



# Miami-Dade Water and Sewer Department

A Department of Miami-Dade County, Florida

## Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2010

Prepared by: Controller Division and Public Affairs Section





The cover's design is comprised of the winning students' entries in the annual "Every Drop Counts" Poster Contest.

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**Comprehensive Annual Financial Report**  
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## VISION STATEMENT

The continuous delivery of excellent, cost-effective water supply and wastewater services in compliance with all regulatory requirements.

## MISSION STATEMENT

The Miami-Dade Water and Sewer Department is committed to serving the needs of Miami-Dade County residents, businesses, and visitors by providing high-quality drinking water and wastewater disposal services while providing for future economic growth via progressive planning; implementing water conservation measures; safeguarding public health and the environment; and providing for continuous process improvements and cost efficiencies.



*Delivering Excellence Every Day*

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## MIAMI-DADE COUNTY

Mayor



### BOARD OF COUNTY COMMISSIONERS

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Chairman

Audrey M. Edmonson  
Vice Chairperson

Barbara J. Jordan  
District 1

Jean Monestime  
District 2

Audrey M. Edmonson  
District 3

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District 10

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District 11

José "Pepe" Díaz  
District 12

Vacant  
District 13

Harvey Ruvin  
Clerk of Courts

Pedro J. Garcia  
Property Appraiser

Alina T. Hudak  
County Manager

Robert A. Cuevas, Jr.  
County Attorney

Miami-Dade County provides equal access and equal opportunity in employment and services and does not discriminate on the basis of disability.

It is the policy of Miami-Dade County to comply with all of the requirements of the Americans with Disabilities Act.



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March 31, 2011

Honorable Joe A. Martinez, Chairman and Members of the Board of County Commissioners  
Honorable Harvey Ruvin, Clerk  
Ms. Alina T. Hudak, County Manager  
Miami-Dade County, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report of the Miami-Dade Water and Sewer Department (the Department) for the fiscal year ended September 30, 2010 (FY 10) is submitted herewith. Management is responsible, in all material respects, for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures. The data is reported in a manner designed to present fairly the financial position and the results of operations of the Department. All disclosures necessary to enable the reader to gain an understanding of the Department's financial and operational activities are included. This report may also be accessed via the Internet at [http://www.miamidade.gov/wasd/reports\\_financial.asp](http://www.miamidade.gov/wasd/reports_financial.asp).

## PROFILE OF GOVERNMENT

In December 1972, the Board of County Commissioners (the Board) of Miami-Dade County, Florida (the County) created the Miami-Dade Water and Sewer Authority (the Authority) for the purpose of establishing an agency responsible for providing water and wastewater services throughout the County. In 1973, all properties of the water and wastewater systems of the City of Miami and of the County were put under the control of the Authority. The Board changed the status of the Authority to that of a County department effective November 1, 1983, under the provisions of Miami-Dade County Ordinance 83-92, establishing the "Miami-Dade Water and Sewer Authority Department." On October 19, 1993, the Department changed its name to the Miami-Dade Water and Sewer Department. The Department's water system, considered the largest water utility in the Southeast United States, serves approximately 420,000 retail customers and 15 municipal wholesale customers within the County. Water is drawn primarily from the surficial Biscayne Aquifer, a non-artesian (or near surface) aquifer which underlies an area of about 3,200 square miles in Miami-Dade, Broward and Palm Beach counties. The water system consists of three regional water treatment plants and five small auxiliary treatment facilities that service the southernmost area of the County. There are fifteen wellfields comprised of 94 production wells and five aquifer storage and recovery wells, which supply untreated water to the treatment facilities. Distribution throughout the service area of more than 400 square miles is performed via seven remote finished water storage and pumping facilities through more than 7,700 miles of water mains ranging in size from 2 inches to 96 inches in diameter. The service area is subject to wide fluctuations in rainfall, not only in total annual amount, but also month-to-month. An extended dry period usually results in substantial water usage for residential irrigation and corresponding peak demands on the utility. In response, the Department encourages water conservation through water use restrictions, rates and other methods. The conservation program includes: leak detection and repair; recycling the water used to backwash filters and treatment plants; reduction of transmission main pressure during periods of critical water shortage; new ordinances establishing water use efficiency standards for new



construction and permanent two days a week irrigation restrictions; brochures and public information mailed with bills giving advice on water conservation; rebate programs designed to improve the efficient use of water by retrofitting older fixtures; and using treated wastewater effluent for process water, cleanup and landscape irrigation.

The wastewater system serves approximately 338,000 retail customers and 12 wholesale customers, consisting of 11 municipal customers and the Homestead Air Force Base. It consists of three regional wastewater treatment plants, and 1,039 sewage pump stations and nearly 6,200 miles of collection and transmission pipelines. The disposal of the by-products of the treatment process (sludge and effluent or treated wastewater) is an important part of the Department's plan to improve and expand its sewer system. Disposal of treated wastewater at the North District Plant and the Central District Plant is accomplished by discharge into the Atlantic Ocean. A portion of the treated effluent at the North District Plant is also disposed via deep injection wells. While environmental studies conducted by the Environmental Protection Agency (EPA) and examinations by the State and the Department conducted in 1994 have shown "no irreparable harm" and "no unreasonable degradation" to the environment as a result of the discharge of effluent from the North District Plant and the Central District Plant into the Atlantic Ocean, this position has since been revised by the State where, during 2008, legislation was passed mandating a phase out of all ocean outfall flows in an effort to terminate this process. The South District Plant disposes of its effluent through deep injection wells to the lower Floridan Aquifer at a depth below 2,400 feet. In 1995, the Department completed construction of five additional deep injection wells as part of its 112 million gallons per day (mgd) plant expansion project. Only one well received an

operational permit while it is anticipated that the remaining four deep injection wells will receive their operational permit with the completion of the High Level Disinfection (HLD) project. The Department continues to plan and design reclaimed water facilities. Currently, the Department reuses 13 million gallons per day (MGD) of treated wastewater, which includes 120,000 gallons per day for irrigation of the Florida International University Bay Vista Campus. As part of the 20-Year Water Use Permit, the Department is committed to produce about 170 MGD of reclaimed water for aquifer recharge, irrigation, power plant cooling and potentially coastal wetlands re-hydration.

## LOCAL ECONOMY

### Condition and Outlook

One year ago, in the report on fiscal year 2009, it was anticipated that fiscal year 2010 would be a year of hope amid signs of recovery for the Miami-Dade County economy and its most vital industries, including trade, transportation, tourism, and real estate. It was also mentioned that employment would lag behind other indicators as employers remain cautious about hiring and that full recovery would probably be several years away. That outlook turned out to be a fairly accurate portrait of the past year as most indicators improved and employment remained weak.

Fiscal year 2009 displayed a weak performance for the economy marked by the deep national recession that occurred in nine out of twelve months of the year. Real gross domestic product (GDP) contracted by 3.4 percent and deflation was in the order of 0.3 percent. By contrast, fiscal year 2010, with the eighteen-month recession behind, at least in official terms, saw the various economic indicators improve and the nation's GDP increase by 2.2 percent to a level comparable to fiscal 2007, but still below fiscal 2008 in a low inflation environment. Given this mac-



roeconomic environment most Miami-Dade County indicators improved on a year-over-year basis.

On the employment front, payroll employment declined for the third year in a row recording an overall loss of approximately 22,000 jobs. Even though there was an increase in the labor force, at the same time the unemployment rate continued to climb throughout the year. The annual average unemployment rate for the year stood at 12.1 percent, compared to 9.8 percent a year earlier.

With a continuing high level of unemployment, consumer spending remained modest during fiscal year 2010. The indication that consumers acted cautiously and held back on their spending is reflected in taxable sales which increased by only 2.0 percent. That was still weak, but better than the previous fiscal year when taxable sales declined by almost 9.7 percent.

During the past fiscal year, the performance of the real estate market was mixed. The value of construction taking place in the County went up, but the number of building permits issued declined by 1.8 percent. Sales of existing single family homes increased 11.3 percent helped by a decline in the median sales price of 5.3 percent. A much larger jump occurred in the sales of condominiums with a 49.4 percent increase helped by a 15.0 percent decline in the median sales price. At the same time, the number of foreclosure filings declined by almost a third. For fiscal year 2011, the outlook on housing remained tepid with low expectations for a significant improvement in the housing market.

In transportation, air and cruise passenger levels were up at both the Airport and Seaport. Similarly, in the area of international trade, the value of merchandise trade for the Miami Customs District

increased by 14.9 percent. This increase was also reflected in the activity levels at MIA and the Seaport, as freight and cargo tonnage at these trade facilities displayed similar results.

In conjunction with the increase in passenger traffic, Miami-Dade County hosted 3.6 percent more visitors in 2010 than the number recorded a year earlier. Along with this trend, hotel booking activity registered some improvements as hotel occupancy rates increased on a year-round basis moving in the opposite direction from the declines of a year ago.

Overall, fiscal year 2011 is slated to be similar to fiscal 2010 continuing on a slow recovery path with low job creation. At this time, the threat of a “double dip” recession seems low, but the prospects for a strong rebound also look slim. Because trends in income and jobs are not bouncing back in growth as in previous recessions, it is expected that the economy will continue to grow at a slow, but upward trending path. At the national level, the incoming Congress will likely focus more on engaging in austerity measures and cutting the deficit than increasing spending for new programs to stimulate the economy.

There are a number of other factors that would play out in the determination of the outlook for 2011. One positive factor is the recent passage of the law keeping the former president’s tax cuts intact for another two years. This along with the extension of jobless benefits and cuts in payroll taxes ensures a policy that should encourage business and consumer expenditures. As a corollary, the Federal Reserve, with interest rates already close to zero, will monitor the current conditions and hope for a successful outcome for its recently unveiled policies of “quantitative easing” (QE). These efforts are for making loans less costly and spurring businesses and people to spend more.

Unfortunately, there are some negative factors that could influence the outlook for 2011. For one thing, employment gains, so far, have been anemic and this does not bode well for a pickup in spending by consumers. Also, the rise in prices of oil and many food commodities could bring a rise in inflation and this, in turn, could reduce capital investments and put a damper on people's purchases.

Looking out into fiscal year 2011, the pace of the Miami-Dade's economic recovery appears to remain steady but slow in the face of persistently high unemployment. Because there are a large number of factors that could influence the pace of recovery, there is little agreement among experts on what lies ahead. Assuming that the improving trends in most of the economic indicators will continue and that government policies to help the economy will prevail, Miami-Dade's economy will most likely perform at a similar or a bit higher level to the performance experienced in 2010.

## LONG-TERM FINANCIAL PLANNING

As part of the FY 11 adopted budget, a 5 percent retail water and wastewater rate adjustment was adopted. The Department of Labor, Bureau of Labor Statistics, Consumer Price Index (CPI), All Urban Consumers, Water and Sewer Maintenance, U.S. City Average Maintenance Index will be evaluated annually and applied in the proposed retail rate adjustment for FY 2011-12 through FY 2012-13. The County Budget Ordinance also increased the rate to water and wastewater wholesale customers and other miscellaneous fees and charges, effective October 1, 2010.

The Department's current six year capital improvement plan is projected to be \$6.8 billion. Of this amount, the Department expects to finance \$5.2 billion through future bond issues.

# Major Initiatives

## INTEGRATED WATER, WASTEWATER, RECLAIMED WATER MASTER PLANNING

Due to increasing interdependencies, in the future, master planning for water, wastewater and reclaimed water facilities will be completed in a single combined effort. Work on the first such Integrated Water, Wastewater, and Reclaimed Water Master Plan has been initiated. The planning for compliance with the Florida Ocean Outfall Legislation, which is described below, will be included. The Integrated Plan is scheduled for completion in October 2012. Initial work has included the development of flow projections for the water and wastewater systems, identification of potential reclaimed water projects, and additional transmission system hydraulic model calibration.

## WATER SYSTEM 20-Year Water Use Permit (WUP)

Perhaps one of the biggest accomplishments ever in the Department's history came about during FY 08. On November 15, 2007, the Governing Board of the South Florida Water Management District (SFWMD) approved the Department's consolidated application for a 20-year Water Use Permit. Prior to this approval, permits from SFWMD had been issued for five years. On November 1, 2010, the SFWMD reissued a new 20-year Water Use Permit (WUP) to the Department which extended the expiration date of the permit from 2027 to 2030. The Permit allows the Department to withdraw up to 408.5 million gallons per day (MGD), 388.55 MGD from the Biscayne aquifer, the County's primary source, and 19.95 MGD from the Floridan aquifer by the end of the 20 year permit. The Permit comes with several conditions, chief among them is the requirement that the Department develop alternative water supply sources in addition to the Biscayne Aquifer to cover the County's future water demands above the original 347 MGD base-

line allocation. To that end, the Department has already begun the design of a number of alternative water supply sources.

## Water-Use Efficiency Plan

The Water Use Efficiency Plan (Plan) is in its fourth year of implementation as required by the Water Use Permit and approved by the Board of County Commissioners. The Plan implements water conservation best management practices and measures through a quantifiable process that provides for accountability of the water saved through the Plan. The Plan's goals of saving water have been exceeded every year since implementation. This effort has allowed the Department to capitalize on the additional policy measures implemented such as: permanent irrigation restrictions, aggressive public information campaigns, construction requirements for water efficient fixtures, and water loss reduction programs. The combination of these initiatives has provided for an unprecedented consumption reduction in excess of 35 MGD below proposed demands through FY 2010. The Department's conservation efforts has resulted in the extension of the County's Water Use Permit, cancellation of two alternative water supply projection and deferral of several other expensive infrastructure water supply projects, making conservation the least expensive form of alternative water supply.

The Department's 20-year Water-Use Efficiency Plan was the first in the state developed using the Florida Department of Environmental Protection's (FDEP) Conserve Florida "GUIDE," a web-based application that facilitates the development of goal-based water conservation planning. The Plan's objectives include improving water-use efficiency, reducing the loss and waste of water, and complying with the State's legislative criteria and water conservation initiatives. The following best management practices are currently being implemented:

- ◆ Landscape Irrigation Evaluations and Rebates
- ◆ High Efficiency Toilet (HET) Rebate
- ◆ Senior and Low Income High Efficiency Fixture Retrofit Project
- ◆ Audits and Retrofits of County facilities
- ◆ Showerhead Exchange Project
- ◆ Multifamily Showerhead Retrofit Project
- ◆ Green Lodging and Restaurant Project
- ◆ Children's Campaign
- ◆ Public Outreach Program

## Water Reclamation

Reclaimed water is highly treated, filtered and disinfected wastewater that is reused for a variety of purposes. Reclaimed water can replace or supplement groundwater supplies. Currently, the Department has been able to replace potable water used for process water at its wastewater treatment plants with reclaimed water. Valuable drinking water is thus conserved by using reclaimed water in several wastewater treatment plant processes, as well as the landscape irrigation system at two of the Department's wastewater treatment plants and at Florida International University's Biscayne Bay Campus.

Moving forward, the Department has made an unprecedented commitment to reclaim approximately 170 million gallons daily (MGD) of wastewater during the next 20 years, through a number of projects.

These projects include:

- Construction of the South District Water Reclamation Plant which will recharge the Biscayne Aquifer and the regional water system in the vicinity of the Zoo Miami. This facility is currently under design.
- Providing public access to quality reclaimed water for irrigation projects;
- Testing the feasibility of providing reclaimed water for the rehydration of Biscayne Bay Coastal Wetlands;
- Recharging the Biscayne Aquifer and the regional water system through a new West District Water Reclamation Plant in western Miami-Dade.

The Department has also executed an agreement to provide up to 90 MGD of reclaimed water for cooling at Florida Power and Light's Turkey Point power plant in south Miami-Dade if, and when, additional generating units are constructed.

## Floridan Aquifer

The Department, in cooperation with the City of Hialeah, is working on the design and construction of a new 10 MGD reverse osmosis (RO) Water Treatment Plant in Hialeah. The plant will be supplied solely with water from the Floridan Aquifer, a source that is deeper than the Biscayne Aquifer and is brackish. The RO plant is expected to produce 10 MGD of drinking water by 2012.

## Aquifer Storage and Recovery (ASR)

The WUP does allow for use of ASR. The Department has used ASR successfully in the past. ASR involves pumping water from the Biscayne Aquifer, when rainfall and groundwater are plentiful, into the deeper Upper Floridan Aquifer for the purpose of storing the water for later use. Although, as noted in the previous sub-section, Floridan Aquifer water is brackish, the fresher Biscayne Aquifer water forms a freshwater "bubble" underground as it is pumped into the Floridan Aquifer for replenishment, augmentation or storing water for later recovery. The Department was able to recover one billion gallons of freshwater during the drought of 2000-2001. To ensure compliance with regulatory requirements of the ASR wells, located at the Southwest and West Wellfields, the Department has completed construction of an ultraviolet (UV) treatment facility to disinfect Biscayne Aquifer water before it is stored at each of the subject wellfields.



### **Water Facilities Master Planning**

The Department retained a consultant to update the Water Facilities Master Plan. As mentioned previously in this section, the first phase of this Plan was to obtain a 20-year WUP to establish the water supply source for the planning period. For the completion of the Master Plan, treatment and transmission requirements were developed based on the WUP water supply plan and the entire program presented in Water Facilities Plan Update, a final draft of which was submitted for review.

### **South Miami Heights Water Treatment Plant**

The first stages of construction began in FY 04 with the completion of the perimeter wall and other sections of the exterior and the surroundings of the Department's newest water treatment plant. Installation of traffic lights and turn lanes comprising the entranceway into the facility began in FY05. The raw water transmission mains that will serve the plant from its future well fields were completed early during FY 08. A parking lot and finished water mains were constructed in FY08. The parking lot is to serve the Roberta Hunter Linear Park, where the primary wellfield will be located. The raw water mains will be the means of delivering the water to the plant. Currently, the Department has issued a Notice to Proceed (NTP) for the High Service Pump Station and Reservoir. This plant will serve the southern portion of the County and together with the five million gallon reservoir, will assure delivery of water that meets and exceeds regulatory standards. This project's completion is scheduled for FY11.

Other portions of this substantial project include the combined wellfield construction and additional park improvements and the water treatment plant facility. These projects are in the permitting and procurement stage. The facility, which will replace

three of the five small treatment plants currently being operated in South Miami-Dade, will use the latest in membrane softening technology and will commence production with an initial treatment capacity of 20 MGD. Plans call for recharging the groundwater outside of the wellfield protection area, with highly treated reclaimed water, thereby mitigating any impacts on regional water supplies. Bids for the process facility have been received and the NTP is scheduled for early 2011. The plant is expected to begin operation in 2014.

### **Gas Chlorination Conversion at the Water Treatment Plants**

Currently, WASD receives its gaseous chlorine by rail cars. The on-site Chlorine Generation (OSG) Project would expeditiously address the need to develop a safer environment by using a cost-effective, technically viable, and risk-reducing technology.

The OSG System uses a proven membrane electrolyzer cell technology to generate chlorine gas, sodium hydroxide, and sodium hypochlorite on-site safely and cost competitively. Under the Chemical Facility Anti-Terrorism Act, the proposed equipment is considered by the U.S. Department of Homeland Security as an "Inherently Safer Technology" and complies with Section 1605 of Public Law 111-5 of the American Recovery and Reinvestment Act of 2009. Also being considered for deployment is the use of sodium hypochlorite, a liquid chlorine product that is replacing gaseous chlorine at several of the Department's water and wastewater facilities.

### **GWUDI Water Treatment Plant Design**

WASD's Hialeah and Preston Water Treatment Plants (WTPs) treat raw water from a combination of four groundwater wellfields, including the Northwest Wellfield (NWWF). Nearby mining

activities may trigger the reclassification of the NWWF from groundwater to groundwater under the direct influence of surface water (GWUDI). This potential reclassification has significant implications for the Preston and Hialeah WTPs by requiring the existing facilities to operate under more stringent standards than were intended in their original designs.

Improvements to meet the treatment requirements of a reclassification of the NWWF are collectively identified as the GWUDI Upgrades Project. Separating the NWWF raw water and its treatment from the other wellfields that supply the Preston and Hialeah WTPs dramatically reduces the costs of the GWUDI Upgrades Project. This requires the construction of a GWUDI treatment facility. Constructing significant portions of the GWUDI treatment facility on a previously identified and mitigated WASD property near the NWWF (known as the NWWF site) has a lower cost of construction and reduces impact on the community compared to constructing all the GWUDI upgrades at the Preston and Hialeah WTPs sites. As a result, WASD has been authorized to design the GWUDI Upgrades facilities at the NWWF site. This facility will convert the NWWF raw water to process water, with a majority of this process water being conveyed to the Preston WTP through the existing 96-inch diameter raw water main. The main will be converted to a dedicated GWUDI Upgrades process water main as part of the project. A portion of the GWUDI Upgrades process water will provide finished water for local distribution.

The initial scope of services, dated October 6, 2009, was approved to proceed with GWUDI Upgrades. On January 11, 2010, WASD directed the scope of services to be amended to proceed with GWUDI Upgrades based on nanofiltration (NF) and supporting processes. The current scope of services,

dated January 14, 2010, including the Basis of Design Report (BODR), Schematic Design, and 50 Percent Design was approved on March 19, 2010. This will be the largest nanofiltration water treatment plant in the nation.

## Northwest Wellfield Land Acquisition

The Department has been working diligently to acquire lands surrounding its Northwest Wellfield to serve as a buffer zone around the wells, which supply water to the Department's Hialeah and John E. Preston Water Treatment Plants. The land purchase will increase the protection area around the well field to the current 60-day line.

## Regulatory Compliance/Water

### Groundwater Under the Direct Influence of Surface Water

On January 5, 2006, the EPA published the Final Long Term Enhanced Surface Water Rule (the "Surface Water Rule"), which does not apply to the Department because the Department does not use surface water and the groundwater used by the Department has not been determined to be under the direct influence of surface water. However, the Northwest Wellfield is located in an area designated by the Florida Legislature as the Miami-Dade County Lake Belt Area. In order to maximize the efficient recovery of limestone in such area, the Florida Legislature has approved a plan that will allow rock mining in the vicinity of the Northwest Wellfield. As excavations get closer to the Northwest Wellfield, there is an increased risk of the wells coming under the influence of surface water, which would result in the Surface Water Rule applying to such wells. In January 2006, the Florida Legislature recognized the risk to the Northwest Wellfield and imposed a "water treatment plant upgrade fee" equal to \$0.15 per ton of

lime rock and sand sold within the Miami-Dade County Lake Belt Area. The fee became effective January 1, 2007 and will remain in effect until the total proceeds collected reach the actual amount necessary to design and construct the necessary water treatment plant upgrades; receipts for FY 10 were \$2.69 million. The water treatment plant upgrade will consist of the GWUDI Water Treatment Plant, previously mentioned, to meet the requirements of the Surface Water Rule.

### **Wastewater System Pump Station Optimization Program (PSOP)**

This is an operational mode under which wastewater pump stations' operating levels are controlled to maximize the storage capacity available in the collection system and to limit infiltration increases during wet weather. Operating data was obtained from an ongoing pilot program of 15 stations which indicated flow reductions of more than 20 percent. Projecting these reductions systemwide will result in substantial savings while complying with the peak flow requirements of the EPA SFPCD. Work continued in obtaining additional information for pump stations to be included in the program and on upgrades to the associated pump station controls needed for system-wide deployment of the system. Approval was received from the Florida Department of Environmental Regulation to expand the pilot program to an additional 24 stations.

### **Florida Ocean Outfall Legislation**

In 2008, the Legislature passed and the Governor signed Senate Bill 1302, which requires that the six ocean outfalls used to dispose of treated wastewater along the southeast coast of Florida be abandoned by 2025 and that at least 60% of the water formerly being discharged be further treated and reused. The Department operates two of these ocean outfalls.

