



CITY OF HALLANDALE BEACH

UTILITY REVENUE BONDS UPDATE

Update as of June 4, 2025



On Today's Agenda

Our Discussion Points

Background

Utility CIP Funding Plan

Utility Revenue Bonds Team

Accomplishments

Challenges

CIP Plan Changes

Preliminary 2025 Bond Project List

2025 Bond Issuance Timeline

Questions

Background

WHY ARE WE HERE?

- On September 12, 2022, Staff presented a Utility Condition Assessment of the Utility System to City Commission.
 - Examples of various water, sewer, and stormwater system failures were presented.
 - Alarming statistics were presented regarding:
 - Leaks, Water Main Breaks, Precautionary Boil Water Notices
 - Unbilled or Unaccounted for Water
 - Force Main, Lift Station Failures
 - Sewage Spills
 - Stormwater System Failures
 - Water Meter Read Failures

Background (Cont.)

UPDATED UTILITY RATE STUDY

- The results of an updated Utility Rate Study using the City's Updated Water, Wastewater, and Stormwater CIP Plan was approved on June 21, 2023.
- The CIP Plan had a value of \$259.2M (Now \$278.7M)
- Included \$227.6M (Now \$232.7M) in utility revenue bond financing.
- Included updated rates for fiscal years 2024 to 2028
- Phases of Study:
 - Phase I: Considered equal rate increases across all rate tiers and customers.
 - Phase II: Recommended to include rate design options and stormwater system remeasurement.

Background (Cont.)

CITY COMMISSION ADOPTED ITEMS

- Adopted in June 2023
 - FY23-28 Utility Rate Study - Update
 - 5-Year CIP Plan
- Adopted in May 2023
 - Utility System Bond Ordinance
 - Allows for additional Bonds to be issued
- Adopted in September 2024
 - Utility System Revenue Bond Resolution
 - Authorized the issuance of the first tranche of bonds

Utility CIP Funding Plan

ISSUANCE OF PUBLIC OFFERING REVENUE BONDS

- Adopt Master Utility Ordinance
- Issue Bond Feasibility Report (Rate Consultant)
- Issue Engineers' Reports for Both Systems (Consulting Engineer)
- Adopt Supplemental Bond Resolutions (for each tranche)
- Competitive Sale of Bonds

RATE STUDY

- Adopt a Rate Study Covering Debt Issuances and CIP Plan
- Phase I: Focused on Revenue Sufficiency
- Phase II: Focused on Stormwater Remeasurement & Rate Design

GRANTS & SRF LOANS

- Apply for Grants and SRF Loans to Reduce Bond Proceed Needs

Utility Revenue Bonds Team

Outside Consultants

SERGIO MASVIDAL

FINANCIAL ADVISOR
PFM Financial Advisors LLC

PETE VARONA

FINANCIAL ADVISOR
PFM Financial Advisors LLC

JOLINDA HERRING

BOND COUNSEL
Bryant Miller Olive P.A.

HENRY THOMAS

UTILITY RATE CONSULTANT
Raftelis Financial Consultants Inc

MICHAEL WIENER

DISCLOSURE COUNSEL
Holland & Knight LLP

Utility Revenue Bonds Team

City Team

JEREMY EARLE

CITY MANAGER

NOEMY SANDOVAL

ASSISTANT CITY MANAGER

JENNIFER MERINO

CITY ATTORNEY

JEFFREY TOWNE

INTERIM PUBLIC WORKS DIRECTOR

MARC GAMBRILL

CITY ENGINEER

TROY GIES

ASSISTANT PUBLIC WORKS DIRECTOR

BARBARA TRINKA

ASSISTANT FINANCE DIRECTOR

GEOVANNE NESTE

FINANCE DIRECTOR

Accomplishments

2024 UTILITY REVENUE BOND ISSUANCE

- Adopted Reimbursement Resolution in February 2022
- Adopted Master Utility System Bond Ordinance in May 2023
- Adopted Bond Resolution in September 2024
- Issued \$60M in Utility Revenue Bonds in December 2024
- First Bond Issuance is funding 24 Projects with an average value of \$2.5M.

Accomplishments

2024 BOND - PROJECT STATUS DASHBOARD

TOTAL
PROJECTS
24

AWARD
DESIGN
2

IN
DESIGN
8

BIDDING
PROCESS
1

TOTAL BONDS
VALUE
\$60M

AWARD
CONSTRUCTION
2

IN
CONSTRUCTION
10

IN CLOSE
OUT
1

Accomplishments (Cont.)

RATE STUDY

- Adopted Phase One of Utility Rate Study in September 2022
- Update to Phase One of Utility Rate Study Completed
- Phase Two of Utility Rate Study:
 - Stormwater System Remeasurement Completed
 - Stormwater Rate Design is in Process with methodology determined.
 - Workshop held in September 2024 for Stormwater remeasurement changes.

GRANTS & SRF LOANS

- Applied (or submitted requests) for approximately \$51.1M in Utility CIP Project grant funding from FY20 thru today.
- Awarded approximately \$20.5M in Utility CIP Project Funding as of today from grant applications submitted.

