



## MIAMI-DADE WATER AND SEWER DEPARTMENT

A DEPARTMENT OF MIAMI-DADE COUNTY, FL

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022







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

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**PREPARED BY: CONTROLLER DIVISION AND PUBLIC AFFAIRS SECTION**

### **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.



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**Miami-Dade Water and Sewer Department**  
A DEPARTMENT OF MIAMI-DADE COUNTY, FL  
**Annual Comprehensive Financial Report**  
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2022  
PREPARED BY: CONTROLLER DIVISION AND PUBLIC AFFAIRS SECTION

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# MIAMI-DADE COUNTY

**Daniella Levine Cava**

*Mayor*



## BOARD OF COUNTY COMMISSIONERS

**José “Pepe” Díaz**

*Chairman*

**Oliver G. Gilbert, III**

*Vice Chairman*

**Oliver G. Gilbert, III**

*District 1*

**Danielle Cohen Higgins**

*District 8*

**Jean Monestime**

*District 2*

**Kionne L. McGhee**

*District 9*

**Keon Hardemon**

*District 3*

**Javier D. Souto**

*District 10*

**Sally A. Heyman**

*District 4*

**Joe A. Martinez**

*District 11*

**Eileen Higgins**

*District 5*

**José “Pepe” Díaz**

*District 12*

**Rebeca Sosa**

*District 6*

**René García**

*District 13*

**Raquel A. Regalado**

*District 7*

**Luis G. Montaldo**

*Clerk Ad Interim of the Circuit and County Courts*

**Pedro J. Garcia**

*Property Appraiser*

**Geri Bonzon-Keenan**

*County Attorney*



April 24, 2023

Honorable Daniella Levine Cava, Mayor  
Honorable Jose P. Diaz, Chairman and Members of the Board of County Commissioners  
Honorable Luis G. Montaldo, Clerk Ad Interim of the Circuit and County Courts  
Pedro J. Garcia, Property Appraiser  
Geri Bonzon-Keenan, County Attorney  
Miami-Dade County, Florida

Ladies and Gentlemen:

We are pleased to present the Annual Comprehensive Financial Report of the Miami-Dade Water and Sewer Department (the Department, a.k.a. WASD) for the fiscal year ended September 30, 2022 (FY 2022). This report presents a full set of financial statements prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as promulgated by the Governmental Accounting Standards Board (GASB) and audited by a firm of independent certified public accountants retained by the Department.

Management has established a comprehensive framework of internal controls to provide a reasonable basis for asserting the financial statements are fairly presented. The objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of any material misstatement and therefore the cost of a control is considered to ensure it does not exceed the benefits to be derived. While the independent auditor has expressed an opinion on the financial statements contained in this report, management is responsible, in all material respects, for both the completeness and reliability of the information contained in this report. For the fiscal year ended September 30, 2022, the Department received an unmodified opinion from its independent auditors.

This report may be accessed via the Internet at [http://www.miami-dade.gov/wasd/reports\\_financial.asp](http://www.miami-dade.gov/wasd/reports_financial.asp). The financial statements comprise the Management's Discussion and Analysis (MD&A), financial statements, notes to the financial statements, and Required Supplementary Information (RSI). Immediately following the independent auditors' report is the MD&A, which provides a narrative introduction, detail overview and analysis of the Department's financial activities for FY 2022. The MD&A complements this Letter of Transmittal and should be read in conjunction with it.



## PROFILE OF GOVERNMENT

In December 1972, the Board of County Commissioners (Board) of Miami-Dade County, Florida (County) created the Miami-Dade Water and Sewer Authority (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 Miami-Dade Water and Sewer Department is the largest water and sewer utility in the southeastern United States, serving more than 2.3 million people every day.

The Department’s water system, considered the largest water utility in the Southeast United States, serving approximately 459,962 retail customers and 15 municipal wholesale customers within Miami-Dade 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 (WTP), the shared Hialeah reverse osmosis water treatment plant, and five small auxiliary treatment facilities that service the southernmost area of the County. The three regional plants are John E. Preston, Hialeah and Alexander Orr, Jr. water treatment plants. The total combined capacity of the three regional WTPs is 439 MGD (million gallons per day). There are fourteen wellfields comprised of 95 production wells, 10 Floridian Aquifer wells and five aquifer storage and recovery wells. These wells supply untreated water to the treatment plants.

Water distribution throughout the 400 square miles service area is performed via seven remote finished water storage and pumping facilities and more than 8,574 miles of water mains ranging in size from 2 inches to 72 inches in diameter.

The wastewater system serves approximately 375,345 retail customers and 13 wholesale customers, consisting of 12 municipal customers and the Homestead Air Reserve Base. It consists of three regional wastewater treatment plants (WWTP), over 1,000 sewage pump stations and nearly 6,400 miles of collection and transmission pipelines, manholes, lift stations and force mains. The service area of the system covers approximately 375 square miles. The three WWTPs are the South District, Central District and North District WWTPs. 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. 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 because of the discharge of effluent from the North District Plant and the Central District Plant into the Atlantic Ocean. The State revised this policy when, during 2008, legislation was passed mandating a phase out of ocean outfall discharges.

The South District Wastewater Treatment 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 112.5 million gallons per day (MGD) plant expansion project. In FY 2014, the Department finalized operational permit for all the South District’s 17 injection wells, which are now fully operational.

The Department continues to plan, and design reclaimed water facilities. Currently, in FY 2022 the Department reused 13 MGD of treated wastewater. Additional capacity for production of reclaimed water currently is available at the South District Wastewater Treatment Plant, with 97.66 MGD of public access reuse quality water produced in FY 2022. The Department is committed to distributing as much reclaimed water for aquifer recharge, irrigation, power plant cooling and potentially coastal wetlands rehydration as technically, environmentally, and economically feasible.



## ECONOMIC CONDITION AND OUTLOOK

This report, Economic Conditions and Outlook, reviews the level of economic activity throughout FY 2022 and forecasts the area's economic outlook for next fiscal year.

One year ago, in the year-end outlook for the local economy, it was anticipated that the rebound in economic activity that occurred in FY 2021 from the depressed levels of the prior fiscal year would continue into FY 2022, although at a slower pace because the trend of quarter-after-quarter improvement would not continue throughout FY 2022 as fiscal stimulus was likely to fade due to gridlock in congress and monetary policy expected to become tighter due to fears of protracted inflation.

Prospects for growth of the United States' economy were thought to reach 4.0 percent in calendar year 2022, after growth of 5.7 percent in calendar year 2021, according to the International Monetary Fund (IMF), and by a slightly lesser degree according to the Organization for Economic Co-operation and Development (OECD) and the Congressional Budget Office.

Economic activity in Latin America, after experiencing a 6.8 percent increase in 2021, was expected to expand by 2.4 percent in 2022. The faster expansion in the US economy relative to Latin America was likely to result in an increase in imports relative to exports that could contribute to an expansion of the trade deficit flowing through Miami-Dade ports.

Real estate and construction activity in FY 2022 were expected to remain robust with possible moderation towards the end of the Fiscal Year as financial conditions were seen to start to tighten due to changes in monetary policy.

Tourism indicators were expected to continue to improve across the board, with visitors, airline passengers and hotel occupancy gaining from their FY 2021 levels and with cruise ship passenger numbers increasing substantially from the lows of FY 2020 and 2021.

Miami-Dade's employment was expected to expand as economic activity returned to a less disrupted phase, with employment rebounding strongest in sectors hardest hit by the pandemic such as leisure and hospitality.

As was stated in last year's assessment, Miami-Dade's economy appeared poised for continued growth in FY 2022. The strong growth momentum of FY 2021 to FY 2022 would fuel the continued growth. And while loss of fiscal stimulus and tightening of monetary policy would work on the opposite direction, the effects were more likely to show up in FY 2023. Finally, just like the open question for FY 2020 was the severity of the ongoing pandemic, the open question for FY 2022 was the level to which the conflict between Russia and Ukraine would impact the global economy.

This forecast of FY 2022 turned out to be a fair assessment of the year to come, with the level of tourism activity exceeding expectations.

The national economy in FY 2022, continued to perform strongly after the rebound in economic activity of FY 2021. Real gross domestic product (GDP) increased at an annual rate of 3.3 percent, a strong showing, although a deceleration from the 4.1 percent of the prior year. The deceleration in economic growth was brought about by a slower growth in personal consumption, that decelerated from 6.1 percent in FY 2021 to 4 percent in FY 2022 combined with a contraction of the government component of spending, that went from growing by 0.7 percent in FY 2021 to contracting by 0.7 percent in FY 2022. Inflation pressures continued in FY 2022, and while the Federal Reserve started increasing its key interest rate in the middle of the fiscal year, inflation for the fiscal year ended higher than in the prior year and the highest in 40 years at 7.9 percent. This increase in the level of inflation was accompanied by a drop in the headline unemployment rate of 220 basis points to 3.8 percent.

At the county level, FY 2022 saw its unemployment rate decrease, as employment rose. The residential real estate market moderated after a red-hot FY 2021.

Overshooting on the upside and giving credence to all the pandemic-era talk of pent-up demand, tourists flocked to Miami in record numbers, with the statistics for number of visitors, hotel rooms sold, average hotel room rates, airport passengers and tourism taxable sales, all shooting up to levels not seen before. It fair to say that, as FY 2021 displayed a red-hot real estate market, FY 2022 displayed a red-hot tourism market.

What follows is an overview of the economic conditions that prevailed in the county throughout the past year and a brief discussion about the trends associated with the area's key economic drivers.

## **EMPLOYMENT**

During FY 2022, nonagricultural wage and salary employment (annual average) recorded an overall gain of approximately 78,700 jobs. This increase of 6.8 percent left total employment at 1,237,900 according to non-seasonally adjusted data from the Bureau of Labor Statistics. This gain in employment represented a reversal from the prior year when there was a decline of 0.2 percent. This employment gain resulted in a decrease of the unemployment rate. The average annual unemployment rate for the year was down to 2.7 percent, compared to 6.3 percent a year earlier. Breaking down FY 2022 by quarters reveals that the unemployment rate steadily declined over the fiscal year, starting at 3.4 percent in the first quarter and finishing at 2.2 percent in the fourth fiscal quarter.

After deep losses in employment in almost all sectors in FY 2020 and FY 2021 all sectors recorded gains in FY 2022, with the exception of government employment. Leisure and hospitality, the sector that shed the most jobs in FY 2020 and FY 2021, with a cumulative decline of 20 percent or just over 29,000 jobs, gained 19.3 percent or 22,400 jobs in FY 2022. The second sector in terms of job gains was professional and business services with an increase of 8.2 percent or 14,900 jobs, followed by education and health services with an increase of 4.4 percent or 8,400 jobs. Rounding out the top 5 industries by job gains are: wholesale trade with a gain of 6,500 jobs or 9 percent; and retail trade with a gain of 4,800 jobs or 3.5 percent.

The only sector that did not add jobs in FY 2022 was government, with a loss of 1,100 jobs or 0.8 percent.

## **REAL ESTATE MARKET**

Traditionally, the real estate sector in Miami-Dade County is viewed as one of the most important measures of the County's economic health. After a FY 2021 aided by record low mortgage rates, increases in work from home policies, government stimulus and increased inflation expectations that resulted in a red-hot housing market, FY 2022 displayed signs of a moderating real estate market.

The moderating housing market in FY 2022 can be seen in fewer single-family home and condominium sales as well as in a slowing of the increase in single family home sales price.

During FY 2022 sales of existing single-family homes decreased 14 percent from the prior year, from 15,872 to 13,589 homes sold. Sales of condominiums decreased by a smaller margin, down 2 percent over the prior year to 21,833 units sold. Cash sales accounted for just over half of all condo sales in FY 2022, up from a 46 percent share in FY 2021. Much of this slow-down can be tied to rapidly rising interest rates which nearly doubled over 2022, from 3.6% to 6.4%, according to FreddieMac.

In terms of valuation, housing-price appreciation continued in FY 2022. The median sales price for single family homes rose by 13 percent in FY 2022 after an increase of 24 percent in FY 2021. The median sales price for existing condominiums rose by 23 percent in FY 2022, outpacing the gain of 20 percent in FY 2021.

Roughly midway through FY 2020, the United States Federal Housing Authority announced a foreclosure and eviction moratorium on qualifying residential properties that lasted throughout FY 2021. As a result, data from the county clerk shows new foreclosure filings plummeted from 5,445 new filings in FY 2019 to just under 3,000 in FY 2020. In FY 2021, with the moratorium still in place, and helped by the strong housing



market, new filings dropped even further to 1,933. In FY 2022, with the federal foreclosure moratorium no longer in place, new foreclosure filings increased once again to 2,882.

In terms of new residential construction, following a 25 percent increase for residential units permitted in FY 2021, FY 2022 saw the number of units permitted increase by an additional 14 percent to 13,751.

The commercial/industrial components of the real estate market remained mostly stable in FY 2022, with a pattern of lower vacancy rates and slight increases in rent prices. Office vacancy decreased from 9.9 to 9.6 percent, with the average rental rate per square foot increasing by 2.4 percent. The retail vacancy rate decreased from close to 4 to 3.3 percent. Average lease rates for retail in shopping centers fell by 4.4 percent to \$32.88 per square foot while average lease rates for stand-alone retail remained unchanged. The industrial market saw vacancy rates drop from 3.7 percent in FY 2021 to 2.6 percent in FY 2022. Average lease rates for industrial space increased by 2.3 percent to \$11.85 per square foot.

## SALES INDICATORS

Taxable sales in Miami-Dade County, after reaching their highest level to date in FY 2021, continued to grow strongly in FY 2022. After a 13.8 percent contraction in FY 2020 and a 20.7 percent rebound in FY 2021, taxable sales increased by an inflation adjusted 12.3 percent in FY 2022 to its highest level on record, just north of \$74 billion.

All categories saw an increase in FY 2022, with the strongest showing displayed by tourism with an increase of \$3.8 billion or 26.8 percent, followed by business (+\$1.44 billion, +10.2%) and automobiles (+\$1.35 billion, +12.2%). The strong showing of taxable sales was reflected in the Index of Retail Activity which increased by 50 points in FY 2022 to reach 245, the highest level on record.

## INTERNATIONAL TRADE AND COMMERCE

International trade and commerce is a key component of Miami-Dade's economy. Trade measured by value passing through Miami-Dade County rose 22.8 percent to \$105.8 billion (2022 inflation adjusted dollars) since the Covid-19 pandemic first erupted in 2020. While inflation rose, consumer demand remained strong over the year with merchandise trade increasing 5.2 percent in FY 2022, from \$100.5 billion in FY 2021.

In contrast to the recurring merchandise trade deficits that the United States maintains year after year, Miami-Dade ports traditionally export more than they import, resulting in a trade surplus over the years.

The county trade exports increased 7.7 percent, while import increased 2.6 percent over FY 2021. Most of the Miami-Dade export markets are in South America, Central America, and the Caribbean, and together with Europe, account for more than 88% of total trade. Most of all U.S. imported perishables from South America and Central America and the Caribbean continue to pass through the Miami-Dade ports.

Two of Miami-Dade County's barometers of trade activity are the freight tonnage moving through Miami International Airport (MIA) and PortMiami. At the former, overall air freight tonnage increased 8 percent in FY 2022 after increasing 14.1 percent the preceding year. At PortMiami, cargo tonnage figures were up by 0.1 percent after decreasing 5.1 percent in the prior fiscal year. PortMiami accounts for nearly 85 percent of total county trade measured by weight.

## TOURISM

In FY 2019 the state of Florida played host to the highest number of overnight visitors ever, at 130 million. Then, COVID-19 slammed the breaks on travel and tourism and brought that number down to just over 97 million overnight visitors in FY 2020. FY 2021 saw a rebound in overnight visitors to 110 million. And FY 2022 surpassed all other years with 136.9 million overnight visitors.

In tandem with the rest of the state, visitors to the Miami area dropped sharply in FY 2020, to 9.1 million overnight visitors, rebounded in FY 2021 to 13.3 million overnight visitors, and exceeded all records in FY 2022 with over 20.5 million overnight visitors, well above the 16.2 million registered in pre-pandemic FY

2019. The number of international visitors returned to pre-pandemic levels, while domestic visitors surpassed an already high 7.3 million in FY 2021 by more than 4 million to reach a record 11.6 million in FY 2022.

Consistent with the trend in overnight visitors, MIA passenger levels stood at 49.7 million in FY 2022, representing an annual increase of 53 percent, after increasing 36 percent in the prior year. Even harder hit by the pandemic than the overall tourism sector was the cruise industry. Subject to a complete regulatory shutdown, there were no cruise passenger counts during the last quarter of FY 2020 nor the first three quarters of FY 2021, with a partial reopening in the last quarter, cruise passenger counts closed at 250 thousand for FY 2021, just a fraction of the pre-pandemic level of over 6 million passengers. FY 2022 marked the start of the comeback for the cruise industry in port Miami, with passenger counts increasing throughout the year, reaching 4 million passengers for the whole Fiscal Year.

The increase in overnight visitors, was reflected in an increase in the hotel occupancy rate from 61.5 percent in FY 2021 to 69.2 percent in FY 2022. This increase in the occupancy rate was coupled with an increase in the average room rate from 200 dollars in FY 2021 to 251 dollars in FY 2022.

## **FUTURE OUTLOOK**

While FY 2020 saw the beginning of the pandemic with its related heighten level of uncertainty and the most stringent lock downs, FY 2021 benefited from a greater knowledge of the virus as well as from the approval and distribution of vaccines and a loosening of restrictions. And FY 2022 saw a return to a more normal phase with the pandemic playing a much-reduced role as the year advanced.

FY 2023 will see a reduced impact from the pandemic from the start, just as the sights of masked faces in the streets becomes far and few between, the signs of pandemic impacts on the economy will be hard to find.

Because of its location and economic trade and tourism ties, Miami-Dade's economy is influenced by developments in both the broader US and Latin American and Caribbean economies.

On the domestic front, the overall United States economy is expected to continue growing albeit at a slower pace. After a strong showing in FY 2021, and a moderating pace in FY 2022, it is expected that the U.S. growth will continue to moderate in FY 2023.

All major institutional forecasts of the United States' economy at the time of this writing predict a calendar year 2023 at or near a recession. With Fannie May and S&P Global projecting a contraction of 0.6 and 0.1 percent of GDP respectively, and the International Monetary Fund (IMF), and the Organization for Economic Co-operation and Development (OECD) forecasting a slow growth of 1 and 0.5 percent respectively. The Congressional Budget Office forecasts a GDP growth range of – 2 to + 1.8 percent. While our assessment would be on the higher end of the aforementioned forecasts, both a sharp decline as well as a sharp increase in GDP is unlikely.

Economic activity in Latin America, after experiencing a 3.5 percent increase in 2022, is expected to expand by 1.7 percent in 2023. The similar rates of expansion in the US and Latin American economies is likely to result in a continuation of the existing trading patterns between the regions reflected in the trade flowing through Miami-Dade ports.

Real estate and construction activity in FY 2023 are expected to continue to soften due to the unprecedented price appreciation of FY 2021 and 2022 as well as the rise in mortgage rates brought about by the Federal Reserve's monetary tightening policy. A significant unknown variable is what will happen on this front, with inflation rates beginning to drop as a result of the Fed's policies, though it is too soon to tell if they are completely under control either nationally or in the South Florida region.

Tourism indicators, after a blockbuster FY 2022, are also expected to continue growing at a much-reduced pace, with visitors, airline passengers and hotel occupancy gaining slightly from their very robust FY 2022 levels and with cruise ship passenger numbers increasing from their FY 2021 levels and possibly surpassing pre pandemic levels.

Employment should continue to expand albeit at a slower pace as workers become harder to find given the low unemployment rate prevalent at the beginning of the fiscal year.

In Conclusion, evaluating all the likely developments in major areas of the economy leads to a forecast that the Miami-Dade economy appears poised for continued growth in FY 2023 at a slower pace. The strong fundamentals inherited from FY 2021 and FY 2022 will fuel the continued growth despite the headwinds from the loss of fiscal stimulus and tightening of monetary policy during FY 2023.

## **Water System**

### **Water Reset**

The Water Reset Program was developed by the Miami-Dade Water and Sewer Department to address existing and emerging needs within the water treatment facilities and the water distribution system. The program includes a comprehensive prioritization of previous condition assessment reports, the American Water Infrastructure Act (AWIA) Risk and Resilience Assessment (RRA), and other critical projects that address aging infrastructure, redundancy, future regulations, capacity, and modernization.

To prioritize and implement these improvements, the department developed criteria to establish a capital plan prioritization. These criteria include:

- Life, Health, and Safety
- Legal and Current Regulatory Compliance
- Future Regulatory Compliance
- Essential Improvements
- Strategic Alignment
- Infrastructure Risk Management and Resilience
- Financial and Operational Benefits
- Shovel Ready Status

The water reset program is comprised of approximately 100 projects that include generator replacements to ensure continued reliability during severe weather events, filter overhauls to address aging infrastructure and capacity constraints, redundant raw water transmission mains to fortify system reliability, and lead and copper assessments that ensure safe drinking water.

The program endeavors to address future needs by accounting for forthcoming regulatory compliance and modernization projects. These projects include the evaluation of the effects of Polyfluorinated Substances (PFAS) on the department's wells, automating the controls at the treatment facilities, and implementing Advanced Metering Infrastructure (AMI) across all retail and volume accounts.

### **Water-Use Efficiency Plan**

The Water Use Efficiency Plan (Plan) is in its first year of implementation under the most recent Water Use Permit (WUP) modification issued in 2022 by the South Florida Water Management District (SFWMD) and approved by the Miami Dade County (County) Board of County Commissioners. The Plan has been in effect since 2007 when it was initiated by the previous 20-year WUP. The Plan consists of both indoor and outdoor water conservation Best Management Practices (BMPs) that are measured through a quantifiable process affording accountability of water saved through the Plan. Indoor BMPs include rebates for installing high-efficiency fixtures including toilets, faucets, and showerheads in properties located throughout the County. Outdoor BMPs include rebates for retrofits and upgrades to irrigation systems for properties also located throughout the County. Non-BMP measures in the Plan include the adoption of a permanent two day per

week landscape irrigation rule, mandating the installation of water-efficient fixtures in new construction, promoting the use of Florida Friendly landscape principles, educational outreach campaigns to residents and businesses, and utility water loss reduction efforts. These initiatives have reduced finished water demand by 15 MGD as of December 31, 2021, compared to finished water demands in 2006, the year prior to Plan implementation. The County's conservation efforts have also reduced residents' average per capita water use rate used in calculating the annual allocation of water provided in the WUP. This outcome allowed the deferral of constructing expensive alternative water supply projects to meet future water needs, confirming that water conservation is a least expensive form of alternative water supply.

The overall Plan's objective is to improve water use efficiency, reduce loss and waste, and comply with Florida's legislative criteria and water conservation initiatives.

The following are a list of current indoor and outdoor BMPs implemented by Miami Dade County:

- High-efficiency fixture rebates including toilets, faucets, and showerheads for single-family and multi-family properties
- Senior and low income high-efficiency toilet rebates
- High-efficiency rebates for commercial and lodging facilities
- Free high-efficiency showerhead exchange program for single-family and multi-family properties
- Free high-efficiency showerhead exchange program for lodging facilities
- Landscape irrigation evaluation rebates for residential and commercial properties
- Landscape ordinances requiring the use of Florida Friendly principles
- Implementation of a county-wide permanent two day a week landscape irrigation ordinance
- Tiered rate structure that charges more for increased water use
- Construction standards effective January 1, 2009, that codify high efficiency plumbing fixtures in new residential, industrial, commercial, and institutional properties
- Comprehensive outreach campaigns to county residents, including in-school education efforts to promote water conservation
- Continuation of a leak detection survey and repair of the entire water distribution system on an annual basis.

At the request of the SFWMD, the County is in the process of approving changes to its permanent landscape irrigation ordinance incorporating all SFWMD's rule elements that were not included in the initial ordinance or had been formulated since that time.

### **Small Watermain Replacement Program**

The Miami-Dade Water Distribution system is divided into square mile areas, with each one corresponding to an atlas sheet within the water distribution network map. There are 455 atlas sheets that comprise the water distribution system. To proactively upgrade aging infrastructure, the department has developed the Small Watermain Replacement Program (SWRP) to comprehensively upgrade the water distribution system in each square mile area. The program prioritizes replacements using parameters such as pipe diameter, age, and location of existing water mains.

Each project consists of the programmatic replacement of undersized water mains, rehabilitation, or replacement of water mains with excessive leakage, and the replacement of water mains located in rear easements of private properties with water mains located on the frontage street. The program also includes rear to front service line conversions for properties where the water main was removed from a backyard easement. The SWRP improves water quality concerns and addresses critical fire protection issues in these areas.

To date, the department has completed two square mile areas – Shenandoah Phase A & B and Leisure City. During Fiscal Year 2022, eight more square mile projects began design. These include atlas sheets W32, P16, Q16, V31, K3, F13, R26, K17.



## **Water Reuse**

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 for certain types of use. 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. The Department also signed an agreement with Florida Power and Light (FPL) to provide up to 15 million gallons per day (mgd) of treated effluent from the South District Wastewater Treatment Plant, which will be further treated at an Advanced Reclaimed Water Plant to be built by FPL to convert it into process water and used for cooling towers at the Turkey Point complex. The Advanced Reclaimed Water Plant also known as the FPL Miami-Dade Clean Water Recovery Center is expected to be operational in 2025. The Department also continues to evaluate opportunities for cost-effective use of reclaimed water that can reduce demands for potable water and meet the need for additional water for restoration and enhancement of the environment, cooling water, scrubber water, irrigate certain landscaping, and serve industrial water demands for electrical production and air conditioning. Additional opportunities are being explored.

## **Water and Wastewater Transmission System Computer Models**

The Department maintains Water and Wastewater Transmission System Computer Models, which 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 models are also used for the identification of long-range improvements to transmission system facilities, including pumping stations and pipelines as part of Water, Wastewater, and Reuse Water Integrated planning. WASD's Planning Division develops forecasts for water and sewer demands to ensure that all future needs can be met.

## **Wastewater System**

### **Consent Decree Program**

The County negotiated a Consent Decree with the United States Environmental Protection Agency (EPA) and the Florida Department of Environmental Protection (FDEP), which was lodged with the US District Court on June 6, 2013, and entered on April 9, 2014. This Consent Decree is designed to build on the successes achieved by the Department under previous Consent Decree programs. The overarching goal of the Consent Decree is to reduce sanitary sewer overflows and to meet effluent limit requirements of the Clean Water Act from the County's wastewater system.