The legislation requires the Department to submit a plan to the FDEP by July 2013, describing how the outfalls will be removed from use for wastewater disposal. This plan will be incorporated into the Integrated Water, Wastewater, Reclaimed Water Master Plan which is described above. The areas served by the North and Central District Wastewater Plants that utilize these outfalls are highly developed, and the collection system has been designed to move wastewater from the west to the east towards these very large plants. This legislation may require a complete change in the Department's wastewater collection system, which has approximately 6,200 miles of pipe and 1,039 pump stations. It will also require substantial changes in the treatment process to make the reclaimed water suitable for irrigation, power plant cooling, ground water replenishment or other reuse to enhance the regional water system.

The capital costs associated with all of these changes could exceed \$4 billion, including planning, design, land acquisition, and construction. Some of this work has already been envisioned as part of the 20 year Water Use Permit. The legislation also commits the State to authorizing financial assistance to this program.

### **Injection Wells Consent Order and High-Level Disinfection**

On April 29, 2004 Consent Order (CO) OGC File No. 03-1376 was entered into between the FDEP and Miami-Dade County to address various issues, including the allegation of fluid movement associated with Class I injection wells at the County's South District Wastewater Treatment Plant (SDWWTP). Under the CO, the Department is to treat wastewater at the SDWWTP to a higher level than the current secondary treatment. Wastewater at the SDWWTP will undergo an additional treatment process, known as High Level Disinfection

(HLD). This process will add filtration and disinfection with chlorine to wastewater before it is disposed of via the SDWWTP's deep injection wells. Ultimately, the HLD facility will be part of a larger system that will enable the Department to reclaim all of the average daily wastewater flows to the SDWWTP.

Construction began on the new HLD facility during FY 08. In addition to the aforementioned HLD treatment process, the construction program at SDWWTP, which is broken down into 14 separate projects, will also expand the plant's peak flow treatment capacity to 285 MGD from 225 MGD.

The HLD project is the largest, most ambitious capital project ever undertaken by the Department. The project is expected to cost approximately \$600 million and take five and a half years to complete. Thus far, the Department's progress has been excellent on the HLD projects and it is currently ahead of the contract schedule and under budget.

The Department remains in compliance with all of the requirements of the consent order, and an amendment has been negotiated, which extended the final completion date to April 1, 2014, to be consistent with the current construction schedule.

## Consent Decrees and Settlement Agreements

To date, the Department has successfully completed 92 percent of the mandated sanitary sewer collection and transmission system improvements under the first phase of its Consent Decrees and Settlement Agreement (CD/SA) program with the EPA and the FDEP.

The Department continues to be in compliance with all the provisions of the CD/SA and through FY 10 has not incurred any penalties for not completing tasks within deadlines. More than 1,589 milestones

have been completed satisfactorily as prescribed by these enforcement actions on or ahead of schedule. In February 2008, the Department completed the Rainfall Dependent Peak Flow Management Study. A report of the results was submitted in May 2008 to ensure compliance with the Second and Final Partial Consent Order (SFPCO). The CD/SA program is divided into three major subprograms: the Wastewater Treatment Plant Expansion Program, the Pump Station Improvement Program and the Infiltration and Inflow Reduction Program.

### Wastewater Treatment Plant Expansion Program

The Department has completed the requirements for wastewater treatment plant expansion and reuse included in the FDEP Settlement Agreement and the EPA First Partial Consent Decree (FPCD).

### Pump Station Improvement Program

The Pump Station Improvement Program (PSIP) was created to evaluate and improve the operation and transmission capacity of the 1,039 wastewater pump stations the Miami-Dade Water and Sewer Department owns and/or operates. Projects include sewer pump station refurbishing, installation of new pumps, electrical upgrades and the installation of new force mains. To date, 597 pump station projects and 210 force main projects have been completed.

### Infiltration and Inflow (I & I) Reduction Program

The Department continues to perform sanitary sewer evaluation surveys on nearly 33 million feet (6,230 miles) of sewage collection mains and laterals. As part of the Department's various sewage collection system inspection and maintenance activities during FY 10, more than 1.1 million feet of sewer lines were evaluated. Additionally, 2,412,036 feet of sewer lines were cleaned as part of



regular maintenance. Other repairs, maintenance and inspections of the sewage collection system during FY 10 include the replacement of 583 laterals; 147 gravity and force main repairs; 2,919 manhole repairs; 20 valve repairs; smoke testing of 731,318 feet of gravity mains and inspection of 4,929 manholes.

## OTHER DEPARTMENTAL FUNCTIONS

### Water and Wastewater Transmission System Computer Models

The Department retained a consultant to upgrade its Water and Wastewater Transmission System Computer Models to operate with the Geographic Information System (GIS) data on the respective systems. These models are critical for planning and evaluating the availability of system capacity for new developments and system upgrades. The wastewater model was used to develop the Peak Flow Management Study Report submitted to the EPA. The Department has acquired the necessary software and high speed computers for the operation and maintenance of the models. Training of Department staff in the use of the software has been conducted.

### Management & Performance Improvement

The Department has been a leader and a model for implementing innovative employee ideas resulting in significant cost savings to the Department and, in turn, the customers.

POWER (Partnership Optimizing WASD's Efficiency and Reengineering), the Department's efficiency program, has completed its 12th year of operation. The POWER program began in 1998 when the Department's management and employee unions joined forces to empower employees to

innovate and implement efficiency initiatives. An estimated total of \$35.5 million in savings has been achieved during the span of the program. During FY10, Department employees implemented 16 efficiency projects, resulting in approximately \$1.588 million in estimated savings.

Several Process Improvement Team (PIT) ideas were completed and recommended for implementation in FY10. Among them, the Remote Metered Water Filling Stations PIT initiated to analyze and recommend changes to our procedures for metering and billing of water supplied to service trucks. Design plans were completed for a filling station pilot program at Kendall Tamiami Airport. The station is scheduled for completion in 2011. Depending on the success of the pilot program, seven more stations may be built at other designated locations throughout Miami-Dade County in the future.

The Utility Signage for Sub-aqueous Pipeline Crossings PIT ensured that standard procedures for installing and maintaining signage or markings for all sub-aqueous pipeline crossings is established to prevent damage from dredging, clean up and anchorage operations in accordance with federal and state regulations. The benefits include avoidance of disruption of service, protection of infrastructure, public health and welfare, and avoidance of costs associated with pipeline ruptures or sewage discharge. Manufacturing and installation of sub-aqueous signage is scheduled to begin by FY11.

POWER has been recognized as a model program by Miami-Dade County and several organizations, including the National Association of Counties; the Association of Metropolitan Water Agencies (AMWA); the AFL-CIO Working for America Institute; and Harvard University's John F. Kennedy School of Government, which

highlighted the POWER program in its “Working Better Together” book. In 2009, the Department won the Platinum Award for Sustainability Competitiveness Achievement from AMWA.

Since 2006, the Department has been actively involved in addressing the Performance Excellence initiatives in the Florida Sterling Council’s Feedback Report. In December 2005, the Department submitted a Feedback application to the Florida Sterling Council and received their Feedback Report in 2006. Approximately 87 percent of the initiatives in the Feedback Report have been completed. Two of the Sterling category initiatives, Leadership and Strategic Planning, were completed. The Customer and Market Focus, Measurement Analysis, Human Resources and Process Management initiatives are more than 80 percent complete. Some of the major initiatives completed were: 1) devised an Internal Communications Plan; 2) implemented a Performance Measurement system at every level of the organization; 3) developed a Customer Complaint tracking system to collect and analyze customer complaints in order to identify areas for improvement; 4) implemented an Employee Survey to determine employee satisfaction level and developed action plans to continue to improve the organization and 5) developed a process to review and revise Emergency and Disaster Plans.

## Facilities Security

The Department has implemented a number of proactive measures to enhance the security of its water facilities as well as its response capabilities. Staff members have been licensed in the Risk Assessment Methodology Method for Water (RAM-W) for conducting vulnerability assessments. The vulnerability assessment of the water system was completed in March 2003 and submitted to the EPA as mandated. The Department has prepared its Emergency Response Plan (ERP) in accordance

with EPA regulations. This was submitted to the EPA prior to September 30, 2003. In accordance with federal requirements, the Department continues to assess, identify and implement feasible opportunities to minimize the vulnerability of the Department’s facilities. This program is anticipated to cost in excess of \$60 million when fully implemented. All major water plants are completed. While the EPA has not yet mandated performing vulnerability assessments of wastewater systems, the Department has decided to perform a vulnerability assessment of its sewer system. This will encompass an assessment of its wastewater treatment facilities, the collection system, and the pumping and transmission system. However, the Department is addressing security of all facilities until the assessment is completed. The Department has hired appropriate staff dedicated to security at the Department’s facilities. Security screening procedures have been established for Water and Sewer employees and contractors who require access to designated restricted areas. Criminal history checks are conducted by the Miami Dade Water and Sewer Security Section, Inspector General’s Office and the Miami-Dade Police Department. The Department is constructing a Security Operation Center at our main headquarters for better command and control, with the capability of monitoring all CCTV operations at the various facilities.

## Rate Increase

On September 23, 2010, the Board of County Commissioners approved the County Budget Ordinance, which included the adoption of the FY 2010-11 Resource Allocation Plan, to become effective October 1, 2010. The Resource Allocation Plan was based on a retail rate increase of five percent to the average water and sewer residential customer effective October 1, 2010. A South Florida Water Management District (SFWMD) water restriction surcharge for retail water customers

with consumption in the fourth tier of the usage structures continues to be in effect to encourage water conservation. In addition, the County Budget Ordinance increased other miscellaneous fees and charges effective October 1, 2010.

### Building Better Communities General Obligation Bonds (GOB)

In November 2004, Miami-Dade County voters approved a \$2.9 billion bond program which allows the County to issue long-term bonds to fund numerous neighborhood and regional capital projects to be completed over the next 13 years. The General Obligation Bonds are legally backed by the full faith and credit of the County which has committed future taxes over the next 40 years to repay the bonds. General Obligation Bonds typically are the least expensive type of debt available to government. Among the GOB funded capital projects are several created to address current and future water and wastewater needs. Future projects include water and wastewater main installations; pump station rehabilitation projects; reclaimed water facilities and infrastructure; and partial funding for a reverse osmosis water treatment plant in Hialeah. Most recently GOB funding was used to mediate the risk associated with Dieldrin contamination of private wells in the Falls area at Caribbean Estates.

### GROWING WITH INFORMATION TECHNOLOGY

The Department is committed to using the latest and best-available information technology in order to carry out operations and serve the expanding needs of customers. For functions from researching client records to managing assets, the Department has sought to create or purchase computer software that will significantly raise efficiency levels.

### Automation of Plant Monthly Operating Reports (MORS)

The Department implemented an automated Plant Monthly Operating Reports (MORS) system for water production at the Alexander Orr, Jr. Water Treatment Plant during FY 08. MORS offers streamlined data collection and it automates water plant readings required for monthly reporting to regulatory agencies, including Laboratory Information System readings. The process was expanded to include the Department's two other water treatment plants. As a result of this expansion, during FY 2009-2010 the MORS system is now fully operational for the Hialeah and Preston Water Treatment Plants. In addition, the MORS system has now been fully implemented at all ancillary plants of the Department's water treatment plants during early FY 2009- 2010. The MORS system now includes the Alex Orr Jr. and Hialeah Lime Plants, Alex Orr and Preston Diesel Operations, and South Dade Utilities. To further enhance efficiency and data collection, handheld data entry devices will be put into service at all the water plants for FY 2010 - 2011. The water treatment personnel are being trained on a regular basis to maximize the usage of the system and its benefits of enhanced reporting and data collection. MORS usage at the water plants, lime plants and diesel operations are expected to save WASD approximately \$413,000 annually.

### Project Control & Tracking System

After several years of study and evaluation of different project management tools, the Department selected Meridian Proliance as its enterprise Project Control & Tracking System (PCTS) to track, monitor and control its Capital Improvement Program (CIP). Proliance tracks projects through their life cycles from inception to completion. The Department officially launched its new system on

May 4, 2009. The deployment of PCTS/Proliance has not only improved capital development processes, but it has given a broad range of stakeholders, including division/section chiefs, engineers, construction managers, planners, inspectors, operational staff or document control staff, access to vital information. Since the implementation of PCTS, all capital improvement projects have been tracked in Proliance and hundreds of users, whether they are in-house staff or outside consultants, have been trained and utilize Proliance on a daily basis. Although difficult to tabulate the many ways that the new system has helped to increase work productivities and efficiencies, users have embraced the concept of centralized reporting and can already see the benefits of this new system. Further enhancements to PCTS by way of additional interfaces with existing Department-wide enterprise applications such as Graphic Information Systems (GIS) and ERP are being worked on, while others such as donation projects by developers will be considered for inclusion in PCTS for future implementation as funding permits.

### Supervisory Control and Data Acquisition System (SCADA)

Essential to the Department's daily operations is the ability to monitor and control its water and wastewater functions from a remote location. The Department's SCADA system is at the heart of this capability and is one of the largest of its kind in the country.

The SCADA system, which is particularly important in cases of emergency operations and as a tool in meeting requirements of the CD/SA program, has allowed workers in the Department's 24-hour emergency call center to continuously oversee the operations at its pump stations. It has also allowed water and wastewater treatment plant operators to manage plant functions from remote control panels, providing an increased level of efficiency. Of the

1,039 wastewater pump stations the Department owns and/or operates, 1,000 have SCADA installed. The Department's three regional water and three regional wastewater treatment plants have SCADA installed and operational. All water wellfields are monitored and controlled by SCADA, and all 94 production wells have flow meters installed with SCADA monitoring for compliance with SFWMD regulations.

### Retail Customer Service Division - Meter Reading Section

#### AMI Pilot

The Department is currently piloting Advanced Meter Infrastructure (AMI) technology within the Meter Reading Section. Customers have been notified of the installation of the AMI meters and advantages of the new technology. When discrepancies or continuous flow conditions have been noted, we promptly investigate the findings. Additionally, these quarterly accounts are being reported and recorded as monthly billings to study water consumption and the effects it will have on present operations. AMI will help to lower costs, move to monthly billing, and improve operating efficiencies within the Department. Shortly after the fiscal year concluded, 500 AMI meters were installed within a specific geographical area of the county.

#### Laptop Deployment to Field Personnel

In July 2010, all Customer Service Representative 2s in field districts were assigned laptops to complete their high bill investigation, tampering and leak detection field orders. Laptops increase availability of information to customers, productivity and allow WASD staff to have real time information regarding activities in the field, office and call center. Wait times for customers will also decrease as this information is constantly being updated and as the length of customer calls decreases, more customers will be able to be helped.



### **Voice Over Internet Protocol (VoIP) Telecommunications Technology**

Voiceover Internet Protocol (VoIP) is the routing of voice communications over the Internet or computer networks that use Internet protocols, rather than through standard phone lines or over the air (like cellular phones). There are a number of advantages to using VoIP, including lower costs and as a back-up should regular or cellular telephone systems fail (such as could happen during or immediately after a hurricane).

During FY 08, the Department expanded its implementation of VoIP to include the LeJeune and South Miami Heights facilities. This adds to the Hialeah and John E. Preston Water Treatment Plants; the Westwood Lakes Maintenance Facility; the 36th Street Maintenance Facility; the Medley Yard; and the North District Wastewater Treatment Plant (NDWWTP); which had VoIP installed in prior years. During FY 09, Water Distribution and Virginia Key sites were completed. During FY 10, Black Point was completed and the Douglas Building was initiated. In 2011, the Douglas Building will continue with its upgrade, including the Retail Customer Division Call Center. There will be a migration to an upgraded switch architecture of all sites when the VoIP is completed.

### **Geographic Information System (GIS)**

The Department's GIS and its related applications are used Department-wide in a variety of ways. During FY 10, the GIS continued progress with the GIS Migration Project including completion of the pilot, all data migration and acceptance, and went live with the GIS Atlas Maintenance Application v2 (GAMS 2). Data maintenance for new projects and the backlog were restarted. The original backlog of 2,800 donation and system betterment projects was reduced from 2,800 to 1,750. Integration between GIS and Enterprise

Asset Management System (EAMS) was started. GIS data cleanup and matching of historical sewer collection air release valves to the new GIS/EAMS schema was also completed. The PCTS viewer, which allows staff to view all completed projects and proposed projects (Donations, System Betterments, Agreements, Verification Forms, Ordinance Letters, and Letters of Availability) was launched. Work continued to complete the new Dade On-Line Facility Information Network v2 (DOLFIN 2) and should be completed in early 2011. A project to automate Customer Service Field Activity Routing was initiated. GIS Editors continued developing a Service Point Connection layer, which will tie WASD pipes to customer information, thereby allowing instant ability to determine customers affected by outages, as well as being able to improve modeling. Pilot development for a field data meter location collection application was started.

ArcLogistics, an ESRI mapping software was tested in the West District office prior to its deployment to the other three field district offices. It will assist with the field orders dispatch process. The field activities are downloaded into ArcLogistics and the software assigns the work by priority and best routing methodology to automatically assign orders to the various field representatives. In addition, the visualization of the field orders displayed on a map adds another component to assist with locating the addresses of the field orders. This software was implemented shortly after the fiscal year concluded.

### **In-House Custom Applications**

Integration between the Spill Reporting System and EAMS was completed. Users can now initiate spill notifications directly from EAMS rather than having to call the Communications Center for reporting. Dig-Smart was selected as the new Ticket Management System. Development of cus-

tom enhancements to the product was started. The Front Desk System for New Business was implemented. This system handles automatic customer assignment to New Business Representatives and allows managers to monitor staff productivity and track customer flow. Reengineering of the SCADA Historical Database was started. The new system will fully automate SCADA data transfers from the production Emerson Polyhedra database to the SQL Server historical database. All Oracle in-house databases were migrated from Software version 10g to 11g. Migration from the Vehicle Management System (VEMS) to EAMS was completed. This included much data cleanup. The Distribution Work Records System (DWRS) was also migrated into EAMS. Integration between EAMS and both the Permitting System (PDS) and the WASD Paving System (WPDS) was started.

### **The Enterprise Asset Management System (EAMS)**

During this past fiscal year, the Department continued the implementation of Infor's EAMS, which is a multi-year project designed to better track maintenance and repair activities related to Department assets. In FY09, Stores/Procurement, Emergency Communications Center, and Fleet Management went live with EAMS during the 4th Quarter, followed shortly thereafter by the Pump Station Maintenance Division in the early part of FY10. During the 4th Quarter, the Water Transmission and Distribution and the Wastewater Collection and Transmission Line Divisions went live with this software. Water Production and Maintenance and Wastewater Treatment and Maintenance Divisions, along with General Maintenance are scheduled to be live with EAMS by close of FY11. The EAMS implementation project has included the development and deployment of a mobile application to support inventory warehouse functions. In addition, laptops have been deployed

to the divisions to support work order functions in the field.

### **Web Technologies**

In an effort to improve communication and become more employee-centric, the department's Intranet was redesigned and transformed into MyWASD. MyWASD provides a more personal approach with easier navigation, enriched content and enhanced tools. The site has been reconfigured by taking into consideration how employees have previously used the Intranet and prioritizing the most frequently utilized components, placing them at our fingertips and making your time spent on the site more effective and streamlined. The Intranet has also incorporated information and functions from the Miami-Dade County Portal, so users will not have to alternate between sites as often. The Web Technologies Unit also developed a Capital Budget preparation system for gathering funding requirements for capital improvements. This system streamlined the analysis and reporting of both the Multi-year and Renewal & Replacement Capital Plans for the department.

### **Enterprise Resource Planning (ERP)**

The ERP Financial system began a multi-phased upgrade project that will run through FY 2011-2012. In the first phase, which began in June 2010 and was substantially completed by the fiscal year's end, tools were upgraded which brought improvements to the navigation and look & feel of the ERP system.

### **Customer Information System**

Planning began for the upgrade of the system to Customer Care and Billing (CC&B) and implementation of Mobile Workforce Management (MWM) and Process Integration Package (PIP). These products will integrate the billing processes with field activities and improve productivity of Retail Customer Division field staff.

## Community Outreach

The Department's Public Affairs Office sponsors and participates in several programs aimed at educating the public on the quality of its drinking water, its operations, under-utilized customer services and water conservation and reclamation. This fiscal year saw the continued effort to provide public outreach on the 20-year Water Use Permit granted by SFWMD to the Department. The Water Use Permit Communications Plan implemented by the Department included radio and newspaper advertising; presentations before various audiences (including community councils, homeowners associations and business groups); outreach to media via news releases and story ideas; articles written by Department staff and published in local newspapers; and articles in the Department's own newsletters. In addition to traditional forms of media such as newspapers, television and radio talk shows, Public Affairs also has utilized Facebook, Twitter, YouTube and movie theaters to capture a wider and more diverse audience.

In FY10, Public Affairs chaired the Second Model Water Tower Competition in an effort to dialogue with an underserved demographic – teens. The competition engaged students by having them apply scientific theory learned in the classroom and apply it in real life situations by building a working model water tower. By initiating this communication with high school students, they were introduced to government services, as well as future career opportunities in the water profession.

The Department continued its growing outreach efforts to Miami-Dade County's sizable Hispanic community during FY10. The Department conducted appearances on a number of Spanish-language radio shows, advocating for water reclamation and other important issues, as well as advertising in small community newspapers. The Consumer

Confidence Report (CCR) for this fiscal year was printed in the form of a newspaper, incorporating information in both English and Spanish. The CCR was a self-mailer, allowing it to include more important information than past issues which were limited in order to fit into the Department's billing envelopes.

# Financial Information

This portion of the letter of transmittal is further discussed in the Management's Discussion and Analysis, found in the financial section of this report, and should be read in conjunction with it.

## ENTERPRISE FUND

The department operates as an enterprise fund of Miami-Dade County. As such, the Department funds its expenditures through its rates and charges and received no income from ad valorem taxes levied by the County. The Department recommends rates annually to provide for anticipated cash outlays for operating expenses, as well as capital improvement requirements, debt service payments, and utility transfers to the County's General Fund.

## ACCOUNTING SYSTEM AND BUDGETARY CONTROL

As specified in Miami-Dade County Ordinance 93-134, the Department's financial accounting system is based upon accounting principles generally accepted in the United States of America (GAAP). Internal accounting controls are an integral part of the Department's management systems and are designed to provide reasonable assurance that assets are safeguarded from unauthorized use or disposition, and that records used for preparing financial statements and maintaining asset accountability are reliable.

To aid in carrying out this responsibility, management strives to maintain a system of internal accounting controls, which is established after weighing the cost of such controls against the benefits derived. Due to the inherent limitations of the effectiveness of any system of internal accounting controls, management cannot provide absolute assurance that the objectives of internal accounting controls will be met.

As part of the County's ongoing efforts to employ comprehensive and cost-effective internal accounting controls, Miami-Dade County's internal auditing staff reviews the Department's controls and procedures on a continuing basis. The County's Director of Audit and Management Services reports to the County Manager, providing the independence necessary for objective auditing and reporting on Department affairs.

The Board of County Commissioners approves the Department's annual budget for its recommended rates, expenses and capital outlays. An analysis of revenue and operating expenses for FY 10 is provided in the financial section of this report.

The Department controls current expenses at both the functional and operating division levels. Through the Department's management reporting system, which includes responsibility centers, division managers are responsible for budgetary items that are controllable at their organizational levels. Since all expenses are controllable at some level, this dual monitoring of expenses serves to strengthen overall budgetary and management controls.



