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**Total Clips: 1**

Headline	Date	Outlet	Reporter
<a href="#">Palm Beach County OKs water utility for Glades</a>	06/16/2009	Palm Beach Post - Online	PAUL QUINLAN

## Palm Beach County OKs water utility for Glades

[Return to Top](#)

06/16/2009

Palm Beach Post - Online

PAUL QUINLAN

Palm Beach County will take over the debt-laden water utilities in Belle Glade, Pahokee and South Bay under an arrangement intended to forestall the bankruptcy of the three Glades cities, commissioners said today.

County commissioners gave final approval in a 6-0 vote to combine the struggling utilities into a regional authority, effectively handing control, maintenance and day-to-day management of the cities' deteriorating drinking and waste-water systems over to county administrators, effective Oct 1.

The new Glades Utility Authority, created with the help of \$5.8 million in stimulus money, will restructure and refinance the city utilities' outstanding \$26 million debt incurred in opening a new water treatment plant.

The \$58 million Lake Region Water Treatment Plant, financed with state and county money, sought to end the problem of foul-smelling, discolored and polluted drinking water from Lake Okeechobee entering city residents' faucets.

Commissioners touted the authority's creation as a way to both spur future economic development in the struggling Glades cities and contain the fallout of what could be a much larger fiscal disaster.

"All you taxpayers out there, you really want this to happen," said Commission Chairman Jeff Koons.

If it did not and the cities defaulted on the loans, as county leaders expected, the state would likely order the county to take over the utilities anyway, according to county leaders.

This would force the county to pay from its dwindling general fund to operate the Glades utilities, a cost that would hit taxpayers countywide. What's more, the county's credit rating could suffer, which would increase the cost of borrowing money.

Under the new arrangement, the authority can finance the water and waste-water systems' continued operations, while shoring up poor bill collections, management and enforcement actions, according to county utilities director Bevin Beaudet.

A board of Glades-area and county leaders will run the authority, with the latter wielding the

majority of votes for the first five years.

But County Commissioner Burt Aaronson said the county had its back up against a wall. He called the benefits of the new arrangement a "wish list that may not be able to be accomplished" if the region's economy suffers, as expected, once U.S. Sugar Corp. eventually sells all its farmland to the state for Everglades restoration.

"If U.S. Sugar goes out of business and more people are unemployed, they're not to be able to pay for their water," he said. "You're not going to be able to collect from them."

