



## City of Hallandale Beach City Commission Agenda Cover Memo

**Hallandale Beach**  
PROGRESS. INNOVATION. OPPORTUNITY.

<b>Meeting Date:</b>	September 17, 2018		<b>Item Type:</b> <small>(Enter X in box)</small>	<b>Resolution</b>	<b>Ordinance</b>  <div style="text-align: center;">X</div>	<b>Other</b>	
<b>Fiscal Impact:</b> <small>(Enter X in box)</small>	<b>Yes</b>	<b>No</b>	<b>Ordinance Reading:</b> <small>(Enter X in box)</small>	<b>1<sup>st</sup> Reading</b>		<b>2<sup>nd</sup> Reading</b>  <div style="text-align: center;">X</div>	
	X			<b>Public Hearing:</b> <small>(Enter X in box)</small>	<b>Yes</b>	<b>No</b>	<b>Yes</b>
<b>Funding Source:</b>	<b>Florida State Revolving Fund (SRF) Loan</b>		<b>Advertising Requirement:</b> <small>(Enter X in box)</small>	<b>Yes</b>		<b>No</b>	
				X (Re-advertisement required)			
<b>Account Balance:</b>	\$3,600,000.00 (Pending State Funding)		<b>Quasi-Judicial:</b> <small>(Enter X in box)</small>	<b>Yes</b>		<b>No</b>	
							X
<b>Project Number:</b>	<b>P1713</b>		<b>RFP/RFQ/Bid Number:</b>	<b>N/A</b>			
<b>Contract/P.O. Required:</b> <small>(Enter X in box)</small>	<b>Yes</b>	<b>No</b>	<b>Strategic Plan Priority Area:</b> <small>(Enter X in box)</small>				
	X						
			<b>Quality</b> <input checked="" type="checkbox"/>				
			<b>Vibrant Appeal</b> <input type="checkbox"/>				
<b>Sponsor Name:</b>	Nydia Rafols Sallaberry, Interim City Manager		<b>Department:</b> Public Works	Steven F. Parkinson, P.E., PWLF, Director			

### Short Title:

**AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, RELATING TO THE STATE REVOLVING FUND LOAN PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION FOR PHASE II OF THE CITY'S INFLOW AND INFILTRATION PROJECT; ESTABLISHING PLEDGED REVENUES; PROVIDING ASSURANCES OF COMPLIANCE WITH LOAN PROGRAM REQUIREMENTS; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING FOR CONFLICT; PROVIDING**

**FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE. (SECOND READING).**

**Staff Summary:**

**Background:**

The City of Hallandale Beach has performed studies and rehabilitation work over many years to reduce Infiltration and Inflow (I&I) throughout its wastewater collection system. I&I is water that is unrelated to sanitary sewer systems, but ends up entering a sanitary sewer system through leaky pipes or manholes. This unwanted water increases the load on sewage systems and increases the amount that the City pays the City of Hollywood for wastewater treatment. This I&I should instead be routed to storm water sewers or be treated and or stored on the surface. The I&I rehabilitation project will help to create additional system capacity for base and peak flows as well as strengthen preventative operation and maintenance activities by identifying lines that are susceptible to reoccurring blockages.

On May 21, 2014, the City Commission approved Resolution 2014-48, authorizing the City Manager to submit the Water, Wastewater and Stormwater Facilities Plan to the Florida Department of Environmental Protection ("FDEP") for approval and to initiate the State Revolving Fund ("SRF") process. The Water, Wastewater and Stormwater Facilities Plan was prepared to update the planning and coordination of the City's utility systems improvements. This Facilities Plan placed a heavy emphasis on I&I remediation of the sanitary sewer collection system.

On December 2, 2015, the City Commission approved Ordinance No. 2015-16 approving the State Revolving Fund Loan Program, authorizing the City Manager to make findings, authorizing the loan application and agreement, establishing pledged revenues and designating authorized representatives for the loan.

The City, along with FDEP, fully executed the loan agreement on March 1, 2016. A total amount of state financial assistance was awarded in the amount of \$550,000 for the planning phase (Phase I). An amendment was executed extending the loan repayment period to start on August 15, 2018.

The City Commission awarded the RFP # FY 2016-2017-001 CCNA Inflow & Infiltration Study and Analysis to Public Utility Management & Planning Services, Inc. at the City Commission meeting on March 15, 2017. The City issued a Notice-to-Proceed (NTP) to the consultant on June 13, 2017 (Exhibit 11).

The Sanitary Sewer Evaluation Survey (“SSES”) Report is now completed and the Consultant has submitted their report and recommendations to City Staff. As part of the contract, the Consultant prepares the application to assist the City in securing the SRF loan for Phase II (Construction or Rehabilitation) of the project. Based on the report, Public Utility Management & Planning Services estimates that this phase of the project (Phase II) will cost \$3,600,000. An executive summary with more details is attached (Exhibit 9).