## OPERATING REVENUES AND EXPENSES

Operating revenues and expenses for the last three fiscal years are shown in the following schedule (dollars in thousands):

	2010	2009	2008
Operating Revenues	\$518,395	\$478,736	\$437,476
Operating Expenses	349,632	328,929	321,964

## CAPITAL IMPROVEMENTS

The following schedule presents a summary of capital improvements for the last three fiscal years (dollars in thousands):

	2010	2009	2008
Water	\$ 64,744	\$ 69,659	\$ 50,575
Wastewater	189,129	198,194	111,324

## RECENT FISCAL POLICY IMPACT WHOLESALE AGREEMENTS

As one of the 20-year Water Use Permit conditions, the Department sought 20-year wholesale contracts with its 15 municipal water customers. By the end of FY 10, 14 of the Department's wholesale customers had indeed signed 20-year contracts for water service.

## FINANCE

### Water and Sewer

#### Revenue Bonds - Series 2010

Miami-Dade County, Florida issued its Water and Sewer Revenue Bonds, Series 2010. The proceeds of the Series 2010 Bonds, together with other available funds of the Department will be used to: (i) pay costs of constructing or acquiring certain improvements under the Department's Multi-Year Capital

Improvements Plan (the MYCP); (ii) repay principal and interest outstanding under the Regions Bank Line of Credit, which financed a portion of the MYCP on an interim basis; (iii) pay capitalized interest on the Series 2010 bonds for a short period and; (iv) pay the cost of issuance of the Series 2010 Bonds.

## UTILITY FEE AMENDMENT

Effective October 1, 2009, and April 1, 2010, as part of the FY2010 adopted budget, a retail water and wastewater rate adjustment of 6 percent was approved. Also, increases in the per thousand gallons rate to water and wastewater wholesale customers and other miscellaneous fees and charges were implemented as of October 1, 2009. These increases recognize the ongoing need for additional staffing for renewal, replacement and maintenance needs to meet regulatory requirements of local, state and federal agencies.

## CASH MANAGEMENT

The Department pools all cash and investments, with the exception of certain investments which are required to be held in trust and escrow accounts under the terms of bond ordinances and loan agreements.

Pooled investments are made pursuant to Florida Statutes and resolutions of the Board of County Commissioners and consist of U.S. government and agency securities, commercial paper, bankers' acceptances and repurchase agreements which are collateralized by U.S. government and agency securities. Investments are competitively bid among banks and investment brokers enabling the Department to obtain the best interest rates available in the market. A summary and comparison of cash management activity for

the last three fiscal years is as follows (dollars in thousands):

	2010	2009	2008
Average portfolio balance	\$455,250	\$ 380,269	\$ 629,934
Average investment yield	0.8%	2.2%	3.8%
Interest earned on investments	\$3,726	\$8,196	\$24,264

## RISK MANAGEMENT

The Department maintains a self-insurance program for general liability and automobile liability exposures. Funding for this program is based on an actuarial study performed by consultants. The Department also participates in the County's self-insurance programs for workers' compensation and health and life insurance. Insurance is maintained with independent carriers for all other risks of loss.

# Other Information

## INDEPENDENT AUDIT

The accompanying financial statements have been audited by the Department's independent auditors and their report on the financial statements resulting from their audit is included in the financial section of this report.

## AWARDS

### Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department for its Comprehensive Annual Financial Report For the Fiscal Year Ended September 30, 2009. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The Department has received a Certificate of Achievement for the past 27 fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and are submitting it to GFOA.


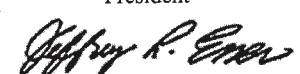
## Certificate of Achievement for Excellence in Financial Reporting

Presented to  
**Miami-Dade Water and Sewer Department, Florida**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



  
President  
  
Executive Director

## NACO Awarded for innovative program

WASD's Public Affairs Office won a National Association of Counties (NACO) Achievement Award for its Inaugural Model Water Tower Competition during FY10. It was recognized as an innovative County program that fostered a dialogue with an underserved demographic – teens. While not a program necessitated by legal obligation, the MWTC furthers the WASD's Public Affairs Section's mission to educate, inform and promote department initiatives such as conservation and responsible stewardship of our natural resources. It has become an annual event.

## WASD earns Gold and Silver from NACWA

The Miami-Dade Water and Sewer Department was recognized by the National Association of Clean Water Agencies (NACWA), earning a combination of Gold and Silver Peak Performance Awards for three of its facilities.

The awards were granted to the to the Miami-Dade Water and Sewer Department's South District Wastewater Treatment Plant, North District Wastewater Treatment Plant and Central District Wastewater Treatment Plant in Virginia Key, in recognition of their complete and consistent National Pollutant Discharge Elimination System (NPDES) compliance during the 2009 calendar year.

The National Association of Clean Water Agencies represents the collective interest of America's clean water utilities - dedicated environmentalists with a clear commitment to America's waters. NACWA members are part of a dynamic communication network.

## ACKNOWLEDGEMENTS

We wish to thank all of the Department's employees for their hard work and dedication during the past fiscal year. We would also like to thank the Department's Controller Division and the Public Affairs Section, and the County's General Services Administration's Printing and Graphics Section, for their tireless efforts and professionalism in preparing this report, as well as our external auditors for their invaluable assistance. Finally, a special acknowledgement is extended to the Mayor, Board of County Commissioners and County Manager for their continued leadership in enabling the Department to fulfill its role.



John W. Renfrow, P.E.

Director



Joseph A. Ruiz, Jr.

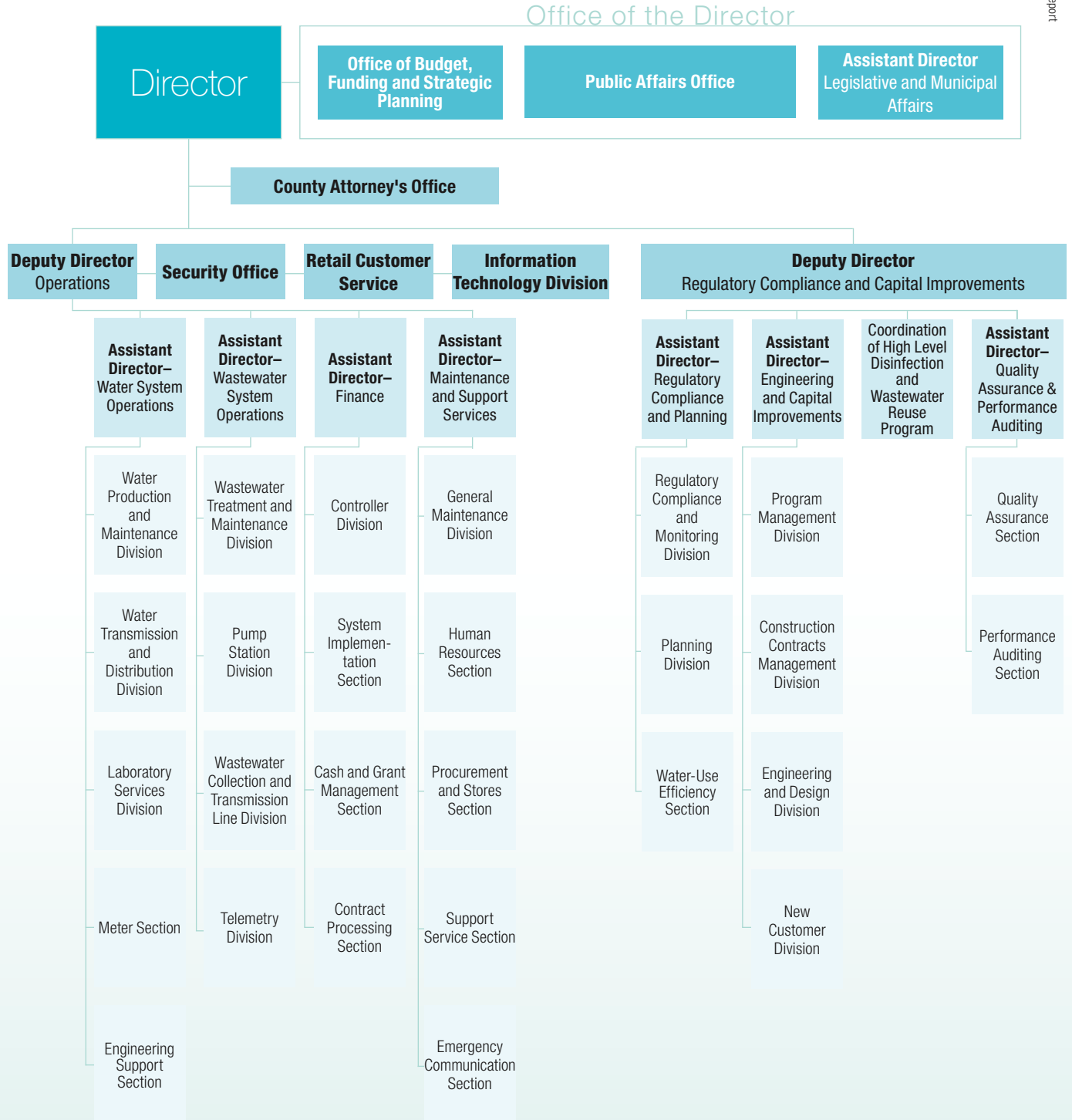
Deputy Director - Operations



Frances G. Morris

Assistant Director - Finance

# Organizational Chart





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● ● ● Financial Section



## INDEPENDENT AUDITORS' REPORT

Honorable Carlos Alvarez, Mayor, and  
Honorable Chairperson and Members  
Board of County Commissioners  
Miami-Dade County, Florida

We have audited the accompanying balance sheets of the Miami-Dade Water and Sewer Department (the Department), a department of Miami-Dade County, Florida (the County) as of September 30, 2010 and 2009 and the related statements of revenues, expenses, and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Departments' management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Miami-Dade Water and Sewer Department as of September 30, 2010 and 2009 and the respective changes in financial position, and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the financial statements referred to above are intended to present the financial position, and changes in financial position, and cash flows of the Miami-Dade Water and Sewer Department of Miami-Dade County, Florida and do not purport to, and do not, present the financial position of Miami-Dade County, Florida as of September 30, 2010 and 2009 and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.



As discussed in Note 8 to the financial statements, the Department adopted the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 4, 2011, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and the Required Supplementary Information on pages 32 to 35 and page 57, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The introductory section, supplemental financial data and the statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental financial data has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as the Introductory and Statistical Sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

*Marcum LLP*

Miami, FL  
February 4, 2011

# Management's Discussion & Analysis

## **OVERVIEW**

The following Management's Discussion and Analysis (MD&A) serves as an introduction to the financial statements of the Miami-Dade Water and Sewer Department (the Department) for the fiscal year ended September 30, 2010. The MD&A presents management's examination and analysis of the Department's financial condition and performance. It should be read in conjunction with the financial information of the transmittal letter in the introductory section and the financial statements in the financial section of this report. The financial statements include balance sheets; statements of revenues, expenses and changes in net assets; statements of cash flows; and notes to the financial statements.

The balance sheets present the financial position of the Department as of a specific date. It provides information about the nature and amount of resources (assets) and obligations (liabilities), with net assets being the difference between assets and liabilities. Increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating.

The statements of revenues, expenses, and changes in net assets present information showing how the Department's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs which might not coincide with the timing of the related cash flows.

The statements of cash flows present the cash activities of the Department segregated in the following four major categories: operating, non-capital financing, capital and related financing, and investing. This statement also presents the changes in cash and cash equivalents of the Department.

The notes to the financial statements provide required disclosures and other information that are essential to the full understanding of data provided in the statements.

## **FINANCIAL POSITION**

A summary of the Department's net assets and related changes for the fiscal years ended September 30, 2010, 2009 and 2008 is shown on the following page. Total net assets as of September 30, 2010, were approximately \$2.2 billion. The Department's total net assets increased by \$18.2 million, or by 1.0%, from prior year which is primarily due to an increase in operating revenues as a result of rate increases. In 2009, net assets increased by \$37.3 million, or by 1.7% from the prior year. The increase is primarily due to an increase in operating revenues as a result of rate increases. The unrestricted portion of net assets (available to meet ongoing and future obligations of the Department) increased by \$17.8 million, or 1.0% in 2010. In 2009, unrestricted net assets had an increase of \$91.0 million, or 4.3%.

Operating and maintenance expenses increased by \$20.7 million, or by 5.9%, in 2010, and increased by \$7.0 million or by 2.2% in 2009. The 2010 increase is primarily due to an increased level of administrative reimbursement charges, security services and general liability insurance. The 2009 increase is due primarily to increased level of employee compensation, increase in the use of outside consultants and an increase in electrical expense.



# Management's Discussion & Analysis

	(In thousands)		
<b><u>SUMMARY OF NET ASSETS</u></b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Current and Other Assets	\$ 1,226,842	\$ 811,123	\$ 931,644
Capital Assets, net	3,286,107	3,151,053	2,974,603
Total Assets	4,512,949	3,962,176	3,906,247
Long-term Liabilities	2,084,569	1,537,506	1,567,009
Other liabilities	233,367	247,867	199,739
Total Liabilities	2,317,936	1,785,373	1,766,748
Net Assets:			
Invested in capital assets, net of related debt	1,535,755	1,590,038	1,396,153
Restricted	279,576	150,107	397,803
Unrestricted	379,683	436,658	345,543
Total Net Assets	\$ 2,195,014	\$ 2,176,803	\$ 2,139,499
<b><u>SUMMARY OF CHANGES IN NET ASSETS</u></b>			
Water operating revenues	\$ 245,122	\$ 225,711	\$ 190,544
Wastewater operating revenues	273,273	253,025	246,932
Interest Income	18,160	13,440	28,489
Other nonoperating revenues	22,678	38,257	40,406
Total revenues	559,233	530,433	506,371
Water source of supply	12,354	14,208	12,006
Water power and pumping	2,002	2,407	2,134
Water purification	61,967	64,457	61,317
Water transmission and distribution	28,459	25,428	26,528
Wastewater collection system	21,523	15,987	19,293
Wastewater pumping	29,916	30,204	30,656
Wastewater treatment	68,043	69,997	67,902
Customer accounting	8,915	7,970	7,026
Customer service	19,088	19,602	18,880
General and Administrative	97,364	78,669	76,222
Depreciation	160,469	152,428	154,881
Interest expense	71,229	63,787	66,320
Other nonoperating expenses	4,091	4,400	3,889
Total expenses	585,420	549,544	547,054
Loss before contributions	(26,187)	(19,111)	(40,683)
Capital contributions	30,487	56,415	26,761
Increase (Decrease) in net assets	4,300	37,304	(13,922)
Net assets at beginning of year	2,190,714 <sup>(1)</sup>	2,139,499	2,153,421
Net assets at end of year	\$ 2,195,014	\$ 2,176,803	\$ 2,139,499

<sup>(1)</sup>For fiscal year 2010, the beginning balance of net assets has been restated to include the cumulative effect of GASB 53. See Note 8, under Interest Rate Swap Agreements, for further details.

## Reconciliation of Net Assets

Ending Balance of net assets at 09/30/2009	\$ 2,176,803
Cumulative effect of GASB 53	13,911
Adjusted beginning balance of net assets at 10/01/2009	\$ 2,190,714

# Management's Discussion & Analysis

## CAPITAL ASSETS

The following table summarizes the Department's capital assets, net of accumulated depreciation, for the fiscal years ended September 30, 2010, 2009 and 2008 (in thousands). Total capital assets increased by \$135.1 million, or 4.1%, in 2010. This increase is due to capital additions, net of plant retirements of \$249.5 million, offset by \$154.2 million net increase in accumulated depreciation. Total capital assets increased by \$176.5 million, or 5.9%, in 2009. This increase was due to capital additions, net of plant retirements of \$114.8 million, offset by \$126.5 million net increase in accumulated depreciation. Additional information on changes in capital assets can be found in Note 6 to the financial statements on page 46.

	(In thousands)		
	2010	2009	2008
Land	\$ 44,650	\$ 44,485	\$ 37,671
Structures and improvements	2,384,935	2,265,689	2,280,525
Equipment	213,214	220,293	229,936
Construction work in progress	643,309	620,586	426,471
Total capital assets	<u>\$ 3,286,108</u>	<u>\$ 3,151,053</u>	<u>\$ 2,974,603</u>

This year's major expenditures in capital assets included:

### Water projects:

- Treatment facilities (\$24.5 million)
- Transmission mains, meters and services (\$18.2 million)
- Wellfields (\$2.4 million)
- System wide improvements (\$1.2 million)

### Wastewater projects:

- Treatment facilities (\$154.7 million)
- Force mains (\$9.0 million)
- Pump stations (\$8.0 million)
- Infiltration and inflow reduction program (\$6.2 million)
- Gravity mains and services (\$4.0 million)
- System wide improvements (\$2.8 million)

Budgeted capital expenditures for fiscal year 2011 amount to \$626.7 million and include \$243.0 million in water projects and \$383.7 million in wastewater projects.

## LONG-TERM DEBT

Long-term debt outstanding (including current portion) at September 30, 2010, 2009 and 2008 is presented in the following table (in thousands). The year 2010 shows a decrease of \$46.5 million from the previous year, and 2009 shows a decrease of \$8.9 million from 2008.

	(In thousands)		
	2010	2009	2008
Revenue Bonds	\$ 1,980,844	\$ 1,432,012	\$ 1,452,127
State Loan Obligations	119,255	119,093	107,943
Total long-term debt	<u>\$ 2,100,099</u>	<u>\$ 1,551,104</u>	<u>\$ 1,560,070</u>

# Management's Discussion & Analysis

During 2010, draws made on state revolving loan commitments and recorded as debt, including capitalized interest, totaled \$10.5 million. Current long-term debt maturities were met in the amount of \$55.9 million. Additional long-term debt details can be found in Note 8 on pages 46-51 of this report.

On March 10, 2010, \$594.3 million of Miami-Dade County Water and Sewer System Revenue Bonds, Series 2010 were issued to finance capital improvements under the Department's Multi-Year Capital plan, repay the Regions Bank line of credit and to pay issue costs.

The Department is required to maintain rates and charges sufficient to meet two tiers of debt service coverage requirements. First, adjusted annual net operating revenues must equal or exceed 1.10 percent of the debt service on senior lien revenue bonds. The Department met the primary debt coverage for the year with a ratio of 1.49 percent. Second, adjusted net operating revenues, after payment of revenue bond debt service, must be at least equal to 1.15 percent of the debt service for the subordinate state loan obligations. The Department met the secondary debt service coverage with a ratio of 3.35 percent.

## ***REQUEST FOR INFORMATION***

Questions concerning this report or request for additional information should be directed to Frances G. Morris, Assistant Director – Finance at 786-552-8104 or at her office at 3071 SW 38<sup>th</sup> Avenue, Miami, Florida 33146.

# Balance Sheets

	September 30,	(In thousands)	
	2010	2009	
<b>ASSETS</b>			
<i>CURRENT ASSETS:</i>			
Cash and cash equivalents	\$ 8,525	\$ 389	
Investments	82,300	87,464	
Accounts receivable (net of allowance for uncollectible accounts of \$26.9 million in 2010 and \$24.8 million in 2009)	102,512	91,229	
Inventory of materials and supplies	30,821	30,415	
Other current assets	9,503	9,501	
Restricted cash and cash equivalents	183,354	130,009	
Total current assets	417,015	349,007	
<i>NONCURRENT RESTRICTED ASSETS:</i>			
Cash and cash equivalents	127,884	-	
Investment derivative instrument	25,743	-	
Investments	486,177	289,536	
Grants receivable	430	41	
Total restricted assets	640,234	289,577	
<i>OTHER ASSETS:</i>			
Deferred debt issue costs, net	28,814	23,250	
Other deferred charges, net	140,779	149,289	
Total other assets	169,593	172,539	
<i>CAPITAL ASSETS:</i>			
Land	44,650	44,485	
Structures and Improvements	3,844,833	3,604,921	
Equipment	883,520	857,022	
Utility plant in service before depreciation	4,773,003	4,506,428	
Less accumulated depreciation	(2,130,204)	(1,975,961)	
Net utility plant in service	2,642,799	2,530,467	
Construction work in progress	643,309	620,586	
Total capital assets	3,286,108	3,151,053	
Total noncurrent assets	4,095,935	3,613,169	
Total Assets	\$ 4,512,950	\$ 3,962,176	

(Continued)

# Balance Sheets

		(In thousands)	
(Continued)	September 30,	2010	2009
<b>LIABILITIES</b>			
<i>CURRENT LIABILITIES (PAYABLE FROM UNRESTRICTED CURRENT ASSETS):</i>			
Accounts payable and accrued expenses		\$ 37,820	\$ 36,303
Customer and developer deposits		14,612	18,321
Current portion of long-term debt		7,405	7,176
Rebatable arbitrage earnings		1,994	2,190
Liability for compensated absences		11,019	11,719
Other liabilities		2,250	2,149
Total Current Liabilities (payable from unrestricted current assets)		<u>75,100</u>	<u>77,858</u>
<i>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED CURRENT ASSETS):</i>			
Accounts payable and accrued expenses		39,260	32,769
Retainage payable		15,152	11,420
Current portion of long-term debt		51,491	48,724
Accrued interest payable		51,174	36,192
Liability for self insurance		1,189	904
Other liability restricted		-	40,000
Total current liabilities (payable from restricted current assets)		<u>158,266</u>	<u>170,009</u>
Total current liabilities		<u>233,366</u>	<u>247,867</u>
<i>NONCURRENT LIABILITIES:</i>			
Revenue bonds payable, net		1,932,810	1,386,626
State loan obligations, net		108,393	108,577
Liability for self-insurance		1,526	1,290
Liability for compensated absences		27,194	25,882
Liability for post-employment benefits		2,557	1,845
Deferred revenues		12,090	13,286
Total noncurrent liabilities		<u>2,084,570</u>	<u>1,537,506</u>
Total liabilities		<u>2,317,936</u>	<u>1,785,373</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt		1,535,755	1,590,038
Restricted for:			
Capital projects		133,325	32,656
Debt service		146,252	117,458
Unrestricted		379,682	436,651
Total net assets		<u>2,195,014</u>	<u>2,176,803</u>
Total liabilities and net assets		<u>\$ 4,512,950</u>	<u>\$ 3,962,176</u>

The accompanying notes to financial statements are an integral part of these statements.



# Statements of Revenues, Expenses, and Changes in Net Assets

	(In thousands)	
	2010	2009
For the periods ended September 30,		
<i>OPERATING REVENUES:</i>		
Water	\$ 245,122	\$ 225,711
Wastewater	273,273	253,025
Total operating revenues	<u>518,395</u>	<u>478,736</u>
<i>OPERATING AND MAINTENANCE EXPENSES:</i>		
Water source of supply	12,354	14,208
Water power and pumping	2,003	2,407
Water purification	61,967	64,457
Water transmission and distribution	28,459	25,428
Wastewater collection system	21,523	15,987
Wastewater pumping	29,916	30,204
Wastewater treatment	68,043	69,997
Customer accounting	8,915	7,970
Customer service	19,088	19,602
General and administrative	97,364	78,669
Total operating and maintenance expenses	<u>349,632</u>	<u>328,929</u>
Operating income before depreciation	168,763	149,807
<i>DEPRECIATION</i>	<u>160,469</u>	<u>152,428</u>
Operating income	8,294	(2,621)
<i>NON-OPERATING REVENUES (EXPENSES):</i>		
Investment income	18,160	13,440
Interest expense	(71,229)	(63,787)
Amortization of debt issue costs	(3,026)	(2,932)
Operating grants	1,632	509
Customer connection fees	15,979	30,573
Other revenues	5,068	7,175
Other expenses	(1,065)	(1,468)
Loss before contributions	(26,187)	(19,111)
Capital contributions	<u>30,487</u>	<u>56,415</u>
Increase in net assets	4,300	37,304
Net assets at beginning of year	<u>2,190,714<sup>(1)</sup></u>	<u>2,139,499</u>
Net assets at end of year	<u>\$ 2,195,014</u>	<u>\$ 2,176,803</u>

<sup>(1)</sup>For fiscal year 2010, the beginning balance of net assets has been restated to include the cumulative effect of GASB 53. See Note 8, under Interest Rate Swap Agreements, for further details.

