

Memorandum



Date: July 6, 2026

To: Honorable Chairman Anthony Rodriguez
and Members, Board of County Commissioners

Agenda Item No. 14(B)(1)
July 21, 2026

From: Daniella Levine Cava
Mayor

A handwritten signature in blue ink that reads "Daniella Levine Cava".

Subject: Report Regarding a Proposed 6% Water and Wastewater Retail Rate Adjustment for the Miami-Dade Water and Sewer Department, Effective October 1, 2026.

Executive Summary

On May 21, 2013, via Resolution No. R-393-13, the Board directed Miami-Dade County (the County) to enter into a Consent Decree with the United States of America, the State of Florida and the Florida Department of Environmental Protection, fully acknowledging that compliance with these regulatory mandates would require rate adjustments for WASD to fund the necessary infrastructure improvements. Consistent with that commitment, WASD's annual budget has historically incorporated projected retail revenue adjustments necessary to fund the Department's Capital Improvement Program (CIP) and meet its regulatory obligations. Over the past five years, anticipated rate increases to support the CIP have ranged between 5% to 10% annually. Despite the needed rate increases that have been projected, the Department has consistently implemented retail rate adjustments below projected levels to minimize impacts to ratepayers in line with the Board's direction.

With the June 2028 Consent Decree compliance deadline rapidly approaching and the program already approximately 89% complete, stopping or slowing progress now would jeopardize years of investment, and place the County at risk of violating a court-mandated federal order, which could expose the County to enforcement actions and significant financial consequences, including penalties of up to \$5,000 per day, in addition to public health and environmental impacts.

A proposed 6% retail rate adjustment is necessary to allow WASD to fulfill its obligations under the Consent Decree, the State-mandated Ocean Outfall Legislation Program, the Advanced Metering Infrastructure (AMI) Implementation, and other critical regulatory requirements. Maintaining compliance and protecting the County's infrastructure requires continued investment at this critical juncture. These investments are not discretionary. Past underinvestment in critical infrastructure directly contributed to system failures, sanitary sewer overflows, environmental harm to Biscayne Bay, violations of the Clean Water Act, and the federal enforcement actions that gave rise to the current Consent Decree. **Absent approval of the proposed 6% rate adjustment, the Department would be forced to immediately suspend critical projects currently programmed for funding for FY 2026-27. Delaying action now will not eliminate the need for additional revenue; rather, it will mandate steeper, more burdensome rate increases in the future.**

For Fiscal Year (FY) 2026–27, the proposed retail rate adjustment would increase the monthly bill for low-usage households by approximately \$0.82 and for the **typical residential customer the increase would be approximately \$3.77**, or 12 cents per day. The adjustment is projected to generate approximately \$65.6 million in recurring annual revenue, which is necessary to support approximately \$435 million in bond financing. Rather than borrowing the full contract value upfront at the time of award, WASD utilizes a cash-flow funding model that finances projects incrementally based on actual construction progress and project schedules. This approach allows the Department to align borrowing with actual cash needs, minimize financing costs, avoid premature debt issuance, and maintain prudent fiscal stewardship. The next planned bond issuance is anticipated in Fiscal Year 2026–27 and is dependent upon the revenues generated by the proposed 6% retail rate adjustment. Importantly, even with the proposed adjustment, **the average combined water and sewer bill will continue to remain below 1% of the median household income**, well within national utility affordability standards as set by the U.S. Environmental Protection Agency.

Recommendation

This report provides information to the Board regarding the proposed 6% water and wastewater retail rate adjustment for WASD, effective October 1, 2026, including the Department's regulatory and financial basis for the proposed adjustment and the impacts associated with maintaining a flat retail rate. In order to be implemented, the retail rate adjustment would require an amendment to Implementing Order 4-110, WASD's Schedule of Rates, Fees, and Charges.

Scope

The proposed retail rate increase of 6%, effective October 1, 2026, will have a countywide impact to retail customers in WASD's service areas.

