

PALM BEACH COUNTY  
BOARD OF COUNTY COMMISSIONERS  
AGENDA ITEM SUMMARY

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Meeting Date:      December 21, 2010      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) adopt a Resolution of the Board of County Commissioners of Palm Beach County, Florida amending Resolution No. R2000-0553, providing for a reduced interest rate from 6.5% to 5.5% for deferred payment plans; and B) modify Section 3.6.3 and Section 3.7 of the Water Utilities Department's Uniform Policies and Procedures Manual (UPAP) to reflect reduced interest rates for special assessments and deferred payment plans.

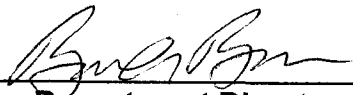
**Summary:** The economic downturn that has affected Palm Beach County as well as the entire nation has dramatically reduced economic development and new connections to the Water Utilities Department's system. In an effort to be more in line with the interest rates on borrowing, the Department is recommending a reduction to the interest rate charged on special assessments and deferred payment plans from 6.5% to 5.5%. This proposed action is consistent with the interest rate reduction that was approved for the Engineering Department on September 14, 2010.


The UPAP is a codification of the Department's fees, standards, legal documents and policies and procedures governing the provision of potable water, reclaimed water, and wastewater services. The Department performs a review of the UPAP from time to time to ensure the continued effective and efficient delivery of utility services. The proposed revisions to the UPAP would lower the interest rate on special assessments and deferred payment plans entered into on or subsequent to December 21, 2010 from 6.5% to 5.5%. The Department's existing engineering standards and utility rates are not affected by this revision. Resolution No. R-2009-0427, which sets forth the provisions of the Department's deferred payment plan for service initiation fees, is also being amended to provide for the lower interest rate. County-wide (MJ)

**Background and Justification:** The Department has routinely adjusted the interest rate paid on deferred payment plans and Special Assessment projects since 1998 when the Deferred Payment Plan Resolution (R-98-719) was approved by the Board of County Commissioners (BCC). The previous adjustment was approved by the BCC on April 18, 2000 which reduced the interest rate from 8.0% to 6.5%.

**Attachments:**

- 1. One (1) Original Amended Deferred Payment Resolution
- 2. Clean Version of UPAP Chapter 3, Section 3.6.3 and 3.7
- 3. Blacklined Version of UPAP Chapter 3, Section 3.6.3 and 3.7

Recommended By:       12/15/2010  
Department Director      Date

Approved By:       12/20/2010  
Assistant County Administrator      Date

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact:

Fiscal Years	2011	2012	2013	2014	2015
Capital Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
External Revenues	<u>\$166,000.00</u>	<u>\$198,000.00</u>	<u>\$195,000.00</u>	<u>\$191,000.00</u>	<u>(\$188,000.00)</u>
Program Income (County)	<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>\$166,000.00</u>	<u>\$198,000.00</u>	<u>\$195,000.00</u>	<u>\$191,000.00</u>	<u>\$188,000.00</u>
# ADDITIONAL FTE POSITIONS (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

**Budget Account No.:** Fund 4013 Agency 721 Org. 4200 Rsrc. 2511

Is Item Included in Current Budget?      Yes X      No     

Reporting Category **N/A**

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

Due to the reduction in interest rate the fiscal impact is a loss in budget revenue from the Special Assessment Program fund.

C. Department Fiscal Review: Julia M. West

### III. REVIEW COMMENTS

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

Legal Sufficiency

*Dr. J. George* 12/16/10  
Contract Development and Control

**B. Legal Sufficiency:**

12/17/10  
Assistant County Attorney

**C. Other Department Review:**

Department Director

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

**RESOLUTION NO. R-2010-**

**RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF  
PALM BEACH COUNTY, FLORIDA, PROVIDING FOR A REDUCED  
INTEREST RATE FOR DEFERRED PAYMENT PLANS; PROVIDING  
FOR AN EFFECTIVE DATE.**

**WHEREAS**, on March 17, 2009, the Palm Beach County Board of County Commissioners adopted Resolution No. R2009-0427, which superseded and replaced Resolution R98-719, as amended by Resolution No. R2000-0553, concerning the Palm Beach County Water Utilities Department's Deferred Payment Plan; and

**WHEREAS**, the Board of County Commissioners wishes to amend Resolution No. R2009-0427 to reduce the interest rate from 6.5% to 5.5% for deferred payment plans entered into on or subsequent to December 21, 2010.

