

EXECUTIVE SUMMARY OF FACILITIES AMENDMENT

Major sections of the Facilities Amendment are summarized below:

1. Section 2 of the Facilities Amendment, defines “Authority Funds,” “Authority-Owned Assets,” “Authority-Owned Facilities,” and “System Facilities,” distinguishing money from physical assets and facilities.
2. Section 5 of the Facilities Amendment creates a new ARTICLE 20 entitled AUTHORITY-OWNED FACILITIES: APPROVAL, LIMITATIONS ON OWNERSHIP AND POST-WIND DOWN CONSIDERATIONS
 - a. Authorizes Limited Types of Authority-Owned Facilities without further amendment of the ILA, the Authority may own/operate:
 - i. Transfer stations
 - ii. Permanent drop-off centers
 - iii. Broadly defined recycling and recovery facilities (but not landfills or waste-to-energy plants).
 - b. Any ownership of other “solid waste management facilities” without proper ILA amendment is a material breach.
 - c. Confirms individual Parties can still own and operate their own facilities and contract with the Authority.
3. Section 6 creates a Detailed Wind Down Framework in a new Article 21.
 - a. Establishes triggers for Wind Down (e.g., ILA expiration, court dissolution, insolvency).
 - b. Sets a Wind Down schedule (notice on Day 0, inventory by Day 45, decision on successor by Day 99, asset offers starting Day 100, Party service responsibility by Day 150, completion within 365 days).
 - c. Confirms Authority debts/liabilities remain those of the Authority alone; they are first paid from Authority Funds, then from sale of any remaining assets.
 - d. Provides three options for post-Wind Down service provision:
 - i. Standard Procedure: each Party takes responsibility for its own solid waste and recycling services.
 - ii. Alternate Procedure: transfer to County, if County and Municipal Parties representing at least fifty-one percent (51%) of the Municipal Parties’ population and at least fifty-five percent (55%) of the total

tonnage of all of Broward County agree, County assumes all Authority services.

iii Transfer to a successor entity: if County and Municipal Parties representing at least fifty-one percent (51%) of the Municipal Parties' population and at least fifty-five percent (55%) of the total tonnage of all of Broward County approve a new or designated successor entity, successor entity assumes all Authority services.

e. Lays out a detailed asset disposition process:

i Parties may propose claims to assets.

ii Structured "Asset Offers" to Parties:

- First round to County for "Regional Assets" and to Municipal Parties for non-Regional Assets.
- Second round to County for non-Regional Assets not claimed by Municipal Parties and to Municipal Parties for Regional Assets not claimed by County.
- Remaining assets are sold commercially; proceeds used to pay remaining debts, then distributed to Parties.

iii "Regional Assets" (e.g., disposal facilities, key transfer stations, storm debris facilities, and assets originally owned by County) are first offered to County.

iv Non-regional assets (e.g., drop-off centers, recovered materials processing facilities, pyrolysis, composting, yard waste processing, etc.) are first offered to the Party in whose jurisdiction they sit (or to multiple Parties for joint ownership if geographically shared).

v Tangible personal property (vehicles, equipment) is allocated fairly based on value and condition.

vi Assets originally contributed by a Party are returned to that Party at no cost.

vii Reserve funds tied to a particular asset transfer with that asset (to Parties, not to third-party buyers).

viii Any remaining Authority Funds or surplus sale proceeds are distributed to Parties pro rata by population.

f. If all services are transferred to County or a successor entity, related assets and reserves go with that entity and are exempt from post-Wind Down restrictions in Article 22.

4. Section 7 creates a new Article 22 that Imposes Post-Wind Down Obligations on Parties receiving Authority-Owned Assets.