Reconciliation of Net Assets	
Ending Balance of net assets at 09/30/2009	\$ 2,176,803
Cumulative effect of GASB 53	13,911
Adjusted beginning balance of net assets at 10/01/2009	<u>\$ 2,190,714</u>

# Statements of Cash Flows

	(In thousands)	
For the years ended September 30,	2010	2009
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>		
Cash received from customers	\$ 520,075	\$ 510,479
Cash paid to suppliers for goods and services	(148,086)	(205,937)
Cash paid to employees for services	(196,602)	(179,498)
Net cash provided by operating activities	175,387	125,044
<i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</i>		
Operating grants received	1,632	509
Net cash provided by non-capital financing activities	1,632	509
<i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</i>		
Proceeds from bond issues, loan agreements and notes	605,007	382,065
Principal payments - bond, loans and notes	(55,900)	(345,661)
Bond premium and issue costs	(9,689)	-
Swap termination payment	-	(69,100)
Proceeds from swap agreements	-	970
Interest paid	(46,915)	(53,539)
Proceeds from sale of property, plant and equipment	-	23
Acquisition and construction of capital assets	(294,814)	(260,972)
Net cash provided by (used in) capital and related financing activities	197,689	(346,214)
<i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>		
Purchase of investment securities	(697,592)	(524,954)
Proceeds from sale and maturity of investment securities	505,957	719,532
Interest on investments	6,292	12,435
Net cash provided by (used in) investing activities	(185,343)	207,013
Net increase (decrease) in cash and cash equivalents	189,365	(13,648)
Cash and cash equivalents at beginning of year	130,398	144,046
Cash and cash equivalents at end of year	\$ 319,763	\$ 130,398

(Continued)

# Statements of Cash Flows

(Continued)	For the years ended September 30,	(In thousands)
	2010	2009
<i>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</i>		
Operating income (loss)	\$ 8,294	\$ (2,621)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	160,469	152,428
Provision for uncollectible accounts	3,022	1,905
Amortization of deferred charges	(36)	10,796
Amortization of deferred revenues	815	(11,748)
Non-operating other, net	19,981	36,279
(Increase) decrease in assets:		
Accounts Receivable	(15,266)	(3,955)
Inventory of materials and supplies	(408)	(981)
Other current assets	(9)	(9,494)
Contracts receivable	(389)	25
Other deferred charges	(847)	(73,933)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	1,516	(4,965)
Customer and developer deposits	(3,710)	(2,512)
Liability for compensated absences	612	1,994
Other liabilities	109	34,283
Liability for other post-employment benefits	712	747
Liability for self-insurance	522	(3,204)
Net cash provided by operating activities	\$ 175,387	\$ 125,044

## NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Property, plant and equipment contributions were received in amounts of \$30.5 million and \$56.4 million in fiscal years 2010 and 2009, respectively.

The change in the fair value of investments were \$0.2 million decrease and \$5.1 million increase in fiscal year 2010 and 2009, respectively.

The Department implemented GASB 53 in fiscal year 2010. The cumulative effect of applying GASB 53, as a restatement of beginning net assets, resulted in an increase of \$13.9 million to beginning net assets as well as an increase of the change in the fair value of swaps of \$11.8 million.

	(In thousands)	
	2010	2009
<i>RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR</i>		
Unrestricted Current Cash and Cash Equivalents	\$ 8,525	\$ 389
Restricted Current Cash and Cash Equivalents	183,354	130,009
Restricted Noncurrent Cash and Cash Equivalents	127,884	-
Total cash and cash equivalents at end of year	<u>\$ 319,763</u>	<u>\$ 130,398</u>

The accompanying notes to financial statements are an integral part of these statements

# Notes to Financial Statements

SEPTEMBER 30, 2010 AND 2009

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### REPORTING ENTITY

The Miami-Dade Water and Sewer Department (the Department) functions as a self-supporting governmental enterprise fund of Miami-Dade County, Florida (the County). An enterprise fund is used to account for the financing of services to the general public on a continuing basis with costs recovered primarily through user charges. Accordingly, its financial statements have been prepared on the accrual basis of accounting. The Department issues a separate comprehensive annual financial report and its financial statements are combined in the County's comprehensive annual financial report.

The accompanying financial statements combine the accounts of both the Water and Wastewater Systems to provide meaningful information with respect to the Department, with all transactions of the Department accounted for as one enterprise fund. All significant inter-system accounts and transactions have been eliminated.

### BASIS OF ACCOUNTING

The financial statements are prepared in conformity with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB). The Department has elected not to apply certain pronouncements of the Financial Accounting Standards Board issued after November 30, 1989 as permitted by GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*.

### OPERATING/NONOPERATING REVENUES AND EXPENSES

Operating revenues and expenses are those that result from providing water and wastewater services. Nonoperating revenues and expenses include capital, financing, investing and other activities either not related to or incidental to the provision of water and wastewater services.

### REVENUE RECOGNITION

All water and wastewater revenues are recognized when the related services are provided. Unbilled receivables have been estimated and accrued as revenue from the date of last reading of the meters based on the billing cycle. Unbilled accounts receivable were approximately \$34.3 million and \$32.2 million as of September 30, 2010 and 2009, respectively.

### CAPITAL ASSETS

Property acquired with an initial individual cost of \$1,000 or more and an estimated useful life in excess of one year is capitalized at cost. Major outlays for construction of capital assets and improvements are capitalized at cost. Expenditures for maintenance and repairs are expensed as incurred. Property contributions received from municipalities are recorded as capital assets by the Department at the acquisition cost to the municipality. Property contributed in aid of construction is capitalized at its estimated fair market value on the date received.

Annualized depreciation expense, expressed as a percent of depreciable capital assets, was 3.4% for both fiscal years ended September 30, 2010 and 2009, respectively. The Department utilizes the single-unit straight-line depreciation method with normal retirements charged to accumulated depreciation, and no gain or loss is recognized on retirements. Assets with a change in estimated life are depreciated based on net book value over the remaining life of the asset. Estimated useful lives of capital assets in service are as follows:

	Water System	Wastewater System
	(Years)	
Structures and improvements	25-45	25-45
Equipment	3-20	3-20
Transmission mains and accessories	25-45	30-40

Total depreciation expense for the fiscal years ended September 30, 2010 and 2009 was \$160 million and \$152 million, respectively.

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. This statement establishes accounting and financial reporting requirements for intangible assets, including easements, to minimize inconsistencies among governments. The statement is effective for fiscal year 2010.

Following existing authoritative guidance for capital assets, intangible assets received in a non-exchange transaction should be recorded at their estimated fair value at the time of the acquisition. Therefore, donated/granted easements are recorded at their fair value at the time of transfer. The recording of these assets was effective for the period of October 1, 2009 forward. In addition, when purchasing or developing computer software, licenses or similar assets, threshold determinations should be based

# Notes to Financial Statements

on the aggregate cost. Only those intangible assets valued at more than \$100,000 shall be recorded as an asset.

## *CASH, CASH EQUIVALENTS AND INVESTMENTS*

Cash includes cash on hand, amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term, highly liquid securities with known market values and maturities, when acquired, of less than three months.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Department has opted to report money market and non-participating investments, with remaining maturities of one year or less at the time of purchase, at amortized cost, which approximates market.

Investments are carried at fair value. The net increase or decrease in the fair value of investments is included as part of interest income in the accompanying statements of revenues, expenses and changes in net assets.

For purposes of the statements of cash flows, the Department considers all highly liquid pooled investments with a maturity of three months or less when purchased to be cash equivalents.

## *INVENTORY*

Materials and supplies inventories are stated at lower of weighted average cost or market.

## *INTEREST ON INDEBTNESS*

Interest is charged to expense, as incurred, except for interest related to borrowings used for construction projects which is capitalized, net of interest earned on construction funds borrowed. Interest incurred during the fiscal years ended September 30, 2010 and 2009 was \$82.8 million and \$70.0 million, respectively. Of these amounts, \$11.6 million and \$7.0 million were capitalized in fiscal years 2010 and 2009, respectively, net of interest earned on construction funds from tax-exempt borrowing of \$0.7 million and \$2.0 million in fiscal years 2010 and 2009, respectively.

For interest rate swap agreements, the amounts recorded in the financial statements are the net interest expense along with amortization of fees paid or received resulting from these agreements. The Department recorded a liability for the swap option that was terminated during FY

2009 and will amortize the up-front-payment shown as net of interest expense in the financial statements.

Effective October 1, 2009, the Department adopted GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which requires recognition, measurement and disclosure of information regarding derivative instruments entered into by the Department and reported at fair value.

## *BOND DISCOUNT, PREMIUM AND ISSUANCE COSTS*

Discounts and premiums on bonds and notes payable are amortized using the straight-line method over the life of the related bond issuances or term of the notes. Bond issuance costs are capitalized and amortized over the life of the bonds in a manner similar to discounts and premiums.

## *CAPITAL CONTRIBUTIONS*

The Department records external capital contributions as revenues to the proprietary funds.

## *GRANTS FROM GOVERNMENT AGENCIES*

The Department records grants when all applicable eligibility requirements have been met. This normally occurs as amounts are expended and become reimbursable from the granting agency.

## *PENSION PLAN*

The Department has adopted the provisions, pertaining to pension transactions, of GASB Technical Bulletin No. 2004-2, *Recognition of Pension Benefit Expenditures/Expenses and Liabilities by Cost Sharing Employers* ("the Bulletin"). The adoption of the Bulletin did not have an impact on the financial statements of the Department. The provisions of the Bulletin pertaining to OPEB transactions has been applied simultaneously with the adoption of GASB Statement 45 *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

## *COMPENSATED ABSENCES*

The Department accounts for compensated absences by accruing a liability for employees' compensation for future absences according to the guidelines of GASB Statement No. 16, *Accounting for Compensated Absences*.

## *COST ALLOCATION*

Certain engineering overhead and other costs are generally allocated to capital projects and operating expenses using standard rates developed by independent consultants. The rate is based on various allocation bases which

# Notes to Financial Statements

bear reasonable relation with the type of allocable expenditure.

## USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expense during the reporting period. Actual results could differ from those estimates.

## 2. CASH, CASH EQUIVALENTS AND INVESTMENTS

The County is authorized through the Florida Statutes §218.415, Ordinance No. 84-47, Resolution R-31-09 and its Investment Policy to make certain investments. The County's Investment Policy (the Policy) was updated and adopted on January 22, 2009 in response to current and possible uncertainties in the domestic and international financial markets. The County's overall investment objectives are, in order of priority, the safety of principal, liquidity of funds and maximizing investment income.

The Department pools all cash, cash equivalents and investments, with the exception of certain amounts which are required to be held in trust and escrow accounts under the terms of bond ordinances and loan agreements. Various self-balancing account groups are participants in such pooling, sharing on a pro-rata basis in the pooled earnings, according to their respective average monthly balances.

## DEPOSITS

The carrying amounts of the Department's local deposits were \$133.7 million and \$95.1 million as of September 30, 2010 and 2009, respectively. The bank balances at local depositories were \$170.7 million and \$108.7 million as of September 30, 2010 and 2009, respectively, consisting of demand deposit accounts only. All deposits are fully insured by Federal Depository Insurance and a multiple financial institution collateral pool required by Chapter 280 Florida Statutes, "Florida Security for Public Deposits Act". Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits, times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All

collateral must be deposited with a State-approved financial institution. Any losses to public depositors are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

As a rule, the County intends to hold all purchased securities until their final maturity date. There may be occasional exceptions, including, but not limited to the need to sell securities to meet unexpected liquidity needs.

Cash on hand and cash held by other parties as of September 30, 2010 was approximately \$163,494,195.

## INVESTMENTS

The Department's investments at September 30, 2010 and 2009, are shown in the following table (in thousands).

	Fair Value	
	2010	2009
Federal Home Loan Mortgage Corporation	\$ 149,674	\$ 53,407
Federal Home Loan Bank	96,600	63,255
Federal Farm Credit Bank	147,049	108,492
Federal National Mortgage Association	182,559	86,068
Time Deposits	13	283
Treasury Notes	82,775	44,601
Interest Bearing	66,076	47,881
Total Investments	<u>\$ 724,746</u>	<u>\$ 403,987</u>

## CREDIT RISK

The Policy, minimizes credit risk by restricting authorized investments to: Local Government Surplus Funds Trust Fund or any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act; Securities and Exchange Commission (SEC) registered money market funds with the highest credit rating from a nationally recognized rating agency; interest-bearing time deposits or saving accounts in qualified public depositories, pursuant to Florida Statutes §280.02, which are defined as banks, savings banks, or savings associations organized under the laws of the United States with an office in this state that is authorized to receive deposits, and has deposit insurance under the provisions of the Federal Deposit Insurance Act; direct obligations of the United States Treasury; federal agencies and instrumentalities; securities of, or other interests in, and open-end or closed-end management-type investment company or investment trust registered under the Investment Company Act of 1940, provided that the portfolio is limited to the obligations of the United States government or any agency or instrumentality thereof and to repurchase agreements fully collateralized by such



## Notes to Financial Statements

United States government obligations, and provided that such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian; commercial paper of prime quality with a stated maturity of 270 days or less from the date of its issuance, which has the highest letter and numerical rating as provided for by at least two nationally recognized rating service; banker acceptances which have a stated maturity of 180 days or less from the date of issuance, and have the highest letter and numerical rating as provided for by at least two nationally recognized rating service, and are drawn on and accepted by commercial banks and which are eligible for purchase by the Federal Reserve Bank, investments in repurchase agreements ("Repos") collateralized by securities authorized by this policy. All Repos shall be governed by a standard SIFMA Master Repurchase Agreement; municipal securities issued by U.S. state or local governments, having at time of purchase, a stand-alone credit rating of AA or better assigned by two or more recognized credit rating agencies or a short-term rating of A1/P1 or equivalent from one or more recognized credit rating agencies. Securities lending, securities or investments purchased or held under the provisions of this section, may be loaned to securities dealers or financial institutions provided the loan is collateralized by cash or securities having a market value of at least 102 percent of the market value of the securities loan upon ignition of the transaction.

The following table summarizes the investments by type and credit ratings at September 30, 2010 and 2009.

	<u>Credit Ratings</u>	
	2010	2009
Federal Home Loan Mortgage Corporation	AAA	AAA
Federal Home Loan Bank	AAA	AAA
Federal Farm Credit Bank	AAA	AAA
Federal National Mortgage Association	AAA	AAA
Time Deposits	N/A	N/A
Treasury Notes	N/A	N/A
Commercial Paper	A1/P1	A1/P1

Guaranteed investment contracts (GIC) are not subject to credit rating because they are direct contractual investments and are not securities. These GIC provide for a guaranteed return on investments over a specified period of time.

### *CUSTODIAL CREDIT RISK*

The Policy requires that bank deposits be secured per Chapter 280, Florida Statutes. This requires local governments to deposit funds only in financial institutions designated as qualified public depositories by the Chief Financial Officer of the State of Florida and creates the Public

Deposits Trust Fund, a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a default or insolvency has occurred. At September 30, 2010 all the County's bank deposits were in qualified public depositories.

The Policy requires the execution of a Custodial Safekeeping Agreement (CSA) for all purchased securities which shall be held for credit of the County in an account separate and apart from the assets of the financial institution.

### *CONCENTRATION OF CREDIT RISK*

The Policy establishes limitations on portfolio composition by investment type and by issuer to limit its exposure to concentration of credit risk. The Policy provides that a maximum of 50% of the portfolio may be invested in the State of Florida Local Government Surplus Trust Fund (the "Pool"); however, the bond proceeds may be temporarily deposited in the Pool until alternative investments have been purchased. Prior to any investment in the Pool, approval must be received from the Board of County Commissioners. A maximum of 30% of the portfolio may be invested in SEC registered money market funds with no more than 10% to any single money market fund; a maximum of 20% of the portfolio may be invested in non-negotiable interest bearing time certificates of deposit and savings account with no more than 5% deposited with any one insurer. There is no limit on the percent of the total portfolio that may be invested in direct obligations of the U.S. Treasury or federal agencies and instrumentalities; with no limits on individual issuers (investment in agencies containing call options shall be limited to a maximum of 25% of total portfolio. A maximum of 5% of the portfolio may be invested in open-end or closed-end funds; a maximum of 50% of the portfolio may be invested in prime commercial paper with a maximum of 5% with any one issuer; a maximum of 25% of the portfolio may be invested in bankers acceptances with a maximum of 10% with any one issuer, but a maximum of 60% of the portfolio may be invested in both commercial paper and bankers acceptances. A maximum of 20% of the portfolio may be invested in repurchase agreements with the exception of one (1) business day agreements, with a maximum of 10% of the portfolio with any one institution or dealer with the exception of one (1) business day agreements. Investments in derivative products shall be prohibited by Miami-Dade County. A maximum of 25% of the portfolio may be directly invested in municipal obligations, up to 5% with any one municipal issuer.

## Notes to Financial Statements

As of September 30, 2010 and 2009, the following issuers held 5% or more of the investment portfolio:

	% of Portfolio	
	2010	2009
Federal Home Loan Mortgage Corporation	20.65	13.22
Federal Home Loan Bank	13.33	15.66
Federal Farm Credit Bank	20.29	26.86
Federal National Mortgage Association	25.19	21.30
Treasury Notes	11.42	11.04
Interest Bearing	9.12	6.23

The above excludes investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds and external investments pools.

### INTEREST RATE RISK

The Policy limits interest rate risk by requiring the matching of known cash needs and anticipated net cash outflow requirements; following historical spread relationships between different security types and issuers; evaluating both interest rate forecasts and maturity dates to consider short-term market expectations. The Policy requires that investments made with current operating funds shall maintain a weighted average of no longer than one year. Investments for bond reserves, construction funds and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The Policy limits the maturity of an investment to a maximum of five years.

As of September 30, 2010 and 2009 the County had the following investments with the respective weighted average maturity in years.

	Weighted Average in Years	
	2010	2009
Federal Home Loan Mortgage Corporation	0.61	0.86
Federal Home Loan Bank	0.60	0.84
Federal Farm Credit Bank	1.74	1.58
Federal National Mortgage Association	0.42	0.81
Time Deposits	0.49	0.42
Treasury Notes	0.24	0.51
Interest Bearing	0.06	0.17

### FOREIGN CURRENCY RISK

The Policy limits the County's foreign currency risk by excluding foreign investments as an investments option.

### 3. RECEIVABLES

Receivables at September 30, 2010 and 2009 were as follows (in thousands):

	2010	2009
Trade Accounts	\$ 116,227	\$ 101,769
Non-retail accounts	12,854	13,887
Other County funds	372	416
Gross receivables	129,453	116,072
Less: allowance for doubtful accounts	(26,941)	(24,843)
Net receivables	\$ 102,512	\$ 91,229

### 4. OTHER CURRENT ASSETS

Other current assets at September 30, 2010 and 2009 were as follows (in thousands):

	2010	2009
Beginning Balance	\$ 9,501	\$ -
Prepaid Expenses	3	1
Advances to City of Hialeah	-	9,500
Ending Balance	\$ 9,504	\$ 9,501

The County entered into an agreement with the City of Hialeah (the City) to construct a 10 MGD, expandable to 17.5 MGD, reverse osmosis water treatment plant. The City and the County shall have equal 50% ownership of a reverse osmosis water treatment plant (WTP), exclusive of land but inclusive of structures, facilities and appurtenances to be situated in the Annexation Area of the City. The WTP shall be permitted and operational by February 1, 2012, with the consent of the South Florida Water Management District. The County shall contribute and pay for 50% of the planning, design, construction and construction management (design and construction) cost for the WTP, in an amount not less than \$80 million, and the City shall contribute 50% of the design and construction cost for the WTP, in an amount not less than \$80 million based on an estimate. In fiscal year 2010, no contributions were made to the City of Hialeah. As of September 30, 2010, the Department has contributed \$9.5 million towards the construction of the WTP.

# Notes to Financial Statements

## 5. RESTRICTED ASSETS

Certain bond ordinances and loan agreements require the Department to establish accounts to be used in accounting for proceeds and collateral pledged as a result of the various issues of debt. In many cases, the applicable ordinances refer to the restricted accounts as “funds”. Such accounts are not “funds” as defined by the National Council of Governmental Accounting (*NCGA Statement No. 1: Governmental Accounting and Financial Reporting Principles*) and, therefore, are not funds for financial reporting purposes, but are maintained as separate ac-

counts. Restricted assets at September 30, 2010 and 2009 are represented in the following table (in thousands):

	2010	2009
Debt Service	\$ 179,358	\$ 105,799
Construction	385,637	71,258
Renewal and Replacement	68,860	72,603
Plant Expansion	90,099	95,411
Self-Insurance	4,400	3,485
Other	69,491	71,030
Total Restricted Assets	<u>\$ 797,845</u>	<u>\$ 419,586</u>

## 6. CAPITAL ASSETS

Capital asset activity during fiscal years 2010 and 2009 was as follows (in thousands):

	Balance 09/30/08	2009 Additions	Deletions	Balance 09/30/09	2010 Additions	Deletions	Balance 09/30/10
Capital Assets, not being depreciated:							
Land	\$ 37,671	\$ 6,814	\$ -	\$ 44,485	\$ 165	\$ -	\$ 44,650
Construction work in progress	426,471	282,874	(88,759)	620,586	266,073	(243,350)	643,309
Total capital assets, not being depreciated	464,142	289,688	(88,759)	665,071	266,238	(243,350)	687,959
Capital Assets, being depreciated							
Structures and improvements	3,523,644	98,222	(16,946)	3,604,920	240,793	(880)	3,844,833
Equipment	836,258	29,864	(9,100)	857,022	31,759	(5,261)	883,520
Total capital assets, being depreciated	4,359,902	128,086	(26,046)	4,461,942	272,552	(6,141)	4,728,353
Less accumulated depreciation:							
Structures and improvements	(1,243,120)	(113,057)	16,946	(1,339,231)	(122,354)	1,690	(1,459,895)
Equipment	(606,321)	(39,508)	9,100	(636,729)	(38,115)	4,535	(670,309)
Total accumulated depreciation	(1,849,441)	(152,565)	26,046	(1,975,960)	(160,469)	6,225	(2,130,204)
Total capital assets, being depreciated, net	2,510,461	(24,479)	-	2,485,982	112,083	84	2,598,149
Total capital assets, net	<u>\$ 2,974,603</u>	<u>\$ 265,209</u>	<u>\$ (88,759)</u>	<u>\$ 3,151,053</u>	<u>\$ 378,321</u>	<u>\$ (243,266)</u>	<u>\$ 3,286,108</u>

## 7. LINE OF CREDIT

On July 31, 2009, the Department entered into a Loan Agreement in the form of a line of credit with Regions Bank for the purpose of providing short term interim financing for multiple capital improvements projects pursuant to Miami-Dade County Ordinance 08-126, as amended and restated by Ordinance 09-67, and Resolution R-1040-09. The Agreement is for a short-term line of credit of up to \$100 million, which may be renewed, and requires the Department to maintain a depository account balance of no less than \$25 million with Regions Bank.