Challenges

BOND ISSUANCE

- A considerable number of bond-funded projects continue to have bid values significantly higher than preliminary estimates.
- Discrepancies attributed to current market conditions and inflationary pressures.
- New PFAS compliance requirements mandate that public water systems implement solutions to reduce PFAS levels by 2029, which has impacted future project costs significantly due to high demand and limited availability of specialized contractors. Initial monitoring must be completed by 2027.
- Reassessing cost projections of the Utility CIP Plan is completed at least annually. This was completed for the FY26 Budget Cycle.
- Material changes to the Utility CIP Plan impacts futures rates and the timing of when other bond-related deliverables could be completed.

Challenges (Cont.)

RATE STUDY (PHASE II)

- Revenue losses from the AMI Meter Failures impact assumptions.
- An updated rate design will require resources from our utility billing software vendor, Tyler Technologies.
- May need consultant assistance with implementing new rate tables.
- The current Phase II model using FY2024 data/information has materially higher increases for certain customer classes that need to be reevaluated.
 - Implementation of any rate structure changes will require additional workshops and discussions based on current results.
 - Phase II is being postponed for consideration in FY2026 to allow additional time to assess the results.
 - Goal is to present results during the FY26 Budget Workshops as part of our long-term financial planning.

CIP PLAN CHANGES

	Prior	2024-2026	2027-2029	Future	Project Costs
2023 Rate Study Model					
Water	34,743,149	86,588,645	24,636,908	-	145,968,702
Wastewater	48,320,359	4,201,940	667,960	-	53,190,259
Stormwater	6,596,400	19,787,200	33,688,800	-	60,072,400
Total	\$ 89,659,908	\$ 110,577,785	\$ 58,993,668	\$ -	\$ 259,231,361
Updated Model For Bond Issuance					
Water	-	98,745,261	28,672,300	20,091,600	147,509,161
Wastewater	-	58,505,968	6,000,000	-	64,505,968
Stormwater	-	17,725,562	16,016,637	32,956,800	66,698,999
Total	\$ -	\$ 174,976,791	\$ 50,688,937	\$ 53,048,400	\$ 278,714,128

Impact on Utility Rates

SUMMARY OF 2023 RATE STUDY RATE PLAN AND CUMULATIVE INCREASES

	2024	2025	2026	2027	2028	Cumulative Increase
2023 Rate Study						
Water	17.00%	10.00%	8.00%	7.00%	3.75%	54.3%
Wastewater	7.00%	7.00%	5.50%	5.25%	3.75%	31.9%
Stormwater	10.00%	10.00%	10.00%	10.00%		46.4%

Preliminary 2025 Bond Project List

Water Distribution & Treatment Projects

Project Name	Project Budget
Raw Water Piping Improvements	\$ 800,000
Water Treatment Plant Raw Meter Vault Improvement	400,000
Polymer & Sodium Hex Storage	815,000
Sodium Hypochlorite Feed System	400,000
Sodium Hypochlorite Feed Storage	500,000
Membrane Plant Chemical Pump Replacement	3,150,000
WTP Emergency Power Generator	1,000,000
WTP Diesel Driven Pump and Fuel	600,000
WTP Disinfection Improvements	2,000,000
Water Tower on Beach	4,000,000
Holiday Drive WM Improvements	6,700,618
14" Water Main HBB/SE14th (JT NOTE - This is a 16" Water Main)	2,050,000
Parkview Dr. 16-inch Watermain Improvements	9,200,000
Dixie Hwy 12" Water Main	7,506,800
Reverse Osmosis Skid 2	7,200,000
Subtotal	\$ 46,322,418

Preliminary 2025 Bond Project List

Wastewater Revenue Bond Projects

Project Name	Project Budget
Lift Station #6 Rehabilitation	\$ 7,300,000
Lift Station #1	1,000,000
30" Force Main (NE14th Ave - btw Atlantic Shores & Funston Street)	2,175,000
Lift Station #14 Capacity Improvements	150,000
Lift Station #1 Force Main	2,050,000
Lift Station #9 Capacity Improvements	500,000
Lift Station #14 Capacity Improvements	500,000
Lift Station #12 Capacity Improvements	275,000
Lift Station #13 Capacity Improvements	1,450,000
Lift Station #4 Rehabilitation	525,000
Dixie Hwy FM Improvements	3,200,000
Lift Station #7	1,850,000
Miami-Dade County - Sewer Trunk Line	1,200,000
Subtotal	\$ 22,175,000

Preliminary 2025 Bond Project List

Stormwater Revenue Bond Projects

Project Name	Project Budget
DPW Yard Stormwater Drainage Improvements Project	\$ 150,000
I-95 Stormwater Station (Pembroke Pines / FDOT) Project	2,000,000
S.W. 11th Ave 48" Trunk Line	500,000
Gulfstream-Rehab 72 Inch SW Main	400,000
Subtotal	<u>\$ 3,050,000</u>

Total Revenue Bond Projects

Total 2025 Utility Revenue Bond Projects	<u>\$ 71,547,418</u>
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2025 Bond Issuance Timeline

Major Deliverables





Questions?

THANK YOU