The Consent Decree requires the Department to upgrade its collection, transmission, and treatment facilities by completing 81 capital improvement projects throughout the wastewater system. It also requires the County to implement Capacity, Management, Operations and Maintenance (CMOM) Programs for the continued improvement of its systems and to eliminate, reduce, prevent, or otherwise control sanitary sewer overflows (SSOs).

As of September 30, 2022, the County's Consent Decree Program has completed fifty-one (51) of its capital improvement projects with an approximate total cost of \$802 million. Twenty-one (21) projects with a cost of \$986 million are in the construction phase, and four (4) projects with a cost of \$204 million are in the pre-construction phases of planning and procurement.

During FY 2022 the Consent Decree Program completed an additional 5 projects, met the projected total program fiscal expenditures of \$180 million, and reached a total expenditure of \$1.448 billion since inception.

Regarding the CMOM Program, the County developed ten (10) Capacity, Management, Operations and Maintenance Plans with the objective of incorporating standard operation and maintenance activities with a new set of information management requirements. All these plans have been approved by EPA/FDEP. In

addition, the County remains in compliance with five additional plans that are a continuation from previous Consent Decrees.

Implementation of the Consent Decree is underway, and the County remains fully committed in completing the mandated Consent Decree Capital Improvement Projects by 2028.

## **Ocean Outfall Legislation Program (OOL)**

In 2008, the Florida Legislature approved, and the Governor signed a law requiring all wastewater utilities in southeast Florida utilizing ocean outfalls (OOL) for disposal of treated wastewater to reduce nutrient discharges by implementing advanced wastewater treatment by 2018 or equivalent, cease using the outfalls by 2025 and reuse 60 percent of the wastewater flows by 2025. In 2013, the statute was amended to provide greater flexibility to meet reuse requirements and to allow use of the ocean outfalls for peak flows management, not to exceed 5 percent of the annual baseline flows. Because of this law, the Department has analyzed several compliance options. Each option includes additional projected capacity to meet future average daily and peak flow demands. After considering several options, the Department's recommended option includes upgrades to both the Central and North District wastewater treatment plants (WWTP). The upgrades will include the addition of deep injection wells at the Central and North District Wastewater Treatment Plants (WWTP) to eliminate the normal use of the ocean outfalls for disposal of treated wastewater. These upgrades include 14 projects, of which 2 are completed, 3 are under construction, and 9 are in design/permitting.

As part of the Department's normal planning activities, Water and Sewer conducted a thorough re-evaluation of its 2035 projections, including average daily flows, peak hour flows (PHF), and influent solid loadings. Through the Department's continued water conservation efforts, combined with its Inflow and Infiltration Program, wastewater flows have remained relatively flat for the past fifteen years, reducing the current and future need for system capacity. The updated projections have pushed the need for a new plant beyond the initial 2025 target. Therefore, the addition of a proposed West District WWTP, which was part of the Department's 2013 Ocean Outfall Legislation Compliance Plan, will not be needed to comply with the legislation, nor will it be needed by 2025 as originally planned, for capacity purposes. Nevertheless, the facility is still included within the 20-year planning horizon.

The Department selected to implement the equivalent to that which would have been achieved by Advanced Wastewater Technology (AWT) if the requirements were fully implemented beginning December 31, 2018 and continued through December 31, 2025. This is being accomplished by reducing the nutrients (total nitrogen and total phosphorus) being disposed of through the ocean outfall and maximizing the quantity of flow being sent to the existing wells. Since 2008, the Department has been using the existing deep injection wells at the North District WWTP to reduce flow going out to the outfall. In addition, the Department has completed construction of two (2) industrial deep injection wells at the Central District WWTP, which will reduce nutrient loading by removing the waste stream from the centrate process, the gas scrubbers, and the treated effluent from the ocean outfall discharge. The industrial deep injection wells are in operational testing as of November 2019. These wells will enable the Department to divert approximately 30 million gallons per day (MGD) of treated wastewater from Central's ocean outfall.

The Department continues to look at reuse options that are economically, environmentally, and technically feasible to meet forecasted water supply needs. Current collaboration with FPL has led to an opportunity to reuse water for cooling towers and also a promising idea to freshen the canals at the Turkey Point Nuclear Power Plant.

## **South District Plant Expansion Program**

The South District Wastewater Treatment Plant (SDWWTP) is one of three regional wastewater treatment facilities operated by WASD and serves the southern portion of Miami-Dade County. Since the SDWWTP's service area continues to increase in population due to growth and redevelopment, the Department has prioritized expanding the Plant's capacity to address future projected needs of the community.

The Department has identified eight (8) critical infrastructure projects necessary to increase the permitted capacity of SDWWTP from 112.5 to 131 MGD and increase the peak flow capacity of the Plant from 285 to 305 MGD. Currently, two (2) of the eight (8) projects have been completed with the remaining six (6) projects are under construction. These projects include: the construction of a state-of-the-art electrical distribution building #3, a new Headworks 3 building, new Oxygenation Trains 9 & 10, new electrical substation 57 & 58, new clarifier #12, and various other ancillary treatment process improvements critical to expanding the Plant's capacity. The total capital investment in construction for the South District Plant Expansion Program is approximately \$531 million. The wastewater conveyance system to the three wastewater plants is interconnected so the flow can be directed between wastewater treatment plants to allow for operational flexibility, therefore these expansion projects are part of a regional solution for the wastewater treatment system of the County to meet future flows and loads. These projects will also result in a more robust and resilient facility designed to meet WASD's facility hardening criteria which allow for the continuous operation of the wastewater treatment system during severe climatological events, which are frequent in the South Florida area.

## **Connect 2 Protect Program**

Miami-Dade County's Connect 2 Protect is a multi-year, countywide program that provides sanitary sewer service to residents with septic tank systems. Approximately 9,000 septic systems are vulnerable to compromise or failure under current groundwater conditions. As sea-level rise increases, this number will grow to approximately 13,500 by 2040. Compromised and failing septic systems can cause negative impacts on private properties, pose public health risks, and have negative impacts on our natural resources including Biscayne Bay.

The Little River community is one of the first areas for Connect 2 Protect implementation based on its designation as an Adaptation Action Area, a designation that focuses on those communities most vulnerable to sea-level rise and flooding. Much of the Little River area is low-lying and prone to flooding. Residents report that septic tank systems are failing during heavy rain and high tide events, which has resulted in sewage backing up into homes and the ponding of floodwater on lawns and roadways. In addition to the Little River project, WASD is currently working on the design of laterals for 2,000 parcels across the County that are designated as vulnerable.

## **The Pump Station Improvement Program (PSIP)**

The Water and Sewer Department has completed the Pump Station Improvement Program, which was created in 2014 and fully transitioned the assessment and management of the design and construction of pump station rehabilitation and upgrade projects to be performed by in-house staff and transitioned to the creation of the Pump Station Rehabilitation and Resilience Program. This shift has yielded cost savings and time efficiencies, as well as a proactive approach to addressing deficiencies in operations, exceedance in pump runtime and vulnerability in the system due to climate change and aging infrastructure.

## **The Pump Station Rehabilitation Program**

Miami-Dade Water and Sewer has embarked in a Pump Station Rehabilitation Program (PSRP) to address renewal and replacement, capacity, and climate related needs proactively and programmatically across its more than 1,000 sanitary sewer pump stations.

As part of the program, the department is performing on-site field assessment of the mechanical, electrical, instrumentation, and structural components of all sanitary sewer pump station. These assessments, along with capacity and regulatory needs, will direct project prioritization within the PSRP.

During Fiscal Year 2022 there were a combined 44 pump station projects under development, two of which were completed. These projects included rehabilitation projects to update aging infrastructure, upgrades to address capacity needs, and relocation projects to site the pump stations to locations better suited for its use, operation, and maintenance. Included in the 44 projects, are climate resilience improvements that

elevate critical components above the base flood elevation or ensure that the pump station is wet proofed to withstand storm events.

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

WASD established a Flow Reduction Program (FRP) Division to improve the service of the sanitary sewer system by reducing and mitigating adverse impacts resulting from potential inflow/infiltration (I/I) sources. The reduction of I/I flow will allow for enhanced operational performance, the reduction of treatment and pumping costs, and overall effective service delivery. The FRP aims to significantly and cost-effectively reduce average and peak flows in the sewer system. In addition, this reduction of flow into the conveyance system provides an opportunity to reduce the required capacity improvement infrastructure projects, thereby offering additional savings to the Department and ratepayers. The objective of the FRP is to develop a cost-effective solution that reduces I/I while prioritizing repairs and quantifying savings.

The Department continues to perform sanitary sewer evaluation surveys on the approximate 6,500 miles of sewage collection mains and laterals. During Fiscal Year 2022, more than 3,567 repairs were performed to the gravity system. Resulting in 1,060 digital manhole inspections, 2,594,390 lineal feet of gravity sewer mains cleaned and inspected via CCTV, 2,580 total manhole rehabilitations, 493,500 lineal feet of smoke testing, and 134 installed cured-in-place liners in service laterals and mainline segments. These activities help reduce miscellaneous water entering the wastewater collection system through defects in existing pipe systems. This, in turn, reduces the cost associated with wastewater treatment and disposal.

## **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 Consent Decree/Settlement Management (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 SCADA terminals, providing an increased level of efficiency. To-date, all pump stations owned and operated by the Department have SCADA installed.

The Department's three regional water and three regional wastewater treatment plants also have SCADA installed and operational. All water wellfields are monitored and controlled by SCADA, and all 95 production wells have flow meters installed with SCADA monitoring for compliance with SFWMD regulations. Upgrades to the SCADA system are being planned as part of the overall infrastructure upgrades to improve real time management and operational monitoring/control of treatment systems and the distribution and collection systems.

## **Performance Improvement**

The Miami-Dade Water and Sewer Department participates annually in national and state benchmarking surveys including those administered by the American Water Works Association and the Florida Benchmarking Consortium. This process allows for a comparison to other like agencies in the state and across the country through the review of internal key performance indicators.

The business plan is prepared in accordance with the process prescribed by the County's Office of Management and Budget. The plan identifies key issues and priority initiatives, in keeping with the County's Strategic Plan and in furtherance of the Department's mission. Performance measures are developed and aligned with each division's key priorities and associated resources, to allow the Department to meet the defined objectives. The business plan is currently being updated.



## Rate Increase

On September 30, 2021, the Board of County commissioners adopted County Budget Ordinance Number 21-98, effective October 1, 2021, authorizing a 3.68% rate increase to the Department's retail tiered-based structure that will generate revenues to support costs including fiscal requirements related to capital investments. In addition, effective October 1, 2021, the County Budget Ordinance increased the water wholesale rate by \$0.0697 per thousand gallons to \$1.8644 from \$1.7947 and the wastewater wholesale rate by \$0.1770 to \$3.4741 from \$3.2971 per thousand gallons.

## WIFIA Loan

In 2014, the federal Water Infrastructure Finance and Innovation Act (WIFIA) program was established by Congress assist in the financing of the Nation's aging utility infrastructure. It provides low interest loans with flexible terms and up to a 40-year payback period to water and sewer utilities seeking to upgrade or expand their infrastructure.

The adoption of Ordinance 18-7 and subsequently Ordinance 19-09 authorized the County Mayor or County Mayor's designee to enter and execute the related loan agreements. WASD was the first department nationwide to receive four consecutive low interest loans.

| WIFIA Offering Date | Funded Project Summary   | Total Project Costs | WIFIA Loan Amount (49%) | Estimated Interest Expense savings | Estimated Direct Jobs |
|---------------------|--|---------------------|-------------------------|------------------------------------|-----------------------|
| WIFIA 2017          | Wastewater Injection Wells   | \$203.5M            | \$99.7M                 | \$25.6M                            | 95                    |
| WIFIA 2018          | Wastewater Electrical Distribution Buildings                                       | \$665.8M            | \$326.2M                | \$103.8M                           | 266                   |
| WIFIA 2019          | Upgrades: South District Wastewater Treatment Plant and Additional Injection Wells | \$480.0M            | \$235.2M                | \$80.2M                            | 173                   |
| WIFIA 2020          | Upgrades: Central and North District Wastewater treatment Plants                   | \$865.8M            | \$424.2M                | \$88.0M                            | 226                   |

To date, the Department has received a total of \$1.1 billion in WIFIA loans. These loans will help to finance approximately \$2.2 billion worth of projects with the department's multi-billion-dollar CIP, create 760 direct jobs and save ratepayers \$297.6 million in interest for the life of these loans when compared to other financing options.

## Building Better Communities General Obligation Bonds (GOB)

In November 2004, Miami-Dade County voters approved a \$2.9 billion bond program allowing the County to issue long-term bonds to fund numerous neighborhood and regional capital projects. The General Obligation Bonds (GOB) are legally backed by the full faith and credit of the County which has committed future taxes during the next 40 years to repay the bonds. GOBs typically are the least expensive type of debt available to government. Among the GOB funded capital projects are several current and future water and wastewater infrastructure needs.

On June 3, 2014, the Board of County Commissioners adopted Resolution R-537-14, allocating \$126 Million funding for “Extension of Sewer System to Developed Commercial and Industrial Corridors of the County,” aka The Commercial Corridor Project. It is the largest single GOB project under WASD’s management. It encompasses the expansion of the sanitary sewer system to remove commercial septic tank systems. The commercial corridor on Bird Road and the Industrial Park Area are being addressed by two Low Pressure Sewer System projects. Also, Basis of Design Report for ten (10) areas within the commercial corridor began in FY2016. The projects identified from these reports include 35 overall projects that will result in the installation of approximately 225,000 linear feet of new wastewater infrastructure and 11 new pump stations. The Adopted 2022-2023 Fiscal Year GOB budget is \$18.4 million.

## **GROWING WITH INFORMATION TECHNOLOGY**

Technology continues to be at the forefront of WASD operations to improve productivity, including budget and accounting, customer information, geographic information systems, enterprise asset management, system control data, project tracking, schedules, security, billing and metering, and construction initiatives of the utility. The Department continues to be committed to using the latest and best-available information technology to carry out operations and serve the expanding needs of customers. Various new features were introduced in the customer Self-Service application which enhanced the customer experience. Notable improvements include the development of Customer Call-Ins enabling customers to submit reads for submeters and introducing enrollment for Paperless Billing directly from the Self-Service application. The Department has sought to develop and manage computer software that will significantly raise efficiency levels and continues to collaborate with the Information Technology Department (ITD) to enhance asset management with the implementation of mobile mapping solutions. The driving force in all initiatives is to meet WASD’s operational goals while creating efficiencies with innovative technologies that position the Department in alignment with the Smart-City vision of the County.

ITD, working closely with WASD Business Units, other County Departments and various specialized vendors, continues to introduce innovative solutions and technologies that extend the department’s capabilities by improving productivity, efficiency, and enabling better data analysis to improve decision-making; foster continued improvements by enhancing data and systems access through mobile and cloud solutions; proactively manage infrastructure; and diversify customer channels of communication thus improving customer service and satisfaction. Technologies that continue to be leveraged include GIS tools to support better analysis of the department’s infrastructure; Big Data Analytics solution based on Microsoft Azure Cloud to handle the SCADA data; improved asset management mobile solutions to support field and warehouse operations; Microsoft SharePoint platform along with Office 365 that encourage better business collaboration anytime, anywhere, and from any device; Business Intelligence architecture and tools to analyze and visually present disparate data using intuitive dashboards; and AVA (Watson) Chatbot, which allows customers to ask questions using natural language, and to request payment extensions. As our organization pivoted to a hybrid work environment, the Department, together with ITD, has standardized the office equipment deployed to employees and automated administrative functions such as digital signatures, virtual conferencing using Office 365 Teams and Zoom allowing remote staff to continue to offer services to customers regardless of work location.

### **Systems Infrastructure**

The upgrade of WASD computing and technology infrastructure is an ongoing effort. This includes upgrades to servers, storage, network switches, Wi-Fi upgrades, and replacement of obsolete computers (desktop and laptops). In addition, Windows 10, and Office 365 with accompanying applications: OneDrive, Adobe, and Teams provide for better management of emails, video conference, audio conferencing were implemented.

### **Big Data / Business Intelligence**

Enhancement rollouts of BI solutions with digital dashboards to enable analysis and documentation of business processes within key business areas for the purpose of reporting and process improvement. New dashboards/reports were developed for Retail Customer Division and New Business Division that included:

- Meter Analysis
- Data Warehousing Auditing Reports
- Report Portal
- SCADA Actuals (Supervisory Control and Data Acquisition)
- MWM Task Scheduling (Mobile Workforce Management)
- Executive Dashboard rebuild from Pyramid and other Pyramid report conversion
- Pump Station Performance
- Consumption Reports
- Retail Customer Division Activity Log Report

Staff continues to improve connectivity to historical and archived SCADA data to leverage the cloud platform providing high availability, advanced security, dynamic environment, and providing the foundation for analytical reporting. Working with all divisions on providing a standard reporting platform for widely used datasets throughout the department and the creation of interfaces to existing data lake for external systems to digest existing data.

Phase 1 of the new Modern Data Architecture (MDA) was completed. This architecture enhances and improves existing cloud data warehousing functionality by providing additional performance and lays the foundation for predictive analytics. Initial phase uses the latest technologies for better performance, development maintainability and advanced storage capabilities. Subsequent phases will include additional datasets from operational systems including Financials, SCADA, EAMS (Enterprise Asset Management System), and supporting systems.

## **SharePoint/Intranets**

All WASD Intranet sites have been converted to SharePoint Online. This cloud-based environment provides a robust, user-friendly ecosystem that allows users to share and collaborate information within the WASD department. Information is available from anywhere on any type of device with a web browser that is connected to the County network. It provides a rich user experience for sharing files and storing documents and provides users flexibility and freedom to manage their own lists and document libraries. In addition, it provides a development platform for specialized applications within the same framework when needed.

We continue to expand our Divisional Team sites as they are requested and enhance existing sites with advanced functionality. Several areas are starting to use SharePoint for task tracking with enhanced workflow functionality to keep track of department tasks with automated notifications and updates.

## **In-house Development**

We continue to support existing application portfolio by modernizing existing applications, consolidating, and decommissioning legacy applications that are no longer supported or meet security requirements. In FY 2022, we continue to gain progress with several ongoing projects undertaken; Lenel Access Control & Badging and INFO360 to name a few. In addition, we continue to support all legacy applications in our portfolio to include new and existing enhancements.

## **Meter to Cash**

WASD Internet Self-Service application continued to expand. New features such as the Customer Call-Ins was developed, which allows customers to submit reads for submeters associated to a main meter for cooling towers. Another new feature developed was the ability to enroll for Paperless Billing directly from the Self-Service application. This feature, in conjunction with WASD's marketing campaign, contributed to a steep increase in paperless billing adoption by WASD's customers. In parallel, the Self-Service application was migrated to the Cloud, which has resulted in numerous technical improvements. On-going projects include new Self-Service feature called Start Services. Future projects include the upgrade of Customer Care and Billing (CCB) system.

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

In FY 2022, the Department was primarily focused on development efforts to support the countywide Human Capital Management (HCM) implementation, Rollout 2 of the INFORMS project. This phase of the INFORMS implementation involved replacing the Time & Labor and Payroll systems. ITD redesigned and developed the bolt-on task profile creation functionality, developed a new payroll interface program, activated new integrations, and retrofitted over 100 queries to use the new INFORMS data structures. ITD also assisted with the parallel testing efforts.

Other key initiatives included successful implementation of Workiva software to support preparation of the Annual Comprehensive Financial Report. ITD also commenced preliminary requirements gathering for the AP invoice automation project, upgrade of the Peoplesoft Financial System and device selection for their annual physical inventory verification process.

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

In FY 2022, there were significant implementations developed that included adding the General Maintenance HVAC division using the Cyan Mobile application. Other implementations included the development of an Emergency Alert Notification system allowing management to be alerted on major disruptions in the water/sewer operations for the department, the addition of a GIS Contamination layer in EAMS and Phase 1 completion of the In-House (GIS) Inframap for use on mobile devices. Additionally, the first phase of the Damage Investigation Unit (DIU) was implemented in EAMS. With these new implementations, 150 new tablets were deployed for staff. A multitude of enhancements requested by the division to mitigate bugs and improve functionality was prioritized and completed. New features were developed and integrated in EAMS supporting the new INFORMS HCM implementation. The team also prepared for a significant upgrade of the software from version 11.4 to 11.7 which is scheduled for the first quarter of FY22-23. These preparations included reprogramming various integration applications to minimize upgrade issues moving forward.

## **eBuilder Implementation**

In FY 2022, data and document migration efforts continued for the contracts and agreements related to the Capital Improvement Program (CIP) projects. A vendor was engaged to accelerate these efforts and review and enhance current processes. ITD developed various dashboards and scripts to support data migration tasks. In preparation for the decommissioning of the Proliance legacy product, a Viewer for the Proliance database was developed and deployed, providing an intuitive interface that allows WASD staff to easily access and view past project data.

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

The WASD Field Survey Maintenance web application was completed which enables the Chief Surveyor's team and the WASD GIS maintenance staff to seamlessly collaborate with ongoing field activity pertaining to WASD infrastructure assets. As part of the enhanced process, WASD survey teams can upload documents and pictures of the area for clarifying existing issues or creating additional information.

MyWASD Utility Coordination process continues as WASD and the Geospatial Utility Solutions (GUS) group coordinate to incorporate additional Municipalities to the County wide process for utility coordination of roadway construction projects. This year, the City of Coral Gables finalized their data submittal process and schema. Additionally, there are ongoing efforts with other municipalities to ensure future updates and support for this solution.

AutoCAD to GIS Solution phase 2 was initiated using ESRI ArcGIS for AutoCAD extension to facilitate and standardized all electronic as-builts submitted to WASD. The template will incorporate all required features that are currently in WASD's Enterprise GIS, thus enabling a seamless process for integrating as-builts CAD data to GIS. Schema template revisions were completed to support newer AutoCAD versions.



The expedited as-built to GIS process implemented in the previous fiscal year continues to improve and has resulted in an additional 28% decrease of time taken to digitize as-builts and Active As-built Supplemental Information System (AASIS), reducing the completion time from an average 46.25 hours per task to 33 hours. The expedited process, which allows GIS Data Maintenance to use judgement calls based on previous experience and best practices, has significantly reduced the number of as-builts revised back to WASD to a little more than 5% and accepted with comments to 24% of those received.

## COMMUNITY OUTREACH

The department's Office of Public Engagement is (OPE) tasked with communicating and marketing the activities, programs and services of the Miami-Dade Water and Sewer Department to customers, the media, local governments, and other stakeholders including educating the public on the quality of its drinking water, its operations, under-utilized customer services, water conservation and the department's on-going Multi-Year Capital Improvement Program.

WASD provides direct customer outreach and advertising via radio, television, print, transit bus benches, movie theatres, publications, and the Internet about water quality, conservation programs, and customer service programs and services. In addition to traditional forms of media such as newspapers, television, and radio talk shows, the OPE also utilizes Facebook, Twitter, Instagram, YouTube, and movie theaters to capture a wider and more diverse audience.

In fact, the department was number one in Communications as part of the JD Power rankings in 2022. The department was also ranked number one for Price and Conservation and was announced as the overall number one large water utility for the South region of the United States.

The Office also revamped and revised external website features making them more user-friendly and more transaction-oriented for customers to conduct their business 24-hours-a-day. The website has become a central point for customers to conduct business with the Department.

OPE wanted to increase participation for the department's paperless billing feature and created a Communications/Marketing Plan to raise awareness of this option. The need to increase participation became exacerbated due to the global paper supply chain disruptions that began in June 2022. This began impacting the timely mail out of customers' bills. These disruptions were projected to cause periodic delays in the mailing out of physical bills. As such, encouraging customers to enroll in paperless billing became more important than ever.

The need was to find a way to not only market a service but partner it with an enhanced customer experience to successfully drive an increase paperless billing enrollment. OPE and other government departments convened to identify and improve user interface and customer experience, and with supporting agency assistance, was able to collectively roll out the upgrades at the same time. Paperless enrollment increased by approximately 5 percent in a three-month period following targeted communication methods. It is significant to note paperless billing has been offered at the department for 10 years and the participation rate was only nine percent and in a three-month period, the department recorded a five percent enrollment rate.

OPE has also planned and executed numerous high profile and well attended public/media events in FY 21-22. To support the department's debut of the Connect 2 Protect, septic to sewer conversion, staff planned and managed two groundbreaking events that garnered positive press coverage of the department's commitment to bring County sewer services to areas previously not served, which mitigate environmental impacts to Biscayne Bay caused by failing septic tank systems.

Staff also planned a sendoff for department staff who volunteered to assist the City of Fort Myers Beach, Florida after they lost water service caused by the severe damage from Hurricane Ian.

## 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 Annual Comprehensive Financial Report for the fiscal year ended September 30, 2021. 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. To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive 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 39 fiscal years. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting it to the GFOA.

### ACKNOWLEDGMENTS

We would like to thank all 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 Internal Services Department's Printing and CCED Creative & Branding Services, 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 and Board of County Commissioners for their continued leadership in enabling the Department to fulfill its role.