The following schedule shows the Department's Line of Credit balance as of September 30, 2010 and 2009.

	2010	2009
Balance at beginning of year	\$ 40,000	\$ -
Draws against Line of Credit	60,000	40,000
Repayment of Line of Credit	(100,000)	-
Balance at end of year	<u>\$ -</u>	<u>\$ 40,000</u>

The Department issued the Miami-Dade County Revenue Bonds, Series 2010 on March 10, 2010 and a portion of the proceeds were used to repay the line of credit. The Department exercised the option to keep the line of credit open until December 2010. However, the line of credit was formally closed on November 4, 2010.

The line of credit was collateralized by the net operating revenues of the Department. Interest was payable monthly. The principal balance was reimbursed in full from revenue bonds.

## 8. LONG-TERM DEBT

Long-term debt includes various bonds and loans which have been issued or approved by the County for the improvement of the Department's water and wastewater infrastructure, and defeasance of outstanding debt. General covenants, along with debt service requirements, are disclosed on page 49. See Note 5, Restricted Assets, for a discussion of the accounts used in accounting for proceeds and collateral pledged as a result of the issuance of the various forms of debt.

## Notes to Financial Statements

The Department's debt instruments contain various covenants and restrictions, which among other things, (1) prohibit the Department from taking any action that could jeopardize its tax-exempt status, and (2) require the Department to meet certain financial tests. Management believes that the Department was in compliance with all such covenants and restrictions at September 30, 2010.

### *DADE COUNTY REVENUE BONDS, SERIES 1995*

On October 19, 1995, \$346.8 million of Dade County Water and Sewer System Revenue Bonds, Series 1995 were issued to finance capital improvements to the water and wastewater systems. On September 29, 2006, \$295.2 million of Dade County Water and Sewer System Revenue Refunding Variable Rate Demand Bonds, Series 2005 were issued to refund the Series 1995 Bonds maturing after October 1, 2011.

The Series 1995 Revenue Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 through the year 2011 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.10 times the current year's debt service requirements were met in fiscal year 2010.

### *DADE COUNTY REVENUE BONDS, SERIES 1997*

On January 30, 1997, \$437.2 million of Dade County Water and Sewer System Revenue Bonds, Series 1997 were issued to finance capital improvements to the water and wastewater systems. On September 27, 2007, \$344.7 million of Dade County Water and Sewer System Revenue Refunding Bonds, Series 2007 were issued to refund the Series 1997 Bonds maturing after October 1, 2009.

The Series 1997 Revenue Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 through the year 2009 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.10 times the current year's debt service requirements were met in fiscal year 2010.

### *MIAMI-DADE COUNTY REVENUE BONDS, SERIES 1999A*

On May 5, 1999, \$150 million of Dade County Water and Sewer System Revenue Bonds, Series 1999A were issued to finance capital improvements to the water and wastewater systems.

The Series 1999A Revenue Bonds are collateralized by net operating revenues of the Department and are due

serially on October 1 through the year 2029 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.10 times the current year's debt service requirements were met in fiscal year 2010.

### *MIAMI-DADE COUNTY REVENUE BONDS, SERIES 2003*

On October 9, 2003, \$248.9 million of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2003 were issued to refund the County's Water and Sewer System Revenue Refunding Bonds, Series 1993, and to pay issue costs.

The Series 2003 Refunding Bonds are collateralized by net operating revenues of the Department and are due serially on October 1 through the year 2013 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.10 times the current year's debt service requirements were met in fiscal year 2010.

### *MIAMI-DADE COUNTY REVENUE BONDS, SERIES 2005*

On September 29, 2005, \$295.2 million of Miami-Dade County Water and Sewer System Revenue Refunding Variable Rate Demand Bonds, Series 2005 were issued to refund the County's Water and Sewer System Revenue Refunding Bonds, Series 1995 maturing after October 1, 2011, and to pay issue costs. On December 19, 2008, the Department issued \$306.8 million Miami-Dade County, Water and Sewer System Revenue Refunding Bond, Series 2008C to refund all of the remaining Series 2005 Bonds.

### *MIAMI-DADE COUNTY REVENUE BONDS, SERIES 2007*

On September 29, 2007, \$344.7 million of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2007 were issued to refund the Miami-Dade County Water and Sewer System Revenue Bonds, Series 1997 maturing after October 1, 2009, and to pay issue costs.

The Series 2007 Refunding Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 starting in 2008 through the year 2026 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.10 times the current year's debt service requirements were met in fiscal year 2010.

### *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2008A*

On July 15, 2008, the County issued \$68.3 million of Miami-Dade County Water and Sewer System Revenue



## Notes to Financial Statements

Bonds, Series 2008A to pay the costs of terminating the AIG Financial Products Corporation interest rate swap associated with the variable rate Dade County Water and Sewer System Revenue Bonds, Series 1994 and to pay issuance costs.

The Series 2008A Revenue Bonds are collateralized by the net operating revenues of the Department and are due serially October 1 starting in 2009 through the year 2022 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.10 times the current year's debt service requirements were met in fiscal year 2010.

### *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2008B*

On July 15, 2008, \$374.6 million of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2008B were issued to redeem all of the County's Water and Sewer System Revenue Bonds, Series 1994 and to pay issuance and surety costs.

The Series 2008B Refunding Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 starting in 2009 through the year 2022 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.10 times the current year's debt service requirements were met in fiscal year 2010.

### *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2008C*

On December 18, 2008, \$306.8 million of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2008C were issued to redeem all of the Miami-Dade County Water and Sewer System Revenue Refunding Variable Rate Demand Bonds, Series 2005 and to pay issuance and surety costs. The refunding resulted in a gain of \$13.8 million.

The Series 2008C Refunding Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 starting in 2009 through the year 2026 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.10 times the current year's debt service requirements were met in fiscal year 2010.

### *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2010*

On March 10, 2010, \$594.3 million of Miami-Dade County Water and Sewer System Revenue Bonds, Series

2010 were issued to finance capital improvements under the Department's Multi-Year Capital plan, repay the Regions Bank Line of Credit and to pay issue costs.

The Series 2010 Revenue Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 starting in 2010 through the year 2040 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.10 times the current year's debt service requirements were met in fiscal year 2010.

### *STATE REVOLVING FUND*

Under the State Revolving Fund program, the Department has received various loan commitments for the construction of water and wastewater treatment facilities. Draws to date against committed loans as of September 30, 2010 are detailed in the following table (in thousands). Related payments of principal and interest are due through the year 2034.

<u>Loan #</u>	<u>Draws</u>	<u>Closed Out Date</u>
375310	\$ 45,906	06/07/99
377400	36,402	06/07/99
377450	27,831	05/18/01
377470	11,959	08/21/00
377490	3,098	05/02/01
377500	25,874	12/01/03
377650	2,618	08/08/03
377670	3,604	10/27/03
377860	4,253	09/20/06
377870	4,979	09/20/06
37788P	3,252	09/27/04
37789A	845	08/01/07
37789L	2,891	09/26/06
300010	39,534	08/04/08
300080	4,691	04/28/03
377900	30,000	Active
130200	1,255	Active
	<u>\$ 248,992</u>	

No further draws will be made against closed loans.

The Department has agreed to maintain rates, together with other pledged revenues, sufficient to provide "net revenues" equal to at least 1.15 times the annual loan payments after meeting the primary debt service requirements. Reserve and debt service funding requirements, as required by the agreements, were met in fiscal year 2010.

# Notes to Financial Statements

## CHANGES IN LONG-TERM LIABILITIES

A summary of long-term liability activity during fiscal years 2009 and 2010 is presented in the following table (in thousands):

Description	Outstanding Rate	Balance 09/30/2008	2009		Balance 09/30/2009	2010		Balance 09/30/2010	Due in 2011
			Additions	Deletions		Additions	Deletions		
<i>Dade County Revenue Bonds</i>									
Series 1995	4.10%-6.25%	\$ 18,815	\$ -	\$ 4,285	\$ 14,530	\$ -	\$ 4,555	\$ 9,975	\$ 4,835
Series 1997	4.50%-6.25%	19,145	-	9,335	9,810	-	9,810	-	-
Series 1999A	5.00%-5.00%	150,000	-	-	150,000	-	-	150,000	-
Series 2003	2.00%-5.00%	169,270	-	26,425	142,845	-	27,395	115,450	28,540
Series 2005	Variable*	295,240	-	295,240	-	-	-	-	-
Series 2007	4.00%-5.00%	344,690	-	190	344,500	-	380	344,120	10,715
Series 2008A & B	3.25%-5.25%	442,855	-	-	442,855	-	2,815	440,040	2,945
Series 2008C	4.00%-6.00%	-	306,845	-	306,845	-	430	306,415	1,000
Series 2010	2.00%-5.00%	-	-	-	-	594,330	-	594,330	-
Less: Unamortized Discount		(2,713)	(2,638)	(532)	(4,819)	-	(349)	(4,470)	-
Deferred amounts on refunding		(42,652)	-	(15,622)	(27,030)	-	(3,440)	(23,590)	-
Plus: Unamortized Premium		57,477	-	5,002	52,475	1,120	5,021	48,574	-
Total revenue bonds		\$ 1,452,127	\$ 304,207	\$ 324,323	\$ 1,432,011	\$ 595,450	\$ 46,617	\$ 1,980,844	\$ 48,035
<i>State Loan Obligations</i>									
State Revolving Fund	2.56%-4.17%	107,943	21,335	10,185	119,093	10,668	10,506	119,255	10,862
Total long-term debt		\$ 1,560,070	\$ 325,542	\$ 334,508	\$ 1,551,104	\$ 606,118	\$ 57,123	\$ 2,100,099	\$ 58,897
<i>Other liabilities</i>									
Compensated Absences		35,607	13,682	11,688	37,601	6,686	6,074	38,213	11,019
Self-Insurance		5,397	-	3,203	2,194	5,370	4,849	2,715	1,189
Other post-employment benefits		1,098	747	-	1,845	712	-	2,557	-
Deferred revenues		30,160	13,755	30,630	13,286	54	1,250	12,090	-
Total long-term liabilities		\$ 1,632,332	\$ 353,727	\$ 380,029	\$ 1,606,030	\$ 618,940	\$ 69,296	\$ 2,155,674	\$ 71,105

## DEBT SERVICE REQUIREMENTS

As of September 30, 2010, the Department's debt service requirements to maturity for their term were as follows (in thousands):

Maturing in Fiscal Year	Revenue Bonds		State Loans		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Debt
2011	\$ 48,035	\$ 97,710	\$ 10,862	\$ 2,621	\$ 58,897	\$ 100,331	\$ 159,228
2012	50,275	93,919	11,213	2,270	61,488	96,189	157,677
2013	54,650	91,561	9,462	1,908	64,112	93,469	157,581
2014	57,115	89,096	10,400	1,945	67,515	91,041	158,556
2015	59,745	86,453	10,107	1,953	69,852	88,406	158,258
2016-2020	346,070	385,121	35,382	6,201	381,452	391,322	772,774
2021-2025	442,110	285,449	16,637	2,413	458,747	287,862	746,609
2026-2030	455,270	165,281	8,638	1,177	463,908	166,458	630,366
2031-2035	196,470	88,084	6,554	275	203,024	88,359	291,383
2036-2040	250,590	32,545	-	-	250,590	32,545	283,135
	\$ 1,960,330	\$ 1,415,219	\$ 119,255	\$ 20,763	\$ 2,079,585	\$ 1,435,982	\$ 3,515,567
Unamortized Discount, Deferred & Premium Amounts	20,514	-	-	-	20,514	-	20,514
Total	\$ 1,980,844	\$ 1,415,219	\$ 119,255	\$ 20,763	\$ 2,100,099	\$ 1,435,982	\$ 3,536,081

# Notes to Financial Statements

## INTEREST RATE SWAP AGREEMENTS

Below is a recap of each of the interest rate swap agreements that the Department has entered into:

Associated Series of Bonds	Notional Amount as of 09/30/10	Counterparty Counterparty <sup>(3)</sup>	Counterparty Ratings as of 09/30/10 <sup>(1)</sup>	Start Date	Termination Date	Counterparty Payment	County Payment	Fair Value at 09/30/10
Series 2007	\$ 200,000,000	Bank of New York Mellon <sup>(2)</sup>	Guarantor-Aaa, AA, AA-	07/18/02	10/01/26	Variable-USD -Libor-BBA+1.465%	Variable - (USD - SIFMA Municipal Swap Index/.0604)	\$ 2,775,236
Series 1999A	\$ 205,070,000	Bank of New York Mellon <sup>(2)</sup>	Guarantor-Aaa, AA, AA-	03/06/06	10/01/29	Variable-(USD-ISDA-Swap Rate) x 90.15% + 1.58%	Variable <sup>(4)</sup> - (USD-SIFMA Municipal Swap Index/.0604)	\$ 22,966,482

<sup>(1)</sup> Moody's, S&P, Fitch.

<sup>(2)</sup> Bank of New York Mellon replaced Rice Financial Products Co.

<sup>(3)</sup> The counterparty was replaced by Bank of New York Mellon on 10/02/2009. The counterparty associated with the series 1999A Bonds was also replaced by the Bank of New York Mellon under the same ISDA on 10/02/2009.

<sup>(4)</sup> (i) From July 5, 2007 to, but excluding January 1, 2009 (A), if the difference obtained by subtracting USD-LIBOR-BBA from the product of 90.15% multiplied by USD-ISDA-Swap Rate is greater than 0.4% USD-LIBOR-BBA, plus 1.58%, otherwise, (B) USD-ISDA-Swap Rate multiplied by 90.15%, plus 1.58%; and (ii) from January 1, 2009 and thereafter, USD-ISDA-Swap Rate multiplied by 90.15% plus 1.58%.

## INTEREST RATE SWAP AGREEMENTS

The Department is currently a party to two interest rate swap agreements related to the various revenue bonds issued by the Department. The fair value of a swap is determined at September 30, 2010 based on an estimated mark-to-mid market assessment.

On June 15, 2008, Merrill Lynch Capital Services, Inc. exercised their option to terminate a fixed to variable rate swap option with a notional amount of \$215 million with respect to the Series 2007 Bonds at no cost to either party.

On July 15, 2008, the Department issued fixed rate bonds refunding the Water and Sewer System Revenue Bonds, Series 1994, which were issued as variable rate bonds. The Series 1994 Bonds were associated with a variable to fixed rate swap agreement with AIG Financial Products Corporation, which effectively fixed the rate on the variable rate bonds at 5.28% plus liquidity and remarketing costs. With the refunding of all outstanding obligations of the Series 1994 Bonds by the issuance of the fixed rate debt, the Series 2008B Bonds, the Department terminated the AIG swap agreement at a termination value of \$76.4 million (including accrued interest of \$2.8 million). The Department issued \$68.3 million of Water and Sewer

System Revenue Bonds, Series 2008A to pay a portion of the termination value. The balance was paid from the revenues of the Department.

On November 19, 2008, the County terminated the \$295.2 million notional amount, variable to fixed rate swap with Bank of America N.A. related to the Series 2005 Bonds. The termination was a result of the County's inability to secure a substitute standby bond purchase agreement that was scheduled to expire in December 2008. The termination value of the Bank of America Swap was \$67.2 million, with accrued interest of \$1.9 million, making the total termination amount of \$69.1 million, which the County paid from legally available funds of the Department. The County does not believe that such payment will have an adverse effect on the operation of the Utility.

Swaps formerly held by Rice Financial Products Company Capital Services, LLC and Rice Financial Products Company, LLC, respectively, subsidiaries of Rice Financial Products Company, New York, New York are now held by The Bank of New York Mellon pursuant to an International Swap Dealers Association, Inc. Master Agreement dated October 2, 2009.



# Notes to Financial Statements

During fiscal year 2010, Statement No. 53 of the Governmental Accounting Standards Board, *Accounting and Financial Reporting for Derivative Instruments*, (GASB 53) became effective. This statement refers to the recognition, measurement and disclosure of information regarding derivative instruments entered into by the Department and reported at fair value. In accordance with GASB 53, Swap Financial Group, LLC evaluated the Department's swaps to determine whether they are effective hedging derivatives instruments. It was determined that both swaps are basis swaps. Given that there is no identified financial risk being hedged by the swaps that can be expressed in terms of exposure to adverse changes in cash flows or fair values, the swaps are treated as investment derivative instruments, and not hedging derivative instruments. Accordingly, the Department implemented GASB 53 in fiscal year 2010. The Department elected to report the cumulative effect of applying this statement as a restatement of beginning net assets, as of October 1, 2009, because other swaps were owned which would not provide a constructive comparison to current holdings. As a result, the Department's beginning net assets increased by \$13.9 million to reflect the aggregate increase in the fair value of the swaps from inception through October 1, 2009. Because of the change in the fair value at September 30, 2010, \$11.8 million was recorded in the Investment Derivative Instrument line item of the noncurrent asset section of the balance sheet, bringing the total to approximately \$25.7 million.

## Risk Disclosure

**Credit Risk.** Because all of the swaps rely upon the performance of the third parties who serve as swap counterparties, the Department is exposed to credit risk or the risk that the counterparty fails to perform according to its contractual obligations. The appropriate measurement of this risk at the reporting date is the fair value of the swaps, as shown and labeled fair value on the *Interest Rate Swap Agreements* chart on page 50. All fair values have been calculated using the mark-to-mid-market method. To mitigate credit risk, the County maintains strict credit standards for swap counterparties. All swap counterparties for longer term swaps are rated at least in the double-A category by both Moody's and Standard & Poor's. To further mitigate credit risk, the Department swap documents require counterparties to post collateral for the Department's benefit if they are downgraded below a designated threshold.

**Basis Risk.** The Department's swap agreements expose the County to basis risk. Should the relationship between the variable rate the Department receives on the swap fall

expected savings may not be realized. As of September 30, 2010, the Department had no variable rate debt outstanding.

**Tax Risk.** For basis swaps, the interplay between the taxable index and the tax exempt index may be affected by changes to the marginal tax rates, the elimination of tax preferences or a flat tax. The Department considers these risks to be remote.

**Termination Risk.** The Department swap agreements do not contain any out-of-ordinary terminating events that would expose it to significant termination risk. In keeping with the market standards the Department or the counterparty may terminate each swap if the other party fails to perform under the terms of the contract. In addition, the swap documents allow either party to terminate in the event of a significant loss of creditworthiness. If at the time of the termination, a swap has a negative value, the Department would be liable to the counterparty for a payment equal to the fair value of such swap unless the counterparty is the defaulting party. The Department is subject to Bank of New York Mellon's 10 year call provision, whereby Bank of New York Mellon has a one time termination option.

## 9. PAYABLES

Payables at September 30, 2010 and 2009 were as follows (in thousands):

	2010	2009
Other County funds	\$ 9,113	\$ 6,697
Vendors	17,745	15,856
Other governments	15,119	15,578
Salaries and benefits	8,519	7,445
Contractors	26,160	23,165
Other	424	331
Total payables	<u>\$ 77,080</u>	<u>\$ 69,072</u>

## 10. PENSION PLAN

The Department, as an agency of the County, participates in the Florida Retirement System (the FRS), a cost-sharing multi-employer public employment retirement system, which covers substantially all of the Department's full-time and part-time employees.

The FRS was created in 1970 by consolidating several employee retirement systems and is administered by the State of Florida. All eligible employees as defined by the State of Florida who were hired after 1970, and those employed prior to 1970 who elected to be enrolled, are covered by the FRS.

# Notes to Financial Statements

Benefits under the “FRS Pension Plan”, a defined benefit program, vest after six years of service. Employees who retire at or after age 62, with six years of credited service, or have 30 years of credited service (no age requirement), are entitled to an annual retirement benefit, payable monthly for life. The FRS also provides for early retirement at reduced benefits and death and disability benefits. These benefit provisions and all other requirements are established by State of Florida statutes. Retirement benefits are pre-funded by employer contributions and participant contributions are not allowed.

The legislature created a new defined contribution program that was added to the menu of choices available to FRS members beginning June 2002. Formally created as the Public Employee Optional Retirement Program, the “FRS Investment Plan” is available as an option for all current and future members, including renewed members (FRS retirees who have returned to FRS employment). The FRS Investment Plan is a defined contribution plan where the contribution amount is fixed by a set percentage determined by law and the contribution is made to an individual account in each participant’s name. Participant contributions are not allowed. With a defined contribution plan, in which the monthly contribution rate is fixed, the final benefit will be the total account value (contributions plus investment earnings less expenses and losses) distributed during retirement.

The covered payroll for Department employees in the FRS for the years ended September 30, 2010 and 2009 was \$165.2 million and \$157.6 million, respectively, while the Department’s total payroll was \$168.3 million and \$162.2 million for fiscal 2010 and 2009, respectively. Pension costs of the Department, as required and defined by Florida statute, ranged between 10.8% and 23.2% of gross salaries during fiscal years 2010 and 2009. For the years ended September 30, 2010, 2009, and 2008, the Department’s actual contributions met all required contributions. These contributions aggregated \$16.6 million, \$15.5 million and \$14.5 million, respectively, which represented 10.0%, 9.8% and 9.9% of covered payroll, respectively, and 0.8%, 0.7% and 0.7% of the total contributions required of all participating agencies, respectively, for fiscal years 2010, 2009 and 2008.

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits

when due based upon plan assumptions. Employer contributions rates are established by state law as a level percentage of payroll (Chapter 121.70 Florida Statutes). Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida Legislature.

Ten-year historical trend information is presented in the FRS’ June 30, 2010 annual report. This information is useful in assessing the FRS’ accumulation of sufficient assets to pay pension benefits as they become due. A copy of the Florida Retirement System’s annual report can be obtained by writing to the Department of Management Services, Division of Retirement, P.O. Box 9000, Tallahassee, FL 32315-9000, by calling (877) 377-1737 or by visiting their website at <http://FRS.myFlorida.com>.

## 11. RISK MANAGEMENT

The Department is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job-related injuries or illnesses to employees; natural disasters and employee health and accident. In the year ended September 30, 1987, the Department established a self-insurance program for general and automobile liability exposures as provided by Section 706 of County Ordinance 78-82, as amended. Ordinance 78-82 was amended and restated by Ordinance 93-134 and Section 609 continues to provide for such self-insurance program.

Claims are administered by the County’s Risk Management Division, and the program is based upon an actuarial study performed annually by consulting actuaries. Liabilities are reported when it is possible that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities also include an amount for claims that have been incurred but not reported (IBNR). Because actual claims liability depend on such complex factors as inflation, change in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors.

Changes in the balance of claim liabilities for the general and automobile self-insurance program during fiscal years 2010 and 2009 were as follows (in thousands):

# Notes to Financial Statements

	2010	2009
Balance at beginning of year	\$ 2,194	\$ 3,659
Claims and changes in estimates	1,067	(927)
Less: Payments	(545)	(538)
Balance at end of year	<u>\$ 2,716</u>	<u>\$ 2,194</u>

The Department participates in the workers' compensation self-insurance program of the County, administered by the Risk Management Division. Risk Management charges a "premium" to each County department based on amounts necessary to provide funding for expected payments during the fiscal year. The estimate of IBNR losses is performed by an independent actuary. The Department maintains a liability in the amount of \$1.7 million and \$1.4 million at September 30, 2010 and September 30, 2009, respectively, for possible funding of these IBNR losses. The County maintains no excess coverage with independent carriers for workers' compensation. The Department's total self-insurance liability was \$4.4 million and \$3.6 million as of September 30, 2010 and 2009, respectively.

The Department also participates in the County's group health and life self-insurance program, administered by an independent administrator. The County charges a uniform "premium" per employee to each County department based on recent trends in actual claims experience and makes provisions for catastrophic losses. Current year premiums are adjusted for County-wide prior year actual claims experience.

