

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

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Meeting Date:	October 21, 2008	Consent []	Regular [X]
		Public Hearing []	
Submitted By:	Water Utilities Department		
Submitted For:	Water Utilities Department		

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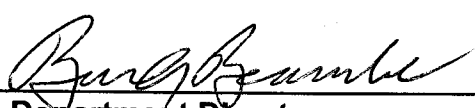
I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to approve: a conceptual approval of a temporary deferral of the capital reimbursement portion of the Lake Region Water Treatment Plant (LRWTP) billing to the Cities of Belle Glade, Pahokee, and South Bay for a period not to exceed twelve months beginning with the October 2008 billing.

Summary: On February 3, 2004, the Board approved Agreements with the Cities of Belle Glade (R2004-0245), Pahokee (R2004-0246), and South Bay (R2004-0247) for the construction and operation of the LRWTP. The Agreements require the Cities to reimburse the County for the operational costs of the plant and to pay any capital costs not paid through grants. The remaining capital cost (\$24,800,000) is to be paid over 50 years at 2% interest. The monthly capital cost for Belle Glade is \$45,794.05 and \$9,813.01 for both South Bay and Pahokee. Over the past few weeks, there have been discussions with the three Cities regarding the concept of establishing a Glades Utility Authority (GUA), which would combine the utility systems of the three Cities into an Authority which would contract with the County to provide water and wastewater services. The purpose of the GUA is to assume the existing utility debt from the Cities, to prioritize and implement repairs and upgrades to the existing infrastructure, to bill utility customers and to correct regulatory deficiencies in the systems. Additionally, an upgraded water and wastewater system is necessary in order to encourage economic development in the area. The three Cities have all agreed to commence negotiations with County to establish the GUA. In order to provide financial assistance to the Cities, Staff is recommending that the capital portion of the monthly billing be deferred for a maximum of twelve months. Interest will continue to accrue, and the capital payments will be reinstated once the Authority is established, the concept of an authority is abandoned, or twelve months, whichever comes first. If approved, the GUA would be responsible to pay the outstanding debt for the Lake Region Plant. If approved by the Board, the Agreements will be brought back at a later date for formal Amendment. The Cities are still obligated to pay the monthly operating costs of the LRWTP. District 6 (MJ)

Background and Justification: The additional costs of the LRWTP, the lack of assistance from the federal government, and the recent property tax legislation enacted by the State have severely impacted the budgets of Belle Glade, Pahokee, and South Bay. Deferral of the monthly capital costs will assist the cities in meeting their obligations while negotiations are underway regarding the possibility of establishing an authority.

Attachments:

Recommended By:  10/10/08
Department Director Date

Approved By:  10/16/08
for Assistant County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2009	2010	2011	2012	2013
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>\$785,040.00</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Operating Expenses	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
In-Kind Match County	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET FISCAL IMPACT	<u>\$785,040.00</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Budget Account No.: Fund 4001 Dept 720 Unit 4200 RSRC 4362

Is Item Included in Current Budget? Yes X No

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

This item will reduce revenues to the Water Utilities Department for FY 2009 by \$785,040 if payments are deferred for the full twelve months. The total amount due will still be collected but deferred for a maximum of twelve months.

C. Department Fiscal Review: Ray Egata for dw

III. REVIEW COMMENTS

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

Atwillhite 10-14-08
OFMB
10/14/08
10/14/08
10-10-08
Contract Development and Control
10/15/08

B. Legal sufficiency:

Assistant County Attorney
10/16/08

C. Other Department Review:

Department Director

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