Fiscal Impact/Funding Source

The additional revenues that will be generated by this 6% rate increase (approximately \$65.6 million) will support the issuance of approximately \$435 million in bonds. The proposed adjustment applies only to retail customers. Wholesale customer rates will be evaluated separately in accordance with applicable interlocal agreements following review by the bond consultant, with finalized rates presented as part of the annual County-wide budget ordinance in July.

Background

WASD's CIP reflects regulatory drivers and broader system needs. The CIP includes approximately \$1.15 billion for Consent Decree compliance and \$1.37 billion to meet Ocean Outfall requirements as well as funding for critical system upgrades that are necessary for regulatory compliance. Of the total CIP, about half is expected to be financed through loans and bond issuances, while the remaining amount is supported through operating revenues, municipal contributions, per-and polyfluoroalkyl substances (PFAS) settlement monies and Building Better Communities General Obligation Bond proceeds.

The Department's Capital Improvement Program includes Professional Service Agreements (PSA) for engineering design, permitting, construction support, inspection, program management, and other technical services necessary to deliver projects. Without the requested increase, work under these PSAs will be cancelled. In addition, the cancellation of approximately \$435 million in projects would significantly reduce the number of active projects requiring consultant support. As a result, certain task authorizations, including the Jacobs Engineering, AECOM, and Hazen and Sawyer PSAs, would also be terminated because the associated services would no longer be required.

A significant number of ongoing and current projects would need to be immediately stopped and suspended. The impacts would be far-reaching and will affect projects needed for compliance with the Consent Decree, Ocean Outfall Legislation initiatives, Advanced Metering Infrastructure (AMI) implementation, and other critical infrastructure improvements essential to maintaining regulatory compliance and system reliability. A list of projects that will be immediately cancelled are further identified on Figure 1 below.

Figure 1: Projects and PSAs that would be immediately cancelled

OMB No.	Proposed Allocation	Project Name	Professional Services Agreements	Contractor
Various	\$12,788,783	Ocean Outfall Program	JACOBS ENGINEERING	VARIOUS
Various	\$183,464	Consent Decree Program and Construction Management	AECOM	VARIOUS
Various	\$1,900,000	Water and Sewer Design Services	AECOM	VARIOUS
Various	\$4,400,000	Wastewater Design Services	HAZEN AND SAWYER	VARIOUS
Various	\$4,400,000	Wastewater Design Services	BLACK AND VEATCH	VARIOUS

OMB No.	Proposed Allocation	Project Name	Professional Services Agreements	Contractor
Various	\$4,400,000	Wastewater Design Services	BROWN & CALDWELL	VARIOUS
Various	\$2,200,000	Capacity, Management, Operations and Maintenance	HDR ENGINEERING	VARIOUS
964120	\$41,032,387	Building Access Safety	KHAN AND ASSOCIATES	ALLIED CONTRACTORS
		Oxygen Production Facility	BLACK AND VEATCH	TBD
		RAS Pump Station Upgrade Plant 1	STANTEC CONSULTING	TBD
		Digesters Rehabilitation Cluster 3	BROWN & CALDWELL	TBD
968150	\$4,500,000	48-in PCCP Forcemain Replacement - Opa Locka (Phase 2)	HDR ENGINEERING	TBD
964440	\$826,450	Pump Station Upgrades (Regional)	HBC ENGINEERING	MAESTRE CONSTRUCTION
962670	\$4,390,120	Industrial Reuse System (South)	BLACK AND VEATCH	TBD
2000002314	\$30,250,000	Treatment Filters Upgrade (Orr Plant)	HDR ENGINEERING	TBD
		Advanced Metering Infrastructure	ARDURRA	CORE & MAIN
		Flood Mitigation and Lightning Protection Improvements	HAZEN AND SAWYER	TBD
		Generator Replacement (Water)	PARSONS	TBD
		New 96-in raw water main	CHA CONSULTING	TBD
		Inspection /Cleaning of Drains	WASD ENGINEERING	FLOTECH ENVIRONMENTAL
9653411	\$7,170,731	Effluent Pump Station Upgrade	BROWN & CALDWELL	POOLE & KENT
		Monitoring Well Installation (North)	CDM SMITH INC	TBD
		Drainage Improvements (North)	PREMIERE DESIGN	TBD
		Secondary Clarifiers Ventilation	JACOBS ENGINEERING	TBD
9653421	\$27,893,326	Hypochlorite Building Hardening	STANTEC CONSULTING	COMTECH ENGINEERING
		Grant Funded: PS 2 Structural and Hardening Upgrades	JACOBS ENGINEERING	TBD
		Grant Funded: PS 1 Structural and Hardening Upgrades	STANTEC CONSULTING	TBD
		New Headwork Facility (Central)	HAZEN AND SAWYER	TBD
9655481	\$2,970,784	Monitoring Well Installation	CDM SMITH INC	ALL WEBBS ENTERPRISES
9653401	\$13,578,864	Co-Generation Facility HVAC Improvements (South)	JACOBS ENGINEERING	TBD
		Installation of Effluent Pump (South)	JACOBS ENGINEERING	TBD
		Cogeneration Facility Rehabilitation	JACOBS ENGINEERING	TBD
		Plantwide Disinfection System Evaluation	HAZEN AND SAWYER	TBD
967190	\$3,076,322	Transmission Main Replacement	KIMLEY-HORN	TBD
9650201	\$15,605,946	FED Required - Inflow and Infiltration Inspection & Repairs	WASD ENGINEERING	TBD