The Department purchases a master property insurance covering most properties. For windstorm losses, the policy carries a deductible of 5% of the total insured value of the damaged building(s), including contents, subject to a minimum of \$250,000 and a maximum of \$30,000,000 per occurrence. A \$1,000,000 deductible applies to most other perils. The current limit of the policy is \$200,000,000 per occurrence.

The Department continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

## 12. CONTRIBUTIONS

Contributions during fiscal years 2010 and 2009 are presented as follows (in thousands):

	2010	2009
Contributed Facilities		
Developers	<u>\$ 30,487</u>	<u>\$ 56,415</u>

## 13. RELATED PARTY TRANSACTIONS

The Department provides water and wastewater services to other County departments as part of the normal course of business, based on regular retail rates. The Department also provides billing services to other County departments. The County provides various services to the Department which are charged using direct and indirect cost allocation methods. The Department reimburses the County (General Fund) for certain administrative services. The following table presents a list of providers of services and respective payments for the years ended September 30, 2010 and 2009 (in thousands):

	2010	2009
General Fund	\$ 24,585	\$ 14,880
General Services Administration	10,911	18,707
Information Technology	8,281	9,301
Solid Waste	1,757	1,436
Public Works	1,681	5,066
Other County Departments	8,188	3,579

In addition to the above payments, the Department had related payables of \$9.1 million and \$6.7 million at September 30, 2010 and 2009, respectively. The Department also has receivables from other County departments amounting to \$0.3 million and \$0.4 million at September 30, 2010 and 2009, respectively. The Department has every intention of paying the outstanding payables on a timely basis, and is confident it will collect the outstanding receivables.

The Department has also entered into other transactions with various County entities. These transactions arise from the normal course of business and in connection with the management of ongoing projects.

## 14. COMMITMENTS AND CONTINGENCIES

### CONSTRUCTION

The Department had contractual commitments of \$252.9 million for plant and infrastructure construction at September 30, 2010.

### LEGAL CONTINGENCIES

The County is a defendant in various actions brought by parties in the normal course of business of the Department. Based on consultation with the County Attorney's

# Notes to Financial Statements

Office, it is the opinion of management that the ultimate resolution of these suits would not materially affect the financial position of the Department or its ability to conduct its business.

## *FEDERAL GRANTS*

Federal grant awards are audited under the provisions of the Single Audit Act and Office of Management and Budget Circular A-133 to determine that the Department has complied with the terms and conditions of the grant awards. Federal grants received are also subject to audit by the federal grantor agency. It is management's opinion that no material liabilities will result from any such audits.

## *REBATABLE ARBITRAGE EARNINGS*

Federal tax law requires that arbitrage interest earnings be remitted to the federal government, unless the local government qualifies for an exemption. As of September 30, 2010 and 2009, the Department recorded obligations to rebate approximately \$2.0 million and \$2.2 million, respectively, of interest earned on bond proceeds invested in taxable securities in excess of interest costs. These arbitrage rebates are payable five years from the date of bond issuance and each five years thereafter. The amount of the obligation, if any, will be determined based on actual interest earned.

## *SETTLEMENT AGREEMENTS*

In 1993, the Department entered into a settlement agreement with the Florida Department of Environmental Protection (FDEP) resulting in very limited restriction on new sewer construction in certain areas of the County until adequate capacity becomes available in the wastewater system. Subsequently, in 1994 and 1995, two consent decrees were entered into with the U.S. Environmental Protection Agency (EPA) whereby the Department accelerated its improvement program of the wastewater system, subject to a schedule of stipulated penalties if certain established completion dates are not met. The Department continues to be in compliance with all provisions and through fiscal year 2010 has not incurred any penalties for not completing tasks within deadlines.

On April 29, 2004, the Consent Order, (CO) OGC File No. 03-1376, was entered into between the State of Florida Department of Environment Protection and Miami-Dade County. It requires the County to provide high level disinfection for the effluent prior to injection. The CO was recently superseded by The Amended Consent Order (ACO), OGC File No. 03-1376(A), which became effective

on April 14, 2010. The total project cost of the CO and ACO improvements is approximately \$600 million and completion is anticipated in 2014.

On November 15, 2007, the South Florida Water Management District (the District) issued a consolidated 20-year Water Use Permit, which sets limits on the use of the Biscayne Aquifer and the Floridian Aquifer. In addition, the permit includes a schedule for the construction of the alternative water supply projects needed to meet demand. The plan developed by the Department and submitted to the District includes the use of the Biscayne Aquifer to meet current demand and also for future growth, but also provides that additional amounts will be offset by providing ground water replenishment with high treated reclaimed water. The plan also includes the use of the Floridian Aquifer to blend with water from the Biscayne Aquifer to be treated with reverse osmosis.

## **15. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

### *PLAN DESCRIPTION*

Miami-Dade County administers a single-employer defined benefit healthcare plan (the Plan) that provides postemployment medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members. Benefits are established and may be amended by the Miami-Dade County Board of County Commissioners ("the BCC"), whose powers derive from F.S. 125.01(3)(a). The Plan does not issue a publicly available financial report.

To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the Florida Retirement System (FRS) and pay required contributions. Refer to note 10, Pension Plan, for a description of eligibility requirements.

The medical plans offered provide hospital, medical and pharmacy coverage. Pre-65 retirees are able to select from five medical plans as follows:

- AvMed POS
- AvMed HMO High Option
- AvMed HMO Low Option
- JMH HMO High Option
- JMH HMO Low Option

Post-65 retirees are able to select from five medical plans, as follows. The Department only contributes to post-65 retirees electing an AvMed Medicare Supplement Plan.



## Notes to Financial Statements

- AvMed Medicare Supplement Low Option
- AvMed Medicare Supplement High Option with prescription drug coverage
- AvMed Medicare Supplement High Option without prescription drug coverage
- JMH HMO High Option
- JMH HMO Low Option

### FUNDING POLICY

The County contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on the plan and tier. For pre-65 retirees, the County explicitly contributed an average of 19% of the cost for the AvMed POS plan, 40% total for the AvMed HMO High and AvMed HMO Low plans. The JMH HMO plans receive no explicit contribution. However, it is the County's policy that after fiscal year 2008, its per capita contribution for retiree health care benefits will remain at the 2008 dollar level.

The pre-65 retirees also receive an implicit subsidy from the County since they are underwritten with the active employees. The implicit contribution is approximately 3% of the cost. The pre-65 cost is approximately 42% greater than the combined pre-65 and active cost. The post-65 retiree contributions also vary by plan and tier with the County contributing an average of 30% of the entire plan cost.

The postretirement medical and dental benefits are currently funded on a pay-as-you-go basis. No assets have been segregated and restricted to provide postretirement benefits. For fiscal years 2010 and 2009, the Department contributed \$1.5 million and \$1.6 million, respectively, to the plan.

### ANNUAL OPEB COST AND NET OPEB OBLIGATION

The Department's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The Department's annual OPEB cost for fiscal years 2010 and 2009 is as follows (dollar amounts in thousands):

	2010	2009
Annual required contribution	\$ 2,222	\$ 2,145
Interest on OPEB obligation	87	62
Adjustment of annual required contribution	87	(59)
Annual OPEB Cost	2,222	2,148
Contributions made	1,510	(1,613)
Increase in net OPEB obligation	712	535
Net OPEB obligation – beginning of year	1,845	1,310
Net OPEB obligation – end of year	\$ 2,557	\$ 1,845

The Department's annual OPEB cost, the percentage of annual cost contributed to the plan, and the net OPEB obligation for fiscal years 2010, 2009 and 2008 were as follows (dollars in thousands):

	2010	2009	2008
Annual OPEB cost	\$ 2,222	\$ 2,148	\$ 2,026
Percentage of Annual OPEB Cost Contributed	68.0%	75.1%	45.8%
Net OPEB Obligation	\$ 2,557	\$ 1,845	\$ 1,098

### FUNDED STATUS AND FUNDING PROGRESS

The schedule below shows the balance of the County's actuarial accrued liability (AAL), all of which was unfunded as of September 30, 2010 and 2009. An estimated 9% of this liability can be attributed to the Department (dollar amounts in thousands).

	2010	2009
Actuarial Valuation Date	10/1/2009	10/1/2008
Actuarial Value of Assets (a)	0	0
Actuarial Accrued Liability (AAL) (b)	\$ 281,470	\$ 255,259
Unfunded AAL (UAAL) (b-a)	\$ 281,470	\$ 255,259
Funded Ratio (a/b)	0%	0%
Estimated Covered Payroll (c)	\$1,573,391	\$1,527,564
UAAL as % of Covered Payroll ((b-a)/c)	18%	17%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions by the County are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

# Notes to Financial Statements

## ACTUARIAL METHODS AND ASSUMPTION

Projections of benefits are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the plan member to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial cost method used in the valuation to determine the Actuarial Accrued Liability (AAL) and the Actuarial Required Contribution (ARC) was the Projected Unit Credit Method with service prorated. Under this method, the total present value of benefits is determined by projecting the benefit to be paid after the expected retirement date (or other event) and discounting those amounts to the valuation date. The normal cost is computed by dividing the total present value of benefits by the participant's total service (actual plus expected service) at retirement. The AAL under this method represents the total present value of benefits multiplied by the ratio of the participant's actual service to date and divided by expected service at retirement. The AAL for participants currently receiving payments and deferred vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost for these participants is payable. The AAL and normal cost were calculated at the measurement date, which is the beginning of the applicable fiscal year using standard actuarial techniques.

The following summarizes other significant methods and assumptions used in valuing the AAL and benefits under the plan.

Actual valuation date	10/1/2009
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Actuarial Assumptions:	
Discount rate	4.75%
Payroll growth assumption	3.00%
Health care trend rates	11% initial to 5.25% ultimate
Mortality table	RP 2000*

\*Prepared by the Department of Treasury under the Retirement Protection Act of 1994.

Further, the valuation assumes that the County will continue to fund the liability on a pay-as-you-go basis and that the County's policy is that its per-capita contribution for retiree benefits will remain at the 2008 level. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between gross costs and the fixed County contributions.

## 16. SUBSEQUENT EVENTS

On September 23, 2010, the Board of County Commissioners adopted a County Budget Ordinance that includes a five percent increase to the average water and sewer retail customer rates effective October 1, 2010. The South Florida Water Maintenance Restriction Surcharge for retail water customers with consumption on the fourth tier of the usage structure continues to be in effect to encourage water conservation. In addition, the County Ordinance maintained the per thousand gallons rate to water and wastewater wholesale customers flat. The City of Hialeah water wholesale rate per thousand gallon increased to account for the third year of the five-year phase-out of the transmission credit. Other miscellaneous fees and charges increased effective October 1, 2010.

# Required Supplementary Information

Schedule of Funding Progress  
Postemployment Healthcare Plan  
Miami-Dade County\*  
(dollar amount in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2009	\$ 0	\$ 281,470	\$ 281,470	0%	\$ 1,573,391	18%
10/1/2008	0	255,259	255,259	0%	1,527,564	17%
10/1/2007	0	242,331	242,331	0%	1,483,072	16%

\* This schedule shows the balance of the County's actuarial accrued liability (AAL). An estimated 9% of this liability can be attributed to the Department.



## Supplementary Financial Data

Bond Ordinance 93-134 requires the Department to establish restricted accounts to be used in accounting for proceeds and collateral pledged as a result of the debt. In many cases, the bond ordinance refers to the restricted accounts as “funds”. Such accounts are not “funds” as defined by *NCGA Statement 1: Governmental Accounting and Financial Reporting Principles* and, therefore, are not funds for financial reporting purposes.

Similarly, the Water and Wastewater Systems do not meet the above-referenced definition and, therefore, combining statements are not presented. The following system schedules are furnished solely as supplementary information and are not required by GAAP.

# Water System

## BALANCE SHEETS

	September 30,	(In thousands)	
	2010	2009	
<b>ASSETS</b>			
<i>CURRENT ASSETS:</i>			
Cash and cash equivalents	\$ 4,698	\$ 389	
Investments	41,094	37,606	
Accounts Receivable (net of allowance for uncollectible accounts of \$14.1 million in 2010 and \$13.0 million in 2009)	50,827	44,827	
Inventory of materials and supplies	17,592	16,741	
Other current assets	9,503	9,501	
Restricted cash and cash equivalents	48,962	56,904	
Total current assets	<u>172,676</u>	<u>165,968</u>	
<i>NONCURRENT RESTRICTED ASSETS:</i>			
Cash and cash equivalents	78,030	-	
Investment derivative instrument	12,871	-	
Investments	194,140	170,030	
Grants Receivable	430	41	
Total restricted assets	<u>285,471</u>	<u>170,071</u>	
<i>OTHER ASSETS:</i>			
Deferred debt issue costs, net	6,229	5,127	
Other deferred charges, net	33,556	35,133	
Total other assets	<u>39,785</u>	<u>40,260</u>	
<i>CAPITAL ASSETS:</i>			
Land	15,394	15,267	
Structures and Improvements	1,514,962	1,408,090	
Equipment	281,442	272,861	
Utility plant in service before depreciation	1,811,798	1,696,218	
Less accumulated depreciation	(657,993)	(598,232)	
Net utility plant in service	1,153,805	1,097,986	
Construction work in progress	155,775	193,224	
Total capital assets	<u>1,309,580</u>	<u>1,291,210</u>	
Total noncurrent assets	<u>1,634,836</u>	<u>1,501,541</u>	
Total Assets	<u>\$ 1,807,512</u>	<u>\$ 1,667,509</u>	

(Continued)

# Water System

## BALANCE SHEETS

(Continued)	September 30,	(In thousands)	
		2010	2009
<b>LIABILITIES</b>			
<i>CURRENT LIABILITIES (PAYABLE FROM UNRESTRICTED CURRENT ASSETS):</i>			
Accounts payable and accrued expenses		\$ 13,446	\$ 12,824
Customer and developer deposits		10,247	13,994
Current portion of long-term debt		1,656	1,606
Rebatable arbitrage earnings		1,325	1,456
Liability for compensated absences		3,341	3,687
Other liabilities		1,325	1,357
Total Current Liabilities (payable from unrestricted current assets)		31,340	34,924
<i>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED CURRENT ASSETS):</i>			
Accounts payable and accrued expenses		11,029	7,286
Retainage payable		1,958	1,745
Current portion of long-term debt		23,026	21,984
Accrued interest payable		11,759	8,826
Liability for self insurance		1,189	904
Other liability restricted		-	13,500
Total current liabilities (payable from restricted current assets)		48,961	54,245
Total current liabilities		80,301	89,169
<i>NONCURRENT LIABILITIES:</i>			
Revenue bonds payable, net		440,800	336,047
State loan obligations, net		29,134	31,160
Liability for self-insurance		1,526	1,290
Liability for compensated absences		10,706	10,128
Liability for post-employment benefits		2,557	1,845
Deferred revenues		1,918	2,109
Total noncurrent liabilities		486,641	382,579
Total liabilities		566,942	471,748
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt		936,355	911,206
Restricted for:			
Capital projects		67,989	2,218
Debt service		42,502	48,353
Unrestricted		193,724	233,984
Total net assets		1,240,570	1,195,761
Total liabilities and net assets		\$ 1,807,512	\$ 1,667,509

# Water System

## SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NEW ASSETS

	(In thousands)	
For the periods ended September 30,	2010	2009
<b>OPERATING REVENUES:</b>		
Retail	\$ 193,632	\$ 169,568
Wholesale	38,554	29,041
Other revenues	12,936	27,102
Total operating revenues	<u>245,122</u>	<u>225,711</u>
<b>OPERATING AND MAINTENANCE EXPENSES:</b>		
Source of supply	12,354	14,208
Power and pumping	2,003	2,407
Purification	61,967	64,457
Transmission and distribution	28,459	25,428
Customer accounting	4,913	4,348
Customer service	10,689	10,977
General and administrative	43,860	35,380
Total operating and maintenance expenses	<u>164,245</u>	<u>157,205</u>
Operating income before depreciation	80,877	68,506
<b>DEPRECIATION</b>	<u>62,604</u>	<u>59,028</u>
Operating income	18,273	9,478
<b>NON-OPERATING REVENUES (EXPENSES):</b>		
Investment income	8,383	6,713
Interest expense	(14,088)	(15,313)
Amortization of debt issue costs	(727)	(683)
Operating grants	1,334	509
Customer connection fees	3,955	14,738
Other revenues	4,537	5,764
Other expenses	(725)	(837)
Income before contributions and transfers	20,942	20,369
Capital contributions	18,245	28,896
Transfer from reserves	(1,333)	(16,238)
Increase in net assets	37,854	33,027
Net assets at beginning of year	<u>1,202,716<sup>(1)</sup></u>	<u>1,162,734</u>
Net assets at end of year	<u>\$ 1,240,570</u>	<u>\$ 1,195,761</u>

<sup>(1)</sup>For fiscal year 2010, the beginning balance of net assets has been restated to include the cumulative effect of GASB 53. See Note 8, under Interest Rate Swap Agreements, for further details.

Reconciliation of Net Assets	
Ending Balance of net assets at 09/30/2009	\$ 1,195,761
Cumulative effect of GASB 53	6,955
Adjusted beginning balance of net assets at 10/01/2009	<u>\$ 1,202,716</u>

# Water System

## SCHEDULES OF CASH FLOWS

	(In thousands)	
For the years ended September 30,	<u>2010</u>	<u>2009</u>
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>		
Cash received from customers	\$ 241,630	\$ 241,814
Cash paid to suppliers for goods and services	(77,697)	(107,219)
Cash paid to employees for services	(84,527)	(79,673)
Transfer to/from reserves	<u>(1,333)</u>	<u>(16,238)</u>
Net cash provided by operating activities	<u>78,073</u>	<u>38,684</u>
<i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</i>		
Operating grants received	<u>1,334</u>	<u>509</u>
Net cash provided by non-capital financing activities	<u>1,334</u>	<u>509</u>
<i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</i>		
Proceeds from bond issues, loan agreements and notes	127,078	64,400
Principal payments - bond, loans and notes	(23,590)	(68,961)
Bond premium and issue costs	(1,873)	-
Swap termination payment	-	(10,966)
Interest paid	(9,092)	(13,707)
Acquisition and construction of capital assets	<u>(72,273)</u>	<u>(81,791)</u>
Net cash provided by (used in) capital and related financing activities	<u>20,250</u>	<u>(111,026)</u>
<i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>		
Purchase of investment securities	(359,089)	(265,194)
Proceeds from sale and maturity of investment securities	331,277	327,939
Interest on investments	<u>2,552</u>	<u>6,141</u>
Net cash provided by (used in) investing activities	<u>(25,260)</u>	<u>68,886</u>
Net increase (decrease) in cash and cash equivalents	74,397	(2,947)
Cash and cash equivalents at beginning of year	<u>57,293</u>	<u>60,240</u>
Cash and cash equivalents at end of year	<u>\$ 131,690</u>	<u>\$ 57,293</u>

(Continued)

# Water System

## SCHEDULES OF CASH FLOWS

(Continued)	For the years ended September 30,	(In thousands)	
		<u>2010</u>	<u>2009</u>
<i>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</i>			
Operating income		\$ 18,273	\$ 9,478
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation		62,604	59,028
Provision for uncollectible accounts		1,613	953
Amortization of deferred charges		16	4,406
Amortization of deferred revenues		(190)	(5,359)
Non-operating other, net		7,766	19,664
Transfer to/from reserves		(1,333)	(16,238)
(Increase) decrease in assets:			
Accounts Receivable		(7,846)	(1,795)
Inventory of materials and supplies		(853)	(624)
Other current assets		(3)	(9,501)
Contracts receivable		(389)	25
Other deferred charges		107	(24,398)
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses		622	(2,342)
Customer and developer deposits		(3,747)	(3,065)
Liability for compensated absences		233	758
Other liabilities		(32)	(10,691)
Liability for other post-employment benefits		712	747
Liability for self-insurance		<u>522</u>	<u>(3,204)</u>
Net cash provided by operating activities		\$ 78,073	\$ 38,684

### NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Property, plant and equipment contributions were received in amounts of \$18.3 million and \$28.9 million in fiscal years 2010 and 2009, respectively.

The change in the fair value of investments were \$0.1 million decrease and \$2.4 million increase in fiscal year 2010 and 2009, respectively.

The Department implemented GASB 53 in fiscal year 2010. The cumulative effect of applying GASB 53, as a restatement of beginning net assets, resulted in an increase of \$6.9 million to beginning net assets as well as an increase of the change in the fair value of swaps of \$5.9 million.

