



Miami Lakes Stormwater Program Utility Fee Study

August 11, 2020

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Workshop Agenda

Stormwater User Fee Study

- Introductions
- Program Goals
- Options Analysis for Capital Program
- Policy Issues
 - Discussion and Feedback
- Potential Impacts to Rates
 - Policy Issues and Feedback
- Next Steps



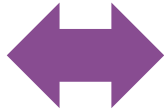
Introductions

Study Team

- Town Staff
- Wood
 - Elizabeth Treadway – Team Lead
 - David Bulova – Peer Review
 - Ash Aitharaju – Contract PM

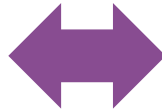
User Fee Study Process

Program Development



- **Staff Interviews**
- **Review Existing Documents**
- **Identify Needs and Options**
- **Prioritization**

Cash Flow and Rate Assessment



- **Financial Assumptions**
- **Rate and Cash Flow Models**
- **Policy Considerations**
- **Options for Capital Program**

Program Goals

- Background:
 - Review of Master Plan Update #3 – May 2019
 - Discussions with staff
 - Review of MS4 discharge permit requirements
 - Evaluated capital project investments
- Performance Goals
 - Reduce erosion in swales
 - Increase flood protection
 - Reduce performance deficiencies in drainage network
 - Transition to a sustainable asset management program



Program Goals

- Service Delivery Goals
 - Reduce flooding
 - Improve water quality in canal C-8.
 - Improve response time for service requests
 - Meet sweeping program level of service to meet MS4
 - Reduce capacity restrictions through general repairs and maintenance
- Financial Goals
 - Maintain stable user fee financing
 - Invest in infrastructure solutions
 - Determine optimal financing strategy long-term



Program Enhancements

Recommended Program Enhancements

- Implement the project recommendations from the 2019 Master Plan Report.
- Increase funding for general repairs to the infrastructure.
- Increase performance measures for outsourced sweeping program for MS4 compliance.
- Enhance maintenance for Canal C-8 (Biscayne Canal).
- Increase capacity for general maintenance of the network through addition of inlet and pipe cleaning staff (or outsourcing).
- Complete Pollutant Loading Study for MS4 Compliance.
- Adopt Capital Program Funding Strategy and Implement.

Policy Discussions

Impact of Inflation on the Utility Rate

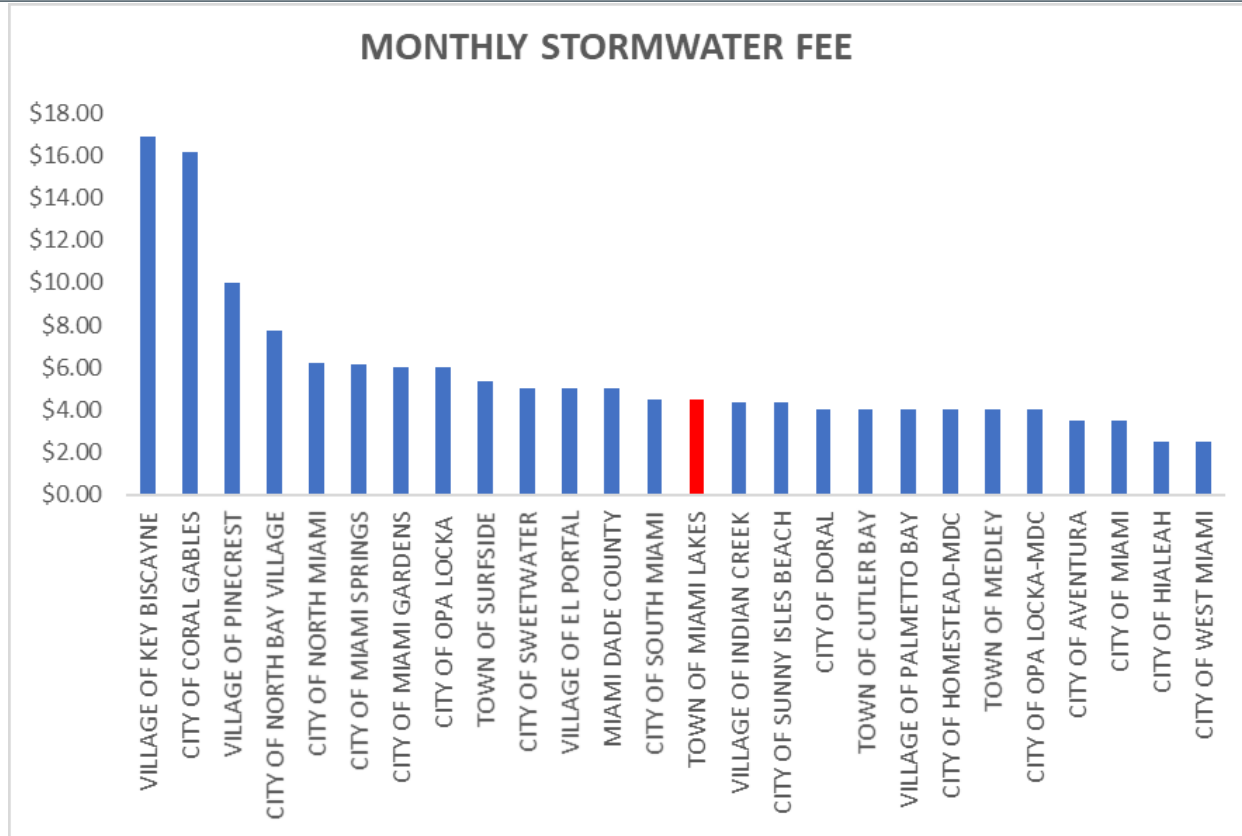
Question Asked: If the rate was adjusted annually by the CPI, since 2004, what would it be today?

