

ADD-ON

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

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| | | | |
|-----------------------|-----------------------------------|---------------------------|--------------------|
| Meeting Date: | October 6, 2009 | 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: **(A) approve** a Budget Amendment of \$700,000 in the Water Utilities Department's Lake Region Renewal and Replacement (R&R) Fund and; **(B) approve** the transfer of the fund balance to the Glades Utility Authority (Authority).

Summary: On February 3, 2004, the Board of County Commissioners (Board) approved Interlocal Agreements with the Cities of Belle Glade (R2004-0245), Pahokee (R2004-0246) and South Bay (R2004-0247) (Cities) for the design, construction, operation, and maintenance of the Lake Region Water Treatment Plant (LRWTP) to provide potable water to the Cities. When the LRWTP was completed in March 2008, the Cities began purchasing water on a wholesale basis from the County. The commodity fee paid to the County included a 15% R&R component, which was deposited in a separate Lake Region R&R fund and designated in the agreements to be used for the replacement of membrane elements. On June 16, 2009, the Board approved an Interlocal Agreement (R2009-1034) establishing the Authority and, on October 1, 2009, ownership of the County's LRWTP was transferred to the Authority. Since the Authority has assumed ownership of the LRWTP, the balance in the Lake Region R&R fund should be transferred to the Authority since it cannot be used for any other purpose. The current balance in the fund is \$603,795.93 and will increase slightly after the final payments from the Cities are received. Countywide (MJ)

Background and Justification: In addition to assuming ownership of the LRWTP, the Authority will assume the existing utility debt of the Cities, establish sustainable financial policies, assume ownership of all utility assets, rehabilitate the systems, correct regulatory violations, improve revenue collections, and decrease costs through economies of scale. Transfer of the R&R funds is needed to cover the cost of replacing the LRWTP's membrane elements.

Attachments:

- 1. Budget Amendment

Recommended By:  10/2/09
 Department Director Date



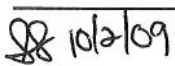
Approved By:  10/4/09
 Assistant County Administrator Date

BOARD OF COUNTY COMMISSIONERS
PALM BEACH COUNTY, FLORIDA
BUDGET: AMENDMENT
FUND 4014: Water Utilities Department Lake Region R&R Fund

Use this form for items not anticipated in the budget

| Account | | Original Budget | Current Budget | Increase | Decrease | Adjusted Budget | Encumbered As of 09/30/09 | Remaining Balance |
|---|---|-----------------|----------------|----------------|----------------|-----------------|---------------------------|-------------------|
| Number | Name | | | | | | | |
| Revenues (BGRV 720 092309*792) | | | | | | | | |
| 40148004200-8901 | Balance Brought Forward | 601,820 | 601,820 | 98,180 | 0 | 700,000 | | |
| Total receipts and revenues | | <u>601,820</u> | <u>601,820</u> | <u>98,180</u> | <u>0</u> | <u>700,000</u> | | |
| Expenditures (BGEX 720 100109*1) | | | | | | | | |
| 40147201GUA-8101 | 7201GUA Contributions Other Governmental Agencies | 0 | 0 | 700,000 | 0 | 700,000 | 0 | 700,000 |
| 40147219900-9909 | 7219900NB Reserve for improvement program | 601,820 | 601,820 | 0 | 601,820 | 0 | 0 | 0 |
| Total expenditures and reserves | | <u>601,820</u> | <u>601,820</u> | <u>700,000</u> | <u>601,820</u> | <u>700,000</u> | <u>0</u> | <u>700,000</u> |

Water Utilities Department
 Initiating Department/Division
 Administration/Budget Department Approval
 OFMB and Budget Department - Posted

| | |
|---|---------|
| Signatures | Date |
|  | 10/1/09 |
|  | 10/2/09 |
|  | 10/2/09 |

By Board of County Commissioners
 At Meeting of 10/6/09

 Deputy Clerk to the
 Board of County Commissioners