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COMMITTEE MEMORANDUM

TO: Members of the Finance and Citywide Projects Committee
FROM: Jimmy L. Morales, City Manager
DATE: July 22, 2016
SUBJECT: **AN UPDATE ON THE STATUS OF THE STORMWATER UTILITY**

BACKGROUND

At its April 23, 2014 meeting, the City Commission approved Resolution 2014-28580 accepting the recommendations of the Mayor's Blue Ribbon Panel on Flooding and Sea Rise to design and implement the upgrade of the City's storm drainage system to meet the new design criteria set by the Commission with a potential estimated cost of \$400 million and with the completion time of 3 to 5 years.

At its May 20, 2014 meeting, the Finance and Citywide Projects Committee (FCWPC) presented the funding strategy for this program, and recommended the issuance of three separate \$100 million stormwater bonds. The first one would be in FY 2014/15 and the other two would be in FY 2016/17 and FY 2018/19 respectively. The remainder of the required funds was to be covered by the 2015 updated interlocal agreement between the City and Miami-Dade County regarding the former Convention Development Tax

CURRENT STATUS

The City has completed construction of four new pump stations and one pump station upgrade in the West Avenue neighborhood, three pump station upgrades in the Sunset Harbour neighborhood, and one pump station on Crespi Boulevard. Current construction efforts include six pump stations in the Venetian Islands neighborhood, one on Lower North Bay Road, two at the Convention Center, and a pump station retrofit in the Sunset Harbour neighborhood, as well as South Point. Neighborhood projects are also in progress on Palm Island, Hibiscus Island, and Sunset Islands III and IV that include five additional pump stations. Designs for pump stations for Middle North Bay Road and the La Gorce neighborhood are underway. A joint FDOT/City project for flood mitigation of Indian Creek Drive from 25th to 41st Streets that includes an upgraded stormwater system and one pump station has commenced.

Staff is currently working with Bond Counsel and Financial Advisor to develop the best strategy to fund the next \$100 million of stormwater project needs. Based on the projected revenue requirements of the FY 2016/17 budget including the debt service of the next \$100 million, the current monthly rate of \$16.67 per ERU will need to be increased to \$22.67 per ERU. Annually, the rate would be increased from \$200.04 per ERU to \$272.04 per ERU.

In addition, a consultant is performing an evaluation of the stormwater utility to determine the appropriate calculations for ERU methodology. Concurrently staff is evaluating the appropriateness and methodology for implementing a Stormwater Impact fee for new construction projects and fee in lieu of providing stormwater infrastructure for all current illicit discharges. These evaluations should be complete by the end of the calendar year.

CONCLUSION:

The preceding is presented to the members of the Committee for information and discussion.

JLM/ETC/RWC