

Memorandum



Date: March 9, 2015

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez 
Mayor

Subject: Unsewered Commercial Area Prioritization Report

On July 2, 2013, the Board of County Commissioners (Board) approved resolution R-597-13 directing the preparation of a plan for the use of up to \$126 million of General Obligation Bonds to support the extension of sewers to various developed commercial areas within the retail service area of the Water and Sewer Department (WASD). That plan, "Sewer Service to Commercial Properties in Miami-Dade County"; was submitted to the Board on April 14, 2014. The total estimated cost of extending sewers to approximately 2,200 properties was about \$274 million, of which about \$233 million would need to come from non-WASD funds to comply with requirements of bond ordinances. Subsequently, the Board directed that the commercial areas within WASD's retail service area be prioritized to optimize economic development opportunities. The Planning Research Section within the Regulatory & Economic Resources (RER) Department has completed this task in the attached report.

In the meantime, design work on two (2) sewer extension projects has continued and provides the basis for concluding that a substantial portion, if not all, of the sewer extension project areas can be provided using low pressure sewers, rather than the more expensive gravity sewers. Low pressure sewers require each served property to have a pumping system to convey flow through the sewer lines to a larger pump station. Therefore, unlike gravity systems, the sewer lines can be constructed either over or under existing obstructions in the right of way, a common occurrence in developed areas. The two projects currently in design, one along Bird Road from Red Road to Ludlum Road and the other along the industrial area west of SW 72 Avenue along US 1, indicate that project costs can be reduced by about \$100,000,000.00 on all of the priority projects listed in the attached ranking report, if the low pressure system is used.

To avoid costs that could make connection to the sewers unaffordable for many small property owners, I am recommending that WASD procure, install, own, and maintain the pumps for existing businesses that utilize less than 5,000 gallons per day of water. For uses of 5,000 gallons per day or more (such as shopping centers), the property owner would be responsible for buying, installing, and maintaining the pumping system. For the smaller systems, property owners would be required to provide an easement for the pump installation and the sewer line to the street, and they would provide electricity for the operation of the pump. For an average business, this would save the property owner about \$16,000 for the pumping system. These small systems do not require significant maintenance. Routine and emergency maintenance

could efficiently be provided through qualified plumbing contractors competitively selected for contracts with WASD.

I am also recommending that the implementation plan for this work include consideration of a class variance (provided by the Environmental Quality Control Board) for the required connections to the system to provide for up to five (5) years instead of the 90 day connection requirement from time of sewer system availability that is in the County Code. This additional time recognizes the complexity of the required connection and allows time for property owners to arrange the financing of connection charges, septic tank abandonment, and other costs for which all of the property owners being served must be responsible. WASD can provide payment plan options to enable property owners to finance the connection charge cost over several years to reduce the initial cash requirement to connect. To achieve the purposes of this program, it is important that businesses connect to the system once it has been provided.

In terms of potential sea level rise issues, none of the commercial areas identified for the extension of sewer service are considered at high risk for either storm surge or flooding that will result in some areas as sea level rises. The use of low pressure sewers has the additional advantage over gravity sewers of not allowing infiltration into the collection system to occur when the system is in the ground water. This limits additional flows that must be handled by the treatment plants during wet weather and when sewer lines are in ground water.

The attached report explains the ranking methodology for scheduling the design and construction work in a systematic way. Once reviewed by the Board, this will guide WASD in scheduling work efficiently and consistent with the adopted budget. Some flexibility in the scheduling should be maintained to accommodate active development proposals that would bring jobs. Beyond the two projects that are nearing design completion, the adopted WASD multi-year capital plan contemplates initiating design for the remaining prioritized projects in FY 2015-16 and continuing until all of the projects are constructed or the funding is fully utilized by the end of FY2020-21.

Attachment

c: Jack Osterholt, Deputy Mayor/Director, Regulatory and Economic Resources
Lester Sola, Director, Water and Sewer
Jennifer Moon, Director, Office of Management and Budget
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