

WALK-ON

**Lee County Board of County Commissioners
Agenda Item Summary**

Blue Sheet No. 20061606-UTL

1. Action Requested/Purpose:

Authorize the Chair on behalf of the BOCC, to sign Amendment 2 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.

2. What Action Accomplishes:

This action secures an additional \$5,000,000 at an interest rate of 2.64%, to fund the construction of the North Lee County Water Treatment Plant (Project).

3. Management Recommendation:

Approval.

4. Departmental Category: 10 – Utilities

WO #5

5. Meeting Date: 12-12-06

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: *Douglas L. Meurer* 12-11-2006
Douglas L. Meurer, P.E., Director

9. Background:

The Florida Department of Environmental Protection (FDEP) approved a loan to construct the North Lee County Water Plant in an amount up to \$25,928,300. The FDEP meets semi-annually to determine the availability of funds and disburses available funds to approved entities. To date, Lee County Utilities (LCU) has received \$9,536,600 in disbursements. FDEP notified LCU on December 5th that another \$5,000,000 is available toward this project. This would bring the total funded portion of the eligible amount up to \$14,719,300 (see attached letter).

By signing and returning the Drinking Water State Revolving Fund Amendment 2 prior to January 1, 2007, Lee County will lock in the current 2.64% interest rate for this \$5,000,000 loan.

Attachments:

- Letter from FDEP
- SRF Loan Amendment 2 (3 Orig) – Signatures required on Page 4 of 4
- Copy of Resolution No. 05-03-30

10. Review for Scheduling:

Department Director	Purchasing or Contracts	Human Res.	Other	County Attorney	Budget Services				County Manager / P.W. Director
					Analyst	Risk	Grants	Mgr.	
<i>J. Lavender</i> Date: 12-11-06	N/A	N/A	<i>J. Laracuente</i> Date: 12-11-06	<i>S. Coovert</i> Date: 12/11/06	<i>J. Brown</i> 12/11/06	<i>W. [unclear]</i> 12/11/06	<i>[unclear]</i> 12/11/06	<i>[unclear]</i> 12/11/06	<i>J. Lavender</i> Date: 12-11-06

11. Commission Action:

- Approved
- Deferred
- Denied
- Other

REC'D
 by CO. ATTY.
 12/11/06
 11:20 pm
CO. ATTY.
 FORWARDED TO:
 12/11/06
 1:25 am



**MEMORANDUM
FROM
PUBLIC WORKS
UTILITIES DIVISION**

DATE: DECEMBER 11, 2006

To: MOLLY SCHWEERS
PUBLIC RESOURCES

FROM: DOUGLAS L. MEURER
DIRECTOR

*Douglas L. Meurer
12.11.2006*

**SUBJECT: WALK-ON FOR DECEMBER 12, 2006
BS 20061606-UTL
DW SRF LOAN AMENDMENT 2 (NLCWP)**

Lee County Utilities is requesting that the attached Blue Sheet No. 20061606 be submitted before the Board on December 12th as a WALK-ON item.

If the subject Loan Amendment is not received by the FDEP in Tallahassee before January 1st, 2007, the current interest rate of 2.64% will change, probably to a higher rate based on the current interest increase trend. (If the deadline is not met and the interest rate proposed for Amendment 2 [2.64%] was to rise, the County would ultimately pay added interest. If the rate only increased to 2.70%, the amount saved would be over \$37,000.)

Since the December 12th meeting is the last until January 9, 2007, authorization for signature at this meeting is necessary to lock in the lower interest rate.

Thank you.

DLM:JBL:sdg

Attachments: BS 20061606-UTL w/attachments



Jeb Bush
Governor

Department of Environmental Protection

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

Colleen M. Castille
Secretary

December 4, 2006

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 2 to your State Revolving Fund loan agreement. The amendment provides an additional \$5,000,000 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 Director to sign the document and mail a fully executed copy to you. If the signed amendment is not received by us before January 1, 2007, this additional loan may be subject to a higher interest rate.

If you have any questions, please contact 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"

Printed on recycled paper.

REC'D DEC 07 2006

**DRINKING WATER STATE REVOLVING FUND
AMENDMENT 2 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, as amended, authorizing a Loan amount of \$9,375,000, excluding Capitalized Interest; and

WHEREAS, the Project Sponsor is entitled to additional financing of \$5,000,000, 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, revised provisions for audit and monitoring are needed.

NOW, THEREFORE, the parties hereto agree as follows:

1. Subsections 2.03(1) and 2.03(3)(a)(i) of the Agreement are deleted and 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	\$14,375,000	140129

(3) Report Submission.

(a) Copies of reporting packages for audits conducted in accordance with OMB Circular A-133, as revised, and required by Subsection 2.03(2) of this Agreement shall be submitted, when required by Section .320 (d), OMB Circular A-133, as revised, by or on behalf of the Project Sponsor directly to each of the following:

- (i) The Department at each of the following addresses:

Don W. Berryhill, P.E., Chief
Bureau of Water Facilities Funding
Florida Department of Environmental Protection
2600 Blair Stone Road, MS 3505
Tallahassee, Florida 32399-2400

Joe Aita, Audit Director
Office of the Inspector General
Florida Department of Environmental Protection
3900 Commonwealth Boulevard, MS 41
Tallahassee, Florida 32399-3123

2. Additional financing in the amount of \$5,000,000, excluding Capitalized Interest, is hereby awarded to the Project Sponsor.

3. An interest rate of 2.64 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, 2007, the interest rate may be adjusted.