Roy Coley  
Director



Frances G. Morris  
Deputy Director, Chief Financial Officer



Government Finance Officers Association

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Achievement  
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Presented to

**Miami-Dade Water and Sewer Department  
Florida**

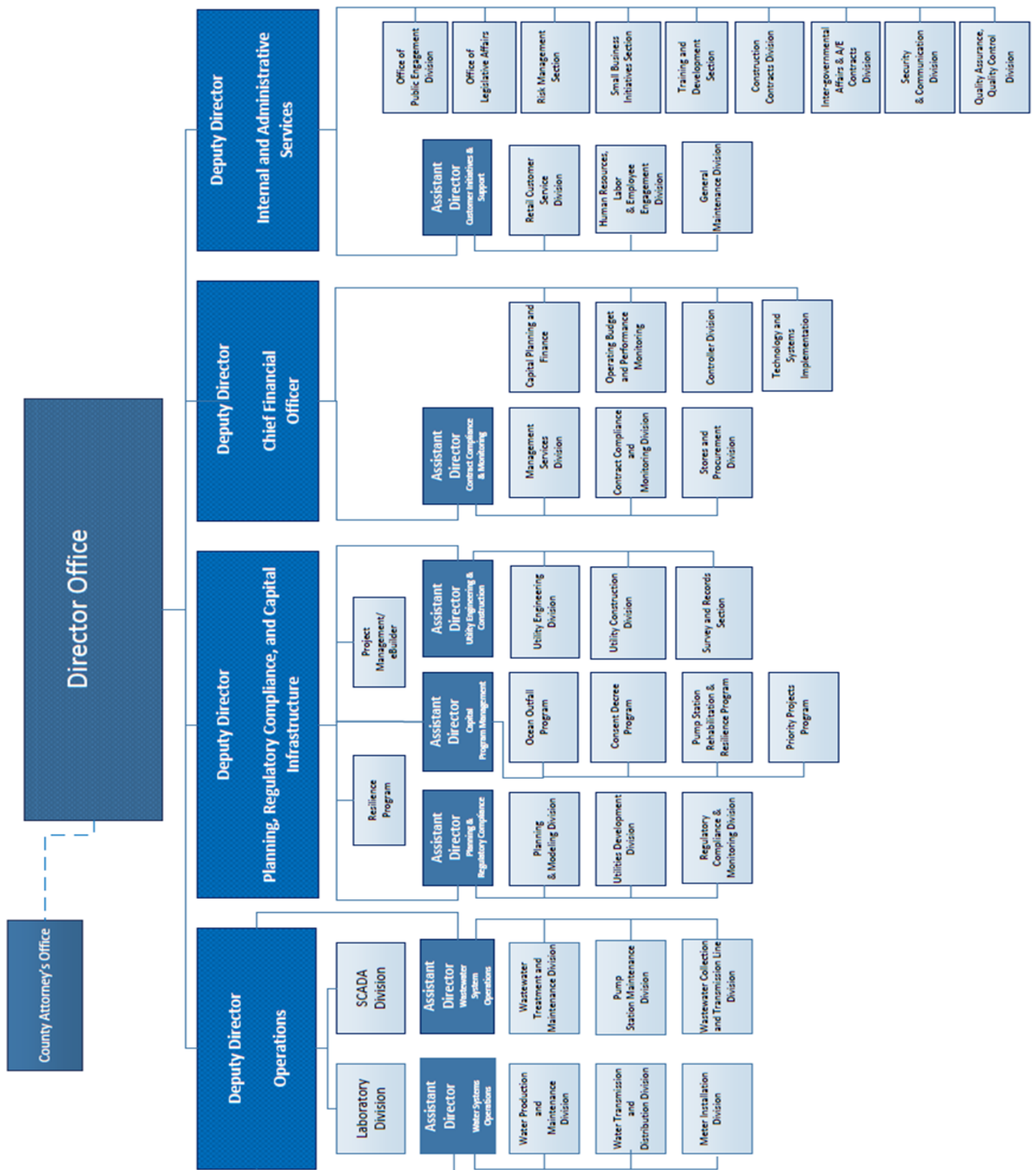
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2021

*Christopher P. Morill*

Executive Director/CEO

# ORGANIZATIONAL CHART





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Financial Section





## INDEPENDENT AUDITORS' REPORT

To the Honorable Daniella Levine Cava, Mayor, and  
Honorable Chairperson and Members of the  
Board of County Commissioners  
Miami-Dade County, Florida

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of the Miami-Dade Water and Sewer Department, a department of Miami-Dade County, Florida (the "Department"), which comprise the statement of net position as of fiscal year ended September 30, 2022, and the related statements of revenues, expenses, and changes in net position, and cash flows for the fiscal year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Department, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Department and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design 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. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Department's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control—related matters that we identified during the audit.



### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 31-34, and the schedule of changes in total OPEB liability and relates ratios, the schedules of the Department's proportionate share of the net pension liability and the schedules of the Department's contributions on pages 67-69 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Department's basic financial statements. The information identified in the table of contents as supplementary financial data is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial data is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 24, 2023, 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 solely 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 the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Department's internal control over financial reporting and compliance.

Very truly yours,

Marcum LLP

A handwritten signature in cursive script that reads "Marcum LLP".

Miami, Florida  
April 24, 2023

# 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, 2022. 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 in the transmittal letter in the introductory section and the financial statements in the financial section of this report. The financial statements include the statement of net position; statement of revenues, expenses, and changes in net position; statement of cash flows; notes to the financial statements; and required supplementary information.

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

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

The statement of cash flows presents the cash activities of the Department segregated in the following four major categories: operating, non-capital, 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 position and related changes for the fiscal years ended September 30, 2022 and 2021 is shown on the following page. The unrestricted portion of net position (available to meet ongoing and future obligations of the Department) decreased by \$7.8 million, or 4.63% in 2022.

Total expenses increased by \$47.6 million, or by 5.6%, in 2022. The increase is primarily due to an increase in interest expense, bad debt expense, pension expense, chemical and administrative support charges and improvements in the water purification process.

Total net position as of September 30, 2022 is approximately \$2.7 billion. The Department's total net position increased by \$47 million, or by 1.74%.

# Management's Discussion & Analysis

|   | (In thousands) |              |
|---|----------------|--------------|
|   | 2022           | 2021         |
| <b>SUMMARY OF NET POSITION</b>                      |                |              |
| Current and other assets                            | \$ 1,777,810   | \$ 2,121,145 |
| Capital assets, net                                 | 5,649,519      | 5,315,561    |
| Total assets  | 7,427,329      | 7,436,706    |
| Deferred outflows of resources                      | 206,053        | 200,970      |
| Total assets and deferred outflows of resources     | 7,633,382      | 7,637,676    |
| Current liabilities                                 | 385,479        | 384,999      |
| Long-term liabilities                               | 4,485,875      | 4,432,778    |
| Total liabilities                                   | 4,871,354      | 4,817,777    |
| Deferred inflows of resources                       | 15,281         | 120,139      |
| Total liabilities and deferred inflows of resources | 4,886,634      | 4,937,916    |
| Net position  |                |              |
| Net investment in capital assets                    | 1,841,503      | 1,967,212    |
| Restricted  | 745,174        | 564,710      |
| Unrestricted  | 160,071        | 167,838      |
| Total net position                                  | \$ 2,746,748   | \$ 2,699,760 |
| <b>SUMMARY OF CHANGES IN NET POSITION</b>           |                |              |
| Water operating revenues                            | \$ 397,875     | \$ 375,809   |
| Wastewater operating revenues                       | 473,058        | 451,316      |
| Investment income                                   | (9,349)        | 1,445        |
| Other nonoperating revenues                         | 49,751         | 29,892       |
| Total revenues                                      | 911,334        | 858,462      |
| Water source of supply                              | 15,462         | 14,291       |
| Water power and pumping                             | 2,139          | 2,106        |
| Water purification                                  | 83,524         | 71,767       |
| Water transmission and distribution                 | 44,619         | 37,825       |
| Wastewater collection system                        | 36,064         | 36,695       |
| Wastewater pumping                                  | 56,337         | 53,855       |
| Wastewater treatment                                | 124,869        | 107,045      |
| Customer accounting                                 | 15,681         | 34,660       |
| Customer service                                    | 27,502         | 24,966       |
| General and administrative                          | 103,316        | 93,828       |
| Depreciation  | 234,800        | 226,059      |
| Interest expense                                    | 140,947        | 129,755      |
| Other nonoperating expenses                         | 10,893         | 15,689       |
| Total expenses                                      | 896,154        | 848,541      |
| Income (loss) before contributions                  | 15,180         | 9,921        |
| Capital contributions                               | 31,808         | 38,388       |
| Increase in net position                            | 46,988         | 48,309       |
| Net position at beginning of year                   | 2,699,760      | 2,651,451    |
| Net position at end of year                         | \$ 2,746,748   | \$ 2,699,760 |

# 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, 2022 and 2021 (in thousands). Total Capital Asset increased by \$334.0 million, or 6.3%. This increase was due to an increase in capital additions, net of plant retirements and reclassifications of \$494.6 million, offset by \$161 million net increase in accumulated depreciation. Additional information on changes in capital assets can be found in Note 6 to the financial statements.

|                                    | (In thousands)      |                     |
|------------------------------------|---------------------|---------------------|
|                                    | 2022                | 2021                |
| Land                               | \$ 80,571           | \$ 80,571           |
| Building and building improvements | 23,474              | —                   |
| Structures and improvements        | 3,306,232           | 3,162,774           |
| Equipment                          | 435,514             | 404,707             |
| Construction work in progress      | 1,803,728           | 1,667,509           |
| Total capital assets, net          | <u>\$ 5,649,519</u> | <u>\$ 5,315,561</u> |

This year's major expenditures in capital assets included:

### Water projects:

- Transmission mains, meters, and services (\$34.9 million)
- Treatment facilities and equipment (\$17.0 million)
- General Plant Buildings (\$3.0 million)
- Wells (\$2.0 million)
- Construction equipment (\$2.1 million)

### Wastewater projects:

- Treatment facilities (\$387.1 million)
- Force mains (\$52.7 million)
- Pump stations (\$21.2 million)
- Inflow/infiltration/exfiltration (\$6.1 million)
- Gravity mains and services (\$9.3 million)

Budgeted capital expenditures for fiscal year 2022 amount to \$719 million and include \$162 million in water projects and \$557 million in wastewater projects.

## LONG-TERM DEBT

Long-term debt outstanding (including current portion) at September 30, 2022 and 2021 is presented in the following table. FY 2022 shows a decrease of \$(93.0) million from FY 2021.

|                        | (In thousands)      |                     |
|------------------------|---------------------|---------------------|
|                        | 2022                | 2021                |
| Revenue bonds          | \$ 4,046,347        | \$ 4,146,417        |
| State loan obligations | 204,830             | 197,807             |
| Notes payable          | 1,321               | 1,284               |
| Total long-term debt   | <u>\$ 4,252,498</u> | <u>\$ 4,345,508</u> |



# Management's Discussion & Analysis

The Department is required to maintain rates and charges sufficient to meet three tiers of debt service coverage requirements. First, adjusted annual net operating revenues must equal or exceed 1.25 percent of the debt service on senior lien revenue bonds. The Department met the primary debt coverage for the year with a ratio of 1.63 percent. Second, adjusted net operating revenues, after payment of revenue bond debt service, must be at least equal to 5.28 percent of the debt service for the subordinate state loan obligations. The Department met the third debt service coverage with a ratio of 5.87 percent.

## ***REQUEST FOR INFORMATION***

Questions concerning this report or request for additional information should be directed to Frances G. Morris, Chief Financial Officer at 786-552-8104 or, at her office address at 3071 SW 38th Avenue, Miami, Florida 33146.

# Statement of Net Position

|   | September 30, | 2022                    |
|---|---------------|-------------------------|
|   |               | (In thousands)          |
| <b>ASSETS</b>   |               |                         |
| <i>CURRENT ASSETS:</i>  |               |                         |
| Cash and cash equivalents                                       | \$            | 20,174                  |
| Investments   |               | 101,006                 |
| Accounts receivable   |               |                         |
| (net of allowance for uncollectible accounts of \$66.4 million) |               | 214,871                 |
| Inventory of materials and supplies                             |               | 49,993                  |
| Other current assets  |               | 1,836                   |
| Restricted cash and cash equivalents                            |               | 263,647                 |
| Total current assets  |               | <u>651,527</u>          |
| <i>NONCURRENT RESTRICTED ASSETS:</i>                            |               |                         |
| Restricted cash and cash equivalents                            |               | 183,310                 |
| Investments   |               | 942,746                 |
| Grants receivable   |               | 227                     |
| Total restricted assets   |               | <u>1,126,283</u>        |
| <i>CAPITAL ASSETS:</i>  |               |                         |
| Land  |               | 80,571                  |
| Building and building improvements                              |               | 41,624                  |
| Structures and improvements                                     |               | 6,132,107               |
| Equipment   |               | 1,499,047               |
| Utility plant in service before depreciation                    |               | 7,753,349               |
| Less accumulated depreciation                                   |               | (3,907,558)             |
| Net utility plant in service                                    |               | 3,845,791               |
| Construction work in progress                                   |               | 1,803,728               |
| Total capital assets  |               | <u>5,649,519</u>        |
| Total noncurrent assets   |               | <u>6,775,802</u>        |
| Total assets  |               | <u>7,427,329</u>        |
| <i>DEFERRED OUTFLOWS OF RESOURCES:</i>                          |               |                         |
| Loss on refundings  |               | 137,995                 |
| Outflow related to pension                                      |               | 54,744                  |
| Outflow related to post-employment benefits                     |               | 13,314                  |
| Total deferred outflows of resources                            |               | <u>206,053</u>          |
| Total assets and deferred outflows of resources                 | \$            | <u><u>7,633,382</u></u> |

(Continued)

# Statement of Net Position

|  | September 30, | 2022           |
|--|---------------|----------------|
| (Continued)  |               | (In thousands) |
| <b>LIABILITIES</b>   |               |                |
| <i>CURRENT LIABILITIES (PAYABLE FROM UNRESTRICTED CURRENT ASSETS):</i> |               |                |
| Accounts payable and accrued expenses                                  | \$            | 82,119         |
| Customer and developer deposits  |               | 20,743         |
| Liability for compensated absences                                     |               | 13,017         |
| Other liabilities  |               | 5,953          |
| Total current liabilities (payable from unrestricted current assets)   |               | 121,832        |
| <i>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED CURRENT ASSETS):</i>   |               |                |
| Accounts payable and accrued expenses                                  |               | 47,093         |
| Retainage payable  |               | 41,270         |
| Current portion of long-term debt                                      |               | 97,341         |
| Accrued interest payable   |               | 76,885         |
| Liability for self insurance   |               | 1,058          |
| Total current liabilities (payable from restricted current assets)     |               | 263,647        |
| Total current liabilities  |               | 385,479        |
| <i>NONCURRENT LIABILITIES:</i>   |               |                |
| Revenue bonds payable, net   |               | 3,959,837      |
| State loan obligations, net  |               | 193,999        |
| Notes payable  |               | 1,321          |
| Liability for self-insurance   |               | 3,331          |
| Liability for compensated absences                                     |               | 53,338         |
| Liability for post-employment benefits                                 |               | 53,466         |
| Net pension liability  |               | 211,485        |
| Other Non-Current Liabilities - Restricted                             |               | 9,098          |
| Total noncurrent liabilities   |               | 4,485,875      |
| Total liabilities  |               | 4,871,354      |
| <i>DEFERRED INFLOWS OF RESOURCES:</i>                                  |               |                |
| Inflow related to pension  |               | 7,744          |
| Inflow related to post-employment benefits                             |               | 7,537          |
| Total deferred inflows of resources                                    |               | 15,281         |
| Total liabilities and deferred inflows of resources                    |               | 4,886,634      |
| <b>NET POSITION</b>  |               |                |
| Net investment in capital assets                                       |               | 1,841,503      |
| Restricted for:  |               |                |
| Capital projects   |               | 495,343        |
| Debt service   |               | 249,831        |
| Unrestricted   |               | 160,071        |
| Total net position   |               | 2,746,748      |
| Total liabilities, deferred inflows of resources and net position      | \$            | 7,633,382      |

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

# Statement of Revenues, Expenses and Changes in Net Position

For the fiscal year ended September 30,

|  | 2022                       |
|--|----------------------------|
|  | (In thousands)             |
| <i>OPERATING REVENUES:</i>                 |                            |
| Water                                      | \$ 397,875                 |
| Wastewater                                 | 473,058                    |
| Total operating revenues                   | <u>870,933</u>             |
| <i>OPERATING AND MAINTENANCE EXPENSES:</i> |                            |
| Water source of supply                     | 15,462                     |
| Water power and pumping                    | 2,139                      |
| Water purification                         | 83,524                     |
| Water transmission and distribution        | 44,619                     |
| Wastewater collection system               | 36,064                     |
| Wastewater pumping                         | 56,337                     |
| Wastewater treatment                       | 124,869                    |
| Customer accounting                        | 15,681                     |
| Customer service                           | 27,502                     |
| General and administrative                 | 103,316                    |
| Total operating and maintenance expenses   | <u>509,513</u>             |
| Operating income before depreciation       | 361,420                    |
| <i>DEPRECIATION EXPENSE</i>                | <u>234,800</u>             |
| Operating income                           | 126,620                    |
| <i>NON-OPERATING REVENUES (EXPENSES):</i>  |                            |
| Investment income (loss)                   | (9,349)                    |
| Interest expense                           | (140,947)                  |
| Amortization of issuance costs             | (7,906)                    |
| Disaster revenue                           | 896                        |
| Customer connection fees                   | 39,620                     |
| Other revenues                             | 9,235                      |
| Other expenses                             | <u>(2,987)</u>             |
| Income (loss) before contributions         | 15,180                     |
| Capital contributions                      | <u>31,808</u>              |
| Increase in net position                   | 46,988                     |
| Net position at beginning of year          | <u>2,699,760</u>           |
| Net position at end of year                | <u><u>\$ 2,746,748</u></u> |

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

# Statement of Cash Flows

For the fiscal year ended September 30,

2022

(In thousands)

**CASH FLOWS FROM OPERATING ACTIVITIES:**

|   |                |
|---|----------------|
| Cash received from customers                  | \$ 903,297     |
| Cash paid to suppliers for goods and services | (212,410)      |
| Cash paid to employees for services           | (266,950)      |
| Net cash provided by operating activities     | <u>423,937</u> |

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

|   |              |
|---|--------------|
| Long Term Receivable                                  | <u>1,407</u> |
| Net cash provided by non-capital financing activities | <u>1,407</u> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:**

|   |                  |
|---|------------------|
| Proceeds from bond issues, loan agreements and notes      | 20,169           |
| Principal payments - bond, loans                          | (95,364)         |
| Interest paid   | (152,868)        |
| Acquisition and construction of capital assets            | (541,518)        |
| Net cash used by capital and related financing activities | <u>(769,581)</u> |

**CASH FLOWS FROM INVESTING ACTIVITIES:**

|  |                |
|--|----------------|
| Purchase of investment securities                        | (1,324,332)    |
| Proceeds from sale and maturity of investment securities | 1,790,803      |
| Interest on investments                                  | (59,434)       |
| Net cash provided by investing activities                | <u>407,037</u> |

Net increase in cash and cash equivalents, and restricted cash and cash equivalents 62,800

Cash and cash equivalents, including restricted cash and cash equivalents,  
at beginning of year 404,331

Cash and cash equivalents, including restricted cash and cash equivalents,  
at end of year \$ 467,131



# Statement of Cash Flows

| For the fiscal year ended September 30,   |    | 2022           |
|---|----|----------------|
| (Continued)   |    | (In thousands) |
| <i>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</i> |    |                |
| Operating income  | \$ | 126,620        |
| Adjustments to reconcile operating income to net cash provided by operating activities: |    |                |
| Depreciation  |    | 234,800        |
| Provision for uncollectible accounts  |    | 6,654          |
| Non-operating other, net  |    | 107,536        |
| (Increase) decrease in assets and deferred outflows:                                    |    |                |
| Accounts receivable   |    | (18,956)       |
| Inventory of materials and supplies   |    | (3,710)        |
| Other current assets  |    | (388)          |
| Contracts/Grants receivable   |    | (227)          |
| Other charges   |    | 4,376          |
| Deferred outflows related to pension and OPEB   |    | (12,705)       |
| Increase (decrease) in liabilities and deferred inflows:                                |    |                |
| Accounts payable and accrued expenses   |    | 7,607          |
| Customer and developer deposits   |    | 1,796          |
| Accrued interest payable  |    | 2,086          |
| Liability for compensated absences  |    | 9,329          |
| Other liabilities   |    | (66,124)       |
| Liability for other post-employment benefits  |    | (5,328)        |
| Liability for self-insurance  |    | 58             |
| Net pension liability   |    | 135,371        |
| Deferred Inflows related to pension and OPEB  |    | (104,858)      |
| Net cash provided by operating activities   | \$ | 423,937        |

## NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES

Property, plant and equipment contributions were received in amounts of \$31.8 million in fiscal year 2022.

The change in the fair value of investments was a \$18.4 million decrease in fiscal year 2022.

Environmental remediation credit for \$593 thousand was given to the buyer for the sale of 2.79 acres of land for the development of soccer stadium project.

## RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR

|   |            |
|---|------------|
| Unrestricted current cash and cash equivalents  | 20,174     |
| Restricted current cash and cash equivalents    | 263,647    |
| Restricted noncurrent cash and cash equivalents | \$ 183,310 |
| Total cash and cash equivalents at end of year  | \$ 467,131 |

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

# Notes to Financial Statements

## 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 providing 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 annual comprehensive financial report and its financial statements are combined in the County's annual comprehensive 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 intersystem 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).

### OPERATING/NONOPERATING REVENUES AND EXPENSES

Operating revenues and expenses are those that result from providing water and wastewater services. Non-operating 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 the last reading of the meters based on the billing cycle. Unbilled accounts receivable for fiscal year 2022 were approximately \$56.7 million.

### 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. Expenses 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 acquisition value on the date received.

Only those intangible assets valued at more than \$100,000 are recorded as an asset (threshold determinations are based on aggregate cost). For fiscal year 2022, no separately identifiable intangible assets met the threshold for recording.

Annualized depreciation expense, expressed as a percent of depreciable capital assets, was 3.1% for fiscal year ended September 30, 2022. The Department utilizes the single-unit straight-line depreciation method with normal retirements charged to accumulated depreciation and a 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:

|                             | <b>Water System</b> | <b>Wastewater System</b> |
|-----------------------------|---------------------|--------------------------|
|                             | (Years)             |                          |
| Structures and improvements | 25-45               | 25-45                    |
| Buildings                   | 40                  | 40                       |
| Equipment                   | 3-20                | 3-20                     |

Total depreciation expense for the fiscal year ended September 30, 2022 was \$234.8 million.

# Notes to Financial Statements

## *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 fair values and maturities, when acquired, of less than three months.

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.

Investments are carried at fair value. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The net increase or decrease in the fair value of investments is included as part of investment income in the accompanying statement of revenues, expenses, and changes in net position.

The Department categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States (GAAP). The hierarchy is based on the valuation input used to measure the fair value of the asset with Level 1 assets being those where quoted prices in an active market for identical assets can be readily obtained, and Level 2 assets value using a matrix pricing technique of quoted prices for similar assets or liabilities in active markets.

## *INVENTORY*

Materials and supplies inventories are stated at weighted average cost.

## *INTEREST ON INDEBTEDNESS*

The Department expenses interest as incurred.

## *BOND DISCOUNT AND PREMIUM*

Discounts and premiums on bonds are amortized using the straight-line method over the life of the related bond issuances. Discounts and premiums are presented net of the related debt.

## *CAPITAL CONTRIBUTIONS*

The Department records external capital contributions as revenues.

## *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.

## *IMPLEMENTATION OF NEW ACCOUNTING STANDARDS*

In June 2017, GASB issued Statement No. 87, "Leases", which was originally effective for reporting periods beginning after December 15, 2019. With the extension granted by GASB Statement No. 95, Statement No. 87, Leases, is effective for the reporting periods beginning after June 15, 2021. As a result, the Department did not have any significant leases to report for fiscal year 2022.

## *COMPENSATED ABSENCES*

The Department accounts for compensated absences by accruing a liability for employees' compensation for future absences.

## *COST ALLOCATION*

Certain overhead and other common 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 bear reasonable relationship with the type of allocable expenditure.

# Notes to Financial Statements

## *USE OF ESTIMATES*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow of resources, liabilities and deferred inflow of resources at the date of the financial statements and the reported amounts of revenues and expenses 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 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, except for 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 accounts 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 as of September 30, 2022 was \$28.9 million. The bank balances at local depositories were \$47.7 million, 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, 2022 was approximately \$29.1 million.

## *INVESTMENTS*

The below hierarchy is based on the valuation input used to measure the fair value of the asset with Level 1 assets being those where quoted prices in an active market for identical assets can be readily obtained, and Level 2 assets valued using a matrix pricing technique of quoted prices for similar assets or liabilities in active markets. Level 3 is for assets that have unobservable valuation inputs and should only be used when Level 1 and Level 2 inputs are unavailable. The County does not have any Level 1 or Level 3 inputs.

# Notes to Financial Statements

The Department's carrying value of cash equivalents and investments include the following as of September 30, 2022:

|  | Fair Value          |
|--|---------------------|
| <b>Investments Level 2</b>             | <b>2022</b>         |
| Commercial Paper                       | \$ 340,682          |
| Federal Home Loan Bank                 | 657,541             |
| Federal Home Loan Mortgage Corporation | 51,022              |
| Federal Farm Credit Bank               | 103,340             |
| Federal National Mortgage Association  | 36,949              |
| Treasury Notes                         | 180,839             |
| Jubilee Issue Bonds                    | 5,215               |
| Total Investments                      | <u>\$ 1,375,588</u> |
| <b>Cash Equivalents</b>                |                     |
| Interest Bearing                       | 110,862             |
| Total Investments and Cash Equivalents | <u>\$ 1,486,450</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 fully collateralized by such 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 services; 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 services, 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 initiation of the transaction.



# Notes to Financial Statements

The following table summarizes the investments by type and credit ratings at September 30, 2022:

|  | <b>Credit Ratings<br/>2022</b> |
|--|--------------------------------|
| Federal Home Loan Mortgage Corporation | AA+/A-1+                       |
| Federal Home Loan Bank                 | AA+/A-1+                       |
| Federal Farm Credit Bank               | AA+/A-1+                       |
| Federal National Mortgage Association  | AA+/A-1+                       |
| Treasury Notes                         | AA+/A-1+                       |
| Commercial Paper                       | N/A                            |
| Jubilee Issue Bonds                    | N/A                            |
| Interest Bearing                       | N/A                            |

## *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, 2022, 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 Funds Trust Fund ("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 banker's 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 banker's 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. 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, 2022, the following issuers held 5% or more of the investment portfolio:

|                          | <b>% of Portfolio<br/>2022</b> |
|--------------------------|--------------------------------|
| Commercial Paper         | 22.92                          |
| Federal Home Loan Bank   | 44.24                          |
| Federal Farm Credit Bank | 6.95                           |
| Treasury Notes           | 12.17                          |
| Interest Bearing         | 7.46                           |

The schedule excludes investments issued or explicitly guaranteed by the U.S. government.

