

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2008	2009	2010	2011	2012
Capital Expenditures	0	0	0	0	0
Operating Revenues	(\$584,000)	(\$584,000)	(\$852,520)	(\$962,908)	(\$991,795)
Guaranteed Revenues	0	0	0	0	0
Connection Fee Revenues	(\$3,020,000)	(\$ 110,000)	(\$110,000)	(\$110,000)	(\$110,000)
NET FISCAL IMPACT (Additional Revenues)	(\$3,604,000)	(\$ 694,000)	(\$962,520)	(\$1,072,908)	(\$1,101,795)
# ADDITIONAL FTE POSITIONS (Cumulative)	0	0	0	0	0
Is Item Included in Current Budget?	Yes	No	X	Reporting Category	<u>N/A</u>

B. Recommended Sources of Funds/Summary of Fiscal Impact:

The County will receive an up-front payment of \$2,910,000 for 1 MGD of permanent capacity and an up-front payment of \$110,000 per year for temporary capacity for the total of 2 MGD requested. Commodity fees will be approximately \$1,600 per day (2,000 x \$0.80) or \$584,000 per year in FY 2008 and 2009. The rate increase on January 1, 2010 will increase the commodity revenue to \$852,520 in FY10, \$962,908 in FY11 and \$991,795 in FY12. The only increase in cost is the variable cost of electricity and chemicals, which is included in the Department's budget.

C. Department Fiscal Review: Delira M West

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Development and Control Comments:

Jim D... 9/25/07
OFMB
CN 9/20/07

John J. J... 9/25/07
Contract and Development Control
9/25/07

B. Legal Sufficiency:

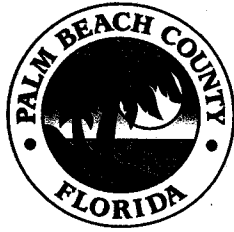
This amendment complies with our review requirements.

W... 9/27/07
Assistant County Attorney

C. Other Department Review:

Department Director

This summary is not to be used as a basis for payment.



