

Resolution No. 2023-3169

A Resolution of the City of Sanford, Florida, amending the City's annual operating budget for the fiscal year beginning October 1, 2023 and ending September 30, 2024 relating to the Florida Department of Environmental Protection (FDEP) Drinking Water State Revolving Fund Planning And Design Loan Agreement in the amount of \$6,255,000.00 relating to FDEP Project Number DW-590160 entitled "Planning, Design, And Construction For The Abatement Of 1,4 Dioxane In Water Supply"; providing for implementing administrative actions; providing for a savings provision; providing for conflicts; providing for severability and providing for an effective date.

Whereas, the Commission of the City of Sanford, Florida has adopted an annual operating budget for the fiscal year beginning October 1, 2023 and terminating on September 30, 2024 specifying certain projected revenues and expenditures for the operations of Sanford municipal government; and

Whereas, the City's budget presumes that each department generally will, to the best of their ability, maintain its expenditures within its allocated budgeted level and exercise prudence in expending funds during the course of the City's fiscal year; and

Whereas, from time-to-time circumstances and events may require that the original City budget may need revision such as the funding of the City by the Florida Department of Environmental Protection (FDEP) under Drinking Water State Revolving Fund Planning And Design Loan Agreement in the amount of \$6,255,000.00 relating to FDEP Project Number DW-590160 entitled "Planning, Design, And Construction For The Abatement Of 1,4 Dioxane In Water Supply"; and

Whereas, the City Commission, in its judgment and discretion, has the authority

to adjust the budget to more closely coincide with actual and expected events.

Now, therefore, be it adopted and resolved by the City Commission of the City of Sanford, Florida as follows:

Section 1. Adoption of Budget Amendment; FDEP Drinking Water State Revolving Fund Planning And Design Loan Agreement funding in the amount of \$6,255,000.00 relating to FDEP Project Number DW-590160 entitled "Planning, Design, And Construction For The Abatement Of 1,4 Dioxane In Water Supply".

The annual operating budget of the City of Sanford for the fiscal year beginning October 1, 2023 and terminating on September 30, 2024 is hereby revised and amended by Attachment "A" to account for the FDEP Drinking Water State Revolving Fund Planning And Design Loan Agreement funding in the amount of \$6,255,000.00 relating to FDEP Project Number DW-590160 entitled "Planning, Design, And Construction For The Abatement Of 1,4 Dioxane In Water Supply". The Attachment is hereby incorporated into this Resolution as if fully set forth herein verbatim. Except as amended herein, the annual operating budget for the City of Sanford for the fiscal year beginning October 1, 2023 and terminating on September 30, 2024 shall remain in full force and effect.

Section 2. Implementing Administrative Actions; FDEP Project Number DW-590160 entitled "Planning, Design, And Construction For The Abatement Of 1,4 Dioxane In Water Supply".

(a). The City Manager, or designee, is hereby authorized and directed to implement the provisions of this Resolution by means of such administrative actions as may be deemed necessary and appropriate with regard to FDEP Project Number DW-590160 entitled "Planning, Design, And Construction For The Abatement Of 1,4 Dioxane In Water Supply".

(b). Without limiting the generality of the foregoing, the City Manager, or designee, is hereby authorized and directed to implement procurement activities all ow which accomplished in accordance with the requirements of controlling Florida law and the City's *Purchasing Policies and Procedures* to include, but not limited to, the provisions and requirements of Section 287.055 and Section 287.075, *Florida Statutes*.

Section 3. Savings.

The prior actions of the City of Sanford relating to the adoption of the City budget and related activities to include, but not be limited to, those relating to grants involving the FDEP and the actions and programs of the City relating to 1,4 dioxane matters and issues, and other actions taken with or in conjunction therewith, and any and all associated or related activities, are hereby ratified and affirmed.

Section 4. Conflicts.

All resolutions or parts of resolutions in conflict with this Resolution are hereby repealed.

Section 5. Severability.

If any section, sentence, phrase, word, or portion of this Resolution is determined to be invalid, unlawful or unconstitutional, said determination shall not be held to invalidate or impair the validity, force or effect of any other section, sentence, phrase, word, or portion of this Resolution not otherwise determined to be invalid, unlawful, or unconstitutional.