Answer:

The current rate of \$4.50 would be \$6.08 a month if the CPI was used to adjust rates from year to year.

Year	CPI	Rate of Previous Year	Amount of Adjustment	New Monthly Fee
2005	3.4%	\$ 4.50	\$ 0.15	\$ 4.65
2006	2.5%	\$ 4.65	\$ 0.12	\$ 4.77
2007	4.1%	\$ 4.77	\$ 0.20	\$ 4.96
2008	0.1%	\$ 4.96	\$ 0.00	\$ 4.97
2009	2.7%	\$ 4.97	\$ 0.13	\$ 5.10
2010	1.5%	\$ 5.10	\$ 0.08	\$ 5.18
2011	3.0%	\$ 5.18	\$ 0.16	\$ 5.34
2012	1.7%	\$ 5.34	\$ 0.09	\$ 5.43
2013	1.5%	\$ 5.43	\$ 0.08	\$ 5.51
2014	0.8%	\$ 5.51	\$ 0.04	\$ 5.55
2015	0.7%	\$ 5.55	\$ 0.04	\$ 5.59
2016	2.1%	\$ 5.59	\$ 0.12	\$ 5.71
2017	2.1%	\$ 5.71	\$ 0.12	\$ 5.83
2018	1.9%	\$ 5.83	\$ 0.11	\$ 5.94
2019	2.3%	\$ 5.94	\$ 0.14	\$ 6.08

Comparison to Other Stormwater Utility Rates



Policy Issues for Discussion

- Background:
 - Current Rate of \$4.50/billing unit/month = \$1.058 million.
 - Effective April 2003
- Outsourcing – when to bring an operation in-house
- Goals for operation of the system
 - Maintain CRS rating or improve
 - Meet performance goals
 - Meet community expectations for responsiveness
 - Mitigate impacts of rain events with a focus on flood reduction

Policy Discussions – Rates

- Reserves
 - Operating
 - Capital
 - Amount
 - When to use and replenish
- Debt Financing
- Appropriation for Grant Matching Funds
- Rate Stability
 - Floating rate based on annual needs
 - Fixed % adjustment adopted by resolution
 - Fixed rate for established period with rate updates scheduled