- a. Assets transferred to a Party (“New Owner”) carry deed restrictions:
 - i For five years (“Transition Period”), the New Owner must operate the asset for its existing or a related solid waste purpose, run it responsibly, and generally may not sell or transfer it (other than operational contracts).
 - ii Fee obligations:
 - If the Authority previously gave Parties discounted rates at the facility, the New Owner must maintain substantially similar discounts during the Transition Period.
 - If the facility was funded with Party-contributed money or assessments, the New Owner must provide pro rata fee credits to users from the contributing Parties, subject to limits so credits do not exceed the asset’s operating cost and are not required if the financial benefit is de minimis.
 - b. Early or end-of-Transition Period exit. At any time during or at the end of the Transition Period, the New Owner must either:
 - i Pay other Parties the fair market value (FMV) of the asset (with reserves considered), as set by a qualified appraiser; or
 - ii Sell the asset via a competitive, lawful process and distribute net proceeds pro rata by Party population.
 - c. These obligations are enforceable via deed restrictions and ILA dispute procedures.
5. Section 8 of the Facilities Amendment creates Inspection, Reporting, and Technical Review Framework in a new Article 23.
- a. Parties may request and obtain inspections of Authority-Owned Facilities, subject to reasonable conditions.
 - i Parties may monitor compliance with flow control by observing haulers and obtaining routing/scale data.
 - b. The Authority must periodically prepare “System Facility Reports” will include at a minimum:
 - i Facility capacity vs. projected tonnage.
 - ii Condition and environmental status of each Authority-Owned Facility, including deferred maintenance and throughput vs. design capacity and industry standards.
 - iii Contracted capacity sufficiency.
 - iv Contingency capacity (backup facilities, disaster debris, etc.).

- c. Reports must include clear, lay-friendly findings, be distributed to Parties, and be posted publicly. They inform Wind Down Asset Offers and Master Plan amendments.
 - d. County may commission and pay for its own “County Technical Reviews” (audits, inspections, analyses) concerning matters relating to its statutory obligation to provide access to solid waste disposal capacity:
 - i Authority operations at Authority-Owned Facilities.
 - ii Planning and capacity to meet future needs.
 - iii Vendor performance, contract administration, cost control.
 - iv Any matter materially affecting County’s statutory duty to provide access to disposal capacity.
 - e. If the Governing Board rejects County’s technical recommendations related to County’s statutory obligations, County may use informal dispute resolution and, if needed, binding arbitration. Arbitrators can order the Authority to meet its contractual service standards but cannot force new services or new facility construction.
6. Section 9 of the Facilities Amendment creates a new Article 24 that Imposes Maximum Service Charge Protections.
- a. Establishes “Maximum Service Charges” for initial Authority-provided services, as defined in the Master Plan.
 - b. Charges may only exceed those maximums through:
 - i The Master Plan’s predetermined index/adjustment mechanism for normal cost growth and emergencies, or
 - ii A formally adopted “Cost Increase Amendment.”
 - c. A “Cost Increase Amendment” is any Master Plan change that:
 - i Raises costs above Maximum Service Charges (as adjusted),
 - ii Modifies the adjustment index, or
 - iii Adds new cost-increasing services/technologies for Parties or their residents.
 - d. Cost Increase Amendments require:
 - i Executive Committee majority, including County’s affirmative vote; then;
 - ii Second, at a meeting of the Governing Board held at least forty-five (45) days after the Executive Committee’s vote, the Cost Increase Amendment must be approved by:

- (a) the members of the Governing Board representing Municipal Parties comprising at least two-thirds (2/3) of the total population of the Municipal Parties; and
 - (b) County's representative to the Governing Board.
 - e. The Master Plan must include a periodic, expert-conducted rate/fee competitiveness study to inform pricing and amendments.
- 7. Sections 10, 11 and 12 of the Facilities Amendment provide clarification on Quorum requirements for the Governing Board, Executive Committee and TAC and Corrects a cross reference in Section 7.1.2.2 from 6.2.3 to 6.2.4.
- 8. The Facilities Amendment becomes effective on the first business day after execution by:
 - a. Municipal Parties representing at least 80% of the Municipal Party population; and
 - b. Broward County.
 - c. Does not take effect unless the Governing Board has already adopted a Master Plan as required by the ILA.
 - d. Does not change the Authority's powers; any future changes require compliance with ILA Article 16.