

## MEMORANDUM

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March 30, 2020

**TO:** Honorable Mayor and City Commission

**VIA:** Kenneth Fields, City Manager

**FROM:** Sarah B. Kirkland, Utilities Director

**RE:** Lift Station 16 C Street Sewer Improvements-Phases 3 Amendment 1 to loan agreement WW530380

**SYNOPSIS:** Lift Station 16 C Street Sewer Improvements-Phases 3 is now completed and the State Revolving Loan Fund agreement WW530380 has to be closed out. Amendment 1 to loan agreement WW530380 finalizes the loan proceeds taken for the construction for the phase 3 portion of the project.

### RECOMMENDATION

It is recommended that the City Commission consider taking the following action:

1. Approve the Amendment 1 to Loan Agreement WW530380 for the Lift Station 16 C Street Sewer Improvements Phase 3 project for a total amount of \$1,138,748.
2. Authorize the Mayor to execute the appropriate documents, on the City's behalf.

### BACKGROUND

As a result of sewer system back-ups and historical operation and maintenance difficulties experienced by City staff, the City of Lake Wales commissioned an engineering study conducted by Pennoni 2010. The study evaluated the suspected substandard sanitary sewer system contributing to Lift Station No. 16, which is located near the center of the City's utility service area. Pennoni's engineering study determined that the sewer system for this defined area was substandard. This in part was due to substandard pipe slopes, pipe materials, and pipe cover. It was also suspected that a significant amount of inflow and infiltration (I/I) was also occurring throughout the system due to the substandard pipe materials and deteriorating manholes.

In August 2010, the City Commission approved a contract with Pennoni, which was for the design and permitting of the project area in order to come into compliance with existing directives. In December 2010, the commission approved the preparation of a Community Development Block Grant (CDBG) application, which was subsequently awarded, to start work on the phase 1 portion of the project. The CDBG phase comprised approximately 15% of the total project area. This phase was started by Killebrew Inc. in August 2013, and was completed in the first half of 2015. Once the phase 1 portion of the project was completed, Staff obtained a Florida Department of Environmental Protection (FDEP) State Revolving Fund (SRF) loan to fund phase 2 of the project area.

Phase 3 was funded in part by a Community Development Block Grant (CDBG) as well as with State revolving Loan Funds (SRF). Now that all funds have been obtained by the use of agreement, this loan

agreement can be closed out. The final amount received from SRF was \$1,181,599. This amount consisted of \$1,158,430 for construction and \$23,169 for capitalized interest.

Staff recommends the commission authorize amendment 1 to SRF contract WW530580, and authorize the Mayor to execute the appropriate documents associated with the close out of agreement WW530380.

### **FISCAL IMPACT**

Now that construction is complete, the loan amounts has to be finalized and adjusted to reflect what the City actually used for construction. All loan payments have been accounted for and included in the debt service for utilities.

### **OTHER OPTIONS**

None.

### **ATTACHMENTS**

Amendment 1 to loan agreement WW530380  
WW530380 Amortization