

WALK ON #1

UTL

Lee County Board of County Commissioners  
Agenda Item Summary

Blue Sheet No. 20051696-UTL

1. Action Requested/Purpose:

Authorize the Chairwoman on behalf of the BOCC, to sign Amendment 1 to State Revolving Fund (SRF) Loan Agreement DW3610 010 that increases the amount of the loan funding amount for the construction of the North Lee County Water Treatment Plant. Approve Budget Amendment Resolution in the amount of \$6,000,000 from FDEP and amend the FY05-06/09-10 CIP accordingly.

2. What Action Accomplishes:

This action initiates the process to secure an additional \$6,000,000 at an interest rate of 2.58%, to fund the construction of the North Lee County Water Treatment Plant (Project).

3. Management Recommendation:

Approval.

4. Departmental Category: 10

WO #1

5. Meeting Date:

12-06-2005

6. Agenda:

- Consent
- Administrative
- Appeals
- Public
- Walk-On

7. Requirement/Purpose (specify)

- Statute
  - Ordinance
  - Admin. Code
  - Other
- Approval

8. Request Initiated:

Commissioner  
Department: Public Works  
Division: Utilities  
By: Rick Diaz, P.E., Director  
12/1/05

9. Background:

On June 14th, 2005 the Florida Department of Environmental Protection (FDEP) executed a loan agreement with Lee County under the Drinking Water State Revolving Fund authorizing a loan amount of \$3,493,400 with an interest rate of 2.67% for the construction of the North Lee County Water Treatment Plant. This first segment of funding consisted of \$3,375,000 to be disbursed to the County and \$118,400 as capitalized interest.

The attached letter from FDEP advises Lee County that an additional \$6,156,300 at an interest rate of 2.58% has been authorized for this loan. This second segment consists of \$6,000,000 to be disbursed to the County, \$120,000 in capitalized interest, and \$36,300 in other project costs.

(CONT'D.)

10. Review for Scheduling

Department Director	Purchasing or Contracts	Human Resources	Other	County Attorney	Budget Services				County Manager / P.W. Director
					Analyst	Risk	Grants	Mgr.	
J. Lavender Date: 12-2-05		N/A		S. Coovert Date: 12-2-05		MF 12/5/05	11/15/05	AMM 12/5	J. Lavender Date: 12-2-05

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

J/A

12/2/05  
9:30 AM

Rec'd 12/2/05  
CO. ATTY.  
FORWARDED  
TO CO. ADMIN.  
12/2/05

The Project will continue to be granted segment financing on a yearly basis, at whatever level the SRF segment cap is set for a given year, until the total cost of the project is covered. The term of the loan will be 20 years with the first semi-annual payment due in 2008. In future years, amendments to the loan will be executed based on the then applicable segment amount, interest rate, and remaining term.

The execution and submittal of the attached State Revolving Fund Loan Amendment 1 is the first step towards securing disbursement of the additional funds to Lee County for the Project. The State must have the completed documents before the end of this year, or the additional loan may be subject to a higher interest rate. Therefore, we are submitting this Blue Sheet as a Walk-On item for December 13, 2005.

The Chairwoman is authorized to take this action per Resolution No. 05-03-30 approved by the BOCC on March 22, 2005 (see attached copy).

**Attachments:**

Letter from FDEP

SRF Loan Agreement Amendment 1 – 3 Originals (Signatures required on Page 4)

Copy of Resolution No. 05-03-30

# URGENT



## MEMORANDUM FROM PUBLIC WORKS UTILITIES DIVISION

2005 DEC - 2 PM 2:38  
RECEIVED BY  
LEE CO. ATTORNEY

DATE: DECEMBER 1, 2005

To: RICHARD DESALVO  
PUBLIC RESOURCES

FROM: RICK DIAZ, P.E.  
DIRECTOR

SUBJECT: <sup>6</sup> WALK-ON FOR DECEMBER 13, 2005  
BS 20051696-UTL  
DW SRF LOAN AMENDMENT 1

Lee County Utilities is requesting that the attached Blue Sheet No. 20051696 be submitted before the Board on December 13th as a WALK-ON item.