## *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, 2022, the Department had the following investments with the weighted average maturity in years.

|  | <b>Weighted Average in Years<br/>2022</b> |
|--|---|
| Federal Home Loan Mortgage Corporation | 3.34                                      |
| Federal Home Loan Bank                 | 1.21                                      |
| Federal Farm Credit Bank               | 1.38                                      |
| Federal National Mortgage Association  | 3.82                                      |
| Treasury Notes                         | .41                                       |
| Commercial Paper                       | .29                                       |
| Jubilee Issue Bonds                    | .75                                       |

## *FOREIGN CURRENCY RISK*

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

## **3. RECEIVABLES**

Receivables for fiscal year ended September 30, 2022 was as follows (in thousands):

|                                       | <b>2022</b>       |
|---------------------------------------|-------------------|
| Trade accounts                        | \$ 256,767        |
| Non-retail accounts                   | 22,806            |
| Grants & contracts                    | 227               |
| Other county funds                    | 1,664             |
| Gross receivables                     | 281,464           |
| Less: allowance for doubtful accounts | (66,366)          |
| Net receivables                       | <u>\$ 215,098</u> |

# Notes to Financial Statements

The allowance for doubtful accounts is determined principally on the basis of past collection experience as well as consideration of current economic conditions and customer collection trends. Certain County processes put in place in FY2020, and which continued in FY2022 as well as a disruption to supply chains for envelopes, caused curtailed collections and service terminations for accounts that were delinquent due to COVID-19. Such efforts resulted in an increase in the allowance recorded. Allowance for doubtful accounts was approximately \$66 million and \$59 million, as of September 30, 2022 and 2021, respectively.

## 4. OTHER CURRENT ASSETS

Other current assets activity for fiscal year ended September 30, 2022 was as follows (in thousands):

|                            | <b>2022</b>            |
|----------------------------|------------------------|
| <b>Beginning balance</b>   | \$ 1,448               |
| Prepaid expenses           | 2                      |
| Prepaid property insurance | 386                    |
| <b>Ending balance</b>      | <u><u>\$ 1,836</u></u> |

The County entered into an agreement with the City of Hialeah (City) to construct a 10 MGD reverse osmosis water treatment plant. The City and the County shall have equal 50% ownership of a reverse osmosis water treatment plant (WTP), inclusive of land, structures, facilities, and appurtenances to be situated in the Annexation Area of the City. The City shall contribute and pay for 50% of the planning, design, construction, and construction management (design and construction) cost for the WTP and the County shall contribute 50% of the design and construction cost for the WTP. In Fall of 2013, the Plant began production capable of 7.5 MGD, with County and City each receiving 50% of the production. In fiscal year 2022, no monies were contributed to the City and the Department incurred \$2.8 million in operating expenses. As of September 30, 2022, the Department contributed approximately \$58.7 million towards the construction of the WTP.

## 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 because 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 accounts. Restricted assets for fiscal year ended September 30, 2022 is represented in the following table (in thousands):

|                         | <b>2022</b>                |
|-------------------------|----------------------------|
| Debt service            | \$ 517,333                 |
| Construction            | 532,975                    |
| Other                   | 232,083                    |
| Plant expansion         | 30,848                     |
| Renewal and replacement | 70,669                     |
| Self-insurance          | 6,022                      |
| Total restricted assets | <u><u>\$ 1,389,930</u></u> |

# Notes to Financial Statements

## 6. CAPITAL ASSETS

Capital asset activity during fiscal year 2022 was as follows (in thousands):

|  | Balance<br>9/30/2021 | 2022       |              | Balance<br>9/30/2022 |
|--|----------------------|------------|--------------|----------------------|
|  |                      | Additions  | Deletions    |                      |
| Capital assets, not being depreciated:       |                      |            |              |                      |
| Land   | \$ 80,571            | \$ —       | \$ —         | \$ 80,571            |
| Construction work in progress                | 1,667,509            | 542,038    | (405,819)    | 1,803,728            |
| Total capital assets, not being depreciated  | 1,748,080            | 542,038    | (405,819)    | 1,884,299            |
| Capital assets, being depreciated:           |                      |            |              |                      |
| Buildings and building improvements          | 41,624               | —          | —            | 41,624               |
| Structures and improvements                  | 5,834,105            | 344,364    | (46,362)     | 6,132,107            |
| Equipment                                    | 1,438,691            | 88,438     | (28,082)     | 1,499,047            |
| Total capital assets, being depreciated      | 7,314,420            | 432,802    | (74,444)     | 7,672,778            |
| Less accumulated depreciation:               |                      |            |              |                      |
| Buildings and building improvements          | (17,107)             | (1,043)    | —            | (18,150)             |
| Infrastructure                               | (2,695,848)          | (176,376)  | 46,349       | (2,825,875)          |
| Machinery and Equipment                      | (1,033,984)          | (57,381)   | 27,832       | (1,063,533)          |
| Total accumulated depreciation               | (3,746,939)          | (234,800)  | 74,181       | (3,907,558)          |
| Total capital assets, being depreciated, net | 3,567,481            | 198,002    | (263)        | 3,765,220            |
| Total capital assets, net                    | \$ 5,315,561         | \$ 740,040 | \$ (406,082) | \$ 5,649,519         |

## 7. 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.

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 followed all such covenants and restrictions as of and for the year ended September 30, 2022.

# Notes to Financial Statements

## CHANGES IN LONG-TERM LIABILITIES

A summary of long-term liability activity during fiscal year 2022 is presented in the following table (in thousands):

| Description                                  | Outstanding<br>Rate | Balance<br>9/30/2021 | 2022       |            | Balance<br>9/30/2022 | Due in<br>2023 |
|--|---------------------|----------------------|------------|------------|----------------------|----------------|
|  |                     |                      | Additions  | Deletions  |                      |                |
| <b>Dade County Revenue Bonds</b>             |                     |                      |            |            |                      |                |
| Series 2008A & B                             | 3.25%-5.25%         | \$ 111,140           | \$ —       | \$ 54,135  | \$ 57,005            | \$ 57,005      |
| Series 2015                                  | 4.00%-5.00%         | 421,150              | —          | 25,055     | 396,095              | 26,325         |
| Series 2017A                                 | 4.00%-5.00%         | 381,355              | —          | —          | 381,355              | —              |
| Series 2017B                                 | 3.00%-5.00%         | 548,025              | —          | 3,065      | 544,960              | 3,180          |
| Series 2019                                  | 5.00%               | 233,305              | —          | —          | 233,305              | —              |
| Series 2019B                                 | 3.00%-4.00%         | 663,860              | —          | —          | 663,860              | —              |
| Series 2019C                                 | 2.5%-3.00%          | 548,090              | —          | —          | 548,090              | —              |
| Series 2021                                  | 3.00%-5.00%         | 605,600              | —          | —          | 605,600              | —              |
| Sub Series 2021                              | 4.00%-5.00%         | 236,135              | —          | —          | 236,135              | —              |
| Plus: unamortized premium                    |                     | 397,757              | —          | 17,815     | 379,942              | —              |
| Total revenue bonds                          |                     | \$4,146,417          | \$ —       | \$ 100,070 | \$4,046,347          | \$ 86,510      |
| <b>State Loan Obligations</b>                |                     |                      |            |            |                      |                |
| State revolving fund                         | 2.56%-4.17%         | \$ 197,807           | \$ 20,132  | \$ 13,109  | \$ 204,830           | \$ 10,831      |
| Total state revolving funds                  |                     | \$ 197,807           | \$ 20,132  | \$ 13,109  | \$ 204,830           | \$ 10,831      |
| <b>Notes Payable</b>                         |                     |                      |            |            |                      |                |
| WIFIA loan program                           | 2.89%               | \$ 1,284             | \$ 37      | \$ —       | \$ 1,321             | \$ —           |
| Total notes payable                          |                     | \$ 1,284             | \$ 37      | \$ —       | \$ 1,321             | \$ —           |
| Total long-term debt                         |                     | \$4,345,508          | \$ 20,169  | \$ 113,179 | \$4,252,498          | \$ 97,341      |
| <b>Other Liabilities:</b>                    |                     |                      |            |            |                      |                |
| Compensated absences                         |                     | \$ 57,026            | \$ 27,419  | \$ 18,090  | \$ 66,355            | \$ 13,017      |
| Self-insurance                               |                     | 4,331                | 200        | 142        | 4,389                | 1,058          |
| Other post-employment<br>benefits            |                     | 58,794               | —          | 5,328      | 53,466               | —              |
| Net pension liability                        |                     | 76,114               | 138,412    | 3,041      | 211,485              | —              |
| Other Non-Current Liabilities-<br>Restricted |                     | —                    | 9,098      | —          | 9,098                | —              |
| Total long-term liabilities                  |                     | \$4,541,773          | \$ 195,298 | \$ 139,780 | \$4,597,291          | \$ 111,416     |



# Notes to Financial Statements

## DEBT SERVICE REQUIREMENTS

As of September 30, 2022, the Department's debt service requirements to maturity for their term were as follows (in thousands):

| Maturing in<br>Fiscal Year                      | Revenue Bonds       |                     | State Loans       |                  | Notes Payable   |               | Total               |                     | Debt Service<br>Requirement |
|---|---------------------|---------------------|-------------------|------------------|-----------------|---------------|---------------------|---------------------|-----------------------------|
|   | Principal           | Interest            | Principal         | Interest         | Principal       | Interest      | Principal           | Interest            |                             |
| 2023  | \$ 86,510           | \$ 149,080          | \$ 10,831         | \$ 2,074         | \$ —            | \$ —          | \$ 97,341           | \$ 151,154          | \$ 248,495                  |
| 2024  | 89,340              | 144,643             | 13,629            | 2,394            | —               | —             | 102,969             | 147,037             | 250,006                     |
| 2025  | 93,735              | 140,066             | 13,256            | 2,198            | —               | —             | 106,991             | 142,264             | 249,255                     |
| 2026  | 98,615              | 135,258             | 13,288            | 2,007            | —               | —             | 111,903             | 137,265             | 249,168                     |
| 2027  | 102,545             | 130,229             | 13,319            | 1,812            | —               | —             | 115,864             | 132,041             | 247,905                     |
| 2028 - 2032                                     | 463,945             | 592,280             | 67,037            | 6,230            | 273             | 167           | 531,255             | 598,677             | 1,129,932                   |
| 2033 - 2037                                     | 542,655             | 487,225             | 47,019            | 1,584            | 209             | 140           | 589,883             | 488,949             | 1,078,832                   |
| 2038 - 2042                                     | 686,950             | 365,990             | 20,107            | 180              | 241             | 107           | 707,298             | 366,277             | 1,073,575                   |
| 2043 - 2047                                     | 853,880             | 214,925             | 6,344             | 24               | 278             | 71            | 860,502             | 215,020             | 1,075,522                   |
| 2048 - 2052                                     | 648,230             | 46,438              | —                 | —                | 320             | 28            | 648,550             | 46,466              | 695,016                     |
|   | 3,666,405           | 2,406,134           | 204,830           | 18,503           | 1,321           | 513           | 3,872,556           | 2,425,150           | 6,297,706                   |
| Unamortized<br>Discount &<br>Premium<br>Amounts | 379,942             | —                   | —                 | —                | —               | —             | 379,942             | —                   | 379,942                     |
| Total   | <u>\$ 4,046,347</u> | <u>\$ 2,406,134</u> | <u>\$ 204,830</u> | <u>\$ 18,503</u> | <u>\$ 1,321</u> | <u>\$ 513</u> | <u>\$ 4,252,498</u> | <u>\$ 2,425,150</u> | <u>\$ 6,677,648</u>         |

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

On July 15, 2009, the County issued \$68.3 million of Miami-Dade County Water and Sewer System Revenue 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 fiscal year 2023 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.25 times the current year's debt service requirements were met in fiscal year 2022.

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

In July 15, 2008, \$374.6 million of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2008B were issued to redeem all 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 fiscal year 2023 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.25 times the current year's debt service requirements were met in fiscal year 2022.

# Notes to Financial Statements

## *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2015*

On June 3, 2015, the County issued \$481.2 million of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2015 to advance refund the \$244.4 million aggregate principal of the Miami-Dade County Revenue Bonds, Series 2007, \$255.7 million aggregate principal of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2008C and pay the costs of issuance.

The Series 2015 Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 through the year 2027 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.25 times the current year's debt service requirements were met in fiscal year 2022.

## *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2017A*

On December 7, 2017, the County issued \$381.3 million of Miami-Dade County Water and Sewer System Revenue Bonds, Series 2017A. The Series 2017A Bonds refunded all outstanding Commercial Paper Notes - Series A-1 and Series B-1, made a deposit to the Reserve Account and paid the costs of issuance of the Series 2017A Bonds.

The Series 2017A Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 through the year 2047 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.25 times the current year's debt service requirements were met in fiscal year 2022.

## *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2017B*

On December 7, 2017, the Department issued \$548.0 million of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2017B. The Series 2017B Bonds refunded \$567.6 million principal outstanding for the Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2010 and paid the costs of issuance of the Series 2017B Bonds.

The Series 2017B Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 through the year 2039 with semi-annual interest due on April 1 and October 1 of each year. Net revenue requirements of at least 1.25 times the current year's debt service requirements were met in fiscal year 2022.

## *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2019*

On January 31, 2019, the Department issued Miami-Dade County Water and Sewer System Revenue Bonds, Series 2019 for \$233.3 million. The Series 2019 Bonds are refunding all of the outstanding Miami-Dade County, Florida Water and Sewer System Commercial Paper Notes, Series A-1 and all of the outstanding Miami-Dade County, Florida Water and Sewer System Commercial Paper Notes, Series B-1, make a deposit to the Reserve Account and pay the costs of issuance of the Series 2019 Bonds.

The Series 2019 Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 starting in 2020 through the year 2049 with semi-annual interest due on April 1 and October 1 of each year. Net revenues requirements of at least 1.25 times the current year's debt service requirement were met in fiscal year 2022.

## *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2019B*

On November 9, 2019, \$663.8 million of Miami-Dade County Water and Sewer System Revenue Bonds, Series 2019B were issued to refund all of the outstanding Miami-Dade County, Florida Water and Sewer System Commercial Paper Notes, Series A-1 and all of the outstanding Miami-Dade County, Florida Water and Sewer System Commercial Paper Notes, Series B-1 and the costs of issuance of the Series 2019B Bonds.

The Series 2019B Revenue Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 starting in 2020 through the year 2049 with semi-annual interest due on April 1

## Notes to Financial Statements

and October 1 of each year. Net revenues requirements of at least 1.25 times the current year's debt service requirement were met in fiscal year.

### *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2019C*

On November 9, 2019, the County issued \$548.1 million of Miami-Dade County Water and Sewer System Revenue Refunding Bonds, Series 2019C. The Series 2019C Bonds refunded \$340 million principal outstanding for the Miami-Dade County, Florida Water and Sewer System Revenue Bonds, Series 2013A and all of the \$152.4M outstanding principal amount of Miami-Dade County, Florida Water and Sewer System Revenue Refunding Bonds, Series 2013B, and pay the costs of issuance of the Series 2019C Bonds. The difference between the cash flows required to service the old debt and the new debt is \$52.8 million. The economic gain resulting from the refunding transaction calculated on a present value basis is \$49.5 million.

The Series 2019C Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 starting in 2020 through the year 2049 with semi-annual interest due on April 1 and October 1 of each year. Net revenues requirements of at least 1.25 times the current year's debt service requirement were met in fiscal year 2022.

### *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM REVENUE BONDS, SERIES 2021*

On April 20, 2021, the County issued \$605.6 million of Miami-Dade County Water and Sewer System Revenue Bonds, Series 2021. The Series 2021 Bonds pay the cost of the Series 2021 Project, make a deposit to the Reserve Account, and pay the costs of issuance of the Series 2021 Bonds. The Series 2021 Bonds are collateralized by the net operating revenues of the Department and are due serially on October 1 starting in 2021 through the year 2051 with semi-annual interest due on April 1 and October 1 of each year. Net revenues requirements of at least 1.25 times the current year's debt service requirement were met in fiscal year 2022.

### *MIAMI-DADE COUNTY WATER AND SEWER SYSTEM SUBORDINATE REVENUE BONDS, SERIES 2021*

On July 8, 2021, the County issued \$236.1 million of Miami-Dade County Subordinate Water and Sewer System Revenue Bonds, Series 2021. The proceeds of the Series 2021 Subordinate Bonds are used to pay the costs of the Series 2021 Project and pay the costs of issuance of the Series 2021 Subordinate Bonds. Payment terms are due serially starting in 2021 through 2052 with semi-annual interest due on April 1 and October 1 of each year. Net revenues requirements of at least 1.0 times the current year's debt service requirement were met in fiscal year 2022.

### *MIAMI-DADE COUNTY REVENUE BONDS- REMEDIES*

Upon an event of default as described in the Master Ordinance, a trustee or Bondholder acting for the Holders of all Bonds made by suit, action, mandamus or other judicial proceedings, protect and enforce any and all rights, including the right to the appointment of a receiver, existing under and to the extent permitted by the laws of the State of Florida, or granted and contained in the Master Ordinance, and may enforce and compel the performance of all duties required in the Master Ordinance or by any applicable statutes to be performed by the County or by an officer thereof.

# Notes to Financial Statements

## 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, 2022, are detailed in the following table (in thousands):

| Loan #  | Draws             | Close Out Date |
|---------|-------------------|----------------|
| 377860  | 123               | 11/13/2006     |
| 377870  | 158               | 11/16/2006     |
| 37788P  | 462               | 09/27/2004     |
| 37789A  | 110               | 11/15/2006     |
| 37789L  | 215               | 11/22/2006     |
| 1300010 | —                 | 10/10/2008     |
| 377900  | 81,988            | 09/05/2014     |
| 130200  | 92                | 08/08/2016     |
| 130201  | 50                | 08/08/2016     |
| 130230  | 14,463            | Active         |
| 130240  | 15,468            | Active         |
| 130260  | 27,351            | Active         |
| 1302A0  | 64,350            | Active         |
|         | <u>\$ 204,830</u> |                |

Related payments of principal and interest are due through the year 2044. 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 2022.

Default in payment of principal and interest on any of the loans described above or any future loans could cause an acceleration of the entire amount of such loans.

## NOTES PAYABLE

The Department closed on \$99.7 million in WIFIA funding at an interest rate of 2.89% on March 22, 2019 for its Ocean Outfall Reduction and Resiliency Enhancement Project. WIFIA will fund up to 49% of the project estimate on a reimbursement basis, or \$99.7 million of this project's costs, the remainder of which is being funded through the State Revolving Fund Loan Program and Department cash on hand. This WIFIA loan will partially fund projects to meet compliance with the Ocean Outfall Legislation (OOL). As of fiscal year end September 30, 2022, the Department has a notes payable outstanding of approximately \$1.3 million. The first WIFIA payment is due five years after the completion of the project and will be paid semi-annually on April 1 and October 1.

Whenever any event of default has occurred as per the WIFIA funding agreement, the lender is entitled to institute any actions or proceedings at law or in equity for the collection of any sums due and unpaid under the WIFIA Note and may prosecute any such judgment and final decree against the Department and collect in the manner provided by law. Additionally, the WIFIA funding agreement calls for a default rate set as a fluctuating interest rate per annum equal to the sum of the base rate from time to time in effect plus four percent (4%).

# Notes to Financial Statements

The notes are issued for the purpose of providing temporary funding for a portion of the Department's Capital Improvement Program, financing the payment of the principal of and interest on any maturing notes or obligations and paying certain costs of issuance.

## 8. PAYABLES

Accounts payables and accrued expenses for fiscal year ended September 30, 2022 were as follows (in thousands):

|                       | 2022              |
|-----------------------|-------------------|
| Other county funds    | \$ 30,537         |
| Vendors               | 23,216            |
| Other governments     | 19,196            |
| Salaries and benefits | 13,696            |
| Contractors           | 42,458            |
| Other                 | 108               |
| Total payables        | <u>\$ 129,211</u> |

## 9. PENSION PLAN

The Department, as an agency of the County, participates in the Florida Retirement System (the FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective October 1, 2002. This integrated defined contribution pension plan is the FRS Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost-sharing multiple-employer defined benefit pension plan, to assist retired members of any state-administered retirement system in paying the costs of health insurance.

Essentially all regular employees of the Department are eligible to enroll as members of the State-administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. An annual comprehensive financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site: ([http://www.dms.myflorida.com/workforce\\_operations/retirement/publications](http://www.dms.myflorida.com/workforce_operations/retirement/publications)).

### *FRS Pension Plan Description*

The FRS Pension Plan (Plan) is a cost-sharing multiple-employer defined benefit pension plan, with DROP for eligible employees.

Employees enrolled in the Plan prior to July 1, 2011, vest at 6 years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at 8 years of creditable service. All vested members enrolled prior to July 1, 2011 are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

## Notes to Financial Statements

The Plan also includes an early retirement provision; however, there is a 5 percent benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

DROP, subject to provisions of Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

### *Benefits Provided*

Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.



# Notes to Financial Statements

## Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Contributions rates in effect from July 1, 2021 through June 30, 2022 were as follows:

| Class   | Effective July 1, 2021<br>through June 30, 2022 |                       | Effective July 1, 2022<br>through June 30, 2023 |                       |
|---|---|-----------------------|---|-----------------------|
|   | Percentage of Gross Salary                      |                       | Percentage of Gross Salary                      |                       |
|   | Employee  | Employer <sup>1</sup> | Employee  | Employer <sup>1</sup> |
| FRS, Regular  | 3.00  | 10.82                 | 3.00  | 11.91                 |
| FRS, Elected County Officers                                  | 3.00  | 51.42                 | 3.00  | 57                    |
| FRS, Senior Management Service                                | 3.00  | 29.01                 | 3.00  | 31.57                 |
| FRS, Special Risk Regular                                     | 3.00  | 25.89                 | 3.00  | 27.83                 |
| DROP - Applicable to members<br>from all of the above classes | N/A   | 18.34                 | N/A   | 18.6                  |

<sup>1</sup> Employer rates include 1.66% for the postemployment health insurance subsidy, and employer rates, other than for DROP participants, include 0.06% for administrative costs.

The Department's contributions for FRS totaled \$21.4 million and employee contributions totaled \$4.5 million for the fiscal year ended September 30, 2022.

## Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At September 30, 2022, the Department reported a liability of \$170.7 million for its proportionate share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022.

For the fiscal year ended September 30, 2022, the Department recognized pension expense/(income) of \$10.8 million related to the Plan. In addition, the Department reported, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

| Description   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 8,110                          | \$ —                             |
| Change of assumptions   | 21,028                            | —                                |
| Net difference between projected and actual earnings on<br>FRS pension plan investments                                       | 11,275                            | —                                |
| Changes in proportion and differences between the<br>Department FRS contributions and proportionate share of<br>contributions | 2,324                             | (1,126)                          |
| The Department contributions subsequent to<br>measurement date  | 5,600                             | —                                |
| Total   | <u>\$ 48,337</u>                  | <u>\$ (1,126)</u>                |

For fiscal year ended September 30, 2022, the deferred outflows of resources related to pensions of approximately \$5.6 million, resulting from the Department's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

# Notes to Financial Statements

| <b>Fiscal Year Ending September 30,</b> | <b>Deferred<br/>Outflows/(Inflows), Net</b> |
|---|---|
| 2023                                    | \$ 10,195                                   |
| 2024                                    | 3,982                                       |
| 2025                                    | (3,165)                                     |
| 2026                                    | 28,882                                      |
| 2027                                    | 1,717                                       |
| Thereafter                              | —   |
| <b>Total</b>                            | <b>\$ 41,611</b>                            |

## Actuarial Assumptions

The FRS pension actuarial assumptions that determined the total pension liability as of June 30, 2022, were based on the results of an actuarial experience study for the period July 1, 2013 – June 30, 2018.

|                           |  |
|---------------------------|--|
| Inflation                 | 2.40%  |
| Salary increases          | 3.25% average, including inflation           |
| Investment rate of return | 6.70% net of pension plan investment expense |
| Discount rate             | 6.70%  |

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

## Long-Term Expected Rate of Return

For fiscal year ended September 30, 2022, the long-term expected rate of return on the Plan investments was not based on historical returns, but instead was based on a capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. For fiscal year ended September 30, 2022, the target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

| <b>Asset Class</b>       | <b>Target<br/>Allocation<sup>1</sup></b> | <b>Annual<br/>Arithmetic<br/>Return</b> | <b>Compound<br/>Annual<br/>(Geometric)<br/>Return</b> | <b>Standard<br/>Deviation</b> |
|--------------------------|--|---|---|-------------------------------|
| Cash                     | 1.0%                                     | 2.6%                                    | 2.6%  | 1.1%                          |
| Fixed income             | 19.8%                                    | 4.4%                                    | 4.4%  | 3.2%                          |
| Global equity            | 54.0%                                    | 8.8%                                    | 7.3%  | 17.8%                         |
| Real estate              | 10.3%                                    | 7.4%                                    | 6.3%  | 15.7%                         |
| Private equity           | 11.1%                                    | 12.0%                                   | 8.9%  | 26.3%                         |
| Strategic investments    | 3.8%                                     | 6.2%                                    | 5.9%  | 7.8%                          |
|                          | <b>100.0%</b>                            |   |   |                               |
| Assumed Inflation - Mean |  |   | 2.4%  | 1.3%                          |

<sup>1</sup> As outlined in the FRS Pension Plan's investment policy.

## Discount Rate

For fiscal year ended September 30, 2022, the discount rate used to measure the net pension liability of the Plan was 6.70 percent. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

## Notes to Financial Statements

### *Sensitivity of the Department's Proportionate Share of the Net Pension Liability/(Asset) to Changes in the Discount Rate*

For fiscal year ended September 30, 2022, the following represents the Department's proportionate share of the net pension liability/(asset) calculated using the discount rate of 6.70 percent; as well as what the Department's proportionate share of the net pension liability/(asset) would be if it is calculated using a discount rate that is one percentage point lower (5.70 percent) or one percentage point higher (7.70 percent) than the current rate (in thousands):

|  | 1%<br>Decrease<br>(5.70%) | Current<br>Discount Rate<br>(6.70%) | 1%<br>Increase<br>(7.70%) |
|--|---------------------------|-------------------------------------|---------------------------|
| Miami Dade County's proportionate share of net pension liability/(asset) allocated to the Department | \$ 295,303                | \$ 170,752                          | \$ 66,612                 |

### *Pension Plan Fiduciary Net Position*

Detailed information about the Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

### *Department's Allocation*

The Department's proportionate share of the FRS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources, and pension expense/income adjustment for the fiscal year ended September 30, 2022 were allocated as follows (in thousands):

|                      | FLORIDA RETIREMENT SYSTEM (FRS) PENSION |                          |                                     |                                    |   |
|----------------------|---|--------------------------|-------------------------------------|------------------------------------|---|
|                      | Percent<br>Allocation                   | Net Pension<br>Liability | Deferred<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources | Pension<br>Expense/<br>(Income)<br>Adjustment |
| Water and Sewer 2022 | 5.76%                                   | \$ 170,752               | \$ 48,337                           | \$ (1,126)                         | \$ 10,894                                     |

### *THE RETIREE HEALTH INSURANCE SUBSIDY PROGRAM (HIS)*

#### *Plan Description*

The Retiree Health Insurance Subsidy Program (HIS Plan) is a non-qualified cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida Legislature at any time. The benefit is a monthly payment to assist retirees of the State-administered retirement systems in paying their health insurance costs and is administered by the Division of Retirement within the Florida Department of Management Services.

