



## Legislation Text

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**File #:** R-2023-063, **Version:** 1

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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.

*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") Nos. 1 and 2, or the Ocean Outfall. Due to passage of the Ocean Outfall Legislations in 2008, disposal to the Atlantic Ocean Outfall will no longer be an option past the year 2024.

After assessing the options, it was determined that adding two additional IW's and a pump station was the best choice to address future SRWWTP effluent disposal 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 contract for construction. 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 3<sup>rd</sup>, 2022 in the amount of \$112,299,970.00. A proposal to provide construction administration services to Brown and Caldwell in an amount not to exceed \$5,179,402.00 was also approved the same day per Resolution R-2022-069 bringing the total cost for Phase II of this project to \$117,479,372. FDEP has approved funding for up to \$127,614,969 for Phase II. Exhibit 1 itemizes these costs.

Additional funding totaling \$30,789,390 has been approved by FDEP through the DWSRF (DEP Project No. DW0604D0) through the FDEP SRF program in the amount of \$18,395,671 and through the CWSRF Program in the amount of \$12,393,719.00.

The Department of Public Utilities recommends that the City Commission authorize the appropriate City Officials to enter into a loan agreement with FDEP under the CWSRF Program for project financing in an amount up to \$12,393,719.00 for Phase II of the IW Pump Station Project.

It is necessary to amend the FY 2023 Capital Improvement Plan (R-2022-284) to allocate additional funding in the amount of \$3,950,852.54 for this IW Pump Station project (WW0604C0) as detailed in Exhibit 2.

#### Fiscal Impact

The FY 2022 Adopted Budget included a future borrowing of \$100,000,000. In September of 2022, the City budgeted an additional \$17,799,970 in future borrowing from both the Drinking Water State Revolving Fund Program and the Clean Water State Revolving Fund Program for Phase 2 of this project, bringing the total amount budgeted in FY 2022 to approximately \$117,799,970.

This item would approve the loan from the Clean Water State Revolving Fund Program in the total amount of \$12,393,719. Because most of the funds were budgeted back in September of 2022, and subsequently rolled over into FY 2023, it is only necessary to amend the FY 2023 Capital Improvement Plan in the amount of \$3,950,852.54 to fully budget for this loan.

A companion item to approve and allocate the loan from the Drinking Water State Resolving Fund Program will be presented to Commission to fully fund Phase 2 of this project.

Department staff will manage a portion of this project. No additional staff are needed for this

project.

Recommended for inclusion on the agenda by:

Keith Moran, CPA, Deputy Director - Finance, Department of Public Utilities

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

Vincent Morello, Director, Department of Public Utilities

Gus Zambrano, Assistant City Manager/Sustainable Development

## Attachments

Exhibit 1

Exhibit 2

Resolutions: R-2019-094, R-2019-244, R-2021-159, R-2021-161, R-2022-069, R-2022-283, R-2022-284