

**F. Consent Agenda - Utility Services Department
ITEM 3.**



**AGENDA REPORT
April 9, 2019**

Approval of Resolution granting the County Manager of Brevard County, Florida authorization to submit an application to the Florida Department of Environmental Protection for financial assistance under the State Revolving Fund Program for the Riverside Drive Force Main Replacement project

SUBJECT:

Approval of Resolution granting the County Manager of Brevard County, Florida authorization to submit an application to the Florida Department of Environmental Protection (FDEP) for financial assistance under the State Revolving Fund (SRF) Program for the Riverside Drive Force Main Replacement project; provide assurances; execute the loan agreement; and represent the County in carrying out responsibilities under the loan agreement.

FISCAL IMPACT:

This project is anticipated to cost approximately \$11,000,000 when completed. Construction costs will be paid through the loan, all other expenditures will be paid with a combination of monthly services charges and connection fees. Construction, construction support and SRF administration will be budgeted after the Board's approval of the submission of the application and the loan's approval by FDEP.

DEPT/OFFICE:

Utility Services

REQUESTED ACTION:

It is requested that the Board approve a Resolution granting the County Manager authorization to submit an application to the Florida Department of Environmental Protection for financial assistance under the State Revolving Fund Program for the Riverside Drive Force Main Replacement project, (project VVW05113) as well as to provide assurances, execute the loan agreement, and represent the County in carrying out responsibilities under the loan agreement. It is also requested that the Board authorize the budget changes necessary to implement this project.

SUMMARY EXPLANATION and BACKGROUND:

The removal and replacement of over three miles of the force main on the west side of North Riverside Drive from Eau Gallie Boulevard south to Oakland Avenue has been identified as a priority infrastructure replacement project in the Utility Services Capital Improvement Program. The current force main has experienced several breaks along its

length that have resulted in sewage spills that directly or indirectly impact the Indian River Lagoon.

In November 2016, the Florida Department of Environmental Protection issued a consent order related to these sewage spills requiring the department to make the necessary repairs and improvements to eliminate potential discharges in the future. The removal and replacement of one mile of PVC force main north of Eau Gallie Boulevard along South Patrick Drive was completed in September 2018. The timeline for the currently requested 3.3 mile replacement project anticipates that construction will be completed in July 2020. This project will complete the requirements of the consent order prior to its December 2020 deadline.

This project will replace the current 24 inch PVC force main with a 30 inch ductile iron force main and will install pressure surge tanks at the existing B-19 and B-20 lift stations. On August 14, 2018, the Board approved the Wastewater Facility Plan for this project and the plan was submitted to the FDEP for funding consideration. At its meeting on February 13, 2019, FDEP placed this project on its Project Priority list with an estimated construction budget of \$10,713,542 and an interest rate of approximately 1.62%.

The Utility Services Department has contracted with HDR Engineering, Inc. to design the project, assist with the process of obtaining funding from the Florida Department of Environmental Protection managed Clean Water State Revolving Fund Program and provide construction support. This funding option affords the Department the opportunity to secure lower interest rates and substantial savings in the financing of the facility improvements and expansion. The estimated interest rate of 1.62% compares favorably with the current rate of 4.25% for traditional bond financing.

This resolution has been reviewed by the Brevard County Attorney's Office.

Contact: Edward Fontanin, Utility Services Director, 321-633-2091,
Edward.fontanin@brevardfl.gov

CLERK TO THE BOARD INSTRUCTIONS:

Print three (3) copies of resolution for execution and send to Utility Services Department, Attention: Rose Lyons

ATTACHMENTS:

Description

- ▣ **Riverside Forcemain Resolution - SRF**



Tammy Rowe, Clerk to the Board, 400 South Street • P.O. Box 999, Titusville, Florida 32781-0999

Telephone: (321) 637-2001
Fax: (321) 264-6972
Tammy.Rowe@brevardclerk.us

April 10, 2019

M E M O R A N D U M

TO: Eddie Fontanin, Utility Services Director

Attn: Rose Lyons

RE: Item F.3., Approval of Resolution Granting the County Manager of Brevard County, Florida Authorization to Submit an Application to the Florida Department of Environmental Protection for Financial Assistance Under the State Revolving Fund Program for the Riverside Drive Force Main Replacement Project

