



THE CITY OF KEY WEST

Post Office Box 1409 Key West, FL 33041-1409 (305) 809-3700

EXECUTIVE SUMMARY

TO: Jim Scholl, City Manager
Sarah Spurlock, Assistant City Manager
Greg Veliz, Assistant City Manager

CC: John Paul Castro, Utilities Director

FROM: Carolyn Sheldon, Senior Grants Administrator

DATE: February 13, 2015

RE: **Approval and authorization to execute the attached State Financial Assistance Agreement (DEP Agreement No. LP44030) between the State of Florida Department of Environmental Protection and the City of Key West in an amount not to exceed \$3,000,000.00 for Florida Keys Wastewater Improvements. Authorize necessary budget amendments and transfers to accept the funding.**

ACTION STATEMENT:

This resolution will approve and authorize the execution of the attached State Financial Assistance Agreement (DEP Agreement No. LP44030) between the State of Florida Department of Environmental Protection and the City of Key West in an amount not to exceed \$3,000,000.00. The actual grant amount will be based on the proceeds resulting from the issuance of bonds authorized pursuant to section 215.619, Florida Statutes, and specifically provided for in line item 1626A of the 2014-2015 General Appropriations Act. Necessary budget amendment and transfers to accept the funding will be authorized.

BACKGROUND:

In 2008 the State Legislature approved a modification to Section 215.619, Florida Statutes, authorizing the issuance of \$200 million of Everglades restoration bonds for the purpose of implementing the Florida Keys Area of Critical State Concern protection program under sections 380.05 and 380.0552, Florida Statutes. The \$200 million generated by the issuance of these bonds is administered by the Florida Communities Trust (the "Mayfield Grant Funds").

The City entered into an interlocal agreement between the City of Key West, Monroe County, the City of Key Colony Beach, the City of Marathon, the Florida Keys Aqueduct Authority, Key Largo Wastewater Treatment District and

Key to the Caribbean – Average yearly temperature 77° F.

MEMORANDUM

Islamorada Village of Islands for state wastewater funding distribution (Resolution 13-067, March 5, 2013). This interlocal agreement details and specifies the “Year Two of Four” distribution of Mayfield Grant Funds that the parties have determined to be, and have agreed would be fair and equitable to all parties. The interlocal agreement was later amended (Resolution 13-235, September 17, 2013) to delete the reference to “Year Two of Four” to replace it with “Year Two of Four,” “Year Three of Four,” and “Year Four of Four.”

PURPOSE AND JUSTIFICATION:

Per the Interlocal Agreement with Monroe County and other agencies/municipalities in the Florida Keys, the City of Key West has been allocated \$3,000,000.00 for wastewater improvements. This funding will assist with the construction of Variable Frequency Drive (VFD) upgrades to Pump Stations A, B, C, D, & DA as well as concrete repairs to the Richard P. Heyman Environmental Pollution Control Facility and to the Fleming Key Bridge.

OPTIONS / ADVANTAGES / DISADVANTAGES:

1. The City Commission can approve and authorize the execution of the attached State Financial Assistance Agreement (DEP Agreement No. LP44030) between the State of Florida Department of Environmental Protection and the City of Key West. This will allow the City to receive an amount not to exceed \$3,000,000.00 in grant funding to assist in the construction of wastewater improvements.
2. The City Commission can reject the State Financial Assistance Agreement (DEP Agreement No. LP44030). With this option, the City would forgo up to \$3,000,000.00 in Mayfield grant funding for wastewater improvements.

FINANCIAL IMPACT:

With the approval of the State Financial Assistance Agreement (DEP Agreement No. LP44030), the City would receive up to \$3,000,000.00 for wastewater improvements, budgeted as follows:

SE 1002 Concrete Repairs – Fleming Key Pipe Bridge	
Expenditures: 401-3503-535.63-00 / Revenue: 401-0000-334.39-00	\$ 284,574.00
SE 1401 Concrete Repairs – WWTP	
Expenditures: 401-3503-535.65-00 / Revenue: 401-0000-334.39-00	\$1,348,012.00
SE 1301 Lift Station VFD Project	
Expenditures: 401-3503-535.65-00 / Revenue: 401-0000-334.39-00	<u>\$1,367,414.00</u>
	Total Revenue
	\$3,000,000.00

RECOMMENDATION:

Staff recommends that the City Commission select Option 1, approving the attached State Financial Assistance Agreement (DEP Agreement No. LP44030) to receive an amount not to exceed \$3,000,000.00 for wastewater improvements.