OMB No.	Proposed Allocation	Project Name	Professional Services Agreements	Contractor
9653311	\$5,500,000	JPA with City of Miami - Auburndale Neighborhood	CHA CONSULTING	DAVID MANCINI AND SONS
9653201	\$11,734,255	Compliance Upgrade: Lab and Control Room	JACOBS ENGINEERING	TBD
		Compliance Upgrade: Lab and Control Room	STANTEC CONSULTING	TBD
		Plantwide Structural Assessment (Central)	ARCADIS U S INC	TBD
9650271	\$5,050,950	Control Room Facility Upgrade (Hialeah)	KIMLEY-HORN	TBD
9654061	\$16,797,319	Supply Wells Upgrade	BLACK AND VEATCH	MAESTRE CONSTRUCTION
		Monitoring Well Installation for Effluent Disposal System	WASD ENGINEERING	NV5 INC
		New Supply Wells (Wellfield)	BLACK AND VEATCH	TBD
		Everglades Plant Upgrade	HAZEN AND SAWYER	ALL WEBBS ENTERPRISES
		Naranja Plant Upgrade	HAZEN AND SAWYER	TBD
9650021	\$2,125,304	Sludge Line Replacement (Orr)	HAZEN AND SAWYER	TBD
9650241	\$8,975,000	Connect 2 Protect - Lateral Expansion	WASD ENGINEERING	CENTRAL CIVIL
		New Regional Pump Station - Downtown Miami	CHA CONSULTING	TBD
9653371	\$3,091,050	2050 Planning Horizon Integrated Master Plan - Wastewater	HAZEN AND SAWYER	N/A
9654031	\$25,836,782	Small Diameter Replacement NE 203 Terr	BND ENGINEERS INC	TBD
		54-in PCCP Watermain SW 56th St & SW 67th Av	WADE TRIM INC	TBD
		36-in Crossing Normandy Isle along 79th St via HDD	WADE TRIM INC	TBD
9652101	\$20,147,250	Replacement of 36-in Forcemain NE 163rd St	JACOBS ENGINEERING	TBD
		PS-0415 to PS-0422 Transmission Force Main Replacement	CHA CONSULTING	ROADWAY CONSTRUCTION
		Aventura (Biscayne Blvd) Force Main Replacement	KIMLEY-HORN	TBD
		Replacement of 36-in Forcemain Snake Creek Canal	STANTEC CONSULTING	TBD
2000000784	\$45,408,826	Pump Station 49, 425 Upgrade	PARSONS	TBD
		Pump Station 0300 Upgrade	CHA CONSULTING	POOLE & KENT
		Pump Station 0613, 616 Relocation	MILIAN SWAIN	TBD
		Pump Station No. 0618 Upgrade	HSQ GROUP LLC	TBD
		Pump Station No. 455, 812, 831, 856, 867, 882, 894 Upgrade	MILLER LEGG	TBD