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY  
COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:**

**Section 1.** Section 6 of Resolution No. R2009-0427 is hereby amended to read as follows:

PRIORITY OF LIEN, INTEREST, AND METHOD OF PAYMENT. Deferred payment for Service Initiation Fees and Fire Sprinkler System Connection Fees as set forth herein shall be payable at the time and in the manner stipulated in this Resolution. Said Service Initiation Fees and Fire Sprinkler System Connection Fees shall become a lien, inferior to the lien of all federal and state taxes, but superior to all other liens, titles, and claims until paid. Lien(s) shall bear interest at a rate established by the County for special assessment liens pursuant to Section 27, Article VIII of the Palm Beach County Code, as amended from time to time, from the date of service activation as defined in UPAP.

In accordance with the Deferred Payment Plan, all deferred payments for said Service Initiation Fees and Fire Sprinkler System Connection Fees shall be included on the customer's monthly potable water, wastewater and reclaimed water bill, and shall be paid by the customer in monthly

installments with interest payable at the rate of five and one-half percent (5.5%) per annum for all Deferred Payment Plans entered into on or subsequent to December 21, 2010. Said deferred payments may be paid over a period not to exceed twenty (20) years as set forth in UPAP. The deferred payments may be paid without interest at any time within thirty (30) days from the date of application for deferred payment. Should the monthly deferred amount or any portion thereof remain due and owing after thirty (30) days from the date of the monthly customer billing, a late fee, including interest, as set forth in the UPAP, shall be due upon the unpaid and outstanding amount, in addition to the delinquent amount due.

**Section 2.** This Resolution shall become effective upon adoption by the Board of County Commissioners.

The foregoing Resolution was offered by Commissioner \_\_\_\_\_, who moved its adoption. The motion was seconded by Commissioner \_\_\_\_\_, and upon being put to a vote, the vote was as follows:

Commissioner Karen T. Marcus, Chair	-
Commissioner Shelley Vana, Vice Chair	-
Commissioner Paulette Burdick	-
Commissioner Steven L. Abrams	-
Commissioner Burt Aaronson	-
Commissioner Jess R. Santamaria	-
Commissioner Priscilla A. Taylor	-

The Chair thereupon declared the Resolution duly passed and adopted this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

PALM BEACH COUNTY, FLORIDA, BY ITS  
BOARD OF COUNTY COMMISSIONERS

SHARON R. BOCK, CLERK & COMPTROLLER

By: \_\_\_\_\_  
Deputy Clerk

APPROVED AS TO FORM  
AND LEGAL SUFFICIENCY

By:   
County Attorney

**3.6.3 PROPERTY LIEN**

Upon confirmation of the assessment resolution by the BCC, a lien shall be placed on each benefited property. The assessment resolution and roll shall be recorded by the Clerk and Comptroller of Palm Beach County (Clerk) and the same shall constitute a lien against the assessed property. The Clerk shall notify each Property Owner of the lien.

Connection Fees, Guaranteed Revenue Fees, and Installation Fees in effect at the time of the BCC confirmation shall be honored for a period of two years from that date.

Property Owners are responsible for all improvements on their side of the Point of Service, including all permits and fees. When connecting to the Department's Potable Water system, the Property Owner shall permanently disconnect all wells from the plumbing leading to or inside the house or building. The wells may be used for landscape irrigation only, except where prohibited herein. When connecting to the Wastewater system, the Property Owner shall abandon existing septic tanks in accordance with all Federal, State and local laws, rules and regulations.

The payment period for special assessments shall be 20 years. Special assessments imposed on or after ~~February 1, 2000~~ December 21, 2010, shall bear interest at the rate of ~~6 1/2 %~~ 5 1/2 % per annum from the date of notification by the Clerk of the BCC following completion of construction and shall be payable in equal annual payments with the first installment billed on the first property tax bill following the date of notification. The interest rate on special assessments imposed prior to ~~February 1, 2000~~ December 21, 2010 shall bear interest at the rate indicated on the resolution confirming the special assessment process adopted by the BCC. Assessments may be paid in full without interest within 30 days of notification of final completion of the special assessment project by the Clerk.

