie Ortega