



City of Hallandale Beach City Commission Agenda Cover Memo

Meeting Date:	Item Type:		1 st Reading	2 nd Reading
2/5/2020	<input checked="" type="checkbox"/> Resolution <input type="checkbox"/> Ordinance <input type="checkbox"/> Other	Ordinance Reading	N/A	N/A
		Public Hearing	<input type="checkbox"/>	<input type="checkbox"/>
		Advertising Required	<input type="checkbox"/>	<input type="checkbox"/>
		Quasi Judicial:	<input type="checkbox"/>	<input type="checkbox"/>
Fiscal Impact (\$):	Account Balance (\$):	Funding Source:	Project Number :	
N/A	N/A	N/A	N/A	
Contract/P.O. Required	RFP/RFQ/Bid Number:	Sponsor Name:	Department:	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	N/A	James Sylvain, P.E. Director	Public Works	
Strategic Plan Focus Areas:				
<input type="checkbox"/> Financial	<input type="checkbox"/> Organizational Capacity	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Development, Redevelopment and Economic Development	
Implementation Timeline				
Estimated Start Date: 5/31/2020 Estimated End Date: 9/30/2020				

SHORT TITLE:

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF HALLANDALE BEACH, FLORIDA, AUTHORIZING THE CITY MANAGER TO EXECUTE A SECOND 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).

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 ~~November 30, 2019~~ May 31, 2020, that it has sufficient permits, commitments, and financing to commence the construction of the Phase 1 Reservoir;
- Section 3.2.1 Company's securing full Construction Financing for the Phase 1 Reservoir on or before ~~November 30, 2019~~ May 31, 2020, 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 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

Cost Benefit:

By entering into this agreement the City is securing water supply at a known cost rather than paying a higher cost at a future date or not having a future option. The known one time cost is one (1) MGD at \$4.6 million and an annual Operation and Maintenance (O&M) cost of \$36,551.

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
Exhibit 2 – Executed Agreement
Exhibit 3 – Second Amendment to the Agreement.