Analysis Results

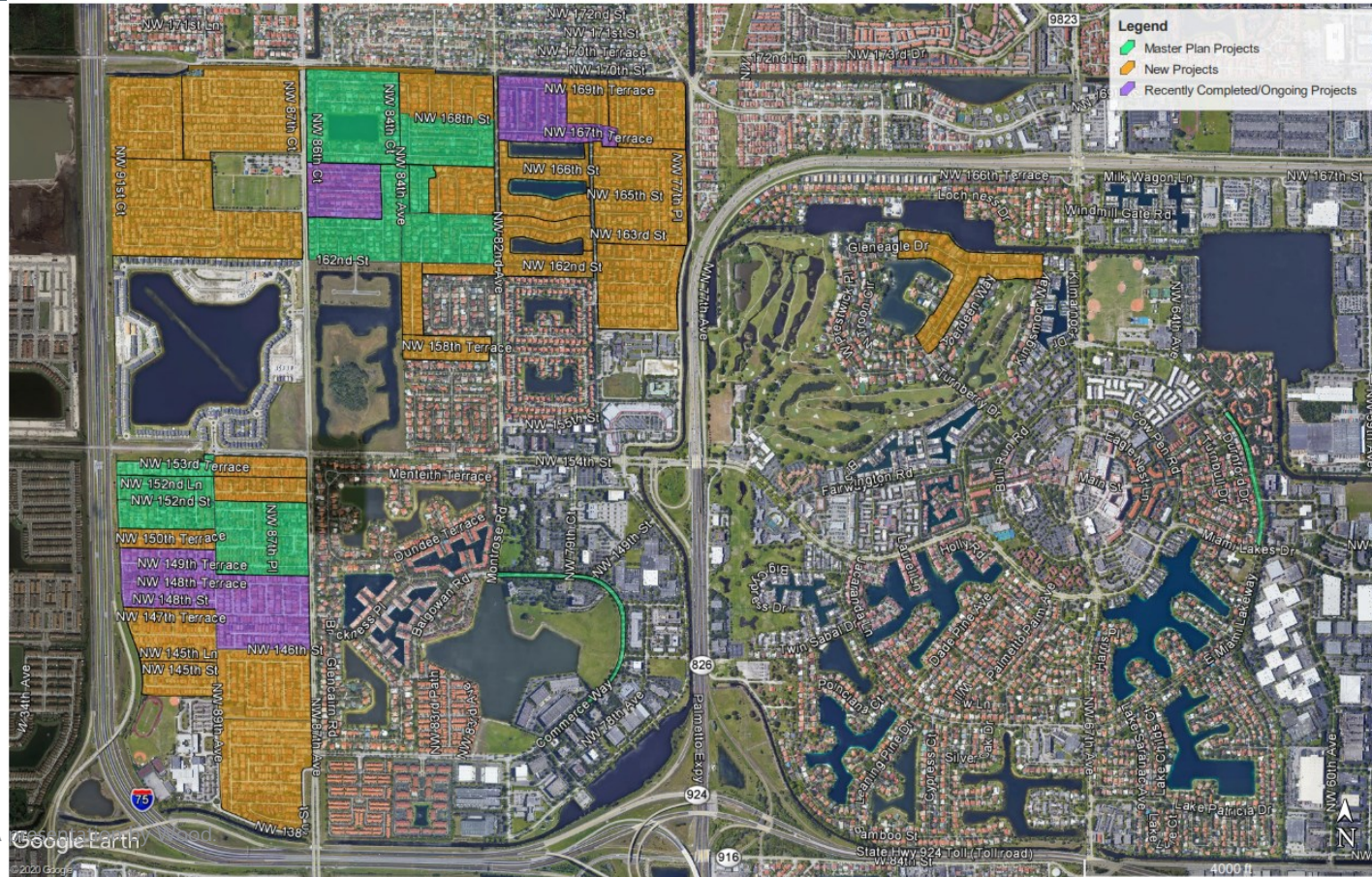
Four Program Level of Service

Scenarios Evaluated

Asset Management – Capital Investment Programs

- Operating costs – consistent in the four scenarios with the exception of staff support CIP implementation
- Four financing plans to address on-going services and investments in capital projects:
 - Communitywide capital program - \$54,315,000
 - 2019 Master Plan and Key Priority Projects capital program

Communitywide Capital Investment Program



Communitywide Capital Projects

Miami Lakes Communitywide Capital Improvement Program										
Specific Activity	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	TOTALS
GENESIS OAK GARDENS			\$ 3,745,549							\$ 3,745,549
SEVILLA ESTATES				\$ 6,134,442						\$ 6,134,442
ROYAL GARDENS ESTATES					\$ 8,862,499					\$ 8,862,499
ROYAL OAKS-8TH ADD.	\$ 937,020									\$ 937,020
ROYAL OAKS-1ST ADD.		\$ 440,220								\$ 440,220
NW 83RD PLACE NORTH		\$ 132,480								\$ 132,480
ROYAL OAKS-SIXTH ADD.			\$ 917,700							\$ 917,700
ROYAL OAKS-2ND ADD.		\$ 555,205								\$ 555,205
ROYAL OAKS-FIRST ADD. (REMAINDER)						\$ 726,757				\$ 726,757
ROYAL OAKS-FIFTH ADD.						\$ 411,725				\$ 411,725
ROYAL OAK/A DUNHILL COVE/SWAN'S LANDING				\$ 311,913						\$ 311,913
ROYAL POINTE	\$ 287,896									\$ 287,896
ROYAL OAKS D (REMAINDER)						\$ 256,704				\$ 256,704
FRANCESCA/MARY	\$ 667,494									\$ 667,494
ROYAL OAKS-THIRD ADD.				\$ 577,039						\$ 577,039
ROYAL OAKS-FOURTH ADD.					\$ 589,516					\$ 589,516
PRIMAVERA/PRIMABERA-1ST ADD.		\$ 1,200,866								\$ 1,200,866
ROYAL OAKS ESTS. DOMINGO					\$ 923,263					\$ 923,263
SOUTH OF 154TH	\$ 1,225,440									\$ 1,225,440
WEST LAKES GARDENS-2ND ADD.			\$ 1,828,500							\$ 1,828,500
ALAMEDA NORTHWEST					\$ 931,500					\$ 931,500
WEST LAKES GARDENS		\$ 3,942,660								\$ 3,942,660
WEST LAKES GARDENS-1ST ADD.						\$ 1,430,387				\$ 1,430,387
ALAMEDA NORTHWEST						\$ 1,200,345				\$ 1,200,345
WEST LAKE GARDENS-3RD ADD.						\$ 1,194,447				\$ 1,194,447
FLORIDA TROPICAL EST.-SEC. 3	\$ 2,831,281									\$ 2,831,281
NORTH OF BARBARA GOLEMAN								\$ 1,622,088		\$ 1,622,088
Loch Lomond						\$ 997,570				\$ 997,570
SERENITY POINT								\$ 4,084,713		\$ 4,084,713
COLORAMA ESTS/AVALON ESTS.							\$ 5,706,801			\$ 5,706,801
Totals By Fiscal Year	\$ 5,949,130	\$ 6,271,431	\$ 6,491,749	\$ 7,023,394	\$ 11,306,777	\$ 6,217,936	\$ 5,706,801	\$ 5,706,801	\$ -	\$ 54,674,018



