



Broward County

Legislation Text

File #: 20-115, Version: 1

Broward County Commission Regular Meeting

Director's Name: Thomas Hutka

Department: Public Works

Division: Water & Wastewater Services

Information

Requested Action

MOTION TO APPROVE Second Amendment to Agreement for Capacity Allocation in Phase 1 of the C-51 Reservoir between Broward County and Palm Beach Aggregates, LLC of six million gallons per day at a capital cost of \$27,600,000 in order to extend Palm Beach Aggregates' deadline for funding and construction start to May 31, 2020; and authorize the Mayor and Clerk to execute same.

Why Action is Necessary

Board of County Commission approval is required for amendments to agreements.

What Action Accomplishes

Modifies the deadline for Palm Beach Aggregates, LLC to obtain commitments and construction financing to move forward with Phase I construction of the C-51 reservoir.

Is this Action Goal Related

Yes

Previous Action Taken

None

Summary Explanation/Background

PUBLIC WORKS DEPARTMENT/WATER AND WASTEWATER SERVICES RECOMMENDS APPROVAL.

This item supports the County Commissioners' Value of "Encouraging investments in renewable energy, sustainable practices and environmental protection" with the goal to "increase water quality protection efforts and lead creative approaches to water storage and aquifer recharge, as well as diversification of water supplies, regionally."

On May 2, 2017 (Item No. 16), the Board of County Commissioners approved the Agreement for Capacity Allocation in Phase 1 of the C-51 Reservoir to purchase six million gallons per day (MGD) of water storage at a capital cost of \$27,600,000. The proposed C-51 Reservoir represents a multi-year collaboration between local governments, water suppliers, and water management agencies. This regional water resource project has the potential to deliver significant environmental and water supply benefits.

The original agreement had specific timelines for Palm Beach Aggregates to secure funding and commence construction for the C-51 reservoir. The original deadline was June 30, 2018. On March 3, 2019 (Item No. 26), the Board of County Commissioners approved the First Amendment to the Agreement establishing the new financing and construction commencement deadline of November 30, 2019. Currently, Palm Beach Aggregates, LLC has secured agreements with Broward County (six MGD), Sunrise (five MGD), Dania Beach (one MGD), Hallandale Beach (one MGD), Margate (two MGD), Pompano Beach (two MGD), and Fort Lauderdale (three MGD) for a total commitment of 20 MGD. With these capacity agreements approved by the respective municipal partners, Palm Beach Aggregates indicates that they now have adequate commitments to proceed with executing the financing agreement and Phase I of the project will commence construction. Palm Beach Aggregates, LLC has asked Broward County and each of the project participants to execute a new extension of the deadline for funding and the commencement of construction to May 31, 2020.

This agenda item has been reviewed and approved as to form by the County Attorney's Office.

Source of Additional Information

Alan W. Garcia, PE, Director, Water and Wastewater Services, (954) 831-0704

Thomas J. Hutka, PE, Director, Public Works Department, (954) 357-6410

Fiscal Impact

Fiscal Impact/Cost Summary

Financing 100% of the capacity purchase cost of \$27,600,000 relates to an annual debt service of \$2.1 million which reflects 4.5% or approximately \$1.11 of current monthly water fees for a single family customer with 5,000 gallons per month consumption. Any change in water service fees for this expense would be offset by savings resulting from reductions in overall water system expenditures.