**Palm Beach County
Water Utilities
Department
Service Area (SA) and
Major Facilities**

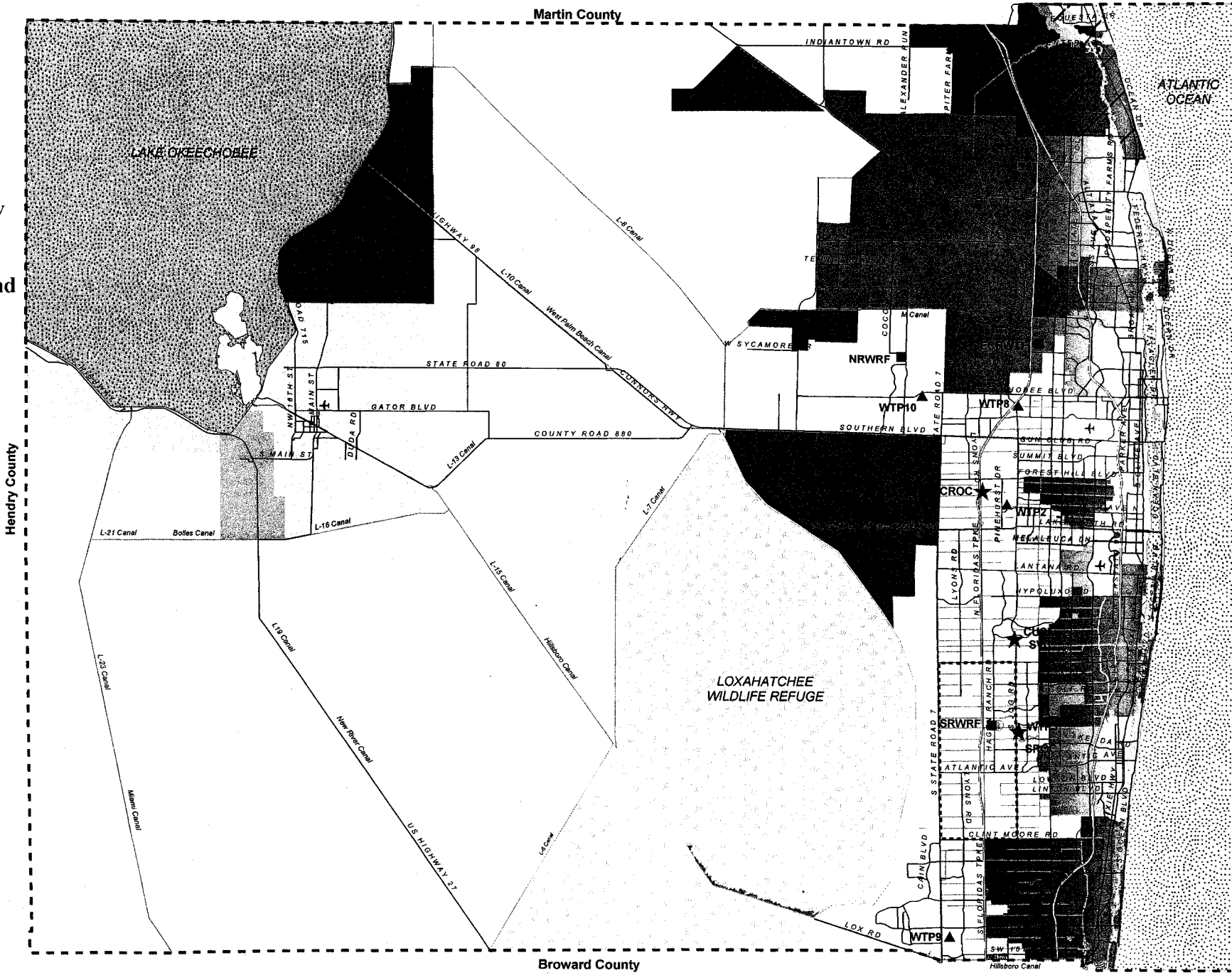
Attachment 1

Legend

- P.B.C.W.U.D. SA
- Mandatory Reclaimed SA
- - - - - Palm Beach County Limits
- ★ Administration
- Water Reclamation Facility
- ▲ Water Treatment Facility
- ☉ Wetlands



NOT TO SCALE



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RESOLUTION NO. R07- 103

**A RESOLUTION OF THE CITY OF BOYNTON BEACH,
FLORIDA, AUTHORIZING AND DIRECTING THE
CITY MANAGER AND CITY CLERK TO EXECUTE A
FIRST AMENDMENT TO THE INTERLOCAL
AGREEMENT BETWEEN PALM BEACH COUNTY
AND THE CITY OF BOYNTON BEACH FOR THE
PURCHASE AND SALE OF BULK POTABLE WATER;
AND PROVIDING AN EFFECTIVE DATE.**

WHEREAS, the City Commission approved an Agreement dated December 21,
2004, for the purchase and sale of bulk potable water; and

WHEREAS, the City of Boynton Beach and Palm Beach County desire to amend the
Agreement; and

WHEREAS, the City Commission of the City of Boynton Beach, upon
recommendation of staff, deems it to be in the best interests of the residents and citizens of
the City of Boynton Beach to approve the First Amendment to the Interlocal Agreement
between the City of Boynton Beach and Palm Beach County for the Purchase and Sale of
Bulk Potable Water.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF
THE CITY OF BOYNTON BEACH, FLORIDA, THAT:**

Section 1. Each Whereas clause set forth above is true and correct and
incorporated herein by this reference.

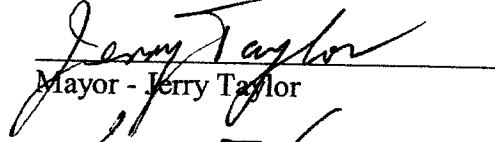
Section 2. The City Commission of the City of Boynton Beach, Florida, upon
recommendation of staff, hereby authorizes and directs the City Manager and City Clerk to
execute the First Amendment to the Interlocal Agreement between Palm Beach County and
City of Boynton Beach for the Purchase and Sale of Bulk Potable Water, which First
Amendment is attached hereto as Exhibit "A".

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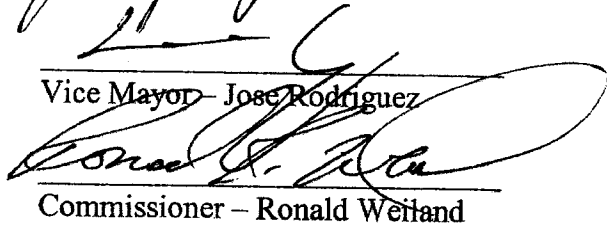
Section 3. That this Resolution shall become effective immediately upon passage.

PASSED AND ADOPTED this 4 day of September, 2007.

