

RESOLUTION NO. R-2021-161

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, RELATING TO THE STATE REVOLVING FUND DRINKING WATER PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION FOR \$59,943,579.00 INCLUDING CAPITALIZED INTEREST AND LOAN SERVICE FEE FOR THE CONSTRUCTION FUNDING FOR THE OCEAN OUTFALL REGULATORY COMPLIANCE PHASE II - DEEP INJECTION WELL NO. 3 AND NO. 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 2021 OPERATING BUDGET FOR THE WATER AND SEWER ENTERPRISE FUND AND AMENDING THE FISCAL YEAR 2021 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, now referred to as the 2008 Ocean Outfall Legislation (“OOL”), which was later amended in 2013; and

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

WHEREAS, to meet the mandate of this legislation, the City chose the option of disposing the effluent generated from the SRWWTP to a new deep injection well (“IW”) system that requires drilling two injection wells (Nos. 3 and 4) and constructing a pump station for pumping effluent into these IWs; and

WHEREAS, to meet the schedule and funding constraints, the City chose to meet the mandate of OOL by constructing the project in two phases: Phases I and II entailed constructing IWs 3 and 4 and pump station respectively; and

WHEREAS, on April 17, 2019 and August 28, 2019, the City Commission approved Resolution Nos. R-2019-094 and R-2019-244 for the funding of the Ocean Outfall Regulatory Compliance Phase I - Deep Injection Wells No. 3 and No. 4 (“Phase I”) through the Florida Department of Environmental Protection (“FDEP”) State Revolving Fund Loan (“SRF”) program using both the Clean Water and Drinking Water Funding; and

WHEREAS, on August 28, 2019, pursuant to Resolution No. R-2019-246, the City Commission authorized the appropriate City officials to execute the contract with

Youngquist Brothers, Inc. for construction services related to the Phase I Project 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 the 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 No. 3 and No. 4 Pump Station Project ("Phase II") at the SRWWTP; and

WHEREAS, Florida Statutes provide for loans to local government agencies to finance the construction of water and wastewater facilities through the SRF Program; 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, FDEP held a hearing on May 12, 2021, and approved Drinking Water SRF funding and placed the Phase II Project on the Priority List designated as DEP Project No. DW0604D for construction funds; and

WHEREAS, the total loan amount for the Phase II Project is estimated in the amount of \$96,825,579.00, including Capitalized Interest and Loan Service Fees of \$2,486,329.00; and

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

WHEREAS, the City intends to enter into a loan agreement with FDEP under the Drinking Water State Revolving Fund Program for a portion of the financing in the amount of \$59,943,579.00, including Capitalized Interest and Loan Service Fees of \$1,604,329.00; and

WHEREAS, the Fiscal Year 2021 Operating Budget was adopted and approved by the City Commission pursuant to Resolution R-2020-232 at the second Public Budget Hearing on September 24, 2020; and

WHEREAS, the City's Fiscal Year 2021 Capital Improvement Plan was adopted and approved by the City Commission pursuant to Resolution R-2020-233 at the second Public Budget Hearing on September 24, 2020; and

WHEREAS, it is necessary to amend the approved FY 2021 Operating Budget of the Water and Sewer Enterprise Fund (442) and the approved FY 2021 Capital Improvement Plan to allocate additional funding in the amount of \$59,943,579.00 for the Phase II Project No. DW0604D as detailed in the attached Exhibit "1"; and

WHEREAS, 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 Drinking Water SRF Program for Phase II Project financing in an amount of \$59,943,579.00, including Capitalized Interest and Loan Service Fees of \$1,604,579.00.

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 Ocean Outfall Regulatory Compliance Phase II - Deep Injection Wells No. 3 and No. 4 Pump Station Project No. DW0604D (19-9119A) with the Florida Department of Environmental Protection.

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 2021.

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, which 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 the Amendments, Adjustments and Transfers of funding to the FY 2021 Operating Budget and the FY 2021 Capital Improvement Plan for the Fiscal Year beginning October 1, 2020 and set forth in detail in the attached Exhibit "1" are adopted as Amendments and/or Adjustments to the Operating Budget and Capital Improvement Plan of the Water and Sewer Enterprise Fund of the City of Hollywood, Florida, for the Fiscal Year 2021.

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF HOLLYWOOD, FLORIDA, RELATING TO THE STATE REVOLVING FUND DRINKING WATER PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION FOR \$59,943,579.00 INCLUDING CAPITALIZED INTEREST AND LOAN SERVICE FEE FOR THE CONSTRUCTION FUNDING FOR THE OCEAN OUTFALL REGULATORY COMPLIANCE PHASE II - DEEP INJECTION WELL NO. 3 AND NO. 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 2021 OPERATING BUDGET FOR THE WATER AND SEWER ENTERPRISE FUND AND AMENDING THE FISCAL YEAR 2021 CAPITAL IMPROVEMENT PLAN.

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 16th day of June, 2021.

JOSH LEVY, MAYOR

ATTEST:

PATRICIA A. CERNY, MMC
CITY CLERK

APPROVED AS TO FORM AND LEGAL SUFFICIENCY for the use and reliance of the City of Hollywood, Florida, only.

DOUGLAS R. GONZALES
CITY ATTORNEY

Exhibit 1: Amendments / Transfers / Reallocations
Water & Sewer Enterprise Fund

This item recognizes anticipated Drinking Water SRF loan funding from Florida Department of Environmental Protection and allocates it for the Ocean Outfall Regulatory Compliance Phase II - Deep Injection Well No. 3 and No. 4 Pump Station Project No. DW0604D (19-9119A)

Revenue

Description	Account Number	Amount
Revenue - Drinking Water SRF loan proceeds	TBD	59,943,579

Expenses

Description	Account Number	Amount
Deep Injection Wells Pump Station	TBD	58,339,250
Capitalized Interest & Loan Service fee	TBD	1,604,329

Total		59,943,579
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