

RESOLUTION NO. R-2023-063

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, AUTHORIZING THE STATE REVOLVING FUND CLEAN WATER PROGRAM LOAN APPLICATION FOR \$12,393,719.00 INCLUDING CAPITALIZED INTEREST AND LOAN SERVICE FEES FOR FUNDING OF THE OCEAN OUTFALL REGULATORY COMPLIANCE PHASE II - DEEP INJECTION WELLS NOS. 3 AND 4 PUMP STATION PROJECT; AUTHORIZING THE APPROPRIATE CITY OFFICIALS TO EXECUTE A LOAN AGREEMENT FOR THE FUNDING; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCES; AMENDING THE FISCAL YEAR 2023 CAPITAL IMPROVEMENT PLAN.

WHEREAS, on July 1, 2008, the Florida Legislature approved, and the Governor signed into law, House Bill No. 7139 and Senate Bill No. 1302 to what is now called the 2008 Ocean Outfall Legislation ("OOL"), which was later amended in 2013; and

WHEREAS, the OOL requires the elimination of effluent disposal through the Southern Regional Wastewater Treatment Plant ("SRWWTP") ocean outfall by the year 2025; and

WHEREAS, the City chose to comply with this legislation by disposing of SRWWTP effluent via a new deep injection well ("IW") system that required drilling two injection wells (Nos. 3 and 4) and constructing a pump station to convey effluent into these IWs; and

WHEREAS, this project was constructed in two phases; Phase I included IWs 3 and 4 and Phase II the pump station for those IWs; and

WHEREAS, Florida law provides for loans to local government agencies to finance the construction of water and wastewater facilities through the State Revolving Fund ("SRF") Program; and

WHEREAS, the Florida Administrative Code requires authorization to apply for loans, establish pledged revenues, to designate an authorized representative, to provide assurances of compliance with loan program requirements, and to enter into a loan agreement; and

WHEREAS, on April 17, 2019 and August 28, 2019, the City Commission approved Resolution R-2019-094 and R-2019-244 for funding the Ocean Outfall

Regulatory Compliance Phase I ("OO Phase I") through the Florida Department of Environmental Protection ("FDEP") SRF program using both Clean Water and Drinking Water Funding; and

WHEREAS, on August 28, 2019, pursuant to Resolution R-2019-246, the City Commission authorized appropriate City officials to execute a contract with Youngquist Brothers, Inc. for construction services related to OO Phase I at the SRWWTP in the amount of \$39,939,939.00; and

WHEREAS, on April 1, 2020, pursuant to Memo No. CM-20-016, the City Manager executed a professional engineering consulting services agreement with Brown and Caldwell for design, permitting, and bidding services for Ocean Outfall Regulatory Compliance Phase II - Deep Injection Wells Nos. 3 and 4 Pump Station project ("OO Phase II"); and

WHEREAS, FDEP held a hearing on May 12, 2021, approving Drinking Water State Revolving funding and placed the City's OO Phase II project on the Priority List designated as DEP Project No. DW0604D for construction funds; and

WHEREAS, FDEP held a hearing on May 12, 2021, approving Clean Water State Revolving funding and placed the City's OO Phase II project on the Priority List designated as DEP Project No. CW0604C for construction funds; and

WHEREAS, the total loan amount for the OO Phase II project was estimated in the amount of \$96,825,579.00, including Capitalized Interest and Loan Service Fees of \$2,486,329.40, as detailed in Exhibit "1"; and

WHEREAS, the actual bid awarded to Cardinal Contractors was approved per Resolution R-2022-069 on March 3, 2022, in the amount of \$112,299,970.00; and

WHEREAS, a proposal to provide construction administration services in an amount not to exceed \$5,179,402.00 was also approved per Resolution R-2022-069 on March 3, 2022, to Brown and Caldwell; and

WHEREAS, the City entered into two loan agreements with the FDEP under the Clean Water and Drinking Water SRF Programs; and

WHEREAS, the City's loan agreement with the FDEP under the Drinking Water SRF Program in the amount of \$59,943,579.00, including Capitalized Interest and Loan Service Fees of \$1,604,329.00, was approved per Resolution R-2021-161 on June 16, 2021; and

WHEREAS, the City's loan agreement with the FDEP under the Clean Water SRF Program for the amount of \$36,882,000.00, including Capitalized Interest and Loan Service Fees of \$882,000.00, was approved per Resolution R-2021-159 on June 16, 2021; and

WHEREAS, additional funding through the FDEP under the Drinking Water SRF Program in the amount of \$18,395.671.00 has been approved; and

WHEREAS, additional funding through the FDEP under the Clean Water SRF Program in the amount of \$12,393.719.00 has been approved; and

WHEREAS, the FY 2023 Capital Improvement Plan was adopted and approved by the City Commission pursuant to Resolution R-2022-284 at the second Public Budget Hearing on September 22, 2022; and

WHEREAS, it is necessary to amend the approved FY 2023 Capital Improvement Plan to allocate additional funding in the amount of \$3,950,852.54 for the OO Phase II project No. WW0604C0 as detailed in the attached Exhibit "2"; and

WHEREAS, the Department of Public Utilities recommends that the City Commission authorize the appropriate City officials to enter into a loan agreement with the FDEP under the Clean Water SRF Program for project financing in an amount of \$12,393,719.00, including Capitalized Interest and Loan Service Fees, for the OO Phase II Pump Station Project; and

WHEREAS, the Department of Public Utilities will have entered into a loan agreement with the FDEP under the Clean Water SRF Program for project financing in a total amount of \$49,275,719.00, including Capitalized Interest and Loan Service Fees, for the OO Phase II Pump Station Project.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA:

Section 1: That the foregoing "WHEREAS" clause are ratified and confirmed as being true and correct and incorporated in this Resolution.

