

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA ITEM SUMMARY

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Meeting Date:	January 12, 2010	Consent [X]	Regular []
		Public Hearing []	
Submitted By:	Water Utilities Department		
Submitted For:	Water Utilities Department		

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I. EXECUTIVE BRIEF

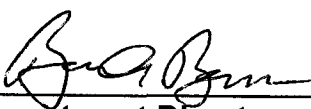
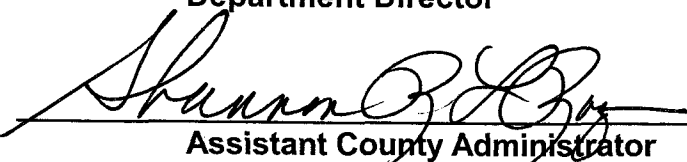
Motion and Title: **Staff recommends motion to approve:** the temporary deferral of the capital reimbursement portion of the Lake Region Water Treatment Plant (LRWTP) billing to the Glades Utility Authority (GUA) for the FY2009-2010 fiscal year.

Summary: On February 3, 2004, the Board approved Agreements (R2004-0245, R2004-0246, and R2004-0247) with the Cities of Belle Glade, Pahokee, and South Bay for the construction and operation of the LRWTP. The Agreements required 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) was to be paid over 50 years at 2% interest. The monthly capital cost for Belle Glade was \$45,794.05 and \$9,813.01 for both South Bay and Pahokee. On October 21, 2008, the Board approved the deferral of the capital cost reimbursements for a one-year period in order to assist the cities during the transition to the GUA. On October 1, 2009, the GUA was formed and the ownership of the LRWTP and the liability for the capital payments were transferred to the GUA. The GUA Business Plan assumed that the deferral would continue through FY2009-2010, and the revenue from the capital cost reimbursement was not included in the Water Utilities Department's budget. However, specific authority from the Board is needed to defer the capital cost reimbursement for an additional year to assist the GUA in maintaining sufficient operating funds in accordance with the Business Plan. Interest will continue to accrue, and the capital payments will be reinstated beginning in October 2010. District 6 (MJ)

Background and Justification: On October 1, 2009, the utility assets and utility debt of the Cities of Belle Glade, Pahokee, and South Bay were transferred to the GUA. Much of the debt relating to State Revolving Fund loans has been renegotiated at reduced interest rates, and start-up funds have been obtained through a loan from Wachovia Bank. Major grants have obtained to fund badly needed renewal and replacement projects in the GUA service area. Deferral of the monthly capital cost reimbursement will further assist the GUA in meeting its Business Plan objectives.

Attachments:

None

Recommended By:	 Department Director	12/9/09 Date	
Approved By:	 Assistant County Administrator	12/22/09 Date	

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	2010	2011	2012	2013	2014
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>0</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	0 <u>0</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	Dept	Unit	Object
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Is Item Included in Current Budget? Yes No X

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

* The capital reimbursement for the LRWTP was not included in the FY2009-2010 budget for the Water Utilities Department. The amount of revenue that would have been collected for FY 2010 is \$785,040. The total amount due will still be collected but deferred for a maximum of twelve months. Interest will continue to accrue.

C. Department Fiscal Review: *Julia M. Skelton*

III. REVIEW COMMENTS

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

12-21-09
OFMB
12/17/09

[Signature] 12/22/09
Contract Development and Control

B. Legal sufficiency:


Assistant County Attorney

C. Other Department Review:

Department Director

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