Section 6. Effective Date.

This Resolution shall become effective immediately upon adoption.

Passed and adopted this 23rd day of October 2023.

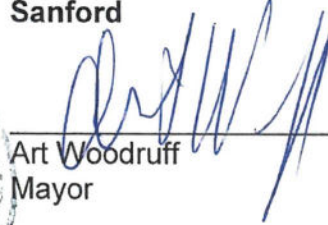
Attest:

**City Commission of the City of
Sanford**



Traci Houchin, MMC, FCRM
City Clerk





Art Woodruff
Mayor

For use and reliance of the Sanford
City Commission only.
Approved as to form and legality.



William Colbert
City Attorney



CITY COMMISSION MEMORANDUM 23-204
OCTOBER 23, 2023 AGENDA

TO: Honorable Mayor and Members of the City Commission
PREPARED BY: William Marcous, Utilities Manager
SUBMITTED BY: Norton N. Bonaparte, Jr., ICMA-CM, City Manager
SUBJECT: Resolution No. 2023-3168 Accepting Grant; Florida Department of Environmental Protection Project Number DW-590160 Entitled "Planning, Design, And Construction for the Abatement of 1,4 Dioxane in Water Supply"; Resolution No. 2023-3169 Providing For Budget Amendment; \$6,255,000; Drinking Water State Revolving Fund Planning And Design Loan Agreement

STRATEGIC PRIORITIES:

- Unify Downtown & the Waterfront
- Promote the City's Distinct Culture
- Update Regulatory Framework
- Redevelop and Revitalize Disadvantaged Communities

SYNOPSIS:

Approval of Resolution No. 2023-3168 to approve a Drinking Water State Revolving Fund Planning and Design Loan Agreement relating to Florida Department of Environmental Protection (FDEP) Project Number DW590160 entitled "Planning, Design, and Construction for the Abatement of 1,4 Dioxane in Water Supply" as well as Resolution No. 2023-3168 providing for a budget amendment is requested. The Project will be referred to as the "1,4 Dioxane Abatement Project" hereinafter.

FISCAL/STAFFING STATEMENT:

The proposed FDEP Drinking Water State Revolving Fund Planning And Design Loan Agreement would provide \$6,255,000 of funding for 1,4 Dioxane Abatement Project planning with no repayment provisions (that is a loan with 100% loan forgiveness, or a grant). The overall 1,4 Dioxane Abatement Project cost is anticipated to total approximately \$80,000,000 which will not include City operational expenses annually incurred, but is anticipated to have with no repayment provisions (i.e., a loan with 100% loan forgiveness, or a grant).

The City's costs for work to implement the Project that occurs on or after February 22, 2023 will be eligible for reimbursement to the City.

In this type of agreement with the FDEP in the past, the City has been required to identify pledged revenues as well as prior and parity obligations (other FDEP loans, etc.) that the City must pay. In this case that is not required as the City is not subject to any repayment obligations.

BACKGROUND:

As the City Commission is aware, attorney Jake Varn is an expert environmental lawyer with the Manson, Bolves, Donaldson, Tanner law firm has been skillfully representing the City since 2008 with regard to an array of legal matters involving the City's utility systems. The City Commission has been briefed by Mr. Varn with regard to rulemaking and other issues which involved the FDEP, the St. Johns River Water Management District (SJRWMD) and the Florida Legislature with specific regard to the Central Florida Water Initiative and the permits that have been issued to the City by the SJRWMD. Mr. Varn has been acting as the City's lead relating to 1,4 dioxane water quality matters.

The City's engagement with the FDEP in administrative processes as well as negotiating processes has resulted in the FDEP acting affirmatively relating to proposing funding the 1,4 dioxane abatement affecting the City. The FDEP has designated the 1,4 Dioxane Abatement Project as eligible for available funding through Emerging Contaminants Capitalization Grants. Obtaining that funding requires the City to enter into the proposed Drinking Water State Revolving Fund Planning And Design Loan Agreement with the FDEP under the applicable and controlling statutory provisions and rules and other applicable law pertaining to the funding of the 1,4 Dioxane Abatement Project.