Section 2: That the City is authorized to apply for a loan to finance the OO Phase II Pump Station Project No. CW0604C0 (19-9119A) with the FDEP.

Section 3: That the revenues pledged for the repayment of the loan are net water and sewer utility system revenues after payment of debt service on the City's Series 2010, 2014, 2016 and 2020 Water and Sewer Revenue Bonds and the State of Florida Revolving Fund Loans issued through 2023.

Section 4: That the City Manager is designated as the authorized representative to provide the assurances and commitments required by the loan application.

Section 5: That the City Manager is designated as the authorized representative to execute the loan agreement that will become a binding obligation in

accordance with its terms when signed by both parties, and the City Manager is authorized to delegate responsibility to appropriate City staff to carry out technical, financial, and administrative activities associated with the loan agreement.

Section 6: That the legal authority for borrowing monies to construct this project is pursuant to Florida Statutes.

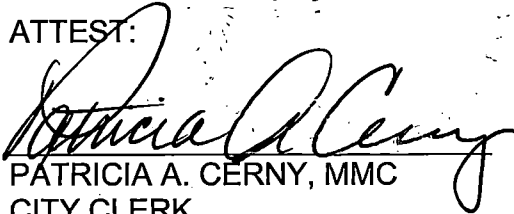
Section 7: That these Amendments to the FY 2023 Capital Improvement Plan for the Fiscal Year beginning October 1, 2022 and set forth in detail in the attached Exhibit "2" are adopted as Amendments and/or Adjustments to the Capital Improvement Plan of the Water and Sewer Enterprise Fund of the City of Hollywood, Florida, for the Fiscal Year 2023.

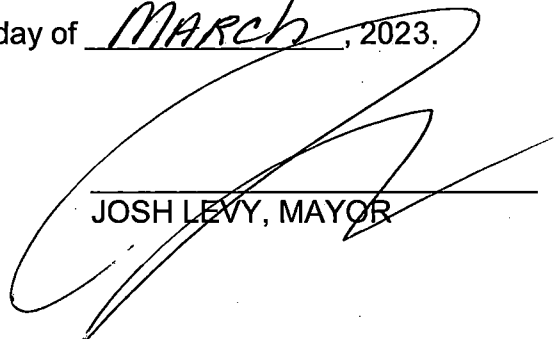
Section 8: That the Department of Financial Services is authorized to establish such line-item accounts as may be necessary to properly monitor and track appropriations.

Section 9: That this Resolution shall be in full force and effect immediately upon its passage and adoption.

PASSED AND ADOPTED this 1 day of MARCH, 2023.

ATTEST:


PATRICIA A. CERNY, MMC
CITY CLERK


JOSH LEVY, MAYOR

APPROVED AS TO FORM:

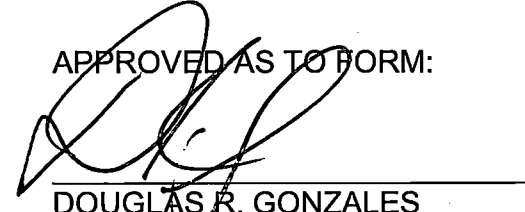

DOUGLAS R. GONZALES
CITY ATTORNEY

Exhibit I

SRF Loan Program

Injection Wells (IWs) Number 3 & 4

	DW0604D	WW0604C	Total
Phase II Loans Agreement	\$ 59,943,579	\$ 36,882,000	\$ 96,825,579
Additional Loan Required	\$ 18,395,671	\$ 12,393,719	\$ 30,789,390
Total Loan Phase II	<u>\$ 78,339,250</u>	<u>\$ 49,275,719</u>	<u>\$ 127,614,969</u>
Bid Amount	R-2022-069 \$ 72,117,291	\$ 45,362,081	\$ 117,479,372
Contingency	\$ 6,221,959	\$ 3,913,638	\$ 10,135,597
	<u>\$ 78,339,250</u>	<u>\$ 49,275,719</u>	<u>\$ 127,614,969</u>

Exhibit 2: Budget and Capital Amendments
Sewer Operations Fund

This item allocated additional proceeds from the Clean Water State Revolving Fund Program loan for Deep Injection Wells
No. 3 & No. 4 pump station construction

Revenue:

Description	Account Number	Amount
Proceeds from Clean Water State Revolving Fund	TBD	3,950,852.54

Expenses:

Description		
563012 - Construction Improvements	442.409902.53600.563012.001522.000.000	3,950,852.54