If the subject Loan Amendment is not received by the FDEP in Tallahassee before January 1st, 2006, the current interest rate of 2.58% will change, probably to a higher rate based on the current interest increase trend. With the Christmas season holidays approaching and so many people taking vacation time, it seems unreasonable to presume that if the normal blue sheet process were followed, and the loan amendment were put on the agenda for the December 20th meeting, that the January 1st deadline would be met.

If the deadline is not met and the current interest rate of 2.58% were to rise to the interest rate for the initial loan agreement of 2.67%, the County would ultimately pay over \$65,000 in additional interest. Even if the rate only increased to 2.60%, the amount saved would be over \$15,000. (See attached list of historical rates.)

Thank you.

RD:JBL:sdg

Attachments: Historical Interest Rates  
BS 20051696-UTL w/attachments

**DEP DW STATE REVOLVING FUND HISTORICAL INTEREST RATES**

Downloaded From FDEP Website 11/30/2005

<b>October 1, 2005 - December 31, 2005 (Current Rate)</b>	<b>2.58%</b>
July 1, 2005 - September 30, 2005	2.60%
April 1, 2005 - June 30, 2005	2.67%
January 1, 2005 - March 31, 2005	2.70%
October 1, 2004 - December 31, 2004	2.81%
July 1, 2004 - September 30, 2004	3.00%
April 1, 2004 - June 30, 2004	2.71%
January 1, 2004 - March 31, 2004	2.86%
October 1, 2003 - December 31, 2003	2.96%
July 1, 2003 - September 30, 2003	2.67%
April 1, 2002 - June 30, 2003	2.90%
January 1, 2002 - March 31, 2003	2.95%
October 1, 2002 - December 31, 2002	2.93%
July 1, 2002 - September 30, 2002	3.09%
April 1, 2002 - June 30, 2002	3.11%
January 1, 2002 - March 31, 2002	3.07%
October 2001 - December 31, 2001	3.05%
July 1, 2001 - September 30, 2001	3.16%
April 1, 2001 - June 30, 2001	3.08%
January 1, 2001 - March 31, 2001	3.27%
October 1, 2000 - December 31, 2000	3.33%
July 1, 2000 - September 30, 2000	3.52%
April 1, 2000 - June 30, 2000	3.57%
January 1, 2000 - March 31, 2000	3.55%
October 1, 1999 - December 31, 1999	3.34%
July 1, 1999 - September 30, 1999	3.12%
April 1, 1999 - June 30, 1999	3.03%
January 1, 1999 - March 31, 1999	2.99%
October 1, 1998 - December 31, 1998	3.05%



Jeb Bush  
Governor

# Department of Environmental Protection

Twin Towers Office Building  
2600 Blair Stone Road  
Tallahassee, Florida 32399-2400

Colleen M. Castille  
Secretary

November 22, 2005

**Mr. Juan B. Laracuente, P.E., Senior Engineer**  
Lee County Utilities  
1500 Monroe Street, Floor 3  
Fort Myers, Florida 33901

Re: DW3610 010 - Lee County  
Treatment

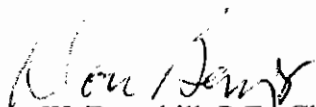
Dear Mr. Laracuente:

Enclosed are three original copies of proposed Amendment 1 to your State Revolving Fund loan agreement. The amendment provides an additional \$6,000,000 for this project.

Please have the appropriate officials **sign and seal** the enclosed three copies and return them to us within three weeks at 2600 Blair Stone Road, Mail Station 3505, Tallahassee, Florida, 32399-2400. We will arrange for the Department Secretary to sign the document and mail a fully executed copy to you. If the signed amendment is not received by us before January 1, 2006, this additional loan may be subject to a higher interest rate.

If you have any questions regarding this amendment, please call Melissa Dockstader at (850) 245-8358.

