



Hallandale Beach
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City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	8/07/2019		Item Type: (Enter X in box)	Resolution X	Ordinance	Other	
Fiscal Impact: (Enter X in box)	Yes	No	Ordinance Reading: (Enter X in box)	1st Reading N/A		2nd Reading N/A	
		X	Public Hearing: (Enter X in box)	Yes	No	Yes	No
					X		X
Funding Source:	N/A		Advertising Requirement: (Enter X in box)	Yes		No	
						X	
Account Balance:	N/A		Quasi Judicial: (Enter X in box)	Yes		No	
						X	
Project Number :	N/A		RFP/RFQ/Bid Number:	N/A			
Contract/P.O. Required: (Enter X in box)	Yes	No	Strategic Plan Priority Area: (Enter X in box) Safety <input checked="" type="checkbox"/> Quality <input checked="" type="checkbox"/> Vibrant Appeal <input type="checkbox"/>				
		X					
Sponsor Name:	Greg Chavarria, City Manager		Department:	James F Sylvain, P.E., Director			

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE A FIRST AMENDMENT TO AGREEMENT WITH PALM BEACH AGGREGATES, LLC TO EXTEND CERTAIN MILESTONE DATES SPECIFIED IN THE ORIGINAL AGREEMENT FOR THE CAPACITY ALLOCATION OF ONE MILLION GALLONS OF WATER PER DAY FROM PHASE 1 OF THE C-51 RESERVOIR; AND PROVIDING FOR AN EFFECTIVE DATE.

STAFF SUMMARY:

Summary:

Palm Beach Aggregates, LLC is requesting an amendment to the C-51 Reservoir Capacity Allocation Agreement between Palm Beach Aggregates, LLC and the City of Hallandale Beach

(City). The amendment will extend certain milestone dates associated with the Scope of Work specified in the original agreement (Exhibit 2).

2. Unless otherwise stated, for paragraphs 3 – 4 below, words in ~~struck through~~ type are deletions from existing text and words in underline type (aside from previously included headings) are additions to existing text.

The proposed changes are as follows:

- Section 3.2.1 If Company fails to notify Participant, on or before ~~June 30, 2018~~ November 30, 2019, that it has sufficient permits, commitments, and financing to commence the construction of the Phase 1 Reservoir;
- Section 11.1.2 Company's securing full Construction Financing for the Phase 1 Reservoir ~~within ninety (90) days after the Minimum Reserved Capacity Date~~ on or before November 30, 2019, with a closing date within ninety (90) days thereafter (the "Phase 1 Construction Finance Date"). On or before the tenth (10th) day after the Phase 1 Construction Finance Date, and at least ~~forty-five (45)~~ sixty (60) days before the closing date for Construction Financing, Company shall notify Participant in writing of the Phase 1 Construction Finance Date, as well as the anticipated closing date for Construction Financing.

Background:

The City has to explore alternative sustainable water supply sources which will be critical for meeting future demands. To meet this challenge, the City plans on constructing well No. 9 next to I-95 . In addition, the City has also entered into an agreement with Palm Beach Aggregates, LLC. to secure an additional one (1) million gallon per day (MGD) of raw water (Exhibit 2).

The one (1) MGD will come from a regional alternative water supply project known as the C-51 Reservoir. The reservoir will capture stormwater which is currently lost to the Lake Worth Lagoon estuary and potentially eliminate excess freshwater discharges into the brackish Lake Worth Lagoon, by storing excess wet-season stormwater runoff for later distribution and usage. It is estimated that the reservoir could meet the future raw water demands for Palm Beach and Broward County for the next 50 years.

Current Situation:

Palm Aggregates LLC has proposed an extension to certain milestone dates within the original agreement. For the agreement to reflect the milestone date extensions, the City and Palm Beach Aggregates, LLC an agreed upon amendment reflecting the new terms and dates needs to be executed.

Why Action is Necessary:

Pursuant to Article 3.2, Termination and Section 11.1, Company Conditions Precedent to Agreement (Exhibit 2). Palm Beach Aggregates, LLC has proposed an amended to both sections of the agreement that will reflect the new terms and dates, thus allowing the City access to an alternative sustainable water supply, which will help the City to meet future demands. The City Manager shall have the authority to recommend to the City Commission

Fiscal Impact:

There is no fiscal impact.

PROPOSED ACTION:

Staff recommends approval of the attached resolution authorizing the City Manager to enter into an Agreement between the City and Palm Beach Aggregates, LLC to extend certain milestone dates specified in the original agreement.

ATTACHEMENT(S):

Exhibit 1 – Resolution/Ordinance
Exhibit 2 – Executed Agreement
Exhibit 3 – First Amendment to the Agreement.