



Legislation Text

File #: R-2024-026, **Version:** 1

A Resolution Of The City Commission Of The City Of Hollywood, Florida, Authorizing A State Revolving Fund Clean Water Program Loan Application For \$1,173,714.38 For 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 Authorize Additional Funding For Said Program; Establishing Pledged Revenues; Designating Authorized Representatives; Providing Assurances.

Infrastructure & Facilities

Staff Recommends: Approval of the attached Resolution.

Explanation:

The Department of Public Utilities ("Department") operates the 55.5 million-gallon per day Southern Regional Wastewater Treatment Plant ("SRWWTP"). The SRWWTP uses multiple processes to treat wastewater and produce high-quality effluent. Treated effluent is currently discharged into existing Deep Injection Wells (IW's) Nos. 1 and 2, or the Ocean Outfall. Due to the passage of Ocean Outfall Legislation in 2008, disposal to the Atlantic Ocean Outfall will no longer be an option past the year 2024.

After assessing the other effluent disposal options, it was determined that adding two additional IW's and a pump station was the best choice to address future SRWWTP needs. Phase I of the project included the design and construction of the two new IW's (Nos. 3 and 4). The engineering firm of Brown and Caldwell was contracted to provide project engineering services, and Youngquist Brothers, Inc. was awarded the construction contract. Construction of the new wells was completed on March 24, 2022. The well installations were funded using a combination of Florida Department of Environmental Protection ("FDEP") Clean and Drinking Water State Revolving Fund ("SRF") loans. Funding was authorized via R-2019-094 and R-2019-244.

Phase II of this project is to add a Pump Station to convey effluent down these new IW's. The total loan amount for Phase II was initially estimated at \$96,825,579.00 including Capitalized Interest and Loan Service Fees of \$2,486,329.40. The City entered into two loan agreements with the FDEP under both the Clean ("CWSRF") and Drinking Water ("DWSRF") Programs to fund the project. These loan agreements were made from estimated costs prior to the opening and awarding of bids. The City's loan agreement with the FDEP under the DWSRF Program for a portion of the financing in the amount of \$59,943,579.00 was

approved per Resolution R-2021-161 on June 16, 2021. The City's loan agreement with the FDEP under the CWSRF Program was also approved on June 16, 2021, in the amount of \$36,882,000.00 (R-2021-159).

After the initial loans were executed for a total of \$96,825,579.00, bids for construction of Phase II were received and the actual bid award to Cardinal Contractors was approved per Resolution R-2022-069 on March 3rd, 2022 in the amount of \$112,299,970.00. A proposal to provide construction administration services to Brown and Caldwell in an amount up to \$5,179,402.00 was also approved on the same day per Resolution R-2022-069. The total cost approved for Phase II of this project was therefore \$117,479,372.00. FDEP has approved funding for up to \$127,614,969, less loan fees and capitalized interest, for Phase II. Exhibit 1 itemizes these costs.

Funding of \$49,275,719, minus Capitalized Interest and Loan Service costs, has been approved by FDEP through the Clean Water SRF Program.

Additional funding for Capitalized interest and Loan Service fees is needed through the Clean Water State Revolving Fund Loan Program in the amount of \$1,173,714.38

The Department recommends that the City Commission authorize the appropriate City Officials to approve additional funding with the FDEP under the CWSRF Fund Program for project financing in an amount up to \$1,173,714.38 for Phase II of the IW Pump Station Project.

Fiscal Impact

This item authorizes the appropriate City officials to amend the CWSRF loan agreement for the Ocean Outfall Regulatory Compliance Phase II - Deep Injection Well No. 3 And No. 4 Pump Station Project. The additional funding in an amount up to \$1,173,714.38 will be allocated for capitalized interest and loan service fees.

Debt service funding for this loan agreement will be budgeted in subsequent fiscal years' operating budgets subject to approval and adoption by the City Commission.

Recommended for inclusion on the agenda by:

Phyllis Shaw, Deputy Director- Finance, Department of Public Utilities

Feng "Jeff" Jiang, P.E., Assistant Director, Department of Public Utilities

Vincent Morello, P.E. Director, Department of Public Utilities

Gus Zambrano, Assistant City Manager/Sustainable Development

Attachments

Resolution - SRF Funding FDEP WW0604C0 for DIWs Pump Station

Exhibit 1 - Funding for SRF Pump Station at SRWWTP

Exhibit 2 - Funding for SRF WW0604C0 DIW Pump Station at SRWWTP

Resolutions: R-2019-094, R-2019-244, R-2019-246, R-2021-159, R-2021-161,
R-2022-069, R-2023-063, R-2023-300, R-2023-301