The FDEP Drinking Water State Revolving Fund Planning and Design Loan Agreement is anticipated to provide \$6,255,000 of funding for the 1,4 Dioxane Abatement Project with no anticipated repayment provisions (i.e., a loan with 100% loan forgiveness, or, in reality, a grant). The overall 1,4 Dioxane Abatement Project cost is anticipated to be approximately \$80,000,000 which will not include City operational expenses annually incurred, but is anticipated to have with no repayment provisions (i.e., a loan with 100% loan forgiveness, or, in reality, a grant). Perhaps any PFAS settlement funds received by the City could be appropriated to provide funding for associated needs of the City.

Resolution No. 2023-3168 would provide approval of the Drinking Water State Revolving Fund Planning and Design Loan Agreement and execution of implementing documents.

Also, a budget amendment resolution, Resolution No. 2023-3169, is needed to incorporate the \$6,255,000 into the City budget.

LEGAL REVIEW:

The Assistant City Attorney has assisted in this matter and has no legal objection subject to all procurement activities being accomplished in accordance with the requirements of controlling Florida law and the City's Purchasing Policies and Procedures to include, but not limited to, the implementation of Section 287.055 and Section 287.075, *Florida Statutes*, by the City pursuant to its policies. The Drinking Water State Revolving Fund Planning And Design Loan Agreement with the FDEP contains normative terms and conditions that are present in agreements with State agencies except, of course, as to FDEP loan agreements, the proposed Agreement provides for total principal forgiveness. That being said, a great number of auditing provisions are in place in the Agreement relative to which the City must take great care as to contract management practice and principles.

RECOMMENDATION:

City staff recommends that the City Commission adopt Resolution No. 2023-3168, approving the FDEP Drinking Water State Revolving Fund Planning and Design Loan Agreement and Resolution No. 2023-3169, approving the requisite budget amendment and procurement activities.

SUGGESTED MOTION:

“I move to adopt the two resolutions, as proposed.”

- Attachments: (1). FDEP Drinking Water State Revolving Fund Planning And Design Loan Agreement.
(2). Resolution No. 2023-3168 approving the FDEP Drinking Water State Revolving Fund Planning and Design Loan Agreement.
(3). Resolution No. 2023-3169 approving a budget amendment (with budget amendment form).

REQUEST FOR BUDGET AMENDMENT

Fiscal Year 23/24

Department: PW - Utilities

Division: Plants

Date: 2/1/2024

CHANGES IN REVENUES

REVENUE ACCOUNT NUMBER						Current Budget	Current Unrealized (Budget)	Amount of Change	Adjusted Unrealized
Fund	Revenue	Act Cd	Ele	Project #	Revenue Account Title				
452	0000	384	01	00	Debt Proceeds/Proceeds FR Notes Payable	\$ 12,602,153	\$ 12,602,153	\$ 6,255,000	\$ 18,857,153
TOTAL CHANGES IN REVENUES								\$ 6,255,000	

CHANGES IN EXPENDITURES

EXPENDITURE ACCOUNT NUMBER						Current Budget	Current Balance	Amount of Change	Remaining Balance
Fund	Dpt/Div	Activity	Obj	Ele	Project #	Expenditure Account Title			
452	4521	536	31	00	DW0160	W/S Combination Services/Professional Services	\$ 55,300	\$ 55,300	\$ 6,255,000
TOTAL CHANGES IN EXPENDITURES								\$ 6,255,000	

REASON FOR AMENDMENT: Moving FDEP grants funds to Main Water Plant Capital for 1,4 dioxane

DIRECTOR APPROVAL: William D Piacenza **DATE:** 02/01/2024

FINANCE APPROVAL: Gayle Lindsey **DATE:** 02/05/2024

CITY MANAGER APPROVAL: Craig M. Bradford **DATE:** 02/01/2024

CITY COMMISSION AGENDA DATE: _____ **APPROVED?** _____

FOR FINANCE USE

Entry Date: 02/09/2024 Batch Number: 2142 Document #: BA 05-105

CCM# 23-204

RES# 3169