4. The estimated principal amount of the Loan is hereby revised to \$14,719,300, which consists of \$14,375,000 authorized for disbursement to the Project Sponsor and \$344,300 of Capitalized Interest. This total consists of the following:

(a) Original Agreement, \$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) Amendment 1, \$6,161,600, including \$6,000,000 authorized for disbursement to the Project Sponsor and \$161,600 of Capitalized Interest, at an interest rate of 2.58 percent per annum; and

(c) Amendment 2, \$5,066,000, including \$5,000,000 authorized for disbursement to the Project Sponsor and \$66,000 of Capitalized Interest, at an interest rate of 2.64 percent per annum.

5. An additional Loan Service Fee in the amount of \$100,000, for a total of \$287,500, is hereby assessed. The fee represents two percent of the Loan amount excluding Capitalized Interest; that is, two percent of \$14,375,000. Estimated Loan Service Fee capitalized interest for the fee amount assessed to date is \$13,970.

6. The Semiannual Loan Payment amount is hereby revised and shall be in the amount of \$484,950. 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 \$15,020,770, 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.

The estimated Project costs are revised as follows:

CATEGORY	COST(\$)	AUTHORIZED LOAN AMOUNT(\$) TO DATE
Administrative Allowance	144,000	<i>Line items may</i>
Engineering Allowance	1,440,000	<i>vary based on</i>
Construction and Demolition	24,000,000	<i>actual disbursements</i>
SUBTOTAL (Disbursable Amount)	25,584,000	14,375,000
Capitalized Interest	344,300	344,300
TOTAL (Loan Principal Amount)	25,928,300	14,719,300

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

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

This Amendment 2 to Loan Agreement DW3610 010 shall be executed in three or more counterparts, any of which shall be regarded as an original and all of which constitute but one and the same instrument.

IN WITNESS WHEREOF, the Department has caused this amendment to the Loan Agreement to be executed on its behalf by the Director and the Project Sponsor has caused this amendment to be executed on its behalf by its Authorized Representative and by its affixed seal. The effective date of this amendment shall be as set forth below by the Director.

for
LEE COUNTY

Chairperson, Board of County Commissioners

Attest

I attest that this amendment complies with
Section 2.02 of the Agreement and as to form
and correctness.

County Clerk
SEAL

County Attorney

for
STATE OF FLORIDA
DEPARTMENT OF ENVIRONMENTAL PROTECTION

Director
Division of Water Resource Management

Date

COPY

RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS
OF LEE COUNTY, FLORIDA

RESOLUTION NO. 05-03-30

RE: RELATING TO THE STATE REVOLVING FUND PROGRAM; MAKING FINDINGS; AUTHORIZING THE LOAN APPLICATION; AUTHORIZING THE LOAN AGREEMENT; ESTABLISHING PLEDGED REVENUES; DESIGNATING AUTHORIZED REPRESENTATIVES; PROVIDING ASSURANCES AND CERTIFICATIONS; PROVIDING FOR CONFLICTS, SERVERABILITY AND EFFECTIVE DATE.

WHEREAS, Florida Statutes provide for financial assistance to local government agencies to finance the construction of drinking water facilities; and

WHEREAS, Florida Administrative Code rules require authorization to apply for financial assistance, to establish pledged revenues, to designate an authorized representative; to provide assurances of compliance with program requirements; and to enter into an agreement; and

WHEREAS, the State Revolving Fund priority list designates Project Number DW3610010 as eligible for available funding; and

WHEREAS, Project Sponsor, Florida, intends to enter into an agreement with the Department of Environmental Protection under the State Revolving fund for project financing.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF LEE COUNTY, FLORIDA, AS FOLLOWS:

SECTION I. The foregoing findings are incorporated herein by reference and made part hereof.

SECTION II. Lee County, Florida is authorized to apply for financial assistance to finance the project.

SECTION III. The revenues pledged for the repayment of the loan are net revenues of the Lee County Utilities System [after payment of debt service on list outstanding bond debt by series].

SECTION IV. The Chairman of the Board of County Commissioners is hereby designated as the authorized representative to provide the assurances and commitments required by the application.

→ SECTION V. The Chairman of the Board of County Commissioners is hereby designated as he authorized representative to execute the loan application and execute the loan agreement which will become a binding obligation in accordance with its terms when signed by both parties. The Chairman of the Board of County Commissioners is authorized to represent Lee County in carrying out the County's responsibilities under the loan agreement. The Chairman of the Board of County Commissioners is authorized to delegate responsibility to appropriate County Staff to carry out technical, financial, and administrative activities associated with the agreement.

BS 20050269
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SECTION VI. The legal authority for borrowing moneys to construct this Project is Florida Statutes.

SECTION VII. Conflicts. All Resolutions or part of Resolutions in conflict with any of the provisions of this Resolution are hereby repealed.

SECTION VIII. Severability. If any Section or portion of a Section of this Resolution proves to be invalid, unlawful, or unconstitutional, it shall not be held to invalidate or impair the validity, force or effect of any other Section or part of this Resolution.

SECTION IX. Effective Date. This resolution shall become effective immediately upon its adoption.

PASSED AND DULY ADOPTED by the Board of County Commissioners of Lee County, Florida, this 22nd day of March, 2005.

**BOARD OF COUNTY COMMISSIONERS OF
LEE COUNTY, FLORIDA**

BY: 

ATTEST:

Charlie Green, Clerk of the
Circuit Court and ex-officio Clerk
of the Board of County Commissioners
of Lee County, Florida

APPROVED AS TO FORM


OFFICE OF COUNTY ATTORNEY

BY: 
Deputy Clerk