#### *Benefits Provided*

For the fiscal year ended September 30, 2022, eligible retirees and surviving beneficiaries received a monthly HIS payment equal to the number of years of creditable service completed at the time of retirement multiplied by \$5, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

#### *Contributions*

The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2022, the HIS contribution rate was 1.66%. The County contributed

## Notes to Financial Statements

100 percent of its statutorily required contributions for the current year. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or if available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

For the fiscal year ended September 30, 2022, the Department's contributions to the HIS Plan totaled \$2.3 million.

### *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At September 30, 2022, the Department reported a net pension liability of \$40.7 million for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability was determined by an actuarial valuation date as of July 1, 2022.

For the fiscal year ended September 30, 2022, the Department recognized a pension expense/(income) of \$2.3 million related to the HIS Plan. In addition, the Department reported, deferred outflows or resources and deferred inflows of resources related to the HIS Plan from the following sources (in thousands):

| Description   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|---|-----------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 1,236                          | \$ (179)                         |
| Change of assumptions   | 2,335                             | (6,302)                          |
| Net difference between projected and actual earnings on<br>HIS pension plan investments   | 59                                | —                                |
| Changes in proportion and differences between the<br>Department HIS contributions and proportionate share of<br>HIS contributions | 2,142                             | (137)                            |
| The Department contributions subsequent to<br>measurement date  | 635                               | —                                |
| Total   | <u>\$ 6,407</u>                   | <u>\$ (6,618)</u>                |

For fiscal year ended September 30, 2022, the deferred outflows of resources related to pensions of approximately \$635 thousand, resulting from the Department's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

| Fiscal Year Ending September 30, | Deferred<br>Outflows/(Inflows), Net |
|----------------------------------|-------------------------------------|
| 2023                             | \$ (163)                            |
| 2024                             | 104                                 |
| 2025                             | 226                                 |
| 2026                             | (35)                                |
| 2027                             | (641)                               |
| Thereafter                       | (337)                               |
| Total                            | <u>\$ (846)</u>                     |

### *Actuarial Assumptions*

The HIS pension as of July 1, 2022 actuarial valuations were determined using the following actuarial assumptions, applied to all periods included in the measurement.

# Notes to Financial Statements

|                           |                                    |
|---------------------------|------------------------------------|
| Inflation                 | 2.40%                              |
| Salary increases          | 3.25% average, including inflation |
| Investment rate of return | N/A                                |
| Discount rate             | 3.54%                              |

Mortality rates were based on the Generational PUB-2010 with Projection Scale MP-2018.

The actuarial assumptions used in the June 30, 2022 valuations were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

## Discount Rate

For fiscal year ended September 30, 2022, the discount rate used to measure the total pension liability for the HIS Plan was 3.54 percent. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

## Sensitivity of the Department's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

For fiscal year ended September 30, 2022, the following represents the Department's proportionate share of the net pension liability calculated using the discount rate of 3.54 percent; as well as what the Department's proportionate share of the net pension liability would be if it is calculated using a discount rate that is one percentage point lower (2.54 percent) or one percentage point higher (4.54 percent) than the current rate (in thousands):

|  | 1%<br>Decrease<br>(2.54%) | Current<br>Discount Rate<br>(3.54%) | 1%<br>Increase<br>(4.54%) |
|--|---------------------------|-------------------------------------|---------------------------|
| Miami Dade County's proportionate share of the net pension liability allocated to the Department | \$ 46,602                 | \$ 40,733                           | \$ 35,877                 |

## Pension plan fiduciary net position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

## Department's Allocation

The Department's proportionate share of the HIS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources, and pension expense / adjustment for the fiscal year ended September 30, 2022 were allocated as follows (in thousands):

|                      | HIS PLAN              |                          |                                     |                                    | Pension<br>Expense/<br>(Income)<br>Adjustment |
|----------------------|-----------------------|--------------------------|-------------------------------------|------------------------------------|---|
|                      | Percent<br>Allocation | Net Pension<br>Liability | Deferred<br>Outflow of<br>Resources | Deferred<br>Inflow of<br>Resources |   |
| Water and Sewer 2022 | 5.76%                 | \$ 40,733                | \$ 6,407                            | \$ (6,618)                         | \$ 2,383                                      |

## Notes to Financial Statements

The below table represents the Department's aggregate net pension liability, deferred outflow of resources related to pensions, deferred inflow of resources related to pensions, and the pension expense/income adjustments for FRS and HIS plans as of the end of the fiscal year.

|                      | FRS & HIS PLAN     |                       |                               |                              |                                      |
|----------------------|--------------------|-----------------------|-------------------------------|------------------------------|--------------------------------------|
|                      | Percent Allocation | Net Pension Liability | Deferred Outflow of Resources | Deferred Inflow of Resources | Pension Expense/ (Income) Adjustment |
| Water and Sewer 2022 | 5.76%              | \$ 211,485            | \$ 54,744                     | \$ (7,744)                   | \$ 13,277                            |

### *FRS – Defined Contribution Investment Plan*

The Department contributes to the FRS Defined Contribution Investment Plan (Investment Plan). The Investment Plan is administered by the State Board of Administration (SBA) and is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Miami-Dade County employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class.

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. At fiscal year ended September 30, 2022, the costs of administering the Investment Plan, including the FRS Financial Guidance Program, were funded through an employer contribution of 0.06 percent of payroll and by forfeited benefits of Investment Plan members. For fiscal year ended September 30, 2022, the information for forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be insignificant to Miami Dade County.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided under the Investment Plan if the member becomes permanently and totally disabled. The member must transfer the account balance to the FRS Trust Fund when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan.

For the fiscal year ended September 30, 2022, the Department's Investment Plan pension contributions totaled \$2 million.



# Notes to Financial Statements

## 10. 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 fiscal 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 depends 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 2022 and 2021 were as follows (in thousands):

|                                 | 2022            | 2021            |
|---------------------------------|-----------------|-----------------|
| Balance at beginning of year    | \$ 4,331        | \$ 3,862        |
| Claims and changes in estimates | 58              | 469             |
| Less: payments                  | —               | —               |
| Balance at end of year          | <u>\$ 4,389</u> | <u>\$ 4,331</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 maintained a liability in the amount of \$4.4 million at September 30, 2022 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 \$6 million as of September 30, 2022.

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 policy which covers up to \$200,000,000 per occurrence for most perils. The Department also has selected properties covered under the National Flood Insurance Program (NFIP) and supplements the NFIP with excess flood policies. The named windstorm deductible is \$35,000,000 and the deductible for flood insurance is \$1,000,000.

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.

# Notes to Financial Statements

## 11. CAPITAL CONTRIBUTIONS

Capital Contributions during fiscal year 2022 are presented as follows (in thousands):

|                         | <b>2022</b>      |
|-------------------------|------------------|
| Contributed facilities: |                  |
| Developers              | \$ 26,982        |
| Contributions - GOB     | 3,971            |
| Other                   | 855              |
| Total additions         | <u>\$ 31,808</u> |

## 12. 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 fiscal year ended September 30, 2022 (in thousands):

|                              | <b>2022</b> |
|------------------------------|-------------|
| General Fund                 | \$ 22,292   |
| Other County Departments     | 40,129      |
| Regulatory                   | 51,075      |
| Information Technology       | 20,957      |
| Internal Services Department | 19,647      |
| Solid Waste                  | 16,599      |

In addition to the payments, the Department had related payables of \$30.5 million at September 30, 2022. The Department also has receivables from other County departments amounting to \$1.7 Million at September 30, 2022. 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 other transactions with various County entities. These transactions arise from the normal course of business and in connection with the management of ongoing projects.

## 13. COMMITMENTS AND CONTINGENCIES

### CONSTRUCTION

For fiscal year ended September 30, 2022, the Department had contractual commitments of \$740 million.

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

### FEDERAL AND STATE GRANTS

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

# Notes to Financial Statements

## *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, 2022, the Department had no obligation to rebate and did not record any obligation 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.

## **14. 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 (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 FRS or the Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan and pay required contributions. Refer to note 9, 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 four medical plans as follows:

- AvMed POS
- AvMed HMO High
- AvMed HMO Select
- Jackson First HMO

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

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

### *FUNDING POLICY*

The County contributes to both the pre-65 and post-65 retiree medical coverage. Medical contributions vary based on plan and tier. Retirees pay the full cost of dental coverage. The postretirement medical is currently funded on a pay-as-you go basis. Contributions are required for both retiree and dependent coverage. Retirees contribute a portion of the full active premium equivalent rates for health coverage. The County subsidy is assumed to remain flat. The plan is funded on a pay-as-you-go basis and there are no assets accumulated in a qualifying trust.

The County's contribution is the actual pay-as-you-go postemployment benefit payments less participant contributions. No assets have been segregated and restricted to provide postretirement benefits.

### *TOTAL OPEB LIABILITY*

The Department's total OPEB liability of \$53.5 million was measured as of September 30, 2022 and was determined by an actuarial valuation as of that date.

# Notes to Financial Statements

## *Actual assumptions and other inputs*

The total OPEB liability in the September 30, 2022 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

|  |  |
|--|--|
| Valuation date                           | September 30, 2022   |
| Measurement date                         | September 30, 2022   |
| Discount rate                            | 4.02%  |
| Salary increase rate                     | 3.0% per annum   |
| Actuarial cost method                    | Entry Age Normal based on level percentage of projected salary.  |
| Amortization method                      | Experience/Assumptions gains and losses are amortized over a close period of 14.4 years starting October 1, 2022, equal to the average remaining service of active and inactive plan members (who have no future service). |
| Healthcare cost trend rates              | Medical/Rx Select 7.0=% and Ultimate 4.0%  |
| Retirees' share of benefit-related costs | 26.90%   |
| Mortality rates                          | Pub-2010, headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).                            |

The discount rate was based on a Bond Buyer 20-Bond GO index.

The actuarial assumptions used in the September 30, 2022 valuation were based on the Florida Retirement System's valuation assumptions as of July 1, 2021 and Miami Dade County's claims experience as of June 2022.

## *CHANGES IN TOTAL OPEB LIABILITY*

Changes in the Department's total OPEB liability for the fiscal year ended September 30, 2022 were as follows (in thousands):

|   | <b>Total OPEB<br/>Liability</b> |
|---|---------------------------------|
| <b>Balance at September 30, 2021</b>              | \$ 58,794                       |
| Changes for the year:                             |                                 |
| Service cost                                      | 16,870                          |
| Interest  | 9,044                           |
| Change in assumptions                             | (35,019)                        |
| Difference between expected and actual experience | 18,109                          |
| Benefits payments                                 | (14,332)                        |
| <b>Balance at September 30, 2022</b>              | <b>\$ 53,466</b>                |

The decrease in the total OPEB liability is mostly due to changes in actuarial assumptions and an increase in the discount rate.

## Notes to Financial Statements

### *Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

For fiscal year ended September 30, 2022, the following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate (in thousands):

|                      | <b>1%<br/>Decrease<br/>3.02%</b> | <b>Current<br/>Discount Rate<br/>4.02%</b> | <b>1%<br/>Increase<br/>5.02%</b> |
|----------------------|----------------------------------|--|----------------------------------|
| Total OPEB Liability | \$ 57,569                        | \$ 53,466                                  | \$ 49,718                        |

### *Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates*

For fiscal year ended September 30, 2022, the following presents the total OPEB liability of the Department, as well as what the Department's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (in thousands):

|                      | <b>1% decrease<br/>(4.0% initial to<br/>3.0%)</b> | <b>Current Trend<br/>(5.0% initial to<br/>4.0%)</b> | <b>1% increase<br/>(6.0% initial to<br/>5.0%)</b> |
|----------------------|---|---|---|
| Total OPEB Liability | \$ 50,218   | \$ 53,466   | \$ 57,071   |

### *OPEB EXPENSE, DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES TO OPEB*

For fiscal year ended September 30, 2022, the Department recognized OPEB expense/(income) of \$5.2 million. At September 30, 2022, the Department reported deferred outflow of resources and deferred inflow of resources related to OPEB from the following sources (in thousands):

|  | <b>Deferred Outflow<br/>of Resources</b> | <b>Deferred Inflow<br/>of Resources</b> |
|--|--|---|
| Differences between expected and actual experience | \$ 2,339                                 | \$ (1,640)                              |
| Changes in assumptions / inputs                    | 10,975                                   | (5,897)                                 |
| Total  | <u>\$ 13,314</u>                         | <u>\$ (7,537)</u>                       |

## Notes to Financial Statements

Amounts reported as deferred outflow of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (in thousands):

| <b>Fiscal Year Ending September 30,</b> | <b>Deferred<br/>Outflows/(Inflows), Net</b> |
|---|---|
| 2023                                    | \$ 778                                      |
| 2024                                    | 778   |
| 2025                                    | 778   |
| 2026                                    | 778   |
| 2027                                    | 778   |
| Thereafter                              | 1,887                                       |
| Total                                   | <u>\$ 5,777</u>                             |

### 15. SUBSEQUENT EVENTS

On September 20, 2022, the Board of County commissioners adopted County Budget Ordinance Number 22-117 authorizing a 5% rate increase to the Department's retail tiered-based structure that will generate enough revenues to support costs including fiscal requirements related to capital investments. Changes will be effective October 1, 2022. In addition, effective October 1, 2022, the County Budget Ordinance increased the water wholesale rate by \$0.0629 per thousand gallons to \$1.9273 from \$1.8644 and the wastewater wholesale rate by \$0.2681 to \$3.7422 from \$3.4741 per thousand gallons. Wholesale water and wastewater rates per thousand gallons rates are based on cost recovery.



## Required Supplementary Information

### MIAMI-DADE WATER & SEWER DEPARTMENT SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS (Dollars in thousands)

| Total OPEB Liability   | 2022       | 2021      | 2020      | 2019      | 2018       |
|--|------------|-----------|-----------|-----------|------------|
| Changes for the Year:  |            |           |           |           |            |
| Service Cost   | \$ 16,870  | \$ 1,116  | \$ 914    | \$ 795    | \$ 821     |
| Interest   | 9,044      | 584       | 1,371     | 1,682     | 1,540      |
| Change of Benefit Terms  | (35,019)   | (119)     | 11,845    | 6,225     | (2,463)    |
| Difference Between Expected and Actual Experience                  | 18,109     | —         | (2,677)   | —         | —          |
| Benefits Payments  | (14,332)   | (1,221)   | (2,365)   | (2,645)   | (2,354)    |
| Net Change in Total OPEB Liability                                 | \$ (5,328) | \$ 360    | \$ 9,088  | \$ 6,056  | \$ (2,456) |
| Total OPEB Liability – Beginning                                   | \$ 58,794  | \$ 58,434 | \$ 49,346 | \$ 43,290 | \$ 45,746  |
| Total OPEB Liability – Ending                                      | \$ 53,466  | \$ 58,794 | \$ 58,434 | \$ 49,346 | \$ 43,290  |
| Covered – Employee Payroll   | \$188,273  | \$171,274 | \$166,285 | \$193,094 | \$161,279  |
| Total OPEB Liability as a Percentage of Covered – Employee Payroll | 28.4 %     | 34.3 %    | 35.1 %    | 25.6 %    | 26.8 %     |

Changes in Assumptions: Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:

|      |        |
|------|--------|
| 2022 | 4.02 % |
| 2021 | 2.26 % |
| 2020 | 2.21 % |
| 2019 | 2.66 % |
| 2018 | 4.24 % |

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75 to pay related benefits. The decrease in the total OPEB liability is mostly due to changes in actuarial assumptions and an increase in the discount rate.

Note: Schedule is intended to show information for 10 years. Currently, only data for fiscal years ending September 30, 2018 thru 2022 are available. Additional years will be displayed as they become available.

# Required Supplementary Information

## MIAMI-DADE WATER & SEWER DEPARTMENT REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY FLORIDA RETIREMENT SYSTEM PENSION PLAN (Dollars in thousands)

| JUNE 30th,  | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       | 2014       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Department's proportion of the County's FRS net pension liability   | 5.76%      | 5.46%      | 5.16 %     | 5.07 %     | 5.26 %     | 5.29 %     | 5.65 %     | 5.93 %     | 5.93 %     |
| Department's proportionate share of the County's FRS net pension liability  | \$ 170,752 | \$ 32,340  | \$ 177,352 | \$ 138,669 | \$ 124,066 | \$ 121,477 | \$ 111,748 | \$ 56,648  | \$ 27,104  |
| Department's covered payroll  | \$ 217,650 | \$ 191,779 | \$ 193,464 | \$ 185,240 | \$ 179,491 | \$ 168,335 | \$ 168,798 | \$ 131,903 | \$ 126,610 |
| Department's proportionate share of the County's FRS net pension liability as a percentage of its covered payroll | 78.45 %    | 16.86 %    | 91.67 %    | 74.86 %    | 69.12 %    | 72.16 %    | 66.20 %    | 42.95 %    | 21.41 %    |
| FRS Plan fiduciary net position as a percentage of the total pension liability                                    | 83.00 %    | 96.00 %    | 79.00 %    | 83.00 %    | 84.00 %    | 84.00 %    | 85.00 %    | 92.00 %    | 96.00 %    |

## MIAMI-DADE WATER & SEWER DEPARTMENT REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE DEPARTMENT'S CONTRIBUTIONS- FLORIDA RETIREMENT SYSTEM PENSION PLAN (Dollars in thousands)

| SEPTEMBER 30th,   | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      | 2014      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Contractually required FRS contribution                                 | \$ 19,583 | \$ 16,310 | \$ 13,596 | \$ 12,485 | \$ 10,637 | \$ 10,691 | \$ 10,534 | \$ 10,693 | \$ 9,730  |
| FRS contribution in relation to the contractually required contribution | 19,583    | 16,310    | 13,596    | 12,485    | 10,637    | 10,691    | 10,534    | 10,693    | 9,730     |
| FRS contribution deficiency (excess)                                    | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      |
| Department's covered payroll  | \$218,982 | \$201,497 | \$192,766 | \$186,248 | \$183,327 | \$169,397 | \$174,697 | \$141,267 | \$126,719 |
| FRS contribution as a percentage of covered payroll                     | 8.94 %    | 8.09 %    | 7.05 %    | 6.70 %    | 5.80 %    | 6.31 %    | 6.03 %    | 7.57 %    | 7.68 %    |

Note: The schedules presented above illustrate the requirements of GASB Statement No. 68. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

# Required Supplementary Information

## MIAMI-DADE WATER & SEWER DEPARTMENT REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE DEPARTMENT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY HEALTH INSURANCE SUBSIDY PENSION PLAN (Dollars in thousands)

| JUNE 30th,  | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      | 2014      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Department's proportion of the County's HIS net pension liability   | 5.76%     | 5.46%     | 5.16 %    | 5.07 %    | 5.26 %    | 5.29 %    | 5.65 %    | 5.93 %    | 5.93 %    |
| Department's proportionate share of the County's HIS net pension liability  | \$ 40,733 | \$ 43,774 | \$ 39,829 | \$ 36,069 | \$ 35,055 | \$ 35,033 | \$ 42,010 | \$ 37,204 | \$ 33,960 |
| Department's covered payroll  | \$170,080 | \$196,874 | \$154,311 | \$148,448 | \$143,553 | \$134,720 | \$134,855 | \$164,213 | \$156,448 |
| Department's proportionate share of the County's HIS net pension liability as a percentage of its covered payroll | 23.95 %   | 22.23 %   | 25.81 %   | 24.30 %   | 24.42 %   | 26.00 %   | 31.15 %   | 22.66 %   | 21.71 %   |
| HIS Plan fiduciary net position as a percentage of the total pension liability                                    | 4.81 %    | 3.56 %    | 3.00 %    | 2.63 %    | 2.15 %    | 1.64 %    | 0.97 %    | 0.50 %    | 0.99 %    |

## MIAMI-DADE WATER & SEWER DEPARTMENT REQUIRED SUPPLEMENTARY INFORMATION SCHEDULE OF THE DEPARTMENT'S CONTRIBUTIONS- HEALTH INSURANCE SUBSIDY PENSION PLAN (Dollars in thousands)

| SEPTEMBER 30th,   | 2022      | 2021      | 2020      | 2019      | 2018      | 2017      | 2016      | 2015      | 2014      |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Contractually required HIS contribution                                 | \$ 2,327  | \$ 2,098  | \$ 1,880  | \$ 1,790  | \$ 1,725  | \$ 1,734  | \$ 1,770  | \$ 1,394  | \$ 1,244  |
| HIS contribution in relation to the contractually required contribution | 2,327     | 2,098     | 1,880     | 1,790     | 1,725     | 1,734     | 1,770     | 1,394     | 1,244     |
| HIS contribution deficiency (excess)                                    | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      | \$ —      |
| Department's covered payroll  | \$170,235 | \$157,567 | \$153,512 | \$148,970 | \$146,648 | \$135,685 | \$139,403 | \$162,174 | \$156,889 |
| HIS contribution as a percentage of covered payroll                     | 1.37 %    | 1.33 %    | 1.22 %    | 1.20 %    | 1.18 %    | 1.28 %    | 1.27 %    | 0.86 %    | 0.79 %    |

Note: The schedules presented above illustrate the requirements of GASB Statement No. 68. However, until a full 10-year trend is compiled, information for those years for which information is available will be presented.

## 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

## SCHEDULE OF NET POSITION

|   | September 30, | 2022                        |
|---|---------------|-----------------------------|
|   |               | (In thousands)              |
| <b>ASSETS</b>   |               |                             |
| <i>CURRENT ASSETS:</i>  |               |                             |
| Cash and cash equivalents                                       | \$            | 5,855                       |
| Investments   |               | 49,540                      |
| Accounts receivable   |               |                             |
| (net of allowance for uncollectible accounts of \$32.4 million) |               | 97,960                      |
| Inventory of materials and supplies                             |               | 25,223                      |
| Other current assets  |               | 1,836                       |
| Restricted cash and cash equivalents                            |               | 46,342                      |
| Total current assets  |               | <u>226,756</u>              |
| <i>NONCURRENT RESTRICTED ASSETS:</i>                            |               |                             |
| Restricted cash and cash equivalents                            |               | 110,210                     |
| Investments   |               | 316,629                     |
| Grants receivable   |               | 227                         |
| Total restricted assets   |               | <u>427,066</u>              |
| <i>CAPITAL ASSETS:</i>  |               |                             |
| Land  |               | 28,483                      |
| Building and building improvements                              |               | 20,812                      |
| Structures and improvements                                     |               | 2,385,092                   |
| Equipment   |               | 441,231                     |
| Utility plant in service before depreciation                    |               | 2,875,618                   |
| Less accumulated depreciation                                   |               | <u>(1,373,193)</u>          |
| Net utility plant in service                                    |               | 1,502,425                   |
| Construction work in progress                                   |               | 147,648                     |
| Total capital assets  |               | <u>1,650,073</u>            |
| <br>Total noncurrent assets                                     |               | <br><u>2,077,139</u>        |
| <br>Total assets  |               | <br><u>2,303,895</u>        |
| <i>DEFERRED OUTFLOWS OF RESOURCES:</i>                          |               |                             |
| Loss on refundings  |               | 34,564                      |
| Outflow related to pension                                      |               | 25,423                      |
| Outflow related to post-employment benefits                     |               | 13,314                      |
| Total deferred outflows of resources                            |               | <u>73,301</u>               |
| <br>Total assets and deferred outflows of resources             | \$            | <br><u><u>2,377,196</u></u> |

(Continued)

# Water System

## SCHEDULE OF NET POSITION

| (Continued)  | September 30, | 2022           |
|--|---------------|----------------|
|  |               | (In thousands) |
| <b>LIABILITIES</b>   |               |                |
| <i>CURRENT LIABILITIES (PAYABLE FROM UNRESTRICTED CURRENT ASSETS):</i> |               |                |
| Accounts payable and accrued expenses                                  | \$            | 32,284         |
| Customer and developer deposits  |               | 13,592         |
| Liability for compensated absences                                     |               | 2,532          |
| Other liabilities  |               | 3,371          |
| Total current liabilities (payable from unrestricted current assets)   |               | 51,779         |
| <i>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED CURRENT ASSETS):</i>   |               |                |
| Accounts payable and accrued expenses                                  |               | 7,312          |
| Retainage payable  |               | 2,773          |
| Current portion of long-term debt                                      |               | 18,477         |
| Accrued interest payable   |               | 16,722         |
| Liability for self insurance   |               | 1,058          |
| Total current liabilities (payable from restricted current assets)     |               | 46,342         |
| Total current liabilities  |               | 98,121         |
| <i>NONCURRENT LIABILITIES:</i>   |               |                |
| Revenue bonds payable, net   |               | 871,145        |
| State loan obligations, net  |               | 39,252         |
| Liability for self-insurance   |               | 3,331          |
| Liability for compensated absences                                     |               | 22,209         |
| Liability for post-employment benefits                                 |               | 53,466         |
| Net pension liability  |               | 99,861         |
| Total noncurrent liabilities   |               | 1,089,264      |
| Total liabilities  |               | 1,187,385      |
| <i>DEFERRED INFLOWS OF RESOURCES:</i>                                  |               |                |
| Inflow related to pension  |               | 4,521          |
| Inflow related to post-employment benefits                             |               | 7,537          |
| Total deferred inflows of resources                                    |               | 12,058         |
| Total liabilities and deferred inflows of resources                    |               | 1,199,442      |
| <b>NET POSITION</b>  |               |                |
| Net investment in capital assets                                       |               | 834,166        |
| Restricted for:  |               |                |
| Capital projects   |               | 177,452        |
| Debt service   |               | 60,562         |
| Unrestricted   |               | 105,574        |
| Total net position   |               | 1,177,754      |
| Total liabilities, deferred inflows of resources and net position      | \$            | 2,377,196      |



# Water System

## SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

| For the fiscal year ended September 30,    | 2022                       |
|--|----------------------------|
|  | (In thousands)             |
| <i>OPERATING REVENUES:</i>                 |                            |
| Retail                                     | \$ 346,854                 |
| Wholesale                                  | 38,292                     |
| Other revenues                             | 12,729                     |
| Total operating revenues                   | <u>397,875</u>             |
| <i>OPERATING AND MAINTENANCE EXPENSES:</i> |                            |
| Source of supply                           | 15,462                     |
| Power and pumping                          | 2,139                      |
| Treatment                                  | 83,524                     |
| Transmission and distribution              | 44,619                     |
| Customer accounting                        | 8,312                      |
| Customer service                           | 15,402                     |
| General and administrative                 | 46,492                     |
| Total operating and maintenance expenses   | <u>215,950</u>             |
| Operating income before depreciation       | 181,925                    |
| <i>DEPRECIATION EXPENSE</i>                | <u>83,474</u>              |
| Operating income                           | 98,451                     |
| <i>NON-OPERATING REVENUES (EXPENSES):</i>  |                            |
| Investment income (loss)                   | (3,311)                    |
| Interest expense                           | (31,634)                   |
| Amortization of issuance costs             | (1,771)                    |
| Operating disaster revenue                 | 896                        |
| Customer connection fees                   | 7,510                      |
| Other revenues                             | 8,415                      |
| Other expenses                             | <u>(1,211)</u>             |
| Income before contributions                | 77,343                     |
| Capital contributions                      | 15,173                     |
| Transfer (to) Wastewater System            | <u>(79,795)</u>            |
| Increase in net position                   | 12,721                     |
| Net position at beginning of year          | <u>1,165,033</u>           |
| Net position at end of year                | <u><u>\$ 1,177,754</u></u> |

# Water System

## SCHEDULE OF CASH FLOWS

| For the fiscal year ended September 30,                          | <u>2022</u>       |
|--|-------------------|
|  | (In thousands)    |
| <i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>                     |                   |
| Cash received from customers                                     | \$ 391,122        |
| Cash paid to suppliers for goods and services                    | (91,640)          |
| Cash paid to employees for services                              | (110,367)         |
| Transfer to Wastewater System                                    | (79,795)          |
| Net cash provided by operating activities                        | <u>109,320</u>    |
| <i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</i> |                   |
| Proceeds from bond issues, loan agreements and Notes             | 4,971             |
| Principal payments - bond and loans                              | (19,973)          |
| Interest paid  | (34,157)          |
| Acquisition and construction of capital assets                   | (58,379)          |
| Net cash used by capital and related financing activities        | <u>(107,538)</u>  |
| <i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>                     |                   |
| Purchase of investment securities                                | (127,614)         |
| Proceeds from sale and maturity of investment securities         | 170,252           |
| Interest on investments  | 2,093             |
| Net cash provided by investing activities                        | <u>44,731</u>     |
| Net increase in cash and cash equivalents                        | 46,512            |
| Cash and cash equivalents at beginning of year                   | <u>115,895</u>    |
| Cash and cash equivalents at end of year                         | <u>\$ 162,407</u> |

# Water System

## SCHEDULE OF CASH FLOWS

| For the fiscal year ended September 30,   | <u>2022</u>       |
|---|-------------------|
| (Continued)   | (In thousands)    |
| <i>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</i> |                   |
| Operating income  | \$ 98,451         |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                   |
| Depreciation  | 83,474            |
| Provision for uncollectible accounts  | 3,257             |
| Non-operating other, net  | 17,796            |
| Transfer to Wastewater System   | (79,795)          |
| (Increase) decrease in assets and deferred outflows:                                    |                   |
| Accounts Receivable   | (24,331)          |
| Inventory of materials and supplies   | (2,709)           |
| Other current assets  | (388)             |
| Contracts/Grants Receivable   | (227)             |
| Other charges   | 817               |
| Deferred outflows related to pension and OPEB   | (5,203)           |
| Increase (decrease) in liabilities and deferred inflows:                                |                   |
| Accounts payable and accrued expenses   | 6,354             |
| Customer and developer deposits   | 985               |
| Accrued interest payable  | (115)             |
| Liability for compensated absences  | 3,545             |
| Other liabilities   | (3,029)           |
| Liability for other post-employment benefits  | (5,328)           |
| Liability for self-insurance  | 58                |
| Net pension liability   | 60,917            |
| Deferred inflows related to pension and OPEB  | (45,209)          |
| Net cash provided by operating activities   | <u>\$ 109,320</u> |

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

Property, plant and equipment contributions were received in amounts of \$15.2 million in fiscal year 2022.