OMB No.	Proposed Allocation	Project Name	Professional Services Agreements	Contractor
		Pump Station No. 2, 345, 347 and 348 Generator / Upgrade	HDR ENGINEERING	TBD
		Pump Station 374, 404, 408, 409, 410 Upgrade	PREMIERE DESIGN	TBD
		Pump Station 18, 33, 34, 41, and 315, 413, 443, 1163	SRS ENGINEERING INC	TBD
		Pump Station 0703 Upgrade	C SOLUTIONS INC	TBD
		Pump Station 0339 Upgrade	BND ENGINEERS INC	TBD
		Pump Station 63, 382, 549, 704, 803, 815, 865, 1034	CES CONSULTANTS	TBD
9650031	\$39,976,612	Regulatory Lab & Operator Control Room Replacement	HDR ENGINEERING	TBD
		East and West Pump Room Upgrades	HDR ENGINEERING	TBD
		Holding Tanks and Contact Basins Improvement (Orr)	HDR ENGINEERING	TBD
		Lime Plant Fire and HVAC (Orr)	GARVER LLC	TBD
		Electrical Replacement and Upgrade (Orr)	HDR ENGINEERING	TBD
		Electrical Distribution Building Upgrade (Orr)	HDR ENGINEERING	TBD
		Pumping Facility Upgrade (Orr)	HAZEN AND SAWYER	TBD
9650041	\$40,981,155	New Hypochlorite Facility (Preston)	BLACK AND VEATCH	TBD
		Filter Backwash Tank (Hialeah)	BLACK AND VEATCH	RF ENVIRONMENTAL
		East and West Pump Room Upgrades (Hialeah)	BLACK AND VEATCH	TBD
		Electrical Distribution Building Upgrade	BLACK AND VEATCH	TBD
		Operator's Control Room Upgrade (Hialeah)	BLACK AND VEATCH	TBD
		Building Access Safety and Code Compliance (WTPs)	WANTMAN GROUP	TBD
		Plantwide Structural Assessment - Hialeah	DIAZ, CARRENO, SCOTTI	TBD
		Pumping Facility Upgrade (Preston)	BLACK AND VEATCH	TBD
		Electrical Upgrades Medium Voltage	HDR ENGINEERING	TBD
		Lime Plant Holding Tanks Upgrade (Hialeah)	BLACK AND VEATCH	TBD
		Filter Overhaul and Automation (Hialeah)	HDR ENGINEERING	TBD
2000000072	\$27,552,609	Watermain Upgrade: Green Tech Corridor S-4	CHEN MOORE	TBD
		Watermain Upgrade: Green Tech Corridor D2	ROSS ENGINEERING INC	TBD
		Watermain Upgrade: SW 87th AVE and Caribbean Blvd	300 ENGINEERING	TBD

OMB No.	Proposed Allocation	Project Name	Professional Services Agreements	Contractor
		Watermain Upgrade: NW 1st St and NW 11th Ave	HSQ GROUP LLC	TBD
		Watermain Upgrade: NE 6 & 7 Ct and Snapper Creek	PREMIERE DESIGN	TBD
		Watermain Upgrade: Atlas W32 Quadrant A&B	NOVA CONSULTING	TBD
		Watermain Upgrade: SW 9th & 5th Ave	SRS ENGINEERING INC	TBD
		Valves and Access Manholes Replacement	CHA CONSULTING	TBD
		Watermain Upgrade: SW 5th, and E Palm Dr	CHEN MOORE	TBD
		Watermain Upgrade: Atlas P16 Quadrant C	300 ENGINEERING	TBD
		Watermain Upgrade: Atlas Q16	ADA ENGINEERING	TBD
		Watermain Upgrade: Atlas V31	CHEN MOORE	TBD
		Watermain Upgrade: Atlas K3 Quadrant C	HSQ GROUP LLC	TBD
		Watermain Upgrade: Atlas F13	PREMIERE DESIGN	TBD
		Watermain Upgrade: Atlas R26	ROSS ENGINEERING INC	TBD
		Watermain Upgrade: Atlas K17	SRS ENGINEERING INC	TBD
		2050 Planning Horizon Integrated Master Plan - Water	HAZEN AND SAWYER	TBD