The Board of County Commissioners, in regular session on April 9, 2019, adopted Resolution No. 19-056, granting authorization to the County Manager to submit an application to the Florida Department of Environmental Protection for financial assistance under the State Revolving Fund Program for the Riverside Drive Force Main Replacement project, (project WW05113) as well as to provide assurances; authorized execution of loan agreement and to represent the County in carrying out responsibilities under the loan agreement; and authorized the budget changes necessary to implement this project. Enclosed are three fully-executed of the Resolutions for your action.

Your continued cooperation is greatly appreciated.

Sincerely yours,

BOARD OF COUNTY COMMISSIONERS
SCOTT ELLIS, CLERK

Tammy Rowe

Tammy Rowe, Deputy Clerk

/cw

Encls. (3)

cc: Finance
Budget

RESOLUTION NO. 2019- 056

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA, AUTHORIZING THE COUNTY MANAGER TO SUBMIT AN APPLICATION TO THE FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION FOR FINANCIAL ASSISTANCE UNDER THE STATE REVOLVING FUND PROGRAM FOR THE RIVERSIDE DRIVE FORCE MAIN REPLACEMENT PROJECT; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING THE COUNTY MANAGER AS THE AUTHORIZED REPRESENTATIVE OF THE COUNTY IN CARRYING OUT RESPONSIBILITIES UNDER THE LOAN AGREEMENT; PROVIDING ASSURANCES; AND PROVIDING FOR CONFLICTS, SEVERABILITY, AND AN EFFECTIVE DATE.

WHEREAS, Florida Statutes provide for loans to local government agencies to finance the construction of wastewater treatment facilities; and

WHEREAS, Florida Administrative Code rules require authorization to apply for loans, to 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, the State Revolving Fund loan priority list designates the Riverside Drive Force Main Replacement Project, (SRF# WW05113) as eligible for available funding; and

WHEREAS, the Board of County Commissioners desires to authorize the submission of an application for financial assistance for the Riverside Drive Force Main Replacement project, (SRF# WW05113) and intends to enter into a loan agreement with the Florida Department of Environmental Protection under the State Revolving Fund for project financing; and

WHEREAS, the Florida Department of Environmental Protection requires a resolution authorizing the local government to apply for assistance as part of the loan application.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF BREVARD COUNTY, FLORIDA, THAT:

Section 1. The recitals set forth hereinabove are true and correct in all respects and are incorporated herein by reference as if set forth herein verbatim.

Section 2. The County Manager of Brevard County, Florida, is hereby authorized to submit an application to the Florida Department of Environmental Protection for financial assistance, under the State Revolving Fund Program, for the Riverside Drive Force Main Replacement Project, (SRF# WW05113).

Section 3. Revenues pledged for repayment of the State Revolving Fund Program funds are identified as net revenues from the County's Utility System of the Water Resources Enterprise Fund after payment of debt service on the Water and Wastewater Utility Revenue Bonds, series 2014 and the 2015 State Revolving Fund Loan for the South Central Plant Expansion (Project #WW051100).

Section 4. The County Manager is authorized to provide assurances, execute the loan agreement, and represent the County in carrying out responsibilities under the loan agreement.


Section 5. Brevard County, Florida, has the authority to apply for a loan to finance the Project pursuant to Section 125.01, Florida Statutes.

Section 6. All Resolutions or part of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed to the extent of such conflict. If any section or portion of a section of the Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force, or effect or any other section or part of this Resolution.

Section 7. This Resolution shall become effective immediately upon its passage and adoption.


DONE, ORDERED, AND ADOPTED in Regular Session, this 9 day of April, 2019.

ATTEST:



Scott Ellis, Clerk

BOARD OF COUNTY COMMISSIONERS
OF BREVARD COUNTY, FLORIDA



Kristine Isnardi, Chair

As approved by the Board on April 9, 2019.