The change in the fair value of investments was a \$6.5 million decrease in fiscal year 2022.

### *RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR*

|   |                   |
|---|-------------------|
| Unrestricted current cash and cash equivalents  | \$ 5,855          |
| Restricted current cash and cash equivalents    | 46,342            |
| Restricted noncurrent cash and cash equivalents | 110,210           |
| Total cash and cash equivalents at end of year  | <u>\$ 162,407</u> |

# Water System

## SCHEDULE OF OPERATING AND MAINTENANCE EXPENSES

**Budget and Actual**  
**For the fiscal year ended September 30, 2022**  
(In thousands)

|                               | <b>Budget</b>     | <b>Actuals</b>    | <b>Variance<br/>under/(over)</b> |
|-------------------------------|-------------------|-------------------|----------------------------------|
| Source of supply              | \$ 18,761         | \$ 15,462         | \$ 3,299                         |
| Power and pumping             | 1,903             | 2,139             | (236)                            |
| Treatment                     | 75,539            | 83,524            | (7,985)                          |
| Transmission and distribution | 45,313            | 44,619            | 694                              |
| Customer accounting           | 5,677             | 8,312             | (2,635)                          |
| Customer service              | 15,838            | 15,402            | 436                              |
| General and administrative    | 51,543            | 46,492            | 5,051                            |
| Totals                        | <u>\$ 214,574</u> | <u>\$ 215,950</u> | <u>\$ (1,376)</u>                |

# Wastewater System

## SCHEDULE OF NET POSITION

|  | September 30, | 2022             |
|--|---------------|------------------|
|  |               | (In thousands)   |
| <b>ASSETS</b>  |               |                  |
| <i>CURRENT ASSETS:</i>   |               |                  |
| Cash and cash equivalents  | \$            | 14,319           |
| Investments  |               | 51,466           |
| Accounts receivable<br>(net of allowance for uncollectible accounts of \$33.9 million) |               | 116,911          |
| Inventory of materials and supplies  |               | 24,770           |
| Restricted cash and cash equivalents   |               | 217,305          |
| Total current assets   |               | <u>424,771</u>   |
| <i>NONCURRENT RESTRICTED ASSETS:</i>   |               |                  |
| Restricted cash and cash equivalents   |               | 73,100           |
| Investments  |               | 626,117          |
| Total restricted assets  |               | <u>699,217</u>   |
| <i>CAPITAL ASSETS:</i>   |               |                  |
| Land   |               | 52,088           |
| Building and building improvements   |               | 20,812           |
| Structures and improvements  |               | 3,747,015        |
| Equipment  |               | 1,057,816        |
| Utility plant in service before depreciation   |               | 4,877,731        |
| Less accumulated depreciation  |               | (2,534,365)      |
| Net utility plant in service   |               | 2,343,366        |
| Construction work in progress  |               | 1,656,080        |
| Total capital assets   |               | <u>3,999,446</u> |
| Total noncurrent assets  |               | <u>4,698,663</u> |
| Total assets   |               | <u>5,123,434</u> |
| <i>DEFERRED OUTFLOWS OF RESOURCES:</i>   |               |                  |
| Loss on refundings   |               | 103,431          |
| Outflow related to pension   |               | 29,321           |
| Total deferred outflows of resources   |               | <u>132,752</u>   |
| Total assets and deferred outflows of resources  | \$            | <u>5,256,186</u> |

(Continued)

# Wastewater System

## SCHEDULE OF NET POSITION

| (Continued)  | September 30, | 2022           |
|--|---------------|----------------|
|  |               | (In thousands) |
| <b>LIABILITIES</b>   |               |                |
| <i>CURRENT LIABILITIES (PAYABLE FROM UNRESTRICTED CURRENT ASSETS):</i> |               |                |
| Accounts payable and accrued expenses                                  | \$            | 49,835         |
| Customer and developer deposits  |               | 7,151          |
| Liability for compensated absences                                     |               | 10,485         |
| Other liabilities  |               | 2,582          |
| Total current liabilities (payable from unrestricted current assets)   |               | 70,053         |
| <i>CURRENT LIABILITIES (PAYABLE FROM RESTRICTED CURRENT ASSETS):</i>   |               |                |
| Accounts payable and accrued expenses                                  |               | 39,781         |
| Retainage payable  |               | 38,497         |
| Current portion of long-term debt                                      |               | 78,864         |
| Accrued interest payable   |               | 60,163         |
| Total current liabilities (payable from restricted current assets)     |               | 217,305        |
| Total current liabilities  |               | 287,358        |
| <i>NONCURRENT LIABILITIES:</i>   |               |                |
| Revenue bonds payable, net   |               | 3,088,692      |
| State loan obligations, net  |               | 154,747        |
| Notes Payable  |               | 1,321          |
| Liability for compensated absences                                     |               | 31,129         |
| Net pension liability  |               | 111,624        |
| Other Non-Current Liabilities - Restricted                             |               | 9,098          |
| Total noncurrent liabilities   |               | 3,396,611      |
| Total liabilities  |               | 3,683,969      |
| <i>DEFERRED INFLOWS OF RESOURCES:</i>                                  |               |                |
| Inflow related to pension  |               | 3,223          |
| Total deferred inflows of resources                                    |               | 3,223          |
| Total liabilities and deferred inflows of resources                    |               | 3,687,192      |
| <b>NET POSITION</b>  |               |                |
| Net investment in capital assets                                       |               | 1,007,337      |
| Restricted for:  |               |                |
| Capital projects   |               | 317,891        |
| Debt service   |               | 189,269        |
| Unrestricted   |               | 54,497         |
| Total net position   |               | 1,568,994      |
| Total liabilities, deferred Inflows of resources and net position      | \$            | 5,256,186      |



# Wastewater System

## SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

| For the fiscal year ended September 30,    | 2022                       |
|--|----------------------------|
|  | (In thousands)             |
| <i>OPERATING REVENUES:</i>                 |                            |
| Retail                                     | \$ 356,895                 |
| Wholesale                                  | 102,362                    |
| Other revenues                             | 13,801                     |
| Total operating revenues                   | <u>473,058</u>             |
| <i>OPERATING AND MAINTENANCE EXPENSES:</i> |                            |
| Collection system                          | 36,064                     |
| Pumping                                    | 56,337                     |
| Treatment                                  | 124,869                    |
| Customer accounting                        | 7,369                      |
| Customer service                           | 12,100                     |
| General and administrative                 | 56,824                     |
| Total operating and maintenance expenses   | <u>293,563</u>             |
| Operating income before depreciation       | 179,495                    |
| <i>DEPRECIATION EXPENSE</i>                | <u>151,326</u>             |
| Operating income                           | 28,169                     |
| <i>NON-OPERATING REVENUES (EXPENSES):</i>  |                            |
| Investment income (loss)                   | (6,038)                    |
| Interest expense                           | (109,313)                  |
| Amortization of issuance costs             | (6,135)                    |
| Customer connection fees                   | 32,110                     |
| Other revenues                             | 820                        |
| Other expenses                             | <u>(1,776)</u>             |
| Income (loss) before contributions         | (62,163)                   |
| Capital contributions                      | 16,635                     |
| Transfer from Water System                 | <u>79,795</u>              |
| Increase in net position                   | 34,267                     |
| Net position at beginning of year          | <u>1,534,727</u>           |
| Net position at end of year                | <u><u>\$ 1,568,994</u></u> |

# Wastewater System

## SCHEDULE OF CASH FLOWS

For the fiscal year ended September 30,

|  | 2022              |
|--|-------------------|
|  | (In thousands)    |
| <i>CASH FLOWS FROM OPERATING ACTIVITIES:</i>                     |                   |
| Cash received from customers                                     | \$ 512,175        |
| Cash paid to suppliers for goods and services                    | (120,770)         |
| Cash paid to employees for services                              | (156,583)         |
| Transfer from Water System                                       | 79,795            |
| Net cash provided by operating activities                        | <u>314,617</u>    |
| <i>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</i>         |                   |
| Long term receivable   | 1,407             |
| Net cash provided by non-capital financing activities            | <u>1,407</u>      |
| <i>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</i> |                   |
| Proceeds from bond issues, loan agreements and notes             | 15,198            |
| Principal payments - bond and loans                              | (75,391)          |
| Interest paid  | (118,711)         |
| Acquisition and construction of capital assets                   | (483,139)         |
| Net cash used by capital and related financing activities        | <u>(662,043)</u>  |
| <i>CASH FLOWS FROM INVESTING ACTIVITIES:</i>                     |                   |
| Purchase of investment securities                                | (1,196,718)       |
| Proceeds from sale and maturity of investment securities         | 1,620,551         |
| Interest on investments  | (61,527)          |
| Net cash provided by investing activities                        | <u>362,306</u>    |
| Net increase in cash and cash equivalents                        | 16,288            |
| Cash and cash equivalents at beginning of year                   | <u>288,436</u>    |
| Cash and cash equivalents at end of year                         | <u>\$ 304,724</u> |

# Wastewater System

## SCHEDULE OF CASH FLOWS

| For the fiscal year ended September 30,  | <u>2022</u>       |
|--|-------------------|
| (Continued)  | (In thousands)    |
| <i>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</i>  |                   |
| Operating income   | \$ 28,169         |
| Adjustments to reconcile operating income to net cash provided by operating activities:  |                   |
| Depreciation   | 151,326           |
| Provision for uncollectible accounts   | 3,397             |
| Non-operating other, net   | 89,740            |
| Transfer from Water System   | 79,795            |
| (Increase) decrease in assets and deferred outflows:   |                   |
| Accounts Receivable  | 5,375             |
| Inventory of materials and supplies  | (1,001)           |
| Other charges  | 3,559             |
| Deferred outflows related to pension and OPEB  | (7,502)           |
| Increase (decrease) in liabilities and deferred inflows:   |                   |
| Accounts payable and accrued expenses  | 1,253             |
| Customer and developer deposits  | 811               |
| Accrued interest payable   | 2,201             |
| Liability for compensated absences   | 5,784             |
| Other liabilities  | (63,095)          |
| Net pension liability  | 74,454            |
| Deferred Inflows related to pension and OPEB   | (59,649)          |
| Net cash provided by operating activities  | <u>\$ 314,617</u> |
| <i>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</i>   |                   |
| Property, plant and equipment contributions were received in amounts of \$16.6 million in fiscal year 2022.  |                   |
| The change in the fair value of investments was a \$11.9 million decrease in fiscal year 2022.   |                   |
| Environmental remediation credit for \$593 thousand was given to the buyer for the sale of 2.79 acres of land for the development of soccer stadium project. |                   |
| <i>RECONCILIATION OF CASH AND CASH EQUIVALENTS AT END OF YEAR</i>  |                   |
| Unrestricted current cash and cash equivalents   | \$ 14,319         |
| Restricted current cash and cash equivalents   | 217,305           |
| Restricted noncurrent cash and cash equivalents  | 73,100            |
| Total cash and cash equivalents at end of year   | <u>\$ 304,724</u> |

# Wastewater System

## SCHEDULE OF OPERATING AND MAINTENANCE EXPENSES

**Budget and Actual**  
**For the fiscal year ended September 30, 2022**  
(In thousands)

|                            | <b>Budget</b>     | <b>Actuals</b>    | <b>Variance<br/>under/(over)</b> |
|----------------------------|-------------------|-------------------|----------------------------------|
| Collection system          | \$ 38,347         | \$ 36,064         | \$ 2,283                         |
| Pumping                    | 51,573            | 56,337            | (4,764)                          |
| Treatment                  | 113,557           | 124,869           | (11,312)                         |
| Customer accounting        | 4,405             | 7,369             | (2,964)                          |
| Customer service           | 11,948            | 12,100            | (152)                            |
| General and administrative | 62,997            | 56,824            | 6,173                            |
| Totals                     | <u>\$ 282,827</u> | <u>\$ 293,563</u> | <u>\$ (10,736)</u>               |

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## Statistical Section





## Statistical Section

This part of the Department's annual comprehensive financial 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 86-89, 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 90-92, contain information to help the reader assess the factors affecting the Department's ability to generate revenue.

#### *Debt Capacity*

These schedules, found on pages 93-95, 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 96-102, 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 103-105, 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 Position

## BY COMPONENTS – LAST TEN FISCAL YEARS

| (In thousands)                                | 2022               | 2021               | 2020               | 2019               | 2018               | 2017               | 2016               | 2015               | 2014               | 2013               |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| <b>COMBINED WATER AND WASTEWATER SYSTEMS:</b> |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Net investment in capital assets              | \$1,841,503        | \$1,967,212        | \$1,967,658        | \$1,962,557        | \$1,941,144        | \$1,851,041        | \$1,730,528        | \$1,590,653        | \$1,542,930        | \$1,474,197        |
| Restricted                                    | 745,174            | 564,710            | 491,735            | 419,134            | 342,400            | 356,540            | 330,257            | 340,066            | 321,122            | 273,623            |
| Unrestricted                                  | 160,071            | 167,838            | 192,058            | 218,794            | 237,744            | 260,899            | 266,833            | 266,597            | 355,635            | 449,515            |
| Total net position                            | <u>\$2,746,748</u> | <u>\$2,699,760</u> | <u>\$2,651,451</u> | <u>\$2,600,485</u> | <u>\$2,521,288</u> | <u>\$2,468,480</u> | <u>\$2,327,618</u> | <u>\$2,197,316</u> | <u>\$2,219,687</u> | <u>\$2,197,335</u> |
| <b>WATER SYSTEM:</b>                          |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Net investment in capital assets              | \$ 834,166         | \$ 851,796         | \$ 931,597         | \$ 989,270         | \$ 986,573         | \$ 975,646         | \$ 965,055         | \$1,013,229        | \$ 988,585         | \$ 943,883         |
| Restricted                                    | 238,014            | 225,148            | 210,526            | 141,881            | 108,344            | 111,646            | 80,115             | 80,841             | 93,302             | 96,841             |
| Unrestricted                                  | 105,574            | 88,089             | 84,910             | 108,306            | 123,265            | 139,835            | 137,622            | 146,403            | 189,084            | 252,612            |
| Total net position                            | <u>\$1,177,754</u> | <u>\$1,165,033</u> | <u>\$1,227,033</u> | <u>\$1,239,457</u> | <u>\$1,218,182</u> | <u>\$1,227,127</u> | <u>\$1,182,792</u> | <u>\$1,240,473</u> | <u>\$1,270,971</u> | <u>\$1,293,336</u> |
| <b>WASTEWATER SYSTEM:</b>                     |                    |                    |                    |                    |                    |                    |                    |                    |                    |                    |
| Net investment in capital assets              | \$1,007,337        | \$1,115,416        | \$1,036,061        | \$ 973,287         | \$ 954,571         | \$ 875,395         | \$ 765,473         | \$ 577,424         | \$ 554,345         | \$ 530,314         |
| Restricted                                    | 507,160            | 339,562            | 281,209            | 277,253            | 234,056            | 244,894            | 250,142            | 259,225            | 227,820            | 176,782            |
| Unrestricted                                  | 54,497             | 79,749             | 107,148            | 110,488            | 114,479            | 121,064            | 129,211            | 120,194            | 166,551            | 196,903            |
| Total net position                            | <u>\$1,568,994</u> | <u>\$1,534,727</u> | <u>\$1,424,418</u> | <u>\$1,361,028</u> | <u>\$1,303,106</u> | <u>\$1,241,353</u> | <u>\$1,144,826</u> | <u>\$ 956,843</u>  | <u>\$ 948,716</u>  | <u>\$ 903,999</u>  |

# Combined Water and Wastewater Systems

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

| (In thousands)                                   | 2022             | 2021             | 2020             | 2019             | 2018             | 2017              | 2016              | 2015             | 2014             | 2013               |
|--|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|------------------|------------------|--------------------|
| <i>OPERATING REVENUES:</i>                       |                  |                  |                  |                  |                  |                   |                   |                  |                  |                    |
| Retail   | \$ 703,749       | \$ 674,875       | \$ 627,340       | \$ 586,158       | \$ 563,839       | \$ 554,546        | \$ 520,146        | \$ 486,201       | \$ 465,057       | \$ 437,778         |
| Wholesale  | 140,654          | 132,092          | 118,383          | 118,260          | 117,735          | 123,854           | 110,951           | 98,810           | 85,771           | 88,754             |
| Other  | 26,530           | 20,158           | 23,758           | 30,033           | 30,275           | 28,932            | 28,685            | 28,305           | 28,022           | 21,876             |
| Total operating revenues                         | <u>870,933</u>   | <u>827,125</u>   | <u>769,481</u>   | <u>734,451</u>   | <u>711,849</u>   | <u>707,332</u>    | <u>659,782</u>    | <u>613,316</u>   | <u>578,850</u>   | <u>548,408</u>     |
| <i>OPERATING AND MAINTENANCE EXPENSES:</i>       |                  |                  |                  |                  |                  |                   |                   |                  |                  |                    |
| Source of supply                                 | 15,462           | 14,291           | 14,179           | 13,966           | 9,578            | 14,193            | 14,284            | 10,931           | 10,788           | 10,874             |
| Collection system                                | 36,064           | 36,695           | 33,169           | 32,481           | 34,049           | 33,457            | 26,866            | 27,634           | 22,500           | 21,638             |
| Pumping  | 58,477           | 55,962           | 52,228           | 50,162           | 45,426           | 44,519            | 41,532            | 39,384           | 37,355           | 36,508             |
| Treatment  | 208,393          | 178,812          | 165,021          | 169,240          | 163,435          | 152,734           | 160,186           | 156,229          | 145,513          | 139,555            |
| Transmission and distribution                    | 44,619           | 37,825           | 40,328           | 39,058           | 35,783           | 31,228            | 30,554            | 30,892           | 28,844           | 27,882             |
| Customer accounting and service                  | 43,183           | 59,626           | 49,731           | 33,422           | 34,787           | 34,160            | 30,239            | 28,068           | 23,180           | 25,155             |
| General and administrative                       | 103,316          | 93,828           | 124,023          | 103,896          | 100,250          | 88,239            | 84,827            | 75,769           | 81,662           | 78,552             |
| Total operating and maintenance expense          | <u>509,513</u>   | <u>477,038</u>   | <u>478,679</u>   | <u>442,225</u>   | <u>423,308</u>   | <u>398,530</u>    | <u>388,488</u>    | <u>368,907</u>   | <u>349,842</u>   | <u>340,164</u>     |
| Operating income before depreciation             | 361,420          | 350,087          | 290,802          | 292,226          | 288,541          | 308,802           | 271,294           | 244,409          | 229,008          | 208,244            |
| DEPRECIATION EXPENSE                             | 234,800          | 226,059          | 206,311          | 201,173          | 199,694          | 187,921           | 184,424           | 188,909          | 183,557          | 177,570            |
| Operating income (loss)                          | 126,620          | 124,028          | 84,491           | 91,053           | 88,847           | 120,881           | 86,870            | 55,500           | 45,451           | 30,674             |
| <i>NON-OPERATING REVENUES (EXPENSES):</i>        |                  |                  |                  |                  |                  |                   |                   |                  |                  |                    |
| Investment income (loss)                         | (9,349)          | 1,445            | 14,559           | 27,954           | 1,407            | (9,649)           | (4,853)           | 20,557           | 3,933            | (18,351)           |
| Interest expense                                 | (140,947)        | (129,755)        | (122,239)        | (111,875)        | (42,861)         | (25,978)          | (46,369)          | (75,728)         | (89,678)         | (78,538)           |
| Other income                                     | 38,856           | 14,203           | 16,207           | 38,358           | 16,075           | 20,499            | 41,043            | 36,186           | 42,670           | 28,572             |
| Income (loss) before contributions and transfers | 15,180           | 9,921            | (6,982)          | 45,490           | 63,468           | 105,753           | 76,691            | 36,515           | 2,376            | (37,643)           |
| Capital contributions                            | 31,808           | 38,388           | 57,949           | 33,707           | 28,330           | 35,109            | 53,611            | 46,692           | 35,810           | 19,459             |
| Increase (decrease) in net position              | <u>\$ 46,988</u> | <u>\$ 48,309</u> | <u>\$ 50,967</u> | <u>\$ 79,197</u> | <u>\$ 91,798</u> | <u>\$ 140,862</u> | <u>\$ 130,302</u> | <u>\$ 83,207</u> | <u>\$ 38,186</u> | <u>\$ (18,184)</u> |

# Water System

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

| (In thousands)                                   | 2022       | 2021        | 2020       | 2019       | 2018       | 2017       | 2016        | 2015       | 2014        | 2013       |
|--|------------|-------------|------------|------------|------------|------------|-------------|------------|-------------|------------|
| <i>OPERATING REVENUES:</i>                       |            |             |            |            |            |            |             |            |             |            |
| Retail   | \$ 346,854 | \$ 331,651  | \$ 302,360 | \$ 277,305 | \$ 268,275 | \$ 265,636 | \$ 247,088  | \$ 233,464 | \$ 219,880  | \$ 207,117 |
| Wholesale  | 38,292     | 34,682      | 27,779     | 34,810     | 39,310     | 34,916     | 28,572      | 37,008     | 28,815      | 29,210     |
| Other  | 12,729     | 9,476       | 11,820     | 15,937     | 16,159     | 15,493     | 15,383      | 14,966     | 14,908      | 11,985     |
| Total operating revenues                         | 397,875    | 375,809     | 341,959    | 328,052    | 323,744    | 316,045    | 291,043     | 285,438    | 263,603     | 248,312    |
| <i>OPERATING AND MAINTENANCE EXPENSES:</i>       |            |             |            |            |            |            |             |            |             |            |
| Source of supply                                 | 15,462     | 14,291      | 14,179     | 13,966     | 9,578      | 14,193     | 14,284      | 10,931     | 10,788      | 10,874     |
| Pumping  | 2,139      | 2,106       | 2,040      | 2,224      | 1,927      | 1,976      | 1,982       | 2,054      | 1,911       | 1,816      |
| Treatment  | 83,524     | 71,767      | 64,517     | 68,717     | 62,707     | 60,387     | 68,272      | 63,921     | 58,741      | 60,188     |
| Transmission and distribution                    | 44,619     | 37,825      | 40,328     | 39,058     | 35,783     | 31,228     | 30,554      | 30,892     | 28,844      | 27,882     |
| Customer accounting and service                  | 23,714     | 31,771      | 26,719     | 18,850     | 19,300     | 19,066     | 16,859      | 15,651     | 13,025      | 13,908     |
| General and administrative                       | 46,492     | 42,207      | 55,875     | 46,754     | 45,077     | 39,683     | 37,983      | 34,078     | 36,711      | 35,292     |
| Total operating and maintenance expenses         | 215,950    | 199,967     | 203,658    | 189,569    | 174,372    | 166,533    | 169,934     | 157,527    | 150,020     | 149,960    |
| Operating income before depreciation             | 181,925    | 175,843     | 138,301    | 138,483    | 149,372    | 149,512    | 121,109     | 127,911    | 113,583     | 98,352     |
| DEPRECIATION EXPENSE                             | 83,474     | 82,330      | 76,720     | 73,078     | 74,858     | 74,142     | 72,180      | 66,642     | 65,456      | 69,581     |
| Operating income (loss)                          | 98,451     | 93,513      | 61,581     | 65,405     | 74,514     | 75,370     | 48,929      | 61,269     | 48,127      | 28,771     |
| <i>NON-OPERATING REVENUES (EXPENSES):</i>        |            |             |            |            |            |            |             |            |             |            |
| Investment income (loss)                         | (3,311)    | 557         | 6,218      | 12,535     | 5          | (5,178)    | (2,650)     | 10,127     | 1,769       | (8,574)    |
| Interest expense                                 | (31,634)   | (31,598)    | (30,133)   | (26,497)   | (16,158)   | (17,434)   | (16,290)    | (19,169)   | (21,731)    | (14,203)   |
| Other income                                     | 13,838     | 4,541       | 9,191      | 7,161      | 7,161      | 2,463      | 11,843      | 9,812      | 13,090      | 6,461      |
| Income (loss) before contributions and transfers | 77,343     | 67,013      | 46,857     | 58,604     | 65,522     | 55,221     | 41,832      | 62,039     | 41,255      | 12,455     |
| Capital contributions                            | 15,173     | 21,995      | 19,804     | 21,115     | 16,895     | 21,632     | 28,860      | 27,918     | 21,370      | 11,490     |
| Transfer (to) from Wastewater System             | (79,795)   | (151,009)   | (79,085)   | (58,444)   | (71,867)   | (32,520)   | (128,373)   | (67,666)   | (80,939)    | 1,564      |
| Increase (decrease) in net position              | \$ 12,721  | \$ (62,001) | (\$12,424) | \$ 21,275  | \$ 10,550  | \$ 44,333  | \$ (57,681) | \$ 22,291  | \$ (18,314) | \$ 25,509  |