	(In thousands)	
	2010	2009
<i>RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR</i>		
Unrestricted Current Cash and Cash Equivalents	\$ 4,698	\$ 389
Restricted Current Cash and Cash Equivalents	48,962	56,904
Restricted Noncurrent Cash and Cash Equivalents	78,030	-
Total cash and cash equivalents at end of year	<u>\$ 131,690</u>	<u>\$ 57,293</u>

# Water System

## SCHEDULE OF OPERATING AND MAINTENANCE EXPENSES

Budget and Actual

For the year ended September 30, 2010

(In thousands)

	<u>Budget</u>	<u>Actuals</u>	<u>Variance under (over)</u>
Source of supply	\$ 21,781	\$ 12,354	\$ 9,427
Power and pumping	2,097	2,003	94
Purification	70,973	61,967	9,006
Transmission and distribution	28,782	28,459	323
Customer accounting	3,827	4,913	(1,086)
Customer service	11,225	10,689	536
General and administrative	<u>42,717</u>	<u>43,860</u>	<u>(1,143)</u>
Totals	<u>\$ 181,402</u>	<u>\$ 164,245</u>	<u>\$ 17,157</u>



# Wastewater System

## BALANCE SHEETS

	(In thousands)	
September 30,	2010	2009
<b>ASSETS</b>		
<i>CURRENT ASSETS:</i>		
Cash and cash equivalents	\$ 3,828	\$ -
Investments	41,206	49,858
Accounts receivable (net of allowance for uncollectible accounts of \$12.8 million in 2010 and \$11.8 million in 2009)	51,685	46,402
Inventory of materials and supplies	13,229	13,674
Restricted cash and cash equivalents	134,392	73,105
Total current assets	244,340	183,039
<i>NONCURRENT RESTRICTED ASSETS:</i>		
Cash and cash equivalents	49,853	-
Investment derivative instrument	12,872	-
Investments	292,037	119,506
Total restricted assets	354,762	119,506
<i>OTHER ASSETS:</i>		
Deferred debt issue costs, net	22,585	18,123
Other deferred charges, net	107,223	114,156
Total other assets	129,808	132,279
<i>CAPITAL ASSETS:</i>		
Land	29,256	29,217
Structures and Improvements	2,329,871	2,196,831
Equipment	602,078	584,162
Utility plant in service before depreciation	2,961,205	2,810,210
Less accumulated depreciation	(1,472,211)	(1,377,729)
Net utility plant in service	1,488,994	1,432,481
Construction work in progress	487,534	427,362
Total capital assets	1,976,528	1,859,843
Total noncurrent assets	2,461,098	2,111,628
Total Assets	\$ 2,705,438	\$ 2,294,667

(Continued)

# Wastewater System

## BALANCE SHEETS

		(In thousands)	
(Continued)	September 30,	2010	2009
<b>LIABILITIES</b>			
<i>CURRENT LIABILITIES (PAYABLE FROM UNRESTRICTED CURRENT ASSETS):</i>			
Accounts payable and accrued expenses		\$ 24,374	\$ 23,479
Customer and developer deposits		4,365	4,327
Current portion of long-term debt		5,749	5,570
Rebatable arbitrage earnings		669	734
Liability for compensated absences		7,678	8,033
Other liabilities		925	791
Total Current Liabilities (payable from unrestricted current assets)		<u>43,760</u>	<u>42,934</u>
<i>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED CURRENT ASSETS):</i>			
Accounts payable and accrued expenses		28,231	25,483
Retainage payable		13,194	9,675
Current portion of long-term debt		28,465	26,740
Accrued interest payable		39,415	27,366
Other liability restricted		-	26,500
Total current liabilities (payable from restricted current assets)		<u>109,305</u>	<u>115,764</u>
Total current liabilities		<u>153,065</u>	<u>158,698</u>
<i>NONCURRENT LIABILITIES:</i>			
Revenue bonds payable, net		1,492,010	1,050,580
State loan obligations, net		79,259	77,417
Liability for compensated absences		16,488	15,754
Deferred revenues		10,172	11,176
Total noncurrent liabilities		<u>1,597,929</u>	<u>1,154,927</u>
Total liabilities		<u>1,750,994</u>	<u>1,313,625</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt		599,400	678,832
Restricted for:			
Capital projects		65,336	30,438
Debt service		103,750	69,105
Unrestricted		<u>185,958</u>	<u>202,667</u>
Total net assets		<u>954,444</u>	<u>981,042</u>
Total liabilities and net assets		<u>\$ 2,705,438</u>	<u>\$ 2,294,667</u>

# Wastewater System

## SCHEDULES OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

	(In thousands)	
For the periods ended September 30,	<u>2010</u>	<u>2009</u>
<i>OPERATING REVENUES:</i>		
Retail	\$ 215,945	\$ 202,697
Wholesale	45,936	39,137
Other revenues	<u>11,392</u>	<u>11,191</u>
Total operating revenues	<u>273,273</u>	<u>253,025</u>
<i>OPERATING AND MAINTENANCE EXPENSES:</i>		
Collection system	21,523	15,987
Pumping	29,916	30,204
Treatment	68,043	69,997
Customer accounting	4,002	3,622
Customer service	8,399	8,625
General and administrative	<u>53,504</u>	<u>43,289</u>
Total operating and maintenance expenses	<u>185,387</u>	<u>171,724</u>
Operating income before depreciation	87,886	81,301
<i>DEPRECIATION</i>	<u>97,865</u>	<u>93,400</u>
Operating loss	(9,979)	(12,099)
<i>NON-OPERATING REVENUES (EXPENSES):</i>		
Investment income	9,777	6,727
Interest expense	(57,141)	(48,474)
Amortization of debt issue costs	(2,299)	(2,249)
Operating Grants	298	-
Customer connection fees	12,024	15,837
Other revenues	531	1,410
Other expenses	<u>(340)</u>	<u>(632)</u>
Loss before contributions and transfers	(47,129)	(39,480)
Capital contributions	12,242	27,519
Transfer from reserves	<u>1,333</u>	<u>16,238</u>
Increase (Decrease) in net assets	(33,554)	4,277
Net assets at beginning of year	<u>987,998<sup>(1)</sup></u>	<u>976,765</u>
Net assets at end of year	<u>\$ 954,444</u>	<u>\$ 981,042</u>

<sup>(1)</sup>For fiscal year 2010, the beginning balance of net assets has been restated to include the cumulative effect of GASB 53. See Note 8, under Interest Rate Swap Agreements, for further details.

Reconciliation of Net Assets	
Ending Balance of net assets at 09/30/2009	\$ 981,042
Cumulative effect of GASB 53	<u>6,956</u>
Adjusted beginning balance of net assets at 10/01/2009	<u>\$ 987,998</u>

# Wastewater System

## SCHEDULES OF CASH FLOWS

	(In thousands)	
For the years ended September 30,	2010	2009
<i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>		
Cash received from customers	\$ 278,445	\$ 268,665
Cash paid to suppliers for goods and services	(70,389)	(98,718)
Cash paid to employees for services	(112,075)	(99,825)
Transfer to/from reserves	1,333	16,230
Net cash provided by operating activities	97,314	86,352
<i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</i>		
Operating grants received	298	-
Net cash provided by non-capital financing activities	298	-
<i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</i>		
Proceeds from bond issues, loan agreements and notes	477,929	317,665
Principal payments - bond, loans and notes	(32,310)	(276,700)
Bond Premium and issue costs	(7,816)	-
Swap termination payment	-	(58,134)
Interest paid	(37,823)	(38,859)
Acquisition and construction of capital assets	(222,541)	(179,158)
Net cash provided by (used in) capital and related financing activities	177,439	(235,186)
<i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>		
Purchase of investment securities	(338,503)	(259,760)
Proceeds from sale and maturity of investment securities	174,680	391,593
Interest on investments	3,740	6,302
Net cash (used in) provided by investing activities	(160,083)	138,134
Net increase (decrease) in cash and cash equivalents	114,968	(10,699)
Cash and cash equivalents at beginning of year	73,105	83,804
Cash and cash equivalents at end of year	\$ 188,073	\$ 73,105

(Continued)

# Wastewater System

## SCHEDULES OF CASH FLOWS

(Continued)	For the years ended September 30,	(In thousands)
	<u>2010</u>	<u>2009</u>
<i>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</i>		
Operating loss	\$ (9,979)	\$ (12,099)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	97,866	93,400
Provision for uncollectible accounts	1,409	953
Amortization of deferred charges	(52)	6,390
Amortization of deferred revenues	1,005	(6,390)
Non-operating other, net	12,215	16,615
Transfer to/from reserves	1,333	16,238
(Increase) decrease in assets:		
Accounts Receivable	(7,420)	(2,160)
Inventory of materials and supplies	445	(357)
Other current assets	(6)	7
Other deferred charges	(954)	(48,995)
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	894	(2,623)
Customer and developer deposits	37	553
Liability for compensated absences	379	1,236
Other liabilities	<u>142</u>	<u>(23,592)</u>
Net cash provided by operating activities	<u>\$ 97,314</u>	<u>\$ 86,360</u>

### *NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES*

Property, plant and equipment contributions were received in amounts of \$12.2 million and \$27.5 million in fiscal years 2010 and 2009, respectively.

The change in the fair value of investments were \$0.1 million decrease and \$2.7 million increase in fiscal year 2010 and 2009, respectively.

The Department implemented GASB 53 in fiscal year 2010. The cumulative effect of applying GASB 53, as a restatement of beginning net assets, resulted in an increase of \$7.0 million to beginning net assets as well as an increase of the change in the fair value of swaps of \$5.9 million.

	(In thousands)	
	<u>2010</u>	<u>2009</u>
<i>RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR</i>		
Unrestricted Current Cash and Cash Equivalents	\$ 3,828	\$ -
Restricted Current Cash and Cash Equivalents	134,392	73,105
Restricted Noncurrent Cash and Cash Equivalents	<u>49,853</u>	<u>-</u>
Total cash and cash equivalents at end of year	<u>\$ 188,073</u>	<u>\$ 73,105</u>

# Wastewater System

## SCHEDULE OF OPERATING AND MAINTENANCE EXPENSES

Budget and Actual

For the year ended September 30, 2010

(In thousands)

	<u>Budget</u>	<u>Actuals</u>	<u>Variance under (over)</u>
Collection system	\$ 23,364	\$ 21,523	\$ 1,841
Pumping	35,897	29,916	5,981
Treatment	74,553	68,043	6,510
Customer accounting	3,114	4,002	(888)
Customer service	8,819	8,399	420
General and administrative	<u>52,209</u>	<u>53,504</u>	<u>(1,295)</u>
Totals	<u>\$ 197,956</u>	<u>\$ 185,387</u>	<u>\$ 12,569</u>

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● ● ● Statistical Section

# Statistical Section

This part of the Department's comprehensive annual report details information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Department's overall financial health.

## **Contents**

### ***Financial Trends***

These schedules, found on pages 75-78, contain trend information to help the reader understand how the Department's financial performance and well-being have changed over time.

### ***Revenue Capacity***

These schedules, found on pages 79-81, contain information to help the reader assess the factors affecting the Department's ability to generate revenue.

### ***Debt Capacity***

These schedules, found on pages 82-83, present information to help the reader assess the affordability of the Department's current levels of outstanding debt and the Department's ability to issue additional debt in the future.

### ***Demographic and Economic Information***

These schedules, found on pages 84-90, offer demographic and economic indicators to help the reader understand the environment within which the Department's financial activities take place.

### ***Operating and Capital Information***

These schedules, found on pages 91-93, contain service and infrastructure data to help the reader understand how the information in the Department's financial report related to the services the Department provides and the activities it performs.

# Net Assets

BY COMPONENT LAST TEN FISCAL YEARS

(in thousands)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<i>COMBINED WATER AND WASTEWATER SYSTEMS:</i>										
Invested in capital assets, net of related debt	\$ 1,535,755	\$ 1,590,038	\$ 1,396,153	\$ 1,402,138	\$ 1,438,567	\$ 1,670,373	\$ 1,640,651	\$ 1,585,586	\$ 1,586,602	\$ 1,562,617
Restricted	279,576	150,114	397,803	468,819	384,233	247,947	306,469	373,628	337,273	298,345
Unrestricted	379,683	436,651	345,543	282,464	294,435	190,364	169,030	186,580	236,350	278,950
Total net assets	\$ 2,195,014	\$ 2,176,803	\$ 2,139,499	\$ 2,153,421	\$ 2,117,235	\$ 2,108,684	\$ 2,116,150	\$ 2,145,794	\$ 2,160,225	\$ 2,139,912
<i>WATER SYSTEM</i>										
Invested in capital assets, net of related debt	\$ 936,355	\$ 911,206	\$ 830,671	\$ 832,337	\$ 807,171	\$ 908,612	\$ 915,479	\$ 844,753	\$ 830,706	\$ 793,636
Restricted	110,491	50,571	140,103	146,483	117,705	78,232	96,186	148,120	129,278	108,362
Unrestricted	193,724	233,984	191,960	172,356	187,205	147,984	120,605	151,171	197,783	232,473
Total net assets	\$ 1,240,570	\$ 1,195,761	\$ 1,162,734	\$ 1,151,176	\$ 1,112,081	\$ 1,134,828	\$ 1,132,270	\$ 1,144,044	\$ 1,157,767	\$ 1,134,471
<i>WASTEWATER SYSTEM</i>										
Invested in capital assets, net of related debt	\$ 599,400	\$ 678,832	\$ 565,482	\$ 569,801	\$ 628,396	\$ 761,761	\$ 725,172	\$ 740,833	\$ 755,896	\$ 768,981
Restricted	169,086	99,543	257,700	322,336	266,527	169,715	210,283	225,508	207,995	189,983
Unrestricted	185,958	202,667	153,583	110,108	110,231	42,380	48,425	35,409	38,567	46,477
Total net assets	\$ 954,444	\$ 981,042	\$ 976,765	\$ 1,002,245	\$ 1,005,154	\$ 973,856	\$ 983,880	\$ 1,001,750	\$ 1,002,458	\$ 1,005,441

# Combined Water and Wastewater Systems

## SCHEDULE OF REVENUES AND EXPENSES – LAST TEN FISCAL YEARS

(in thousands)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<i>OPERATING REVENUES:</i>										
Retail	\$ 393,420	\$ 372,265	\$ 342,303	\$ 330,475	\$ 341,555	\$ 297,374	\$ 295,176	\$ 273,710	\$ 263,966	\$ 269,274
Wholesale	84,489	68,178	72,246	75,690	78,310	75,013	71,501	69,565	73,145	74,386
Other	40,486	38,293	22,927	22,455	20,450	19,573	18,896	18,827	16,996	16,963
Total operating revenues	518,395	478,736	437,476	428,620	440,315	391,960	385,573	362,102	354,107	360,623
<i>OPERATING AND MAINTENANCE EXPENSES:</i>										
Source of supply	12,354	14,208	12,006	6,710	5,381	5,710	5,110	5,248	4,728	4,771
Collection system	21,523	15,987	19,293	19,965	18,111	15,582	14,534	13,193	12,793	12,935
Pumping	31,919	32,611	32,790	34,647	33,605	27,800	26,095	25,785	24,631	22,267
Treatment	130,010	134,454	129,219	121,931	118,524	105,427	89,511	86,991	77,552	73,347
Transmission and distribution	28,459	25,428	26,528	25,747	23,081	21,900	21,452	21,086	19,357	18,229
Customer accounting and service	28,003	27,572	25,906	27,599	22,974	22,704	22,505	19,915	22,083	21,197
General and administrative	97,364	78,669	76,222	74,028	71,210	59,256	53,706	46,173	35,728	27,473
Total operating and maintenance expense	349,632	328,929	321,964	310,627	292,886	258,379	232,913	218,391	196,872	180,219
Operating income before depreciation	168,763	149,807	115,512	117,993	147,429	133,581	152,660	143,711	157,235	180,404
DEPRECIATION	160,469	152,428	154,881	158,691	184,820	118,261	122,800	117,780	114,642	109,270
Operating income (loss)	8,294	(2,621)	(39,369)	(40,698)	(37,391)	15,320	29,860	25,931	42,593	71,134
<i>NON-OPERATING REVENUES(EXPENSES):</i>										
Investment income	18,160	13,440	28,489	43,347	48,892	22,487	8,785	26,153	32,820	60,233
Interest expense	(71,229)	(63,787)	(66,320)	(63,507)	(68,905)	(73,276)	(76,349)	(76,349)	(80,722)	(83,165)
Other income	18,588	33,857	36,517	56,614	1,116	806	326	2,330	1,480	1,511
Transfers to County's General Fund	-	-	-	-	(22,868)	(27,701)	(37,899)	(39,996)	(33,035)	(25,547)
(Loss) income before contributions	(26,187)	(19,111)	(40,683)	(4,244)	(79,156)	(62,364)	(75,277)	(61,931)	(36,864)	24,166
Capital contribution	30,487	56,415	26,761	40,430	87,707	54,898	42,936	47,500	57,177	47,574
Increase (decrease) in net assets	\$ 4,300	\$ 37,304	\$ (13,922)	\$ 36,186	\$ 8,551	\$ (7,466)	\$ (32,341)	\$ (14,431)	\$ 20,313	\$ 71,740

# Water System

## SCHEDULE OF REVENUES AND EXPENSES – LAST TEN FISCAL YEARS

(in thousands)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>OPERATING REVENUES:</b>										
Retail	\$ 193,632	\$ 169,568	\$ 154,796	\$ 151,034	\$ 157,827	\$ 138,297	\$ 137,739	\$ 124,409	\$ 121,632	\$ 124,473
Wholesale	38,554	29,041	22,909	27,045	29,193	21,962	22,122	20,045	20,236	20,311
Other	12,936	27,102	12,839	12,631	11,142	10,646	10,230	10,302	9,227	9,525
Total operating revenues	245,122	225,711	190,544	190,710	198,162	170,905	170,091	154,756	151,095	154,309
<b>OPERATING AND MAINTENANCE EXPENSES:</b>										
Source of supply	12,354	14,208	12,006	6,710	5,381	5,710	5,110	5,248	4,728	4,771
Pumping	2,003	2,407	2,134	2,593	3,274	1,604	2,257	2,670	1,803	1,558
Treatment	61,967	64,457	61,317	55,925	56,164	50,221	40,660	38,412	34,466	32,640
Transmission and distribution	28,459	25,428	26,528	25,747	23,081	21,900	21,452	21,086	19,357	18,229
Customer accounting and service	15,602	15,325	14,337	15,308	13,144	13,915	12,546	12,135	12,578	12,431
General and administrative	43,860	35,380	34,864	33,299	31,967	25,776	20,349	15,183	11,412	9,430
Total operating and maintenance expenses	164,245	157,205	151,186	139,582	133,011	119,126	102,374	94,734	84,344	79,059
Operating income before depreciation	80,877	68,506	39,358	51,128	65,151	51,779	67,717	60,022	66,751	75,250
DEPRECIATION	62,604	59,028	60,859	61,349	79,708	35,488	34,251	32,371	32,347	30,916
Operating income (loss)	18,273	9,478	(21,501)	(10,221)	(14,557)	16,291	33,466	27,651	34,404	44,334
<b>NON-OPERATING REVENUES(EXPENSES):</b>										
Investment income	8,383	6,713	12,273	17,489	21,841	10,060	4,016	13,027	16,943	32,560
Interest expense	(14,088)	(15,313)	(15,035)	(15,090)	(9,324)	(18,862)	(19,657)	(21,039)	(21,397)	(21,240)
Other income (loss)	8,374	19,491	12,997	27,800	(1,599)	460	326	2,330	1,447	916
Transfers to County's General Fund	-	-	-	-	(10,176)	(12,188)	(11,865)	(13,146)	(10,855)	(8,235)
Income before contributions and transfers	20,942	20,369	(11,266)	19,978	(13,815)	(4,239)	6,286	8,823	20,542	48,335
Capital contributions	18,245	28,896	14,518	23,701	31,788	16,251	14,245	17,726	21,168	15,199
Transfer (from) to reserves	(1,333)	(16,238)	8,306	(4,584)	(40,720)	(9,454)	(32,305)	(40,272)	(18,414)	(15,432)
Increase (decrease) in net assets	\$ 37,854	\$ 33,027	\$ 11,558	\$ 39,095	\$ (22,747)	\$ 2,558	\$ (11,774)	\$ (13,723)	\$ 23,296	\$ 48,102

# Wastewater System

## SCHEDULE OF REVENUES AND EXPENSES – LAST TEN FISCAL YEARS

(in thousands)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<b>OPERATING REVENUES:</b>										
Retail	\$ 215,945	\$ 202,697	\$ 187,507	\$ 179,441	\$ 183,728	\$ 159,077	\$ 157,437	\$ 149,301	\$ 142,334	\$ 144,801
Wholesale	45,936	39,137	49,337	48,645	49,117	53,051	49,379	49,520	52,909	54,075
Other	11,392	11,191	10,088	9,824	9,308	8,927	8,666	8,525	7,769	7,438
Total operating revenues	273,273	253,025	246,932	237,910	242,153	221,055	215,482	207,346	203,012	206,314
<b>OPERATING AND MAINTENANCE EXPENSES:</b>										
Collection system	21,523	15,987	19,293	19,965	18,111	15,582	14,534	13,193	12,793	12,935
Pumping	29,916	30,204	30,656	32,054	30,331	26,196	23,838	23,115	22,828	20,709
Treatment	68,043	69,997	67,902	66,006	62,360	55,206	48,851	48,579	43,086	40,707
Customer accounting and service	12,401	12,247	11,569	12,291	9,830	8,789	9,959	7,780	9,505	8,766
General and administrative	53,504	43,289	41,358	40,729	39,243	33,480	33,357	30,990	24,316	18,043
Total operating and maintenance expenses	185,387	171,724	170,778	171,045	159,875	139,253	130,539	123,657	112,528	101,160
Operating income before depreciation	87,886	81,301	76,154	66,865	82,278	81,802	84,943	83,689	90,484	105,154
DEPRECIATION	97,865	93,400	94,022	97,342	105,112	82,773	88,549	85,409	82,295	78,354
Operating (loss) income	(9,979)	(12,099)	(17,868)	(30,477)	(22,834)	(971)	(3,606)	(1,720)	8,189	26,800
<b>NON-OPERATING REVENUES(EXPENSES)</b>										
Investment income	9,777	6,727	16,216	25,858	27,051	12,427	4,769	13,126	15,877	27,673
Interest expense	(57,141)	(48,474)	(51,285)	(48,417)	(59,581)	(54,414)	(53,995)	(55,310)	(59,325)	(61,925)
Other income	10,214	14,366	23,520	28,814	2,715	346	-	-	33	595
Transfers to County's General Fund	-	-	-	-	(12,692)	(15,513)	(26,034)	(26,850)	(22,180)	(17,312)
Loss before contributions and transfers	(40,129)	(39,480)	(29,417)	(24,222)	(65,341)	(58,125)	(78,866)	(70,754)	(57,406)	(24,169)
Capital contributions	12,242	27,519	12,243	16,729	55,919	38,647	28,691	29,774	36,009	32,375
Transfer to (from) reserves	1,333	16,238	(8,306)	4,584	40,720	9,454	32,305	40,272	18,414	15,432
(Decrease) increase in net assets	\$ (33,554)	\$ 4,277	\$ (25,480)	\$ (2,909)	\$ 31,298	\$ (10,024)	\$ (17,870)	\$ (708)	\$ (2,983)	\$ 23,638



# Water and Wastewater System Rates

LAST TEN FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<i>WATER RATES:</i>										
Lifeline (first 3,750 gallons)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.02	5.02
Meter Size Rate										
5/8"	3.20	3.20	3.20	3.20	3.20	3.20	3.20	3.00		
1"	8.96	8.00	8.61	8.22	7.87	7.15	7.15	6.75		
1.5"	17.92	16.00	13.43	12.82	12.27	11.15	11.15	10.50		
2"	28.67	25.60	28.73	27.42	26.24	23.85	23.85	22.50		
3"	57.34	51.20	61.32	58.51	55.99	50.90	50.90	48.00		
4"	89.60	80.00	95.77	91.39	87.45	79.50	79.50	75.00		
6"	179.20	160.00	153.22	146.22	139.92	127.20	127.20	120.00		
8"	286.72	256.00	268.16	255.88	244.86	222.60	222.60	210.00		
10"	412.16	368.00	574.63	548.31	524.70	447.00	447.00	450.00		
12"	770.56	688.00	1,085.41	1,035.70	991.10	901.10	901.00	850.00		
14"	1,433.60	1,280.00	2,043.13	1,949.55	1,865.60	1,696.00	1,696.00	1,600.00		
16"	1,971.20	1,760.00	3,830.87	3,655.41	3,498.00	3,180.00	3,180.00	3,000.00		
Composite rate (revenues/flows)	2.75	2.57	2.38	2.24	2.20	1.97	1.97	1.73	1.77	1.93
<i>WASTEWATER RATES:</i>										
Base rate (per 1,000 gallons)	N/A	N/A	3.25	3.25	3.25	3.25	3.25	3.00	4.04	4.04
Meter Size Rate										
5/8"	3.25	3.25								
1"	9.10	8.13								
1.5"	18.20	16.25								
2"	29.12	26.00								
3"	58.24	52.00								
4"	91.00	81.25								
6"	182.00	162.50								
8"	291.20	260.00								
10"	418.60	373.75								
12"	782.60	698.75								
14"	1,456.00	1,300.00								
16"	2,002.00	1,787.50								
Composite rate (revenues/flows)	4.38	4.08	3.78	3.54	3.47	3.04	3.05	2.83	2.81	3.16

Increases in water and wastewater rates must be approved by the Board of County Commissioners.

Base rate, for Water, not used in fiscal years 2000-2002.

Beginning fiscal year 2009, base rate is no longer used for Wastewater; Meter size rate is now used for the two systems.

