PALM BEACH COUNTY BOARD OF COUNTY COMMISSIONERS

WORKSHOP SUMMARY

Meeting Date:

August 27, 2013

Department:

Water Utilities Department

I. EXECUTIVE BRIEF

Title: Staff recommends approval to negotiate with Broward County for the South County Regional Reclaimed Water project.

Summary: Since 1996 Water Utility's Southern Region Reclaimed Water Facility has been providing irrigation quality water to golf courses and Home Owner Associations (HOA's). Water Utilities Department's (WUD) Reclaimed Water System is currently at full capacity, 22 MGD, and cannot serve reclaimed water South of Clint Moore Road, an area of many golf courses and high demand. Broward County must meet legislative requirements to recycle 60 percent of its highly treated wastewater in order to avoid very expensive advanced waste treatment by 2018. Further they must eliminate ocean discharge by 2025. They have proposed a regional partnership with the County that would allow the County to serve that area South of Clint Moore Road. Should the BCC give direction to proceed with contract negotiations, WUD anticipates being able to bring a finished agreement back for Board consideration this year. Use of reclaimed water benefits the environment by replacing ground water or surface water from the natural system thus saving large quantities of water for public supply or environmental restoration. In 2012, Palm Beach County reused over 6.2 billion gallons of wastewater by serving nine (9) golf courses and 26 residential developments. District 5 (MJ)

Background and Policy Issues: Reclaimed water is highly treated wastewater that is used for irrigation of golf courses and HOA's. WUD is currently at full capacity during dry season and cannot meet the growing demand in South County. The policy issue to be discussed with the Board today is to receive direction as to whether or not to proceed with negotiations to move the project forward by creating a Palm Beach County/Broward County Region Partnership. The terms proposed to date are summarized in the attached presentation and are financially very favorable to Palm Beach County.

Attachments:

1. South County Regional Reclaimed Water Project PowerPoint

Recommended by: Sould Search 8/6/13
Department Director Date

Approved By: Sounty Administration Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact: (DRAFT PROJECTED)

Fiscal Years	2013	2014	2015	2016	2017
Capital Expenditures	<u>0</u>	15,000,000	15,000,000	10,000,000	<u>0</u>
Operating Costs	0	<u>0</u>	<u>59,000</u>	63,000	<u>65,000</u>
External Revenues	<u>0</u>	(15,000,000)	(15,000,000)	(10,000,000)	0
Program Income (County)	0	<u>0</u>	(349,000)	(363,000)	(379,000)
In-Kind Match (County)	0	<u>0</u>	<u>0</u>	0	0
Admin Fees	<u>0</u>	<u>0</u>	(15,000)	(15,000)	(15,000)
Capital Repayment	<u>0</u>	<u>0</u>	305,000	315,000	329,000
NET FISCAL IMPACT	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
No. Additional FTE Positions (Cumulative)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>o</u>

Budg	m Included In Current Budget? Yes No get Account No.: Fund Department Unit ct Reporting Category					
B.	Recommended Sources of Funds/Summary of Fiscal Impact: All monies expended for the initiative projects will be included in WUD's Annual Budget and approved separately by the Board of County Commissioners (BOCC). PBC goal is for the project to be revenue neutral until Broward County's bonds are repaid.					
C.	Departmental Fiscal Review:					
III. REVIEW COMMENTS						
A.	OFMB Fiscal and/or Contract Dev. and Control Comments:					
	OFMB TO 8/8 Contract Dev. and Control 8-9/18 Bus heelen					
B.	Legal Sufficiency: 8/9/13					
	Assistant County Attorney					
C.	Other Department Review:					
	Department Director					
REVI	SED 9/03					

(THIS SUMMARY IS NOT TO BE USED AS A BASIS FOR PAYMENT.)