Master Plan and Key Priority Projects

Specific Project	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29	TOTALs
NE 83 rd Place South	\$276,001									\$276,001
South of 154 th	\$1,021,200									\$1,021,200
West Lakes Gardens 2 nd Addition		\$1,523,750								\$1,523,750
Alameda NW		\$776,250								\$776,250
West Lakes Gardens			\$3,285,550							\$3,285,550
Royal Oaks-6 th Addition				\$764,750						\$764,750
Royal Oaks – 8 th Addition				\$780,850						\$780,850
Royal Oaks – 1 st Addition				\$366,850						\$366,850
Royal Lakes 1 st Addition					\$257,600					\$257,600
NW 159 th Terrace					\$218,500					\$218,500
NW 166 th St					\$230,000					\$230,000
NW 83 rd Pl					\$110,400					\$110,400
Loch Lomond					\$997,570					\$997,570
Commerce Way						\$1,748,000				\$1,748,000
Miami Lakeway North (Southern)							\$1,946,950			\$1,946,950
Canal Bank Stabilization Phase 3								\$1,150,000		\$1,150,000
TOTALS	\$1,297,201	\$2,300,000	\$3,285,550	\$1,912,450	\$1,814,070	\$1,748,000	\$1,946,950	\$1,150,000		\$15,454,221



Financing Options

Four Financing Options for Stormwater Utility – Fees Support:

- Funding all operating and bonded communitywide capital program. *CIP completed in 9 years.*
- Funding all operating and bonded 2019 Master Plan and Key Priority Projects. *CIP completed in 5 years.*
- Funding all operating and grant funded 2019 Master Plan and Key Priority Projects. *CIP completed only when grants are received.*
- Funding all operating and 2019 Master Plan and Key Priority Projects with utility revenue only (all cash). *CIP completed in 9 years.*

Funding Assessment Principles

- Cover all costs – operating and capital with sufficient revenues from the utility
- Bonding principles
 - 30 year payback
 - 3.5% interest
 - Covers design, construction and CEI costs
- Stabilize rates across study period
- Account for inflation impacts on operating expenses in cost model

Summary of Rate Estimates for Four Funding Options

Summary of Estimated Rates for Four Program Options - Monthly Rates									
Program Option	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26	FY26-27	FY27-28	FY28-29
Option 1 – Communitywide Capital Program with Additions to On-going Operations – Bond Funded Capital	\$ 13.50	\$ 13.50	\$ 13.50	\$ 13.50	\$ 21.50	\$ 21.50	\$ 21.50	\$ 21.50	\$ 21.50
Option 2 – Master Plan and Key Project Priorities with Additions to On-going Operations – Bond Funded Capital	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50	\$ 10.50
Option 3 – Master Plan and Key Project Priorities with Additions to On-going Operations – Grant Funded Capital	\$ 8.75	\$ 8.75	\$ 8.75	\$ 8.75	\$ 8.75	\$ 8.75	\$ 8.75	\$ 8.75	\$ 8.75
Option 4 – Master Plan and Key Project Priorities with Additions to On-going Operations – All Cash Financed Capital	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 15.00	\$ 20.00

Study Conclusions

- Annually review the financial position of the stormwater utility
- Dedicate resources in operating reserves that provide the stormwater utility fund with a financial safety margin
- Having a dedicated local match budget provides greater flexibility for staff to pursue grant opportunities that can demonstrate the commitment of the Town to participating in the funding for a project.
- Periodically complete a rate study, to formally evaluate the financial sufficiency of the utility, recommended to be done every four years.
- Capitalize the stormwater CIP through use of both revenue from the utility fees and the use of debt, within the limits established by the Town to meet financial sufficiency.
- Continue to provide the citizens of Miami Lakes with a report on the stormwater utility, goals and accomplishments, This includes providing a summary report on the financial standing of the utility, goals met and future needs.



Feedback and Discussion

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