# Water Usage

LAST TEN FISCAL YEARS

(millions of gallons)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<i>WATER PUMPED:</i>										
Water treatment plants:										
Alexander Orr, Jr.	59,969	57,025	57,257	61,118	64,242	63,929	64,546	61,774	59,953	60,187
John E. Preston	27,632	30,638	29,468	29,456	32,602	31,367	29,715	28,453	29,631	27,939
Hialeah	24,335	23,880	22,794	25,573	25,926	26,154	27,555	30,204	27,238	26,317
Interim plants	2,274	2,502	2,384	2,407	2,380	2,580	2,433	2,483	2,484	2,406
Purchase water	145	386	676	538	493	1,767	2,000	2,340	2,026	2,136
Total water pumped	114,355	114,431	112,579	119,092	125,643	125,797	126,249	125,254	121,332	118,985
<i>WATER SOLD:</i>										
Wholesale:										
Hialeah	9,103	8,110	8,081	8,228	8,616	8,685	7,730	8,454	8,742	8,384
Miami Beach	6,952	6,489	6,848	7,931	8,107	7,898	7,994	7,802	7,456	7,853
North Miami	1,175	1,502	2,123	1,827	1,775	1,534	1,602	1,536	1,612	1,862
North Miami Beach	100	107	1,013	2,588	3,888	4,633	4,652	4,450	4,411	4,350
Opa-Locka	788	845	909	946	1,031	994	960	954	1,001	1,030
Miami Springs <sup>(1)</sup>	-	-	771	870	704	758	1,016	906	918	852
Hialeah Gardens	654	695	694	703	716	713	655	619	687	741
Bal Harbor	455	466	447	462	476	526	552	564	542	522
Medley	400	393	398	433	496	488	577	506	434	441
Bay Harbor Islands	317	329	358	366	394	418	435	415	405	351
Surfside	328	343	327	371	395	385	369	349	336	328
North Bay Village	395	365	343	322	360	359	375	356	452	450
West Miami	293	290	266	267	300	284	283	286	292	280
Indian Creek Village	121	140	133	146	165	143	156	138	138	131
Virginia Gardens	98	100	63	60	77	44	10	14	8	10
Total wholesale	21,179	20,174	22,774	25,520	27,500	27,862	27,366	27,349	27,434	27,585
Retail	64,430	66,086	65,147	67,302	71,674	70,114	70,033	71,891	68,679	64,383
Total water sold	85,609	86,260	87,921	92,822	99,174	97,976	97,399	99,240	96,113	91,968
Non-account water	28,746	28,171	24,658	26,270	26,469	27,821	28,850	26,014	25,219	27,017
Non-account water as a percentage of total water pumped	25.14%	24.62%	21.90%	22.06%	21.07%	22.12%	22.85%	20.77%	20.79%	22.71%
Unaccounted for water as a percentage of total water pumped	8.27%	9.90%	3.70%	6.20%	6.21%	10.56%	8.34%	6.45%	5.10%	6.23%

<sup>(1)</sup> Miami Springs water system was purchased by the Department and beginning fiscal year 2009, is no longer a wholesale customer.

# Wastewater Treatment

LAST TEN FISCAL YEARS

(millions of gallons)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<i>WASTEWATER PLANT FLOWS:</i>										
North District Plant	31,810	31,984	34,047	34,200	33,969	33,113	31,105	33,679	35,970	36,463
Central District Plant	41,654	45,095	41,987	40,469	40,866	44,705	41,968	39,847	44,581	44,061
South District Plant	33,997	32,241	33,163	33,257	33,214	34,491	30,409	34,446	35,149	33,479
Total wastewater plant flows	107,461	109,320	109,197	107,926	108,049	112,309	103,482	107,972	115,700	114,003
<i>WASTEWATER TREATED:</i>										
Wholesale:										
Miami Beach	7,870	8,733	8,764	8,611	8,653	8,721	7,862	8,906	9,301	8,942
Hialeah	6,903	7,373	8,109	7,699	8,770	10,955	10,342	9,247	10,328	10,825
North Miami	3,523	3,533	3,923	3,764	3,963	4,080	3,885	4,025	4,116	4,032
Miami Springs <sup>(1)</sup>	-	-	1,237	1,272	1,210	1,422	1,010	998	1,205	1,477
Coral Gables	1,060	1,114	1,196	1,199	1,334	1,956	2,503	2,724	2,537	2,031
North Miami Beach	859	940	853	799	806	812	888	994	1,125	1,141
Medley	504	619	834	601	689	667	862	742	628	469
Opa-Locka	492	627	714	1,389	1,121	783	711	706	1,101	2,287
Hialeah Gardens	801	618	607	612	596	542	144	443	197	94
Florida City	404	412	431	462	457	420	416	376	367	317
Homestead	419	529	383	502	193	162	17	39	97	5
Homestead Air Force Base	98	185	196	168	114	236	357	209	197	280
West Miami	144	128	131	130	174	177	138	177	188	198
Total wholesale	23,077	24,811	27,378	27,208	28,080	30,933	29,135	29,586	31,387	32,098
Retail	49,315	49,671	49,646	50,609	53,020	52,261	51,682	52,757	50,619	45,862
Unaccounted for wastewater	35,069	34,838	32,173	30,109	26,949	29,115	22,665	25,629	33,694	36,043
Total wastewater treated	107,461	109,320	109,197	107,926	108,049	112,309	103,482	107,972	115,700	114,003
Unaccounted for wastewater as a percentage of total wastewater treated	32.63%	31.87%	29.46%	27.90%	24.94%	25.92%	21.90%	23.74%	29.12%	31.62%
<i>ANNUAL RAINFALL (inches):<sup>(2)</sup></i>	68.6	51.3	63.6	58.4	67.0	65.4	60.0	68.1	73.1	79.7

<sup>(1)</sup> Miami Springs was purchased by WASD and beginning fiscal year 2009 is no longer a wholesale customer.

<sup>(2)</sup> Source: National Weather Service Forecast Office in Miami for rainfall recorded in inches at Miami International Airport.

# Debt Service Coverage

LAST TEN FISCAL YEARS

(in thousands)	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<i>PRIMARY DEBT SERVICE COVERAGE</i>										
Net operating revenues	\$ 168,763	\$ 149,807	\$ 115,513	\$ 117,993	\$ 147,429	\$ 133,581	\$ 152,660	\$ 143,711	\$ 157,235	\$ 180,404
Investment earnings <sup>(1)</sup>	2,550	12,596	29,390	32,170	19,324	13,781	3,489	18,923	19,337	38,989
Net transfers from (to) Rate Stabilization Fund	-	-	-	-	-	11,238	23,136	48,941	22,640	(16,000)
Net revenues available for debt service	\$ 171,313	\$ 162,403	\$ 144,903	\$ 150,163	\$ 166,753	\$ 158,600	\$ 179,285	\$ 211,575	\$ 199,212	\$ 203,393
Debt service requirements <sup>(2)</sup>	\$ 114,653	\$ 103,627	\$ 113,758	\$ 113,291	\$ 110,848	\$ 104,123	\$ 114,196	\$ 115,629	\$ 115,654	\$ 115,632
Actual coverage	1.49	1.57	1.27	1.33	1.50	1.52	1.57	1.83	1.72	1.76
Required coverage	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10	1.10
<i>SUBORDINATE DEBT SERVICE COVERAGE</i>										
Net revenues available for debt service	\$ 171,313	\$ 162,403	\$ 144,903	\$ 150,163	\$ 166,753	\$ 158,600	\$ 179,285	\$ 211,575	\$ 199,212	\$ 203,393
Less: Maximum principal and interest <sup>(3)</sup>	146,270	115,198	114,030	113,142	113,291	115,032	115,272	115,629	115,654	115,653
Adjusted net revenues	\$ 25,043	\$ 47,205	\$ 30,873	\$ 37,021	\$ 53,462	\$ 43,568	\$ 64,013	\$ 95,946	\$ 83,558	\$ 87,740
<i>STATE REVOLVING FUND LOANS DEBT SERVICE COVERAGE</i>										
Net revenues available for debt service	\$ 171,313	\$ 162,403	\$ 144,903	\$ 150,163	\$ 166,753	\$ 158,600	\$ 179,285	\$ 211,575	\$ 199,212	\$ 203,393
Less: revenue required for primary debt service coverage <sup>(5)</sup>	126,119	113,989	125,133	124,620	121,933	114,536	125,615	127,192	127,219	127,195
Adjusted net revenues	\$ 45,194	\$ 48,414	\$ 19,770	\$ 25,543	\$ 44,820	\$ 44,064	\$ 53,670	\$ 84,383	\$ 71,993	\$ 76,198
Debt service requirements <sup>(6)</sup>	\$ 13,479	\$ 13,470	\$ 13,434	\$ 11,563	\$ 15,328	\$ 15,205	\$ 13,966	\$ 14,870	\$ 12,417	\$ 10,782
Actual coverage	3.35	3.59	1.47	2.21	2.92	2.90	3.84	5.67	5.80	7.07
Required coverage	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15	1.15

<sup>(1)</sup> Excludes interest income from Construction Fund

<sup>(2)</sup> Represents debt service requirements on outstanding Bonds for such fiscal year.

<sup>(3)</sup> Maximum principal and interest requirements on the Bonds for such fiscal year

<sup>(4)</sup> Represents debt service and reserve requirements on subordinate obligations.

<sup>(5)</sup> Represents 110% of primary debt service requirements.

<sup>(6)</sup> Represents debt service requirements on outstanding State Revolving Fund Loans for such fiscal year.

# Ratio of Outstanding Debt by Type

LAST TEN FISCAL YEARS

(in thousands)

Fiscal Year	Revenue Bonds	Loans	Notes	Line of Credit <sup>(1)</sup>	Total Outstanding Debt	Total Per Customer
2001	\$ 1,607,766	\$ 133,130	\$ 1,118	\$ -	\$ 1,742,014	2.57
2002	\$ 1,581,183	\$ 146,965	\$ 941	\$ -	\$ 1,729,089	2.51
2003	\$ 1,553,293	\$ 146,699	\$ 754	\$ -	\$ 1,700,746	2.43
2004	\$ 1,523,497	\$ 144,618	\$ 539	\$ -	\$ 1,668,654	2.34
2005	\$ 1,493,589	\$ 137,853	\$ 345	\$ -	\$ 1,631,787	2.24
2006	\$ 1,464,162	\$ 124,940	\$ 140	\$ -	\$ 1,589,242	2.14
2007	\$ 1,431,595	\$ 117,776	\$ -	\$ -	\$ 1,549,371	2.06
2008	\$ 1,452,127	\$ 107,943	\$ -	\$ -	\$ 1,560,070	2.07
2009	\$ 1,432,012	\$ 119,093	\$ -	\$ 40,000	\$ 1,591,105	2.11
2010	\$ 1,980,844	\$ 119,255	\$ -	\$ -	\$ 2,100,099	2.77

<sup>(1)</sup> Financing from Regions Bank to fund multiple Capital Improvement Projects as per County Ordinance 08-126. Entered on April 27, 2009.

# Customer Statistics

## Largest System Customers Current Year and Nine Years Ago October 2009 - September 2010

<u>Name</u>	<u>Dollar Amount<sup>(1)</sup> (in thousands)</u>	<u>Percent of System Gross Revenues</u>
<i>WATER SYSTEM:</i>		
City of Hialeah	\$ 14,229	5.8
City of Miami Beach	11,917	4.9
Dade County Aviation	3,972	1.6
City of North Miami	2,014	0.8
City of Opa Locka	1,350	0.6
Hialeah Gardens	1,121	0.5
Florida Power & Light Company	1,058	0.4
Bal Harbour	780	0.3
Medley	686	0.3
North Bay Village	677	0.3
<i>WASTEWATER SYSTEM:</i>		
City of Miami Beach	\$ 16,034	5.9
City of Hialeah	14,188	5.2
City of North Miami	7,221	2.6
City of Homestead	2,227	0.8
Dade County Aviation	2,030	0.7
City of Coral Gables	2,167	0.8
City of North Miami Beach	1,737	0.6
Hialeah Gardens	1,660	0.6
Medley	1,024	0.4
City of Opa Locka	1,007	0.4

## October 2000 - September 2001

<u>Name</u>	<u>Dollar Amount (in thousands)</u>	<u>Percent of System Gross Revenues</u>
<i>WATER SYSTEM:</i>		
City of Miami Beach	\$ 6,041	3.9
City of Hialeah	5,559	3.6
City of North Miami Beach	3,347	2.2
Dade County Aviation	1,622	1.1
City of North Miami	1,432	0.9
City of Opa Locka	792	0.5
Florida Power & Light	696	0.5
Hialeah Gardens	570	0.4
City of Miami Springs	565	0.4
Bal Harbour	402	0.3
<i>WASTEWATER SYSTEM:</i>		
City of Hialeah	\$ 18,103	8.8
City of Miami Beach	14,941	7.2
City of North Miami	6,668	3.2
City of Opa Locka	3,759	1.8
City of Coral Gables	3,376	1.6
City of Miami Springs	2,467	1.2
City of North Miami Beach	1,911	0.9
Dade County Aviation	1,542	0.7
City of Medley	789	0.4
City of Florida City	537	0.3

<sup>(1)</sup> Using billed flows in place of net amount

# Customer Statistics

## Number of Retail Customers at Fiscal Year-End Last Ten Fiscal Years

Year	<u>Number of Customers</u>		Ratio of Wastewater Customers to Water Customers
	Water	Wastewater	
2001	379,144	298,226	78.7%
2002	385,441	304,104	78.9%
2003	391,227	309,480	79.1%
2004	398,318	316,257	79.4%
2005	406,059	323,615	79.7%
2006	412,121	329,615	80.0%
2007	416,620	334,426	80.3%
2008	418,258	336,290	80.4%
2009	417,983	336,272	80.5%
2010	420,367	338,368	80.5%



# Population

## Population Miami-Dade County, Florida Selected Years 1900-2010

Year	Annual Resident Population	Increase (Decrease)	Percent Change
1900	4,955	-	-
1910	11,933	6,978	9.2%
1920	42,752	30,819	13.6%
1930	142,955	100,203	12.8%
1940	267,739	124,784	6.5%
1950	495,084	227,345	6.3%
1960	935,047	439,963	6.5%
1970	1,267,792	332,745	3.1%
1980	1,625,781	357,989	2.5%
1990	1,967,000	341,219	1.9%
2000	2,253,485	286,485	1.4%
2001	2,283,319	29,834	1.3%
2002	2,313,047	29,728	1.3%
2003	2,342,739	29,692	1.3%
2004	2,372,418	29,679	1.3%
2005	2,402,105	29,687	1.3%
2006	2,431,819	29,714	1.2%
2007	2,461,577	29,758	1.2%
2008	2,491,396	29,819	1.2%
2009	2,532,000	40,604	1.3%
2010	2,563,885	31,885	1.0%

Source: U.S. Bureau of the Census figures 1900-2000; Planning Research Section, Miami-Dade County Department of Planning and Zoning estimates for other years.

# Building Permits

## Number of Buildings Permits Issued for Housekeeping Units and Value of Permits for Housekeeping and Total Units Miami-Dade County, Florida 1995-2009

Calendar Year	Number of Permits Issued		Value of Permits Issued Residential Construction (in thousands)
	Single Family Houses	Multi-family Buildings	
1995	7,364	7,425	\$ 1,213,966
1996	3,802	2,749	540,183
1997	5,146	4,592	817,140
1998	5,354	5,556	921,813
1999	6,669	7,018	1,064,119
2000	5,988	6,477	1,198,164
2001	6,829	7,168	1,291,357
2002	6,374	8,219	1,313,869
2003	8,740	6,793	1,697,337
2004	9,499	13,251	2,565,383
2005	9,918	16,198	3,750,203
2006	6,548	13,469	3,323,113
2007	3,246	4,836	1,210,618
2008	1,086	2,388	477,424
2009	624	771	252,407

Source: University of Florida, Bureau of Economic and Business  
Research, [Building Permit Activity in Florida](#)

# Construction Activity

## Construction Activity Miami-Dade County, Florida 2001-2010

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Buildings	Value (in thousands)	Number of Units	Value (in thousands)
2001	525	\$ 616,442	9,882	\$ 845,123
2002	498	722,077	8,805	751,960
2003	397	697,100	9,373	819,753
2004	794	359,033	9,603	982,420
2005	914	273,735	8,893	1,031,757
2006	394	327,729	8,001	899,980
2007	288	295,413	2,404	315,586
2008	274	477,442	1,262	159,407
2009	202	263,754	556	55,417
2010	231	184,566	1,453	129,129

Source: Miami-Dade County Building Department. Includes only Unincorporated Area.

# Principal Employers

## Principal Employers Miami-Dade County, Florida Current Year and Nine Years Ago

### 2010

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Miami-Dade County Public Schools	48,571	1	3.81
Miami-Dade County	29,000	2	2.28
U.S. Federal Government	19,500	3	1.53
Florida State Government	17,100	4	1.34
Publix Supermarkets	16,000	5	1.26
Baptist Health South Florida	13,376	6	1.05
Jackson Health System	12,571	7	0.99
University of Miami	10,800	8	0.85
American Airlines	9,000	9	0.71
Miami Dade College	8,000	10	0.63
Precision Response Corporation	6,200	11	0.49
Bellsouth/ATT	5,000	12	0.39
Winn-Dixie Stores	4,309	13	0.34
City of Miami	3,840	14	0.30
Florida Power & Light Company	3,500	15	0.27
Total	206,767		16.24

### 2001

<u>Employer</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Miami-Dade County Public Schools	35,469	1	3.21
Miami-Dade County	30,000	2	2.72
U.S. Federal Government	18,276	3	1.66
Florida State Government	18,100	4	1.64
American Airlines	9,000	5	0.82
Jackson Health Systems	8,191	6	0.74
University of Miami	7,800	7	0.71
Baptist Health South Florida	7,500	8	0.68
Bellsouth/ATT	4,240	9	0.38
Publix Supermarkets	4,000	10	0.36
City of Miami	3,400	11	0.31
Florida International University	2,591	12	0.23
Miami-Dade College	2,345	13	0.21
Total	150,912		13.67

Source: The Beacon Council, Miami, Florida, Miami Business Profile

# Economic Statistics

*Last 10 fiscal years*

<u>Year</u>	<u>Total Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Labor Force</u>
2001	60,401,717	26,445	6.1%	1,098,226
2002	62,664,565	27,147	6.6%	1,079,850
2003	64,764,869	27,891	5.9%	1,083,357
2004	69,724,010	29,817	5.4%	1,097,454
2005	75,090,488	31,867	4.3%	1,113,560
2006	82,481,222	34,709	3.8%	1,158,801
2007	85,978,571	35,791	3.6%	1,192,231
2008	88,954,732	37,264	5.3%	1,205,913
2009	(1)	(1)	8.9%	1,218,871
2010	(1)	(1)	12.1%	1,273,408

Source: U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis/ Regional Economic Information System.

Legend: (1) Information Unavailable

## Employees by Identifiable Activity

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<i>WATER:</i>										
Water Distribution	206	214	210	202	205	214	220	212	213	205
Water Production and Maintenance <sup>(1)</sup>	232	240	239	98	89	92	95	91	95	93
Laboratory Services	51	47	50	-	-	-	-	-	-	-
<i>SEWER:</i>										
Sewer Collection	189	188	180	182	184	184	185	185	179	185
Plant Maintenance <sup>(1)</sup>	-	-	-	315	323	320	329	328	325	318
Wastewater Treatment and Maintenance <sup>(1)</sup>	329	331	324	161	158	155	160	165	160	140
Pump Station Maintenance	187	192	206	196	192	194	200	202	206	197
<i>ENGINEERING:</i>										
Engineering	75	77	82	148	152	149	150	152	154	139
New Customer	89	87	107	95	101	97	101	91	90	91
Program Management	15	15	15	8	-	-	-	-	-	-
Construction Contracts	77	81	62	-	-	-	-	-	-	-
<i>ADMINISTRATION:</i>										
Office of Director	33	31	36	32	29	28	21	15	15	16
Office of Deputy Director of Regulatory Compliance and Capital Improvements	13	16	15	-	-	-	-	-	-	-
Office of Deputy Director of Operations	11	10	8	12	11	10	9	-	-	-
Office of Assistant Director of Engineering	1	1	2	2	3	2	2	34	32	29
Office of Assistant Director of Finance	38	35	33	26	27	14	15	27	27	21
Office of Assistant Director of Administration	155	156	157	158	158	155	149	121	116	113
Office of Assistant Director of Water	111	113	117	151	147	147	156	174	169	163
Office of Assistant Director of Wastewater	38	36	31	3	2	1	-	2	2	2
Office of Assistant Director of Regulatory Planning and Compliance	5	3	3	43	52	51	47	-	-	-
Attorney's Office	4	4	4	3	3	4	4	4	4	4
Controller	134	135	125	125	127	128	132	132	128	122
Data Processing	70	70	71	69	62	62	62	65	63	64
Customer Service	253	268	266	258	261	271	275	237	236	238
Regulatory Compliance and Monitoring	18	17	16	-	-	-	-	-	-	-
General Maintenance	120	127	122	140	133	138	124	131	129	123
Planning	22	24	23	-	-	-	-	-	-	-
<b>Total</b>	<b>2,476</b>	<b>2,518</b>	<b>2,504</b>	<b>2,427</b>	<b>2,419</b>	<b>2,416</b>	<b>2,436</b>	<b>2,368</b>	<b>2,343</b>	<b>2,263</b>

<sup>(1)</sup> The Plant Maintenance Division was eliminated as of October 1, 2007 and the employees were assigned to the Water Production and Maintenance Division and the Wastewater Treatment and Maintenance Division.

# Capital Indicators

LAST 10 FISCAL YEARS

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
<i>WATER:</i>										
Water mains <sup>(1)</sup> (miles)	5,907 <sup>(2)</sup>	5,747	5,641	5,624	5,575	5,519	5,426	5,421		
Water treatment plants	8	8	8	8	8	8	8	8	8	8
Permitted water treatment capacity (million gallons per day)	452 <sup>(3)</sup>	452	452	452	452	452	452	452	452	452
Water supply wells	100	100	100	100	97	92	92			
<i>WASTEWATER:</i>										
Sanitary sewers <sup>(1)</sup> (miles)	3,975 <sup>(2)</sup>	3,981	3,948	3,919	3,858	3,803	3,724	3,722		
Wastewater treatment plants	3	3	3	3	3	3	3	3	3	3
Permitted wastewater treatment capacity (million gallons per day)	368	368	368	368	341	353	353	353	353	353
Wastewater pump stations	1,039	1,035	1,035	992	986	976	967	956	947	935

<sup>(1)</sup> Does not include laterals.

<sup>(2)</sup> In fiscal year 2010, the measurements for water mains and sanitary sewers do not include miscellaneous and private pipes.

<sup>(3)</sup> Total water supply allocation as per Water Use Permit is 357 mgd.



## Insurance in Force

Type of Coverage and Insurance Company	Policy Period	Details of Coverage	Limits of Liability
Crime Policy: Fidelity & Deposit Co. of Maryland	08/19/10 - 08/19/11	Employee Dishonesty	\$1,000,000
Money and Securities: Fidelity & Deposit Co. of Maryland	11/25/09 - 11/25/10	Theft of money and securities	Various
Accidental Death: Hartford Life Insurance Co.	08/29/10 - 08/29/11	Accidental death and dismemberment	\$25,000
Property Insurance: Various	10/31/09 - 10/31/10	"All risk" coverage on real and personal property and outfalls	Various
Automobile Liability:	N/A / Continuous	Self-Insured	\$100,000 per person/ \$200,000 per occurrence pursuant to F.S. 768.28
General Liability:	N/A / Continuous	Self-Insured	\$100,000 per person/ \$200,000 per occurrence pursuant to F.S. 768.28
Workers' Compensation: Miami-Dade County Self-Insurance Fund	N/A / Continuous	Self-Insured	Statutory coverage pursuant to F.S. 440

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## Miami-Dade Water and Sewer Department

A Department of Miami-Dade County, Florida

3071 S.W. 38 Avenue

Miami, Florida 33146

305-665-7471



*Delivering Excellence Every Day*

Miami-Dade County provides equal access and equal opportunity in employment and services and does not discriminate on the basis of disability. It is the policy of Miami-Dade County to comply with all the requirements of the Americans with Disabilities Act.