TOTAL: \$434,744,289

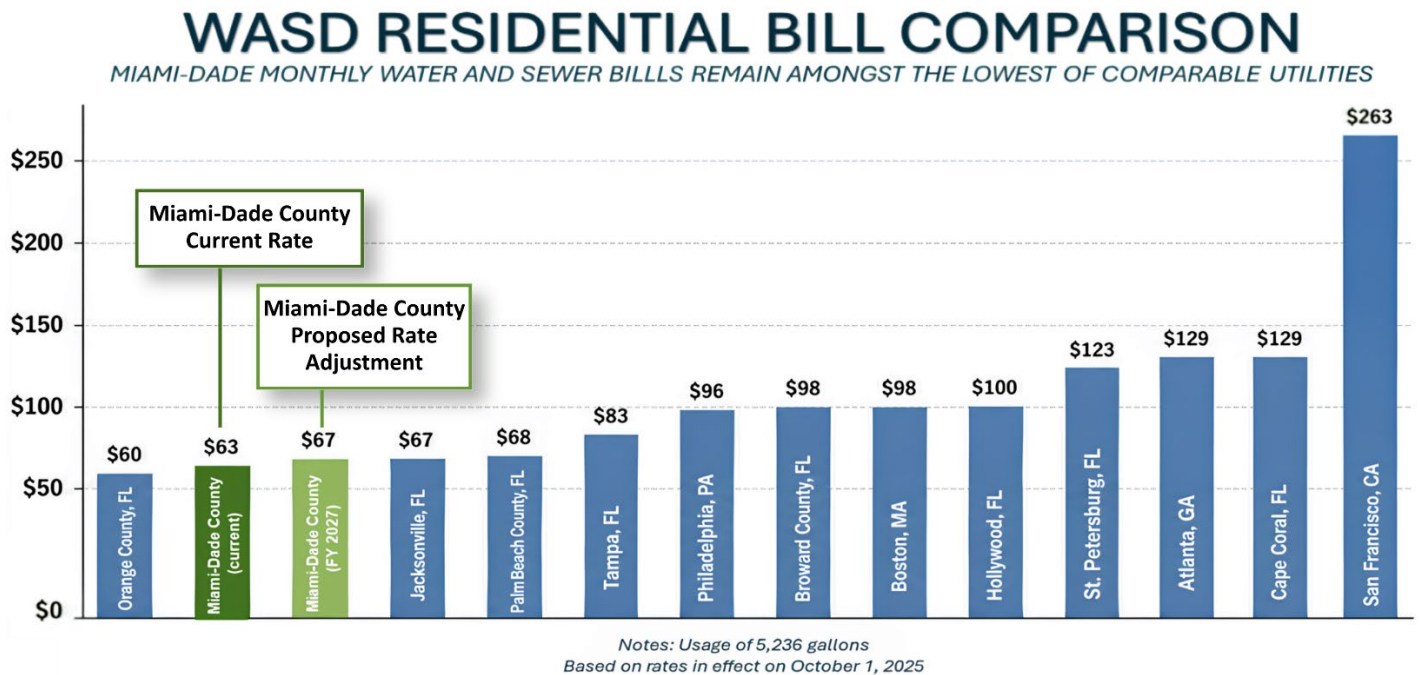
For ongoing multi-year construction projects and professional service agreements, work stoppages could trigger stipulated penalties, contractor claims, delay damages, remobilization costs, and increased project delivery expenses, while also exposing the Department to potential service disruptions, regulatory violations and enforcement actions.