ADM FORM 01





Proposed South County Regional Reclaimed Water Project

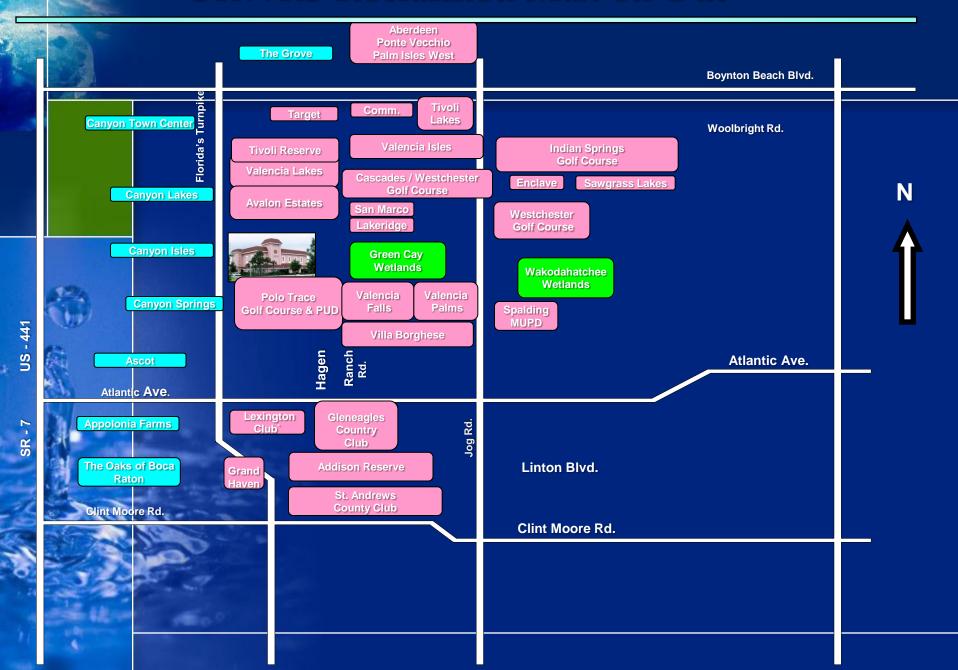
BCC Workshop August 27, 2013

PBC has Extensive Reclaimed Water Program



Indian Springs	1996
Westchester	1997
Polo Trace	1997
Gleneagles	2003
Aberdeen	2008
Addison Reserve Country Club	2008
St. Andrews County Club	2010
Cypress Lakes	2010
Emerald Dunes	2011
26 Residential Developments	1995-2012
Over 6.2 Billion Gallons in 2012	

SRWRF Reclaimed Max'ed Out



WIN - WIN Regional Project Concept



Broward County:

- Due to Legislation must implement reuse by 2018 and essentially eliminate Ocean Outfall by 2025
- Limited reclaimed water demand

Palm Beach County:

- Heavy South County Demand
- No reclaimed water available South of Clint Moore Rd.

SFWMD:

- Can Eliminate Over 20 MGD of groundwater irrigation
- 7.3 Billion gallons per year

Broward County has more Reclaimed Water than Customers



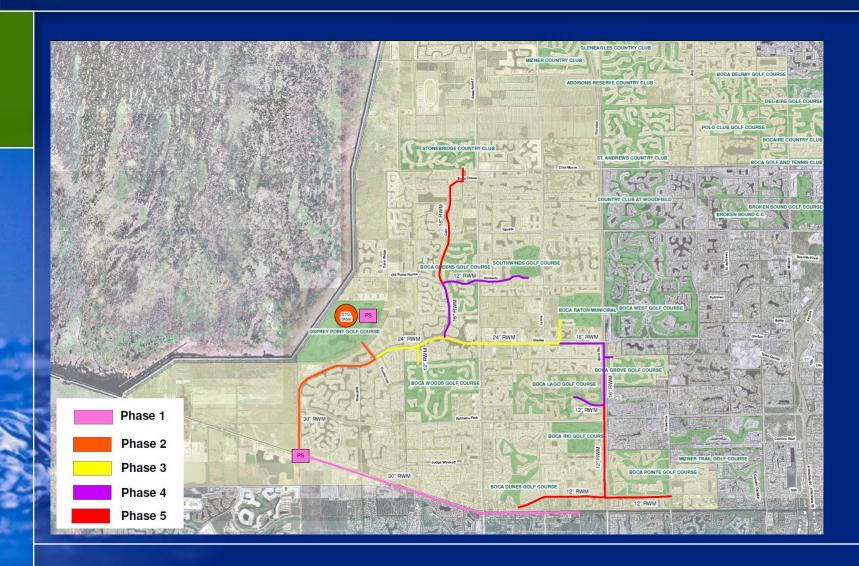


A total of 16 potential large reclaimed water users have been identified for this project initially 11 in **PBC**

Conceptual Backbone Pipeline







Key Proposed Business Terms

- Broward County to construct reclaimed production facilities at North District WWTF and pipelines to point of delivery. (County Line)
- Palm Beach County will construct distribution system in South County.
- Broward County will finance the Project (No Cost to PBC)
- Broward County will hold title to the distribution system in trust for Palm Beach County.
- Palm Beach County will lease the distribution facilities from Broward County and operate within PBC. (Lease/Purchase)

Key Proposed Business Terms

- In years 1-7 Palm Beach County will accept a minimum of 2 MGD average.
- In years 8 and beyond, PBC will accept a minimum of 10.5 MGD average.
- Cost of reclaimed water to PBC \$0.05 per 1,000 gallons, indexed no more than 3% annually.
- PBC will bill customers at published, established PBC rates.
- PBC will pay in the following order of priority: Bulk
 Rate, O&M, R&R and an Administrative Fee. P&I payments will be made on a "best efforts" basis with no guarantees of amount or timing.
- Title transfers to PBC at end of bond term, bulk agreement remains.
- Minimal cost risk to PBC
- Offsets

Proposed Schedule

- BCC Workshop August 27, 2013 Staff seeking Direction to Negotiate Interlocal Agreement
- Broward County execute Interlocal Fall, 2013
- Palm Beach County execute Interlocal late Fall, 2013
- Begin design of distribution system early, 2014
- Construction of first phases early, 2015

Questions Thank you!