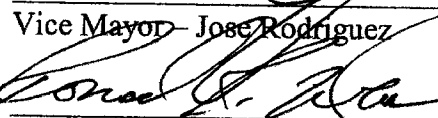
CITY OF BOYNTON BEACH, FLORIDA



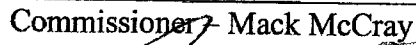
Mayor - Jerry Taylor



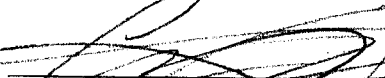
Vice Mayor - Jose Rodriguez



Commissioner - Ronald Weiland

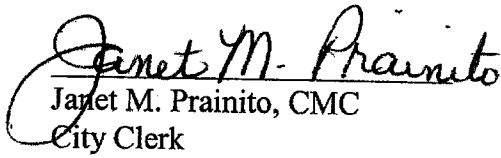


Commissioner - Mack McCray



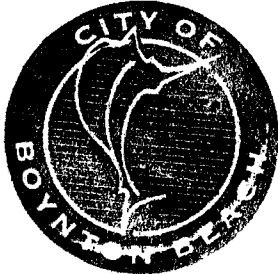
Commissioner - Carl McKoy

ATTEST:



Janet M. Prainito, CMC
City Clerk

(Corporate Seal)



**FIRST AMENDMENT TO THE INTERLOCAL AGREEMENT BETWEEN
PALM BEACH COUNTY AND THE CITY OF BOYNTON BEACH FOR THE
PURCHASE AND SALE OF BULK POTABLE WATER**

THIS FIRST AMENDMENT made and entered into this _____ day of _____, 2007, by and between **PALM BEACH COUNTY**, a political subdivision of the State of Florida (hereinafter "County"), and the **CITY OF BOYNTON BEACH, FLORIDA**, a municipality organized under the laws of the State of Florida (hereinafter "City").

WITNESSETH

WHEREAS, Section 163.01, Florida Statutes, known as the "Florida Interlocal Cooperation Act of 1969" authorizes local governments to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities that will harmonize geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, the City wishes to purchase bulk Potable Water from the County for distribution and sale to customers solely within the City's Potable Water service area; and

WHEREAS, the County wishes to sell the City bulk Potable Water pursuant to the terms and conditions of the Agreement dated December 21, 2004 for the purchase and sale of bulk potable water, as modified by this First Amendment; and

WHEREAS, the parties desire to amend the Agreement as set forth herein.

NOW, THEREFORE, for and in consideration of these premises, the mutual undertakings and agreements herein contained and assumed, County and City hereby covenant and agree as follows:

1. The foregoing statements are true and correct.
2. Section 2 of the Agreement is hereby deleted in its entirety and replaced with the following:
 2. Term. The term of this Agreement shall commence upon execution by both parties and shall continue in full force and effect until December 31, 2013, except for capacity purchased on a permanent basis, which shall continue indefinitely.
3. Section 4(b) of the Agreement is hereby deleted in its entirety and replaced with the following:
 - (b) "Capacity Fee" – A one-time fee to be paid by City to County to reserve permanent capacity in the County's Potable Water System or an Annual Carrying Cost amount paid yearly to reserve temporary capacity in the County's Potable Water System. The Capacity Fee assessed to the City shall be based upon the Potable Water flow

that the City desires to reserve in the County's Potable Water System. This fee is assessed irrespective of the actual quantity of Potable Water flowing through the various Points of Connection;

4. Section 4(d) of the Agreement is hereby deleted in its entirety and replaced by the following:

(d) "Commodity Fee" - A fee to be paid by City to County on a monthly basis which is intended to recover County's variable cost of producing and supplying Potable Water to the City at the various Points of Connection. This fee is assessed per one thousand (1,000) gallons of Potable Water delivered by County to the various Points of Connection;

5. Section 7 of the Agreement is hereby deleted in its entirety and replaced by the following:

7. Capacity Reservation. County shall provide City with Potable Water at the varying flow rates required by the City, not to exceed five million (5,000,000) gallons per day (5 MGD). Within thirty (30) days of the Effective Date of this Agreement, the City shall pay the County a bulk Potable Water Capacity Fee of \$2.91 per gallon for 1 MGD of permanently reserved capacity (for a total of \$2,910,000.00). In addition, the City may reserve additional temporary capacity by paying an Annual Carrying Cost at the rate of \$0.11 per gallon per year. As the minimum daily quantity of water to be purchased under this Agreement (on a take-or-pay basis) is 2 MGD calculated on an annual basis, the City shall be required to have permanent and temporary capacity totaling at least 2 MGD throughout the term of this Agreement. For the first year of this Agreement, the City elects to purchase 1 MGD of additional temporary capacity. Within thirty (30) days of the Effective Date of this Agreement the City shall pay the County for the first year of this additional temporary capacity. In each subsequent year, the City shall notify the County in writing, at least sixty (60) days prior to the anniversary date of this Agreement, of the amount of Potable Water in two hundred fifty thousand (250,000) gallon increments that the City is interested in reserving during the subsequent twelve (12) month period, and pay the Annual Carrying Cost for the capacity it has requested to reserve. The City may also, at any time during this Agreement, reserve additional permanent capacity by paying the bulk Potable Water Capacity Fee of \$2.91 per gallon, in two hundred fifty thousand (250,000) gallon increments. The Average Daily Flow rate during any twelve (12) month period shall not exceed the capacity reserved. If such flow is exceeded, the City shall pay an additional Annual Carrying Cost of \$0.11 per gallon for the excess capacity used. The Annual Carrying Cost shall be fixed through December 31, 2013. The County is under no duty to provide more than five million (5,000,000) gallons of Potable Water per day, but may, at its sole discretion, provide Potable Water at a higher flow rate if requested by the City.