COPY

COPY

**STATE REVOLVING FUND
AMENDMENT 1 TO LOAN AGREEMENT WW051130
BREVARD COUNTY**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and BREVARD COUNTY, FLORIDA, existing as a local governmental entity (Local Government) under the laws of the State of Florida. Collectively, the Department and the Local Government shall be referred to as "Parties" or individually as "Party".

The Department and the Local Government entered into a State Revolving Fund Loan Agreement, Number WW051130, authorizing a Loan amount of \$10,713,542, excluding Capitalized Interest; and

All contracts have been awarded for this Project and the Semiannual Loan Payment, the Loan amount, and Project costs need revision based on final bid amounts as provided in Section 10.06; and

Certain provisions of the Agreement need revision.

The Parties hereto agree as follows:

1. The Loan amount authorized for disbursement is hereby reduced by \$155,671. The revised Loan amount is \$10,557,871.
2. The estimated Loan Service Fee is reduced \$3,113, and the adjusted total service fee for this Loan is \$211,158.
3. The estimated principal amount of the Loan is hereby revised to \$10,627,171, which consists of \$10,557,871 authorized for disbursement to the Local Government and \$69,300 of Capitalized Interest, at a Financing Rate of 1.01 percent per annum (the interest rate is 0.505 percent per annum and the Grant Allocation Assessment rate is 0.505 percent per annum).
4. The Semiannual Loan Payment amount is hereby revised and shall be in the amount of \$299,927. Such payment shall be received by the Department on June 15, 2021 and semiannually thereafter on December 15 and June 15 until all amounts due hereunder have been fully paid.
5. The Semiannual Loan Payment amount is based on the total amount owed of \$10,838,329, which consists of the Loan principal plus the estimated Loan Service Fee and its capitalized interest, if any.
6. Subsection 2.03(1) of the Agreement is deleted and replaced as follows:

(1) The financial assistance authorized pursuant to this Loan Agreement consists of the following:

State Resources Awarded to the Local Government Pursuant to this Agreement Consist of the Following Resources Subject to Section 215.97, F.S.:					
State Program Number	Funding Source	CSFA Number	CSFA Title or Fund Source Description	Funding Amount	State Appropriation Category
Original Agreement	Wastewater Treatment and Stormwater Management TF	37.077	Wastewater Treatment Facility Construction	\$10,557,871	140131

7. Section 10.06 of the Agreement is revised as follows:

The Local Government and the Department acknowledge that the actual Project costs have not been determined as of the effective date of this agreement. Project cost adjustments may be made as a result of Project changes agreed upon by the Department. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Local Government receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will not be financed by this Loan. The Department shall establish the final Project costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Local Government's Project audit or a Department audit.

Funds disbursed in accordance with Section 4.08 of this Agreement shall be disbursed in the order in which they have been obligated without respect to budgetary line item estimates. All disbursements shall be made from the original Loan amount until that amount has been disbursed; the Financing Rate established for the original Loan amount shall apply to such disbursements for the purpose of determining the associated Capitalized Interest and repayment amount. The Financing Rate established for any additional increment of Loan financing shall be used to determine the Capitalized Interest and repayment amount associated with the funds disbursed from that increment.

The estimated Project costs are revised as follows:

CATEGORY	PROJECT COSTS (\$)
Construction and Demolition (Disbursable Amount)	10,557,871
Capitalized Interest	69,300
TOTAL (Loan Principal Amount)	10,627,171

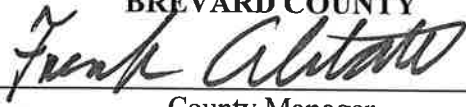
8. All other terms and provisions of the Loan Agreement shall remain in effect.

This Amendment 1 to Loan Agreement WW051130 may be executed in two or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Secretary or Designee and the Local Government has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Department.

for

BREVARD COUNTY



County Manager

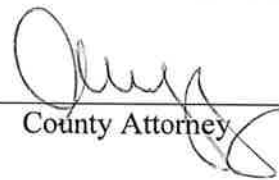
Attest:



County Clerk

SEAL

Approved as to form and legal sufficiency:



County Attorney

for

STATE OF FLORIDA

DEPARTMENT OF ENVIRONMENTAL PROTECTION

Secretary or Designee

Date