Sincerely,

  
Don W. Berryhill, P.E., Chief  
Bureau of Water Facilities Funding

DWB/md

Enclosures

cc: Rick Diaz - Lee County Board of County Commissioners  
Douglas R. St. Cerny - Lee County Board of County Commissioners  
Ivan Velez - Lee County Utilities

"More Protection, Less Process"

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# RESOLUTION # 05-12-05

Amending the Budget of LCU DEP Loann 2001-Fund 48734 to incorporate the unanticipated receipts into Estimated Revenues and Appropriations for the fiscal year 2005-2006.

**WHEREAS**, in compliance with the Florida Statutes 129.06(2), it is the desire of the Board of County Commissioners of Lee County, Florida, to amend the LCU DEP Loann 2001-Fund 48734 budget for \$6,000,000 of the unanticipated revenue from FDEP and an appropriation of a like amount for improvements construction and reserves and;

**WHEREAS**, the LCU DEP Loann 2001-Fund 48734 budget shall be amended to include the following amounts which were previously not included.

## ESTIMATED REVENUES

Prior Total:		\$ 4,000,000
Additions		
20708448734.384000.9004	St of FL Revolving Trust	6,000,000
Amended Total Estimated Revenues		\$ 10,000,000

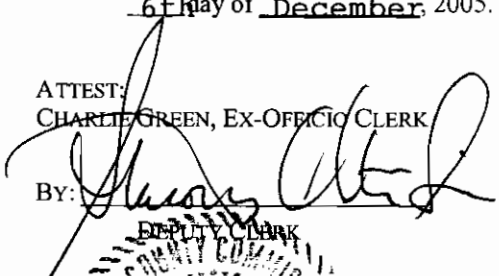
## APPROPRIATIONS

Prior Total:		\$ 4,000,000
Additions		
02708448734.506540	Improvements Construction	6,000,000
Amended Total Appropriations		\$ 10,000,000

**NOW, THEREFORE, BE IT RESOLVED** by the Board of County Commissioners of Lee County, Florida, that the LCU DEP Loann 2001-Fund 48734 budget is hereby amended to show the above additions to its Estimated Revenue and Appropriation accounts.

Duly voted upon and adopted in Chambers at a regular Public Hearing by the Board of County Commissioners on this 6th day of December, 2005.

ATTEST:  
CHARLIE GREEN, EX-OFFICIO CLERK

BY:   
DEPUTY CLERK

BOARD OF COUNTY COMMISSIONERS  
LEE COUNTY, FLORIDA

  
CHAIRMAN

APPROVED AS TO FORM

  
OFFICE OF COUNTY ATTORNEY

DOC TYPE YA  
LEDGER TYPE BA

WO#1  
12-06-05

# COPY

**DRINKING WATER STATE REVOLVING FUND  
AMENDMENT 1 TO LOAN AGREEMENT DW3610 010  
LEE COUNTY**

This amendment is executed by the STATE OF FLORIDA DEPARTMENT OF ENVIRONMENTAL PROTECTION (Department) and LEE COUNTY, FLORIDA, (Project Sponsor) existing as a local government agency under the laws of the State of Florida.

WITNESSETH:

WHEREAS, the Department and the Project Sponsor entered into a Drinking Water State Revolving Fund Loan Agreement, Number DW3610 010, authorizing a Loan amount of \$3,375,000, excluding Capitalized Interest; and

WHEREAS, the Project Sponsor is entitled to additional financing of \$6,000,000, excluding Capitalized Interest; and

WHEREAS, an interest rate must be established for the additional financing amount awarded in this amendment; and

WHEREAS, a Loan Service Fee must be assessed for the additional financing; and

WHEREAS, the Semiannual Loan Payment amount needs revision to reflect adjustment in the Loan amount; and

WHEREAS, the Project costs need adjustment to reflect revised estimates; and

WHEREAS, revised provisions for audit and monitoring are needed.