6. Section 8 of the Agreement is hereby deleted in its entirety and replaced by the following:

- 8 Commodity Fee. In accordance with the December 21, 2004 Agreement between the County and the City, the initial monthly Commodity Fee shall be \$0.80 per thousand gallons. In accordance with the December 21, 2004 Agreement between the County and the City, on January 1, 2010, the monthly Commodity Fee shall increase to the total of \$1.15 per thousand gallons plus an upward adjustment, calculated beginning January 1, 2006, in an amount equal to the prior year's (measured October to October) Consumer Price Index, all Urban Consumers, Water and Sewerage Maintenance, published by the U.S. Department of Labor, Bureau of Labor Statistics ("CPI") or some other mutually agreed-upon index if the CPI is discontinued, but in no case shall the escalation exceed three percent (3%) annually. Beginning on January 1, 2011, and for each calendar year thereafter, this Commodity Fee shall be adjusted upward by an amount equal to the prior year's CPI (measured October to October) or some other mutually agreed-upon index if the CPI is discontinued, but in no case shall the escalation exceed three percent (3%) annually.

The Existing Points of Connection shall be used collectively and in common to more evenly distribute the Potable Water flows from the County's Potable Water System into the City's Potable Water System. Any construction costs required to upgrade the Existing Points of Connection to meet the requirements of this Agreement shall be shared by the County and the City. The minimum quantity of Potable Water to be purchased by the City shall be 2 MGD calculated on an annual basis through December 31, 2013, regardless of actual usage.

7. Section 13 of the Agreement is hereby deleted in its entirety and replaced by the following:

13. Water Interconnect Agreement: The City and County are currently parties to a 1996 Water Interconnect Agreement, dated 5/7/96 (County Resolution No. 96-567D), establishing provisions for the emergency purchase and sale of Potable Water through the Existing Points of Connection. The Water Interconnect Agreement is incorporated herein by reference, except that the rates set forth in Section 6 of the Water Interconnect Agreement are amended as follows: The parties agree that in the event that requires the City to provide Potable Water to the County, the commodity rate paid by the County to the City, shall be the same Commodity rate that the City is required to pay to the County as set forth in this Agreement.

8. Section 20 of the Agreement is hereby deleted in its entirety and replaced by the following:

20. Termination. The parties hereto expressly covenant and agree that in the event either party is in default of its obligations herein, the party not in default shall provide to the party in default ninety (90) days written notice to cure said default before exercising any of its rights as provided for in this Agreement. Failure to cure said default within ninety (90) days following notice may be grounds for termination of this Agreement. Termination of this Agreement by either party

shall require thirty (30) days prior written notice to the other party prior to the termination date. The parties may mutually agree to extend the time for cure and/or termination.

9. All other provisions of the Agreement are hereby confirmed and shall remain in full force and effect.

(THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK)

IN WITNESS WHEREOF, County and City have executed or have caused this Agreement to be duly executed in several counterparts, each of which counterpart shall be considered an original executed copy of this Agreement.

ATTEST:

Sharon R. Bock, Clerk and Comptroller

PALM BEACH COUNTY, BY ITS BOARD OF COUNTY COMMISSIONERS

By: _____
Clerk

By: _____
Addie L. Greene, Chairperson

(SEAL)

APPROVED AS TO FORM AND TO LEGAL SUFFICIENCY

APPROVED AS TO TERMS AND CONDITIONS

By: _____
County Attorney

By: *Gul Beaman*
Director of Water Utilities



St. M. Prainito

CITY OF BOYNTON BEACH, FLORIDA

By: *Kurt Bressner*

KURT BRESSNER
CITY MANAGER
BOYNTON BEACH, FL

APPROVED AS TO FORM AND TO LEGAL SUFFICIENCY

By: *[Signature]*
City Attorney