

MEMORANDUM

DATE: July 14, 2020

TO: Honorable Mayor and City Commission

FROM: James Slaton, Interim City Manager

SUBJECT: Resolution 2020-24: Sale and Purchase Agreement for Park Water Company

SYNOPSIS: *The City Commission will consider adopting Resolution 2020-24, approving a Sale and Purchase agreement for the acquisition of Park Water Company.*

RECOMMENDATION

City staff does not have a recommendation.

BACKGROUND

In late 2019, Park Water Company approached the City regarding the sale of their water utility system to the City of Lake Wales. City staff has performed the necessary due diligence related to the purchase and has prepared a Sale and Purchase agreement for City Commission consideration.

The due diligence performed related to this purchase includes: (1), a Financial Valuation Report prepared by PFM Consulting and (2) a Water Facilities Survey by Chastain-Skillman, Inc.

The City intends to finance the purchase with one or more loans from the FDEP state revolving fund loan program. The City has submitted an application to FDEP for financing and expects a decision on approval by mid-August. The purchase agreement provides that the City can terminate the agreement if it is unable to procure financing for the purchase which is satisfactory in the City's sole discretion.

Approval of the Sale & Purchase agreement may take place at the City Commission's regularly scheduled meeting on July 21, 2020 following a public hearing which has been advertised in the Ledger News Chief newspaper on July 14, 2020 and July 17, 2020.

OPTIONS

The City Commission may approve the Sale and Purchase agreement.

The City Commission may elect to defer approval of this Sale and Purchase agreement and direct staff to renegotiate the purchase price.

The City Commission may reject the Sale and Purchase agreement and direct staff to end negotiations.

FISCAL IMPACT

The agreed upon purchase price is \$5,000,000.

ATTACHMENTS

Resolution 2020-24 Park Water Company Acquisition
Chastain-Skillman, Inc. Water Facilities Survey Park Water Company
Park Water Utility Valuation
Summary of Key Terms for Park Water