In addition, maintaining flat rates would have serious implications for WASD's financial compliance requirements. Specifically, it would hinder the Department's ability to meet the minimum annual investment thresholds for system renewal and replacement required under the County's 1993 Master Bond Ordinance, as well as the required debt service coverage ratios for the issuance of additional bonds: 1.10 for senior obligations and 1.00 for subordinate obligations. Falling below these thresholds would constitute a violation of bond covenants, requiring disclosure to financial markets and likely resulting in reduced investor confidence. This, in turn, could trigger a credit rating downgrade, increasing borrowing costs, limiting access to favorable financing, and constraining the Department's ability to fund future projects.

The proposed 6% retail rate adjustment, coupled with the aggressive cost-control measures implemented by the Department as part of FY 2025-26, represents a balanced, disciplined, and fiscally responsible approach to sustaining WASD's critical progress while continuing to protect ratepayers and the broader community. Even with the FY 2026-27 adjustment, WASD's rates will remain below the average of major cities and among the most affordable, as shown in Figure 2. In addition, through its WISE305 initiative, the Department continues to invest in advanced leak detection technologies that proactively identify leaks, helping reduce water loss, improve operational efficiency, and maximize the value of every dollar invested by ratepayers.

Moreover, approval of the proposed rate adjustment will support the successful completion of the Consent Decree program, which is necessary not only to satisfy the County's federal compliance obligations, but also to better position the County to advance related regulatory reforms. **Because the existing Fats, Oils, and Grease (FOG) Ordinance was adopted pursuant to the Consent Decree following federal and state regulatory review, delays in completing the program could further constrain the County's ability to implement more efficient, locally tailored FOG Ordinance amendments requested by the Board.** The Administration remains firmly committed to prudent fiscal stewardship and will continue to aggressively pursue operational efficiencies, cost-containment strategies, and revenue optimization initiatives to minimize impacts to ratepayers while strengthening the utility's long-term financial stability.

Figure 2: WASD Rates Compared to Comparable Utilities



If additional information is needed, please contact Deputy Mayor Roy Coley at Roy.Coley@miamidade.gov.

- c: Geri Bonzon-Keenan, County Attorney
Jess McCarty, First Assistant County Attorney
Office of the Mayor Senior Staff
Jay Fink, Director, Water and Sewer Department
Yinka Majekodunmi, Commission Auditor
Christina Cicilia, Director, Office of Policy and Budgetary Affairs
Basia Pruna, Director, Clerk of the Board
Eugene Love, Agenda Coordinator

Memorandum



Date:

To: Honorable Chairman Anthony Rodriguez
Board of County Commissioners

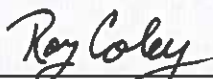
From: Jay J. Fink, P.E.
Director, Water and Sewer Department

Subject: Request to Process Late Departmental Agenda Report

I am respectfully requesting that the below report be processed, pursuant to Rule 5.05b1, for agenda placement on the July 21 BCC:

Report Regarding a Proposed 6% Water and Wastewater Retail Rate Adjustment for the Miami-Dade Water and Sewer Department, Effective October 1, 2026

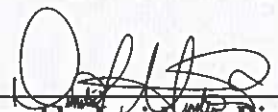
Although this report has not met the deadline noticed and has been provided to the Agenda Coordination Office late, timely consideration of this report is critical. Delays in Board consideration would reduce the Department's ability to provide timely notice to contractors, consultants, and other project stakeholders regarding potential funding impacts, suspension of work, or changes to project schedules, thereby increasing the risk of contractual disputes, project inefficiencies, and additional costs. Absent discussion of the proposed 6% rate adjustment, the Department would be forced to immediately suspend critical projects currently programmed for funding for FY 2026-27. Delaying action now will not eliminate the need for additional revenue; rather, it will mandate steeper, more burdensome rate increases in the future. Therefore, please process the report notwithstanding that the 3-day or 4-day rule may be applicable to it. I am aware that this report is subject to approval for placement on the agenda by the BCC Chairman.



Approved by Mayor or Mayor's Designee

Roy Coley

Print Name



Approved by Legislative Director or Designee

Demetria Henderson

Print Name

c: Geri Bonzon-Keenan, County Attorney
CAOagenda@miamidade.gov
Eugene Love, Agenda Coordinator