NOW, THEREFORE, the parties hereto agree as follows:

1. Subsection 2.03(1) is revised as follows:

(1) The financial assistance authorized pursuant to this Loan Agreement consists of the following:

Federal Resources, Including State Match, Awarded to the Recipient Pursuant to this Agreement Consist of the Following:					
Federal Program Number	Federal Agency	CFDA Number	CFDA Title	Funding Amount	State Appropriation Category
FS984522-050	EPA	66.468	Capitalization Grants for Drinking Water State Revolving Fund	\$9,375,000	140129

2. Additional financing in the amount of \$6,000,000, excluding Capitalized Interest, is hereby awarded to the Project Sponsor.

WO#1  
12-06-05

3. An interest rate of 2.58 percent per annum is established for the additional financing amount awarded in this amendment; however, if this amendment is not executed by the Project Sponsor and returned to the Department before January 1, 2006, the interest rate may be adjusted.

4. The estimated principal amount of the Loan is hereby revised to \$9,649,700, which consists of \$9,375,000 authorized for disbursement to the Project Sponsor and \$274,700 of Capitalized Interest. This total consists of the following:

(a) \$3,491,700, including \$3,375,000 authorized for disbursement to the Project Sponsor and \$116,700 of Capitalized Interest, at an interest rate of 2.67 percent per annum; and

(b) \$6,158,000, including \$6,000,000 authorized for disbursement to the Project Sponsor and \$158,000 of Capitalized Interest, at an interest rate of 2.58 percent per annum.

5. An additional Loan Service Fee in the amount of \$120,000, for a total of \$187,500, is hereby assessed. The fee represents two percent of the Loan amount excluding Capitalized Interest; that is, two percent of \$9,375,000. Estimated Loan Service Fee capitalized interest for the fee amount assessed to date is \$11,180.

6. The Semiannual Loan Payment amount is hereby revised and shall be in the amount of \$317,680. Such payments shall be received by the Department on July 15, 2008 and semiannually thereafter on January 15 and July 15 of each year until all amounts due hereunder have been fully paid. Until this Agreement is further amended, each Semiannual Loan Payment will be proportionally applied, after deduction of the Loan Service Fee is complete, toward repayment of the amounts owed on each incremental Loan amount at the date such payment is due.

The Semiannual Loan Payment amount is based on the total amount owed of \$9,848,380, which consists of the Loan principal plus the Loan Service Fee with its capitalized interest (if any).

7. The Project Sponsor and the Department acknowledge that the actual cost of the Project has not been determined. Project cost adjustments may be made as a result of mutually agreed upon Project changes. Capitalized Interest will be recalculated based on actual dates and amounts of Loan disbursements. If the Project Sponsor receives other governmental financial assistance for this Project, the costs funded by such other governmental assistance will not be financed by this Loan. The Department shall establish the final Project costs after its final inspection of the Project records. Changes in Project costs may also occur as a result of the Project Sponsor's Project audit or a Department audit.

Funds disbursed in accordance with Section 4.08 of this Agreement shall be disbursed in the order in which they have been obligated without respect to budgetary line item estimates. All disbursements shall be made from the original Loan amount until that amount has been disbursed; the interest rate established for the original Loan amount shall apply to such disbursements for the purpose of determining the associated Capitalized Interest and repayment amount. The interest rate established for any additional increment of Loan financing shall be used to determine the Capitalized Interest and repayment amount associated with the funds disbursed from that increment.

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The estimated Project costs are revised as follows:

CATEGORY	COST(\$)	AUTHORIZED LOAN AMOUNT(\$) TO DATE
(1) Administrative Allowance	144,000	<i>Line items may</i>
(2) Engineering Allowance	1,440,000	<i>vary based on</i>
(3) Construction and Demolition	24,000,000	<i>actual</i>
(4) Contingencies	0	<i>disbursements</i>
SUBTOTAL (Disbursable Amount)	25,584,000	9,375,000
(5) Capitalized Interest	274,700	274,700
TOTAL (Loan Principal Amount)	25,858,700	9,649,700

8. All other terms and provisions of the Loan Agreement shall remain in effect.

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