# Wastewater System

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

| (In thousands)                                   | 2022             | 2021              | 2020             | 2019             | 2018             | 2017             | 2016              | 2015             | 2014             | 2013               |
|--|------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|--------------------|
| <i>OPERATING REVENUES:</i>                       |                  |                   |                  |                  |                  |                  |                   |                  |                  |                    |
| Retail   | \$ 356,895       | \$ 343,224        | \$ 324,980       | \$ 308,853       | \$ 295,564       | \$ 288,910       | \$ 273,058        | \$ 252,737       | \$ 245,167       | \$ 230,661         |
| Wholesale  | 102,362          | 97,410            | 90,604           | 83,450           | 78,425           | 88,938           | 82,380            | 61,802           | 56,956           | 59,544             |
| Other  | 13,801           | 10,682            | 11,938           | 14,096           | 14,116           | 13,439           | 13,301            | 13,339           | 13,114           | 9,891              |
| Total operating revenues                         | <u>473,058</u>   | <u>451,316</u>    | <u>427,522</u>   | <u>406,399</u>   | <u>388,105</u>   | <u>391,287</u>   | <u>368,739</u>    | <u>327,878</u>   | <u>315,237</u>   | <u>300,096</u>     |
| <i>OPERATING AND MAINTENANCE EXPENSES:</i>       |                  |                   |                  |                  |                  |                  |                   |                  |                  |                    |
| Collection system                                | 36,064           | 36,695            | 33,169           | 32,481           | 34,049           | 33,457           | 26,866            | 27,634           | 22,500           | 21,638             |
| Pumping  | 56,337           | 53,855            | 50,188           | 47,938           | 43,499           | 42,543           | 39,549            | 37,330           | 35,444           | 34,692             |
| Treatment  | 124,869          | 107,045           | 100,504          | 100,523          | 100,728          | 92,347           | 91,915            | 92,308           | 86,772           | 79,367             |
| Customer accounting and service                  | 19,469           | 27,855            | 23,012           | 14,572           | 15,487           | 15,094           | 13,380            | 12,417           | 10,155           | 11,247             |
| General and administrative                       | 56,824           | 51,623            | 68,148           | 57,142           | 55,173           | 48,556           | 46,844            | 41,691           | 44,951           | 43,260             |
| Total operating and maintenance expenses         | <u>293,563</u>   | <u>277,073</u>    | <u>275,021</u>   | <u>252,656</u>   | <u>248,936</u>   | <u>231,997</u>   | <u>218,554</u>    | <u>211,380</u>   | <u>199,822</u>   | <u>190,204</u>     |
| Operating income before depreciation             | 179,495          | 174,243           | 152,501          | 153,743          | 139,169          | 159,290          | 150,185           | 116,498          | 115,415          | 109,892            |
| DEPRECIATION EXPENSE                             | <u>151,326</u>   | <u>143,729</u>    | <u>129,591</u>   | <u>128,095</u>   | <u>124,836</u>   | <u>113,779</u>   | <u>112,244</u>    | <u>122,267</u>   | <u>118,101</u>   | <u>107,989</u>     |
| Operating income (loss)                          | 28,169           | 30,514            | 22,910           | 25,648           | 14,333           | 45,511           | 37,941            | (5,769)          | (2,686)          | 1,903              |
| <i>NON-OPERATING REVENUES (EXPENSES):</i>        |                  |                   |                  |                  |                  |                  |                   |                  |                  |                    |
| Investment income (loss)                         | (6,038)          | 888               | 8,341            | 15,419           | 1,402            | (4,471)          | (2,203)           | 10,430           | 2,164            | (9,777)            |
| Interest expense                                 | (109,313)        | (98,157)          | (92,106)         | (85,378)         | (26,703)         | (8,544)          | (30,079)          | (56,559)         | (67,947)         | (64,335)           |
| Other income                                     | 25,019           | 9,662             | 7,017            | 31,197           | 8,914            | 18,034           | 29,200            | 26,374           | 29,580           | 22,111             |
| Income (loss) before contributions and transfers | <u>(62,163)</u>  | <u>(57,093)</u>   | <u>(53,838)</u>  | <u>(13,114)</u>  | <u>(2,054)</u>   | <u>50,530</u>    | <u>34,859</u>     | <u>(25,524)</u>  | <u>(38,889)</u>  | <u>(50,098)</u>    |
| Capital contributions                            | 16,635           | 16,393            | 38,145           | 12,592           | 11,435           | 13,477           | 24,751            | 18,774           | 14,440           | 7,969              |
| Transfer (to) from Water System                  | <u>79,795</u>    | <u>151,009</u>    | <u>79,085</u>    | <u>58,444</u>    | <u>71,867</u>    | <u>32,520</u>    | <u>128,373</u>    | <u>67,666</u>    | <u>80,939</u>    | <u>(1,564)</u>     |
| Increase (decrease) in net position              | <u>\$ 34,267</u> | <u>\$ 110,309</u> | <u>\$ 63,392</u> | <u>\$ 57,922</u> | <u>\$ 81,248</u> | <u>\$ 96,527</u> | <u>\$ 187,983</u> | <u>\$ 60,916</u> | <u>\$ 56,490</u> | <u>\$ (43,693)</u> |

# Water and Wastewater System Rates

## LAST TEN FISCAL YEARS

|                                 | 2022     | 2021     | 2020     | 2019     | 2018     | 2017     | 2016     | 2015     | 2014     | 2013     |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| <b>WATER RATES:</b>             |          |          |          |          |          |          |          |          |          |          |
| Meter Size Rate                 |          |          |          |          |          |          |          |          |          |          |
| 5/8"                            | \$ 3.32  | \$ 3.20  | \$ 3.20  | \$ 3.20  | \$ 3.20  | \$ 3.20  | \$ 3.20  | \$ 3.20  | \$ 3.20  | \$ 3.20  |
| 1"                              | 14.12    | 13.62    | 12.38    | 12.38    | 12.38    | 12.38    | 11.42    | 10.77    | 10.16    | 9.41     |
| 1.5"                            | 28.24    | 27.24    | 24.76    | 24.76    | 24.76    | 24.76    | 22.84    | 21.55    | 20.33    | 18.82    |
| 2"                              | 45.16    | 43.56    | 39.60    | 39.60    | 39.60    | 39.60    | 36.53    | 34.46    | 32.51    | 30.10    |
| 3"                              | 90.34    | 87.13    | 79.21    | 79.21    | 79.21    | 79.21    | 73.07    | 68.93    | 65.03    | 60.21    |
| 4"                              | 141.15   | 136.14   | 123.76   | 123.76   | 123.76   | 123.76   | 114.17   | 107.71   | 101.61   | 94.08    |
| 6"                              | 282.27   | 272.25   | 247.50   | 247.50   | 247.50   | 247.50   | 228.32   | 215.40   | 203.21   | 188.16   |
| 8"                              | 451.65   | 435.62   | 369.02   | 396.02   | 396.02   | 396.02   | 365.33   | 344.65   | 325.14   | 301.06   |
| 10"                             | 649.25   | 626.21   | 569.28   | 569.28   | 569.28   | 569.28   | 525.16   | 495.43   | 467.39   | 432.77   |
| 12"                             | 1,213.81 | 1,170.73 | 1,064.30 | 1,064.30 | 1,064.30 | 1,064.30 | 981.83   | 926.25   | 873.82   | 809.09   |
| 14"                             | 2,258.23 | 2,178.08 | 1,980.07 | 1,980.07 | 1,980.07 | 1,980.07 | 1,826.63 | 1,723.24 | 1,625.70 | 1,505.28 |
| 16"                             | 3,105.08 | 2,994.87 | 2,722.61 | 2,722.61 | 2,722.61 | 2,722.61 | 2,511.63 | 2,369.46 | 2,235.34 | 2,069.76 |
| Composite rate (revenues/flows) | 5.53     | 5.28     | 4.86     | 4.47     | 4.30     | 4.09     | 3.85     | 3.66     | 3.46     | 2.99     |

### WASTEWATER RATES:

|                                 |          |          |          |          |          |          |          |          |          |          |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Base rate (per 1,000 gallons)   | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      | N/A      |
| Meter Size Rate                 |          |          |          |          |          |          |          |          |          |          |
| 5/8"                            | \$ 5.24  | \$ 5.05  | \$ 5.05  | \$ 5.05  | \$ 3.25  | \$ 3.25  | \$ 3.25  | \$ 3.25  | \$ 3.25  | \$ 3.25  |
| 1"                              | 19.47    | 18.78    | 17.07    | 17.07    | 12.57    | 12.53    | 11.60    | 10.94    | 10.32    | 9.56     |
| 1.5"                            | 38.93    | 37.55    | 34.14    | 34.14    | 25.14    | 25.05    | 23.19    | 21.88    | 20.64    | 19.11    |
| 2"                              | 62.30    | 60.09    | 54.63    | 54.63    | 40.23    | 40.08    | 37.11    | 35.01    | 33.03    | 30.58    |
| 3"                              | 124.57   | 120.15   | 109.23   | 109.23   | 80.43    | 80.14    | 74.20    | 70.00    | 66.04    | 61.15    |
| 4"                              | 194.66   | 187.75   | 170.68   | 170.68   | 125.68   | 125.22   | 115.94   | 109.38   | 103.19   | 95.55    |
| 6"                              | 389.34   | 375.52   | 341.38   | 341.38   | 251.38   | 250.46   | 231.90   | 218.77   | 206.39   | 191.10   |
| 8"                              | 622.93   | 600.82   | 546.20   | 546.20   | 402.20   | 400.72   | 371.03   | 350.03   | 330.22   | 305.76   |
| 10"                             | 895.46   | 863.68   | 785.16   | 785.16   | 578.16   | 576.03   | 533.36   | 503.17   | 474.69   | 439.53   |
| 12"                             | 1,674.13 | 1,614.00 | 1,467.92 | 1,467.92 | 1,080.92 | 1,076.93 | 997.16   | 940.72   | 887.47   | 821.73   |
| 14"                             | 3,114.67 | 3,004.12 | 2,731.02 | 2,731.02 | 2,011.02 | 2,003.59 | 1,855.18 | 1,750.17 | 1,651.10 | 1,528.80 |
| 16"                             | 4,282.68 | 4,130.67 | 3,755.15 | 3,755.15 | 2,765.15 | 2,754.95 | 2,550.88 | 2,406.49 | 2,270.27 | 2,102.10 |
| Composite rate (revenues/flows) | 7.29     | 7.01     | 6.70     | 6.41     | 6.10     | 5.74     | 5.51     | 5.16     | 4.98     | 4.69     |

Increases in Water and Wastewater rates must be approved by the Board of County Commissioners.



# Water Treatment

## LAST TEN FISCAL YEARS

| (millions of gallons)                                       | 2022    | 2021    | 2020    | 2019    | 2018    | 2017    | 2016    | 2015    | 2014    | 2013    |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>WATER PUMPED:</b>  |         |         |         |         |         |         |         |         |         |         |
| Water treatment plants:                                     |         |         |         |         |         |         |         |         |         |         |
| Alexander Orr, Jr.  | 65,187  | 66,281  | 67,283  | 66,620  | 66,096  | 66,190  | 65,968  | 62,566  | 60,183  | 58,666  |
| John E. Preston   | 39,227  | 38,102  | 31,791  | 30,138  | 26,555  | 27,891  | 26,789  | 27,044  | 26,942  | 30,586  |
| Hialeah   | 10,522  | 10,283  | 14,531  | 16,939  | 20,467  | 20,093  | 20,142  | 19,488  | 19,248  | 21,241  |
| South Dade Water System                                     | 3,599   | 3,765   | 3,845   | 3,790   | 3,920   | 3,752   | 3,921   | 3,570   | 2,607   | 2,670   |
| Purchase water  | 116     | 88      | 89      | 99      | 116     | 116     | 192     | 164     | 124     | 178     |
| Total water pumped  | 118,651 | 118,519 | 117,539 | 117,586 | 117,154 | 118,042 | 117,012 | 112,832 | 109,104 | 113,341 |
| <b>WATER SOLD:</b>  |         |         |         |         |         |         |         |         |         |         |
| Wholesale:  |         |         |         |         |         |         |         |         |         |         |
| Miami Beach   | 6,351   | 6,926   | 7,195   | 8,109   | 8,381   | 8,566   | 8,249   | 8,346   | 7,615   | 7,903   |
| Hialeah   | 5,643   | 6,263   | 6,146   | 6,376   | 6,566   | 7,040   | 6,857   | 6,623   | 7,285   | 9,429   |
| North Miami   | 2,295   | 2,218   | 2,318   | 2,792   | 3,468   | 2,313   | 1,538   | 2,096   | 1,693   | 1,655   |
| Opa-Locka   | 757     | 771     | 861     | 998     | 909     | 894     | 993     | 950     | 895     | 876     |
| Hialeah Gardens   | 731     | 743     | 766     | 764     | 703     | 742     | 768     | 694     | 638     | 576     |
| Homestead <sup>1</sup>                                      | 856     | 888     | 810     | 668     | 723     | 668     | 684     | 520     | 188     | 151     |
| Bal Harbor  | 457     | 415     | 454     | 437     | 455     | 487     | 506     | 503     | 407     | 494     |
| North Bay Village   | 399     | 419     | 423     | 404     | 419     | 435     | 419     | 430     | 405     | 415     |
| Medley  | 459     | 405     | 403     | 368     | 389     | 378     | 381     | 365     | 470     | 516     |
| Bay Harbor Islands  | 329     | 414     | 317     | 319     | 338     | 319     | 291     | 328     | 318     | 309     |
| Surfside  | 335     | 337     | 340     | 358     | 386     | 389     | 325     | 326     | 303     | 299     |
| West Miami  | 330     | 328     | 347     | 321     | 334     | 344     | 319     | 251     | 278     | 236     |
| Indian Creek Village  | 219     | 167     | 195     | 179     | 154     | 143     | 119     | 134     | 117     | 120     |
| Virginia Gardens  | 83      | 78      | 82      | 86      | 80      | 80      | 84      | 82      | 91      | 95      |
| North Miami Beach   | 7       | —       | —       | —       | —       | 83      | —       | 3       | —       | —       |
| Total wholesale   | 19,251  | 20,372  | 20,657  | 22,179  | 23,305  | 22,881  | 21,533  | 21,651  | 20,703  | 23,074  |
| Retail  | 62,723  | 62,860  | 62,243  | 62,051  | 62,421  | 64,968  | 64,108  | 63,783  | 63,539  | 63,386  |
| Total water sold  | 81,974  | 83,232  | 82,900  | 84,230  | 85,726  | 87,849  | 85,641  | 85,434  | 84,242  | 86,460  |
| Non-account water   | 36,677  | 35,284  | 34,632  | 33,357  | 31,428  | 30,193  | 31,373  | 27,398  | 24,862  | 26,881  |
| Non-account water as a percentage of total water pumped     | 30.91%  | 29.77%  | 29.46%  | 28.37%  | 26.83%  | 25.58%  | 26.81%  | 24.28%  | 22.79%  | 23.72%  |
| Unaccounted for water as a percentage of total water pumped | 10.83%  | 8.37%   | 10.15%  | 9.18%   | 5.65%   | 6.69%   | 10.10%  | 8.37%   | 5.67%   | 8.88%   |

<sup>1</sup> Homestead usage of water is limited to an as needed basis. Their usage is not consistent to that of a wholesale customer.

# Wastewater Treatment

## LAST TEN FISCAL YEARS

| (millions of gallons)  | 2022    | 2021    | 2020    | 2019    | 2018    | 2017    | 2016    | 2015    | 2014    | 2013    |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <i>WASTEWATER PLANT FLOWS:</i>   |         |         |         |         |         |         |         |         |         |         |
| North District Plant   | 35,499  | 37,867  | 37,190  | 32,998  | 32,785  | 34,251  | 30,734  | 32,745  | 34,296  | 32,000  |
| Central District Plant   | 32,731  | 32,841  | 36,495  | 41,449  | 40,344  | 40,000  | 46,432  | 40,662  | 44,044  | 43,696  |
| South District Wastewater Treatment Plant                              | 37,265  | 37,950  | 35,735  | 34,515  | 36,415  | 38,207  | 38,115  | 33,413  | 37,382  | 36,274  |
| Total wastewater plant flows   | 105,495 | 108,658 | 109,420 | 108,962 | 109,544 | 112,458 | 115,281 | 106,820 | 115,722 | 111,970 |
| <i>WASTEWATER TREATED:</i>   |         |         |         |         |         |         |         |         |         |         |
| Wholesale:   |         |         |         |         |         |         |         |         |         |         |
| Miami Beach  | 7,242   | 7,813   | 7,694   | 8,058   | 8,082   | 8,054   | 8,797   | 8,399   | 8,312   | 8,141   |
| Hialeah  | 11,850  | 11,705  | 10,636  | 8,994   | 9,144   | 9,203   | 8,943   | 7,169   | 7,102   | 7,050   |
| North Miami  | 3,424   | 3,679   | 3,607   | 3,400   | 3,544   | 3,654   | 3,711   | 3,722   | 3,619   | 3,745   |
| Coral Gables   | 1,241   | 1,195   | 1,443   | 1,074   | 906     | 1,477   | 1,432   | 1,231   | 1,041   | 1,088   |
| Homestead  | 1,568   | 1,311   | 1,202   | 1,117   | 1,106   | 1,763   | 1,643   | 938     | 1,374   | 736     |
| Opa-Locka  | 831     | 909     | 876     | 893     | 703     | 702     | 729     | 861     | 1,174   | 733     |
| Hialeah Gardens  | 717     | 761     | 703     | 661     | 679     | 704     | 700     | 757     | 877     | 865     |
| North Miami Beach  | 1,097   | 1,061   | 1,241   | 1,258   | 1,250   | 580     | 510     | 505     | 499     | 622     |
| Medley   | 403     | 573     | 602     | 464     | 438     | 456     | 617     | 477     | 644     | 544     |
| Florida City   | 488     | 483     | 445     | 449     | 458     | 425     | 458     | 464     | 420     | 457     |
| North Bay Village  | 331     | 353     | 315     | 322     | 353     | 409     | 457     | 433     | 418     | 408     |
| West Miami   | 214     | 196     | 196     | 199     | 184     | 169     | 185     | 147     | 147     | 162     |
| Homestead Air Force Base   | 99      | 99      | 85      | 79      | 73      | 86      | 98      | 78      | 79      | 69      |
| Total wholesale  | 29,505  | 30,138  | 29,045  | 26,968  | 26,920  | 27,683  | 28,280  | 25,181  | 25,706  | 24,620  |
| Retail   | 48,943  | 48,937  | 48,523  | 48,167  | 48,492  | 50,334  | 49,550  | 48,998  | 49,247  | 49,345  |
| Unaccounted for wastewater   | 27,047  | 29,582  | 31,841  | 33,827  | 34,131  | 34,442  | 37,450  | 32,641  | 40,769  | 38,005  |
| Total wastewater treated   | 105,495 | 108,657 | 109,409 | 108,963 | 109,543 | 112,459 | 115,280 | 106,820 | 115,722 | 111,970 |
| Unaccounted for wastewater as a percentage of total wastewater treated | 25.64%  | 27.23%  | 29.10%  | 31.04%  | 31.16%  | 30.63%  | 32.49%  | 30.56%  | 35.23%  | 33.94%  |
| ANNUAL RAINFALL (inches): <sup>1</sup>                                 | 66.96   | 73.85   | 75.49   | 61.28   | 73.02   | 78.33   | 75.11   | 47.22   | 73.70   | 60.60   |

<sup>1</sup> Source: National Weather Service Forecast Office in Miami for rainfall recorded in inches at Miami International Airport.

# Debt Services Coverage

## LAST TEN FISCAL YEARS

| (In thousands)  | 2022       | 2021       | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       | 2014       | 2013       |
|---|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| <b>SENIOR OBLIGATIONS DEBT SERVICE COVERAGE:</b>                      |            |            |            |            |            |            |            |            |            |            |
| Net operating revenues  | \$ 361,420 | \$ 350,087 | \$ 290,802 | \$ 292,226 | \$ 288,541 | \$ 308,801 | \$ 271,294 | \$ 244,408 | \$ 229,196 | \$ 208,244 |
| Investment earnings <sup>1</sup>                                      | 3,784      | 1,870      | 10,413     | 15,355     | 9,566      | 3,144      | 1,823      | 1,198      | 1,166      | 1,479      |
| Net transfers from (to) Rate Stabilization Fund                       | —          | —          | —          | —          | —          | —          | —          | —          | —          | —          |
| Net revenues available for debt service                               | \$ 365,204 | \$ 351,957 | \$ 301,215 | \$ 307,581 | \$ 298,107 | \$ 311,945 | \$ 273,117 | \$ 245,606 | \$ 230,362 | \$ 209,723 |
| Debt service requirements <sup>2</sup>                                | \$ 223,846 | \$ 202,029 | \$ 188,003 | \$ 173,198 | \$ 164,449 | \$ 161,194 | \$ 157,036 | \$ 153,211 | \$ 143,622 | \$ 138,711 |
| Actual coverage   | 1.63       | 1.74       | 1.60       | 1.78       | 1.81       | 1.94       | 1.74       | 1.60       | 1.60       | 1.51       |
| Required coverage   | 1.25       | 1.25       | 1.25       | 1.25       | 1.25       | 1.25       | 1.25       | 1.25       | 1.25       | 1.25       |
| <b>SUBORDINATE OBLIGATIONS DEBT SERVICE COVERAGE:</b>                 |            |            |            |            |            |            |            |            |            |            |
| Net revenues available for debt service                               | \$ 365,204 | \$ 351,957 | \$ 301,215 | \$ 307,581 | \$ 298,107 | \$ 311,945 | \$ 273,117 | \$ 245,606 | \$ 230,362 | \$ 209,723 |
| Less: Maximum principal and interest <sup>3</sup>                     | 225,057    | 225,057    | 202,029    | 182,569    | 171,345    | 161,195    | 161,195    | 161,195    | 163,181    | 161,340    |
| Adjusted net revenues   | \$ 140,147 | \$ 126,900 | \$ 99,186  | \$ 125,012 | \$ 126,762 | \$ 150,750 | \$ 111,922 | \$ 84,411  | \$ 67,181  | \$ 48,383  |
| Debt service requirements <sup>4</sup>                                | \$ 23,883  | \$ 16,910  | \$ 16,934  | \$ 15,589  | \$ 15,822  | \$ 15,973  | \$ 16,819  | \$ 18,081  | \$ 15,369  | \$ 11,386  |
| Actual coverage   | 5.87       | 7.50       | 5.86       | 8.02       | 8.01       | 9.44       | 6.65       | 4.67       | 4.37       | 4.25       |
| Required coverage   | 1.00       | 1.00       | 1.00       | 1.00       | 1.00       | 1.00       | 1.00       | 1.00       | 1.00       | 1.00       |
| <b>TOTAL OBLIGATIONS DEBT SERVICE COVERAGE:</b>                       |            |            |            |            |            |            |            |            |            |            |
| Net revenues available for debt service                               | 365,204    | 351,957    | 301,215    | 307,581    | 298,107    | 311,945    | 273,117    | 245,606    | 230,362    | 209,723    |
| Senior debt service requirements                                      | 223,846    | 202,029    | 188,003    | 173,198    | 164,449    | 161,194    | 157,036    | 153,211    | 143,622    | 138,711    |
| Subordinate debt service requirements <sup>4</sup>                    | 23,883     | 16,910     | 16,934     | 15,589     | 15,822     | 15,973     | 16,819     | 18,081     | 15,369     | 11,386     |
| Total debt service requirements                                       | 247,729    | 218,939    | 204,937    | 188,787    | 180,271    | 177,167    | 173,855    | 171,292    | 158,991    | 150,097    |
| Actual coverage   | 1.47       | 1.61       | 1.47       | 1.63       | 1.65       | 1.76       | 1.57       | 1.43       | 1.45       | 1.40       |
| Required coverage   | 1.10       | 1.10       | 1.10       | 1.10       | 1.10       | 1.10       | 1.10       | 1.10       | 1.10       | 1.10       |
| <b>STATE REVOLVING FUND LOANS DEBT SERVICE COVERAGE:</b>              |            |            |            |            |            |            |            |            |            |            |
| Net revenues available for debt service                               | \$ 365,204 | \$ 351,957 | \$ 301,215 | \$ 307,581 | \$ 298,107 | \$ 311,945 | \$ 273,117 | \$ 245,606 | \$ 230,362 | \$ 209,723 |
| Less: revenue required for primary debt service coverage <sup>5</sup> | 279,808    | 252,536    | 235,004    | 216,498    | 205,561    | 201,493    | 196,295    | 191,514    | 179,528    | 173,389    |
| Adjusted net revenues   | \$ 85,396  | \$ 99,421  | \$ 66,212  | \$ 91,083  | \$ 92,546  | \$ 110,453 | \$ 76,821  | \$ 54,093  | \$ 50,646  | \$ 36,522  |
| Debt service requirements <sup>6</sup>                                | \$ 16,187  | \$ 16,910  | \$ 16,934  | \$ 15,589  | \$ 15,822  | \$ 15,973  | \$ 16,819  | \$ 18,081  | \$ 15,369  | \$ 11,386  |
| Actual coverage   | 5.28       | 5.88       | 3.91       | 5.84       | 5.85       | 6.92       | 4.57       | 2.99       | 3.30       | —          |
| Required coverage   | 1.15       | 1.15       | 1.15       | 1.15       | 1.15       | 1.15       | 1.15       | 1.15       | 1.15       | 1.15       |
| <b>SUBORDINATE BONDS DEBT SERVICE COVERAGE RATIO:</b>                 |            |            |            |            |            |            |            |            |            |            |
| Net revenues available for debt service                               | \$ 365,204 |            |            |            |            |            |            |            |            |            |
| Less: revenue required for primary debt service coverage              | 279,808    |            |            |            |            |            |            |            |            |            |
| Adjusted net revenues   | 85,396     |            |            |            |            |            |            |            |            |            |
| Debt service requirements   | 7,696      |            |            |            |            |            |            |            |            |            |
| Actual coverage   | 11.10      |            |            |            |            |            |            |            |            |            |
| Required coverage   | 1.10       |            |            |            |            |            |            |            |            |            |
| <b>WIFIA LOANS DEBT SERVICE COVERAGE RATIO:</b>                       |            |            |            |            |            |            |            |            |            |            |
| Net revenues available for debt service                               | \$ 365,204 |            |            |            |            |            |            |            |            |            |
| Less: revenue required for primary debt service coverage              | 279,808    |            |            |            |            |            |            |            |            |            |
| Adjusted net revenues   | 85,396     |            |            |            |            |            |            |            |            |            |
| Debt service requirements   | —          |            |            |            |            |            |            |            |            |            |
| Actual coverage   | —          |            |            |            |            |            |            |            |            |            |
| Required coverage   | 1.10       |            |            |            |            |            |            |            |            |            |

# Debt Services Coverage

## LAST TEN FISCAL YEARS

(continued)

- <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 requirements on outstanding State Revolving Fund Loans, Subordinate Bonds and WIFIA Loans for such fiscal year.
- <sup>5</sup> Represents 125% of primary debt service requirements
- <sup>6</sup> Represents debt service requirements on outstanding State Revolving Fund Loans for such fiscal year.