**3.7 DEFERRED PAYMENT PLAN SERVICE INITIATION FEES**

Property Owners desiring to convert existing wells and/or septic tanks to County Potable Water and/or Wastewater Facilities and/or connect existing developments to the County's Reclaimed Water Distribution System, may make application for a Deferred Payment Plan (Plan), subject to the Department's approval. This Plan may be selected if the service is readily available to service the property. Only Service Initiation Fees and applicable Franchise Fees may be entered into a Plan. The Property Owner participating in the Plan shall agree to the terms as set forth in Resolution No. R-98-719 as may be amended, the Certificate of Indebtedness, the Plan Application, and the UPAP, as may be amended. A Certificate of Indebtedness shall be recorded by the Department and shall become a lien upon the property superior to all liens, titles, and claims except Federal and State taxes and shall remain in force until all amounts due pursuant to the Certificate of Indebtedness are paid in full. The payment period for the Service Initiation Fees and applicable Franchise Fees under the Plan shall be as follows:

- Potable Water and Reclaimed Water service – 20 years
- Multiple services concurrently requested, including Potable Water, Wastewater, Reclaimed Water, paving, or drainage – 20 years
- Wastewater services – 20 years
- Potable Water or Reclaimed Water service, paving or drainage in areas of special concern as determined by the BCC in conjunction with the Department of Housing and Community Development – 20 years

The Service Initiation Fees and applicable Franchise Fees may be paid in full without interest within 30 days from the date of the Deferred Payment Application. All Deferred Payment Plans entered into on or after ~~February 1, 2000~~ December 21, 2010, shall bear interest at a rate of ~~6 1/2%~~ 5 1/2 % per annum from the date of Service Initiation and shall be payable in equal monthly payments over the payment period. All Deferred Payment monthly installments shall be included in the Property Owner's monthly utility bill. The first bill will not be pro-rated for principal and interest. Failure to pay any portion of the utility bill, including the Deferred Payment installment of principal or interest, when due shall result in a late fee, including interest, as set forth in Chapter 6. The Department shall discontinue Potable Water, Reclaimed Water, and Wastewater service to the property benefiting from the Plan if any portion of the monthly utility bill, including Deferred Payment Fees, remains delinquent after ten (10) business days of the bill date containing said delinquency.

### **3.8 SERVICE TEMPORARILY PROVIDED BY ANOTHER UTILITY**

Circumstances occasionally may arise that merit consideration of temporary provision of service to a property by a utility other than that which is the likely permanent or future purveyor of service. The County may be placed in either position. The following policy statements shall govern consideration and implementation of such requests:

- (a) The length of time proposed for temporary service shall be mutually agreed upon by the parties.
- (b) There shall be an agreement executed by the utilities involved and the benefiting Property Owner outlining the terms of the temporary service arrangement.
- (c) The design and construction standards of the permanent purveyor shall govern the quality of Facilities installed. However, specific requests of the temporary purveyor for variations in these standards may be considered.
- (d) The approved construction plans shall facilitate eventual transfer of service. The plans shall be approved by both purveyors.
- (e) The benefiting Property Owner shall pay all appropriate fees for inspection, plan revision and meter installation to both purveyors as may be specified. The benefiting Property Owner shall also pay the permanent purveyor all appropriate connection fees and other contractually required fees or charges as necessary in addition to any such fees or charges justified and mandated by the

temporary purveyor. The benefiting Property Owner shall pay additional fees/charges to the extent that duplicate services would have been provided. There shall be no credits granted to the Property Owner for any such duplication.

(f) The Agreement shall provide the basis for concluding the temporary service arrangement at the designated time.

### **3.6.3 PROPERTY LIEN**

Upon confirmation of the assessment resolution by the BCC, a lien shall be placed on each benefited property. The assessment resolution and roll shall be recorded by the Clerk and Comptroller of Palm Beach County (Clerk) and the same shall constitute a lien against the assessed property. The Clerk shall notify each Property Owner of the lien.

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Property Owners are responsible for all improvements on their side of the Point of Service, including all permits and fees. When connecting to the Department's Potable Water system, the Property Owner shall permanently disconnect all wells from the plumbing leading to or inside the house or building. The wells may be used for landscape irrigation only, except where prohibited herein. When connecting to the Wastewater system, the Property Owner shall abandon existing septic tanks in accordance with all Federal, State and local laws, rules and regulations.

The payment period for special assessments shall be 20 years. Special assessments imposed on or after December 21, 2010, shall bear interest at the rate of 5 ½ % per annum from the date of notification by the Clerk of the BCC following completion of construction and shall be payable in equal annual payments with the first installment billed on the first property tax bill following the date of notification. The interest rate on special assessments imposed prior to December 21, 2010 shall bear interest at the rate indicated on the resolution confirming the special assessment process adopted by the BCC. Assessments may be paid in full without interest within 30 days of notification of final completion of the special assessment project by the Clerk.

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