

4A2

**Department: Administration**

**Motion and Title: Staff requests Board direction:** regarding the Glades Utility Authority (GUA).

Date \_\_\_\_\_

## II. FISCAL IMPACT ANALYSIS

### A. Five Year Summary of Fiscal Impact

Fiscal Years	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Capital Expenditures					
Operating Costs	\$2,000,000				
External Revenues			(\$2,000,000)		
Program Income (County)					
In-Kind Match (County)					
Net Fiscal Impact	<u>\$2,000,000</u>		<u>(\$2,000,000)</u>		
# ADDITIONAL FTE POSITIONS (Cumulative)					

Is Item Included In Current Budget? Yes ☐ No ☒

Budget Account No.: Fund ☐ Department ☐ Unit ☐ Object ☐

Revenue: Fund ☐ Department ☐ Unit ☐ Rev Source ☐

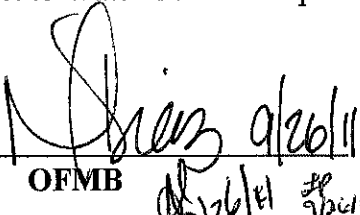
### B. Recommended Sources of Funds/Summary of Fiscal Impact:

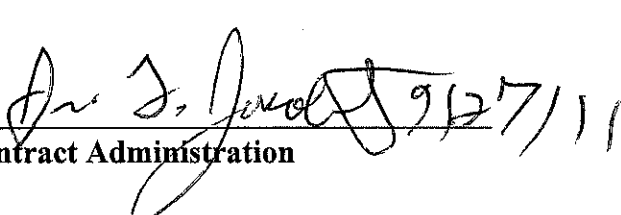
C. Departmental Fiscal Review: \_\_\_\_\_.

## III. REVIEW COMMENTS


### A. OFMB Fiscal and/or Contract Dev. and Control Comments:

\* Fiscal Impact to Water Utilities Department is indeterminable at this time.

 9/26/11  
 OFMB

 9/27/11  
 Contract Administration

### B. Legal Sufficiency:

  
 Assistant County Attorney

### C. Other Department Review:

\_\_\_\_\_  
Department Director

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

RESOLUTION NO. R-2011-

RESOLUTION OF THE CITY OF \_\_\_\_\_,  
FLORIDA, COMMITTING TO DISSOLVE THE GLADES  
UTILITY AUTHORITY AND TO TRANSFER THE GLADES  
UTILITY AUTHORITY WATER AND WASTEWATER  
SYSTEM, ASSETS, CUSTOMERS, AND SERVICE AREA TO  
PALM BEACH COUNTY ON OCTOBER 1, 2012; PROVIDING  
FOR AN EFFECTIVE DATE.

**WHEREAS**, in response to serious financial concerns related to the water and wastewater utility systems of the Cities of Belle Glade, Pahokee, and South Bay (collectively, the "Cities"), the Cities and Palm Beach County ("County") entered in an Interlocal Agreement Establishing the Glades Utility Authority on June 16, 2009 ("GUA Interlocal"); and

**WHEREAS**, because of extremely high debt payment obligations, substandard infrastructure, loss of customers, and other factors, the Glades Utility Authority ("GUA") cannot continue to operate without substantial utility rate increases to the citizens of the City of \_\_\_\_\_, who are already subject to high utility rates; and

**WHEREAS**, it is not feasible for the citizens of the City of \_\_\_\_\_ to pay significantly higher utility rates; and

**WHEREAS**, it is therefore in the best interest of the citizens of the City of \_\_\_\_\_ for the GUA to be dissolved, and for its water and wastewater system, assets, customers, and service area ("GUA System") to be transferred to the County and absorbed into the County's Water Utilities Department ("PBCWUD") in accordance with the terms set forth in this Resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSION OF THE CITY OF \_\_\_\_\_, that:**

Section 1. The forgoing recitals are true and correct and are incorporated herein by reference.

Section 2. The City of \_\_\_\_\_ hereby commits to enter into an amendment to the GUA Interlocal dissolving the GUA and transferring the GUA System to the County ("Amendment") no later than April 1, 2012. The terms of the Amendment shall be as follows:

- a. The GUA System shall be transferred to the County on October 1, 2012, with PBCWUD commencing utility service on that date. With the exception of the Annual Entity Transfers discussed in Section 2.c below, there shall be no

compensation paid by the County to the GUA or the Cities for the transfer of the GUA System.

- b. The initial rates to be charged by PBCWUD shall be the rates charged by the GUA on September 30, 2011, plus the annual indexing currently imposed by PBCWUD in accordance with PBCWUD's adopted rate schedule. The first application of PBCWUD's annual indexing shall occur on October 1, 2012, and shall continue annually thereafter.
- c. In order to assist with the expenses of the rehabilitation of the GUA System, following the transfer to the County, the percentages for the Annual Entity Transfers, as that term is defined in Section 1.01 and Section 6.09(A) of the GUA Interlocal, will be phased out according to the schedule attached hereto as **Exhibit "A"**. All other terms of Section 6.09(A) shall remain intact until the termination date of the Annual Entity Transfers set forth in **Exhibit "A"**.

Section 3. The provisions of this Resolution shall be effective immediately.

**ADOPTED** by the Commission of the City of \_\_\_\_\_ this \_\_\_\_ day of \_\_\_\_\_, 2011.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM AND LEGAL SUFFICIENCY

\_\_\_\_\_  
City Attorney

**EXHIBIT "A"**  
**ANNUAL ENTITY TRANSFER PHASEOUT SCHEDULE**

•Fiscal Year 2012-13 beginning 10/1/12	7%
•Fiscal Year 2013-14 beginning 10/1/13	5%
•Fiscal Year 2014-15 beginning 10/1/14	3%
•Fiscal Year 2015-16 beginning 10/1/15	1%
•Fiscal Year 2016-17 beginning 10/1/16 and thereafter	No Annual Entity Transfers