To maintain the original interest rate of 1.38% and defer repayment of the original SRF loan, the Consultant has advised City staff to immediately convert the original loan from a Planning (Phase I) loan to a Construction (Phase II) loan.

### **Current Situation**

As part of the SRF Loan application process for Phase II, the State requires that the City Commission approve an Ordinance which must be part of the application package. The State has in their last meeting placed on their list the City’ Inflow and Infiltration Phase II as one of the projects eligible for funding (\$3,600,000). This funding is budgeted for the FY 18/19 with expenditure scheduled for next year (Exhibit 3).

Phase I of the SRF loan, in the amount of \$550,000, was for the planning phase of this project. Phase II of the project includes construction and rehabilitation to repair the system deficiencies outlined in the SSES Report resulting from Phase I. To receive the SRF Loan for Phase II, the State requires that the following steps be taken:

- 1) Hallandale Beach submits a loan application for the loan agreement. The deadline for submitting the loan application is September 6, 2018 and the deadline for executing the loan agreement is December 5, 2018. The Ordinance was approved on First Reading during the August 15, 2018 Commission meeting. Staff has been in contact with the State and the State has agreed to accept the application pending approval of the Ordinance on Second Reading. The application is herewith attached as “Phase II SRF Loan Application” (*Exhibit 2*). The application package requires an ordinance and legal opinion to indicate that Hallandale Beach has the ability to repay the loan. A sample legal opinion and Ordinance are attached for referenced as “Exhibit 7 and Exhibit 1.”
- 2) DEP reviews the loan application. After approval, DEP will send an agreement to Hallandale Beach to be executed.
- 3) Hallandale Beach opens construction bids (not yet started).
- 4) Hallandale Beach recommends to the DEP which construction contractor to award.
- 5) DEP approves the construction bids and issues Authority to Award memos.

- 6) Hallandale Beach awards the construction contract(s) and issues the Notice to Proceed.
- 7) Begin construction of Phase II
- 8) Hallandale Beach requests construction disbursements on the executed loan agreement that are based off invoiced costs.

Phase II of the project is expected to take approximately 12 months to complete, which is detailed in Exhibit 12. The City will amortize the SRF loans (Phase I and Phase II) back over an extended period of time (20 years), as dictated by the State Revolving Loan Program, and will budget accordingly each fiscal year for repayment. The rate study was presented to the City Commission on August 15, 2018 during the City Commission meeting and it does reflect repayments.

Repayment on the loan (\$550,000) for Phase I started on August 15, 2018, with the first installment of \$16,201. This loan attracts an interest that is fixed at 1.38% for 20 years. Repayments for Phase II loan (3,600,000) will not start until the end of the construction project, which is approximately 12 months.

**Benefits of implementing the Phase II:**

The City will benefit in the following ways by moving forward with Phase II:

- Reduction of flow to the City of Hollywood (translates into real savings);
- Reduction in lift station pump runtime and wear and tear because of reduced flow;
- Reduction of sand intrusion into the system, thereby reducing damage to the pump impellers;
- Reduced power consumption;
- Reduced employee overtime; and,
- Reduced complaints of sewer backups

This project is a major endeavor and is a wise investment for the City of Hallandale Beach. The success of this project not only guarantees the benefits and savings outlined above, but the City also benefits by taking advantage of a very low interest rate SRF Loan Program to accomplish those tasks. This Ordinance was adopted on First Reading during the August 15, 2018 City Commission meeting.

**Why Action is Necessary:**

Pursuant to Article V – Section 5.01 of the City Code of Ordinances, Adoption of an Ordinance is required to authorize borrowing of money.

**Proposed Action:**

Staff recommends approval of the attached Ordinance relating to the State Revolving Fund loan program authorizing the City Manager to make findings, authorizing the loan application and agreement, establishing pledged revenues, designating authorized representatives, providing assurances, and providing for conflicts, severability and an effective date.

**Attachment(s):**

- Exhibit 1 – Ordinance
- Exhibit 2 - Phase II SRF Loan Application
- Exhibit 3 - State New Projects List
- Exhibit 4 - Steps for Hallandale Beach's State Revolving Fund Construction Project WW06172
- Exhibit 5 - CCNA - Phase I Inflow & Infiltration Study & Analysis Resolution No. 2017-034
- Exhibit 6 - SSES Final Report
- Exhibit 7 – Sample Legal Opinion
- Exhibit 8 - Site Certification
- Exhibit 9 – Executive Summary
- Exhibit 10 – Sample Resolution
- Exhibit 11 – Notice-to-Proceed to Consultant
- Exhibit 12 - Infiltration and Inflow Phase II (Construction) Estimated Project Schedule

Prepared by:

Department Head Review



James Sylvain, Assistant Public Works  
Director, Utilities



Steven F. Parkinson, Assistant City  
Manager/Director of Public Works



Marie Gouin  
Budget Director



Emil Lopez  
Finance Director



---

Niesha Jones Sewell  
Administrative Analyst