Note: Debt Service requirements are on "Cash" basis.

1. Debt service payments on 2021 Subordinate Bonds commenced on 10/01/2022

2. Debt service payments on WIFIA loans are not expected to commence until 2028

## Ratio of Outstanding Debt by Types

LAST TEN FISCAL YEARS (IN THOUSANDS)

| Fiscal Year | Revenue<br>Bonds | Loans      | Notes<br>Payable | Commercial<br>Paper <sup>1</sup> | Total<br>Outstanding<br>Debt | Total Per<br>Customer |
|-------------|------------------|------------|------------------|----------------------------------|------------------------------|-----------------------|
| 2022        | \$ 4,046,347     | \$ 204,830 | \$ 1,321         | \$ —                             | \$ 4,252,498                 | \$ 5.09               |
| 2021        | 4,146,417        | 197,807    | 1,284            | —                                | 4,345,508                    | 4.18                  |
| 2020        | 3,236,961        | 185,282    | 1,229            | —                                | 3,423,472                    | 3.41                  |
| 2019        | 2,548,020        | 160,430    | —                | 300,000                          | 3,008,450                    | 3.16                  |
| 2018        | 2,366,854        | 156,833    | —                | 200,000                          | 2,723,687                    | 2.90                  |
| 2017        | 1,980,348        | 165,449    | —                | 375,000                          | 2,520,797                    | 2.77                  |
| 2016        | 2,053,731        | 161,272    | —                | 100,000                          | 2,315,003                    | 2.95                  |
| 2015        | 2,024,019        | 164,698    | —                | —                                | 2,188,717                    | 3.03                  |
| 2014        | 2,132,906        | 175,796    | —                | —                                | 2,308,702                    | 2.66                  |
| 2013        | 2,193,562        | 154,873    | —                | —                                | 2,348,435                    | 2.70                  |

<sup>1</sup> Financing from Commercial Paper/Line of Credit to provide interim financing for the Department's Capital Improvement Program.

# Customer Statistics

## LARGEST SYSTEM CUSTOMERS – CURRENT YEAR AND NINE YEARS AGO

| Name                      | Dollar Amount <sup>1</sup><br>(In thousands) | Percent of<br>System Gross<br>Revenues |
|---------------------------|--|--|
| <b>WATER SYSTEM:</b>      |  |  |
| City of Miami Beach       | \$ 12,638                                    | 3.0 %                                  |
| Miami Int'l Airport       | 11,447                                       | 2.9 %                                  |
| City of Hialeah           | 11,203                                       | 2.6 %                                  |
| Miami Dade County Seaport | 5,670  | 1.4 %                                  |
| City of North Miami       | 4,535  | 1.1 %                                  |
| FL Dep't of Corrections   | 2,632  | 0.7 %                                  |
| FPL Turkey Point          | 1,800  | 0.5 %                                  |
| City of Homestead         | 1,686  | 0.4 %                                  |
| City of Opa-Locka         | 1,507  | 0.4 %                                  |
| City of Hialeah Gardens   | 1,449  | 0.3 %                                  |
| <b>WASTEWATER SYSTEM:</b> |  |  |
| City of Hialeah           | \$ 41,053                                    | 8.8 %                                  |
| City of Miami Beach       | 24,658                                       | 5.3 %                                  |
| City of North Miami       | 11,809                                       | 2.5 %                                  |
| City of Homestead         | 5,495  | 1.2 %                                  |
| City of Coral Gables      | 4,272  | 0.9 %                                  |
| Miami Int'l Airport       | 3,853  | 0.8 %                                  |
| City of North Miami Beach | 3,779  | 0.8 %                                  |
| City of Opa-Locka         | 2,880  | 0.6 %                                  |
| City of Hialeah Gardens   | 2,478  | 0.5 %                                  |
| FL Dep't of Corrections   | 2,221  | 0.5 %                                  |

October 2012 - September 2013

| Name                          | Dollar Amount <sup>1</sup><br>(In thousands) | Percent of<br>System Gross<br>Revenues |
|-------------------------------|--|--|
| <b>WATER SYSTEM:</b>          |  |  |
| City of Hialeah               | \$ 16,163                                    | 6.5 %                                  |
| City of Miami Beach           | 13,545                                       | 5.5 %                                  |
| Dade County Aviation          | 4,986  | 2.0 %                                  |
| City of North Miami           | 2,837  | 1.1 %                                  |
| City of Opa-Locka             | 1,502  | 1.0 %                                  |
| Florida Power & Light Company | 1,449  | 1.0 %                                  |
| Hialeah Gardens               | 988  | 0.4 %                                  |
| Medley                        | 884  | 0.4 %                                  |
| Bal Harbour                   | 847  | 0.3 %                                  |
| North Bay Village             | 712  | 0.3 %                                  |
| <b>WASTEWATER SYSTEM:</b>     |  |  |
| City of Miami Beach           | \$ 17,606                                    | 5.9 %                                  |
| City of Hialeah               | 15,339                                       | 5.1 %                                  |
| City of North Miami           | 8,097  | 2.7 %                                  |
| Dade County Aviation          | 2,770  | 1.0 %                                  |
| City of Coral Gables          | 2,380  | 0.8 %                                  |
| Hialeah Gardens               | 1,866  | 0.6 %                                  |
| City of Homestead             | 1,737  | 0.6 %                                  |
| City of Opa-Locka             | 1,588  | 0.5 %                                  |
| City of North Miami Beach     | 1,338  | 0.5 %                                  |
| Medley                        | 1,166  | 0.4 %                                  |

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



## Retail Customer Statistics

### NUMBER OF CUSTOMERS AT FISCAL YEAR-END – LAST TEN FISCAL YEARS

| Fiscal Year | Number of Customers |            | Ratio of Wastewater<br>Customers to Water |
|-------------|---------------------|------------|---|
|             | Water               | Wastewater |   |
| 2022        | 459,962             | 375,345    | 81.6 %                                    |
| 2021        | 457,286             | 372,681    | 81.5 %                                    |
| 2020        | 451,509             | 367,618    | 81.4 %                                    |
| 2019        | 449,985             | 366,069    | 81.4 %                                    |
| 2018        | 447,209             | 363,444    | 81.3 %                                    |
| 2017        | 443,615             | 361,055    | 81.4 %                                    |
| 2016        | 441,059             | 357,882    | 81.1 %                                    |
| 2015        | 436,862             | 354,006    | 81.0 %                                    |
| 2014        | 432,315             | 349,778    | 80.9 %                                    |
| 2013        | 428,631             | 346,285    | 80.8 %                                    |

# Building Permits

## NUMBER OF BUILDING PERMITS ISSUED FOR HOUSEKEEPING UNITS AND VALUE OF PERMITS FOR HOUSEKEEPING AND TOTAL UNITS MIAMI-DADE COUNTY, FLORIDA – LAST TEN FISCAL YEARS

| Calendar Year     | Number of Permits Issued |                           | Value of Permits<br>Issued<br>Residential<br>Construction<br>(In thousands) |
|-------------------|--------------------------|---------------------------|---|
|                   | Single Family<br>Houses  | Multi-family<br>Buildings |   |
| 2022 <sup>1</sup> | 1                        | 1                         | 1   |
| 2021 <sup>1</sup> | 1                        | 1                         | 1   |
| 2020 <sup>1</sup> | 1                        | 1                         | 1   |
| 2019 <sup>1</sup> | 1                        | 1                         | 1   |
| 2018              | 1                        | 1                         | 1   |
| 2017              | 2,285                    | 8,269                     | 1   |
| 2016              | 2,873                    | 6,279                     | 1   |
| 2015              | 2,800                    | 9,817                     | 1   |
| 2014              | 2,077                    | 5,654                     | 1   |
| 2013              | 2,266                    | 8,050                     | 1   |

Source: University of Florida, Bureau of Economic and Business Research, Building Permit Activity in Florida

<sup>1</sup> Information unavailable as of the date of this report.

# Population

## MIAMI-DADE COUNTY, FLORIDA – LAST TEN FISCAL YEARS

| <b>Fiscal Year</b> | <b>Annual<br/>Resident<br/>Population</b> | <b>Increase (Decrease)</b> | <b>Percent Change</b> |
|--------------------|---|----------------------------|-----------------------|
| 2022 <sup>1</sup>  | 2,757,592                                 | 25,653                     | 0.9%                  |
| 2021               | 2,731,939                                 | (91,364)                   | (3.2)%                |
| 2020               | 2,823,303                                 | 11,173                     | 0.4%                  |
| 2019               | 2,812,130                                 | 32,808                     | 1.2%                  |
| 2018               | 2,779,322                                 | 36,227                     | 1.3%                  |
| 2017               | 2,743,095                                 | 46,742                     | 1.7%                  |
| 2016               | 2,696,353                                 | 42,419                     | 1.6%                  |
| 2015               | 2,653,934                                 | 67,644                     | 2.5%                  |
| 2014               | 2,586,290                                 | 20,605                     | 0.8%                  |
| 2013               | 2,565,685                                 | 14,430                     | 0.6%                  |

Source: Annual Estimates of the Resident Population for Counties in Florida: April 1, 2010 to July 1, 2019 (CO-EST2019-ANNRES-12) - Release Date: March 2020

<sup>1</sup> U.S. Census Bureau, Population Division

# Construction Activity

MIAMI-DADE COUNTY, FLORIDA – LAST TEN FISCAL YEARS

| Fiscal Year       | Commercial Construction |                         | Residential Construction |                         |
|-------------------|-------------------------|-------------------------|--------------------------|-------------------------|
|                   | Number of Buildings     | Value<br>(In thousands) | Number of Units          | Value<br>(In thousands) |
| 2022 <sup>1</sup> | —                       | —                       | —                        | —                       |
| 2021              | 120                     | 151,835                 | 3,427                    | 790,771                 |
| 2020              | 118                     | 232,844                 | 2,686                    | 394,876                 |
| 2019              | 132                     | 133,329                 | 3,195                    | 460,048                 |
| 2018              | 117                     | 173,258                 | 2,886                    | 638,408                 |
| 2017              | 92                      | 408,257                 | 2,259                    | 467,543                 |
| 2016              | 83                      | 176,969                 | 2,064                    | 324,500                 |
| 2015              | 94                      | 74,157                  | 3,472                    | 451,617                 |
| 2014              | 137                     | 242,138                 | 1,932                    | 265,791                 |
| 2013              | 105                     | 81,734                  | 2,387                    | 309,243                 |

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

<sup>1</sup> For FY 2022 information unavailable as of the date of this report.

# Principal Employers

## MIAMI-DADE COUNTY, FLORIDA – CURRENT YEAR AND NINE YEARS AGO

| Employer                         | 2022 <sup>1</sup> |      |                                       | 2013           |      |                                       |
|----------------------------------|-------------------|------|---------------------------------------|----------------|------|---------------------------------------|
|                                  | Employees         | Rank | Percentage of Total County Employment | Employees      | Rank | Percentage of Total County Employment |
| Miami-Dade County Public Schools | 39,959            | 1    | 3.00 %                                | 33,477         | 1    | 3.00 %                                |
| Miami-Dade County                | 27,862            | 2    | 2.00 %                                | 25,502         | 2    | 2.00 %                                |
| University of Miami              | 19,996            | 3    | 1.00 %                                | 12,720         | 5    | 1.00 %                                |
| Publix Super Markets             | 12,524            | 4    | 1.00 %                                | 4,604          | 9    | —                                     |
| Jackson Health System            | 12,173            | 5    | 1.00 %                                | 8,208          | 8    | 1.00 %                                |
| American Airlines                | 11,102            | 6    | 1.00 %                                | 9,850          | 7    | 1.00 %                                |
| Miami-Dade College               | 7,111             | 7    | 1.00 %                                | —              | —    | —                                     |
| Florida International University | 6,608             | 8    | —                                     | 3,534          | 11   | —                                     |
| United States Postal Service     | 5,134             | 9    | —                                     | —              | —    | —                                     |
| Baptist Health South Florida     | 5,133             | 10   | —                                     | 10,793         | 6    | 1.00 %                                |
| Department of Homeland Security  | 5,047             | 11   | —                                     | —              | —    | —                                     |
| City of Miami                    | 4,758             | 12   | —                                     | 3,656          | 10   | —                                     |
| Tenet Florida Service Center     | 4,392             | 13   | —                                     | —              | —    | —                                     |
| Home Depot                       | 4,287             | 14   | —                                     | —              | —    | —                                     |
| Miami Children's Hospital        | 4,147             | 15   | —                                     | 2,630          | 14   | —                                     |
| U.S. Federal Government          | —                 | —    | —                                     | 19,600         | 3    | 2.00 %                                |
| Florida State Government         | —                 | —    | —                                     | 18,300         | 4    | 1.00 %                                |
| Mount Sinai Medical Center       | —                 | —    | —                                     | 3,500          | 12   | —                                     |
| Homestead Air Force Base         | —                 | —    | —                                     | 3,000          | 13   | —                                     |
| Sedanos Supermarket              | —                 | —    | —                                     | 2,600          | 15   | —                                     |
|                                  | <u>170,233</u>    |      | <u>12.31 %</u>                        | <u>161,974</u> |      | <u>12.49 %</u>                        |

Source: Data-Axle, Employer Database 2021 Edition 2

<sup>1</sup> Florida Department of Economic Opportunity, Bureau of Workforce Statistics and Economic Research

# Economic Statistics

## MIAMI-DADE COUNTY UNEMPLOYMENT RATE AND LABOR FORCE LAST TEN FISCAL YEARS

| Fiscal Year | Total Personal<br>Income | Per Capita<br>Personal<br>Income | Unemployment<br>Rate | Labor Force |
|-------------|--------------------------|----------------------------------|----------------------|-------------|
| 2022        | <sup>1</sup>             | <sup>1</sup>                     | 2.3 %                | 1,328,539   |
| 2021        | \$ 172,678,816           | \$ 64,849                        | 5.2 %                | 1,307,815   |
| 2020        | 154,891,958              | 57,213                           | 12.6 %               | 1,396,663   |
| 2019        | 149,166,155              | 54,902                           | 2.9 %                | 1,463,774   |
| 2018        | 138,138,976              | 50,022                           | 3.6 %                | 1,363,766   |
| 2017        | 126,715,595              | 46,048                           | 4.7 %                | 1,386,660   |
| 2016        | 123,276,064              | 45,440                           | 5.8 %                | 1,334,404   |
| 2015        | 116,553,169              | 43,278                           | 6.2 %                | 1,321,033   |
| 2014        | 111,528,866              | 43,123                           | 7.2 %                | 1,282,854   |
| 2013        | 104,373,301              | 40,680                           | 8.9 %                | 1,289,617   |

Economic Information System, Florida Agency for Workforce Innovation, Labor Market Statistics, Miami-Dade County Department of Regulatory and Economic Resources,  
Research Section University of Florida, Bureau of Economic and Business Research

<sup>1</sup> Information unavailable as of the date of this report.

# Employees by Identifiable Activity

## LAST TEN FISCAL YEARS

|  | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>WATER:</b>  |              |              |              |              |              |              |              |              |              |              |
| Water Distribution   | 237          | 228          | 240          | 224          | 222          | 222          | 230          | 221          | 220          | 205          |
| Water Production and Maintenance   | 236          | 240          | 231          | 232          | 224          | 231          | 243          | 240          | 241          | 231          |
| Laboratory Services  | 61           | 59           | 60           | 55           | 57           | 57           | 59           | 59           | 59           | 56           |
| Meter <sup>1</sup>   | 96           | 95           | 94           | 97           | 96           | —            | —            | —            | —            | —            |
| <b>SEWER:</b>  |              |              |              |              |              |              |              |              |              |              |
| Sewer Collection   | 212          | 213          | 221          | 217          | 217          | 210          | 206          | 194          | 194          | 183          |
| Wastewater Treatment and Maintenance   | 382          | 376          | 366          | 362          | 372          | 370          | 367          | 358          | 358          | 340          |
| Pump Station Maintenance   | 229          | 227          | 241          | 226          | 228          | 230          | 208          | 195          | 197          | 193          |
| SCADA <sup>2</sup>   | 48           | 49           | 43           | 46           | 48           | —            | —            | —            | —            | —            |
| <b>ENGINEERING:</b>  |              |              |              |              |              |              |              |              |              |              |
| Utility Pipeline and Plant Engineering & Construction  | 35           | 75           | 74           | 78           | 77           | 66           | 71           | 71           | 71           | 70           |
| Surveying  | 25           | 19           | 15           | 14           | 16           | 14           | —            | —            | —            | —            |
| Utilities Development  | 126          | 120          | 113          | 110          | 111          | 107          | 105          | 104          | 94           | 73           |
| Capital Improvements Program   | 83           | 32           | 25           | 27           | 26           | 29           | 55           | 50           | 69           | 65           |
| <b>ADMINISTRATION:</b>   |              |              |              |              |              |              |              |              |              |              |
| Office of Director   | 6            | 3            | 3            | 29           | 20           | 21           | 24           | 17           | 32           | 15           |
| Office of Deputy Director of Regulatory Compliance and Capital Improvements                                      | 27           | 20           | 17           | 11           | 15           | 16           | 21           | 9            | 6            | 5            |
| Office of Deputy Director of Operations  | 4            | 4            | 3            | 12           | 14           | 3            | 4            | 47           | 45           | 43           |
| Office of Assistant Director of Utility Engineering and Construction   | 4            | 4            | 4            | 4            | 3            | 2            | 1            | 1            | 1            | 1            |
| Office of Chief Financial Officer  | 43           | 41           | 40           | 42           | 42           | 40           | 41           | 66           | 38           | 53           |
| Office of Deputy Director of Internal and Administrative Services and Assistant Director of Customer Initiatives | 94           | 97           | 89           | 76           | 79           | 73           | 77           | 114          | 114          | 112          |
| Office of Assistant Director of Water  | 1            | 1            | 1            | 2            | 2            | 104          | 108          | 108          | 110          | 106          |
| Office of Assistant Director of Wastewater   | 1            | 1            | 1            | 1            | —            | 41           | 43           | 46           | 48           | 46           |
| Office of Assistant Director of Regulatory Compliance and Planning   | 11           | 12           | 16           | 9            | 8            | 9            | 5            | 5            | 5            | 5            |
| Office of Senior Advisor of Capital Projects sand Compliance <sup>3</sup>  | —            | 0            | 10           | —            | —            | —            | —            | —            | —            | —            |
| Attorney's Office  | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            | 4            |
| Controller   | 116          | 125          | 117          | 114          | 119          | 118          | 125          | 106          | 112          | 110          |
| Information Technology   | —            | —            | —            | —            | —            | —            | 76           | 71           | 69           | 65           |
| Retail Customer Service  | 241          | 238          | 242          | 247          | 248          | 219          | 238          | 255          | 243          | 227          |
| Planning   | 19           | 23           | 22           | 23           | 22           | 25           | 25           | 19           | 19           | 17           |
| Regulatory Compliance and Monitoring   | 15           | 12           | 14           | 14           | 15           | 15           | 17           | 17           | 16           | 14           |
| General Maintenance  | 131          | 132          | 128          | 122          | 127          | 112          | 124          | 114          | 114          | 110          |
| Human Resources Division   | 53           | 51           | 41           | 46           | 46           | 44           | 44           | —            | —            | —            |
| Security and Communications Division   | 34           | 34           | 39           | 40           | 40           | 43           | 44           | —            | —            | —            |
| Office of Assistant Contracts Compliance and Quality Assurance   | 3            | 2            | 2            | 3            | 3            | 3            | 4            | —            | —            | —            |
| Quality Assurance and Control Division   | 12           | 13           | 12           | 13           | 14           | 4            | 13           | —            | —            | —            |
| Performance Improvements & Managment Division  | 11           | 13           | 10           | 12           | 12           | 13           | 17           | —            | —            | —            |
| Contract Compliance and Monitoring Division  | 20           | 19           | 21           | 22           | 26           | 20           | 27           | —            | —            | —            |
| <b>Total</b>   | <b>2,620</b> | <b>2,582</b> | <b>2,559</b> | <b>2,534</b> | <b>2,553</b> | <b>2,465</b> | <b>2,626</b> | <b>2,491</b> | <b>2,479</b> | <b>2,349</b> |

<sup>1</sup> Previously included in the Office of Assistant Director of Water

<sup>2</sup> Previously included in the Office of Assistant Director of Wastewater

<sup>3</sup> Previously included in the Office of Director and Deputy Director of Operations



# Capital Indicators

## LAST TEN FISCAL YEARS

|  | 2022  | 2021  | 2020  | 2019  | 2018  | 2017  | 2016  | 2015  | 2014  | 2013  |
|--|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| <i>WATER:</i>  |       |       |       |       |       |       |       |       |       |       |
| Water mains <sup>1</sup> (miles)                                     | 6,345 | 6,316 | 6,288 | 6,271 | 6,269 | 6,264 | 6,131 | 6,035 | 6,004 | 5,988 |
| Water treatment plants   | 9     | 9     | 9     | 9     | 9     | 9     | 9     | 9     | 9     | 9     |
| Permitted water treatment capacity<br>(million gallons per day)      | 464   | 464   | 464   | 464   | 464   | 461   | 461   | 464   | 464   | 454   |
| Water supply wells   | 100   | 100   | 100   | 100   | 100   | 100   | 100   | 100   | 100   | 100   |
| <i>WASTEWATER:</i>   |       |       |       |       |       |       |       |       |       |       |
| Sanitary sewers <sup>1</sup> (miles)                                 | 4,253 | 4,225 | 4,214 | 4,191 | 4,191 | 4,184 | 4,165 | 4,110 | 4,072 | 4,048 |
| Wastewater treatment plants  | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     |
| Permitted wastewater treatment capacity<br>(million gallons per day) | 376   | 376   | 376   | 376   | 376   | 376   | 376   | 376   | 376   | 376   |
| Wastewater pump stations   | 1,041 | 1,041 | 1,041 | 1,041 | 1,052 | 1,049 | 1,049 | 1,047 | 1,047 | 1,042 |

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

## Insurance in Force

| Type of Coverage and Insurance Company  | Policy Period       | Details of Coverage  | Limits of Liability   |
|---|---------------------|--|---|
| <i>Crime Policy:</i><br>Fidelity & Deposit Co. of Maryland  | 08/19/22 – 08/19/23 | Employee Dishonesty  | \$1,000,000   |
| <i>Money and Securities:</i><br>Fidelity & Deposit Co. of Maryland  | 11/25/22 – 11/25/23 | Theft of money and securities                                  | Values scheduled per location   |
| <i>Accidental Death:</i><br>Minnesota Life  | 01/01/23 – 01/01/24 | Accidental death and dismemberment                             | \$25,000  |
| <i>Property Insurance:</i><br>Ace American Ins. Co.<br>Aspen Specialty Ins. Co.<br>Liberty International Underwriters<br>Arch Specialty Ins. Co.<br>Colony Ins. Co.<br>Landmark American Ins. Co.<br>Liberty Surplus Ins. Co.<br>Steadfast Ins. Co.<br>Alterra E & S Ins. Co.<br>Hiscox, Inc.<br>Lloyds of London<br>Chubb Custom Ins. Co.<br>Evanston Ins. Co. | 03/02/23 – 03/02/24 | "All risk" coverage on real and personal property and outfalls | \$200,000,000   |
| <i>Automobile Liability:</i>  | Continuous          | Self-Insured   | \$200,000 per person/<br>\$300,000 per occurrence pursuant to F.S. 768.28 (certain claims may not fall with the parameters of FS) |
| <i>General Liability:</i>   | Continuous          | Self-Insured   | \$200,000 per person/<br>\$300,000 per occurrence pursuant to F.S. 768.28 (certain claims may not fall with the parameters of FS) |
| <i>Workers' Compensation:</i>   | 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

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 with Disabilities Act.