



CITY OF LAKE WORTH

7 North Dixie Highway · Lake Worth, Florida 33460 · Phone: 561-586-1600 · Fax: 561-586-1750

AGENDA
CITY OF LAKE WORTH
CITY COMMISSION WORK SESSION
TUESDAY, APRIL 14, 2015 - 6:00 PM

1. **ROLL CALL:**
2. **PLEDGE OF ALLEGIANCE:** Led by Vice Mayor Scott Maxwell
3. **UPDATES/FUTURE ACTION/DIRECTION:**
 - A. Discuss proposed State Revolving Fund (SRF) Loan for replacement of 2" water lines throughout the city
 - B. Discuss Fiscal Year 2015-2016 Community Development Block Grant Funding
4. **ADJOURNMENT:**

If a person decides to appeal any decision made by the board, agency or commission with respect to any matter considered at such meeting or hearing, he or she will need a record of the proceedings, and that, for such purpose, he or she may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based. (F.S. 286.0105)

NOTE: ONE OR MORE MEMBERS OF ANY BOARD, AUTHORITY OR COMMISSION MAY ATTEND AND SPEAK AT ANY MEETING OF ANOTHER CITY BOARD, AUTHORITY OR COMMISSION.



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AGENDA DATE: April 14, 2015, Regular Meeting

DEPARTMENT: Water Utilities

EXECUTIVE BRIEF

TITLE:

Discuss proposed State Revolving Fund (SRF) Loan for replacement of 2" water lines throughout the city

SUMMARY:

The City Commission approved replacement of the 2 inch water lines throughout the water distribution system in the Fiscal Year 2015-19 Capital Improvement Program (CIP) budget, and directed staff to investigate funding the capital project using a loan to be paid from water system revenues. A SRF loan of \$16 million is proposed to fund this capital project, instead of issuing additional revenue bonds or bank loans.

BACKGROUND AND JUSTIFICATION:

The City Water Utility Department has planned the replacement of approximately 17 miles of 2 inch steel water lines that are corroded and failing within the city water distribution system. These water distribution lines are a potential health and safety risk, which may lead to city-wide boil water notices. This project was included as a high priority in the five year CIP in FY 2015. The Commission directed staff to fund the capital improvement through water system revenue financing. This may include revenue bonds, bank loans or a state Drinking Water State Revolving Fund loan (DWSRF). Estimated engineering, construction and financing costs for the six year project are \$16.9 million. The remainder of funds will be from Water System reserves.

Mock, Roos & Associates, Inc. prepared the attached Facilities Plan showing the feasibility of the proposed capital improvements. Burton & Associates, Inc. and staff prepared the attached business plan and financial analysis, showing the impact of a single revenue bond issue vs. annual draws from the DWSRF loan. The DWSRF loan has a lower interest rate, and allows the projected water rate increases to be lower in future years.

The replacement of the 2" steel water lines will be constructed over a six year phased plan, starting in District 4, and proceeding to Districts 3, 2 and 1 in that order. Replacement of the 2" steel lines will improve the quantity and quality of potable water to homes throughout the city, reduce broken water lines, and reduce the amount of water flushing required to maintain water quality in the water distribution system. Design of Year 1 improvements are proceeding with water system funds. The proposed loan is for Years 2-6. A Request For Quotes will be used to select the design engineer for years 2-6, and construction will be bid by pre-qualified contractors.

ATTACHMENT(S):

Presentation
Facility Plan, including water line replacement map
Financial Analysis
Business Plan
Resolution
Request for Inclusion
Mayor's Letter



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AGENDA DATE: April 14, 2015, Work Session

DEPARTMENT: City Manager's Office

EXECUTIVE BRIEF

TITLE:

Discuss Fiscal Year 2015-2016 Community Development Block Grant Funding

SUMMARY:

As a participating jurisdiction in the Palm Beach County Urban County Program for Fiscal Years 2015, 2016 and 2017 the City will be provided with continued access to funding under Community Development Block Grant (CDBG) program as a part of the Palm Beach County Entitlement Jurisdiction. The County has notified the City of its FY 2015-2016 CDBG allocation in the estimated amount of \$257,603. Additionally, the City may be the recipient of a Special Area of Hope program allocation in the amount of \$315,740. This funding is subject to availability from HUD and approval by the Board of County Commissioners. The City is eligible to submit up to two applications for these funds. The deadline for submission to the County is noon on May 4, 2015.

Additional backup regarding potential projects is forthcoming.

BACKGROUND AND JUSTIFICATION:

The Palm Beach County Entitlement Jurisdiction serves unincorporated areas and non-entitlement municipalities (those with populations under the 50,000 threshold) within Palm Beach County by providing the opportunity to access funding allocated by the U.S. Department of Housing and Urban Development (HUD) through its Community Development Block Grant (CDBG), HOME Investment Partnerships (HOME), and Emergency Solutions Grant (ESG) programs. It further provides participants with access to economic stimulus and/or disaster recovery funding that is distributed to the County by HUD. At its meeting of June 17, 2014, the City Commission approved Resolution No. 31-2014 that authorized the City to enter into a cooperation agreement with Palm Beach County for participation in the Palm Beach County Urban County Program for the 2015, 2016 and 2017 fiscal years.

Pursuant to the aforementioned Interlocal Cooperation Agreement, the City is eligible for receipt of its portion of the formula allocation of CDBG funds that the County receives from HUD. The County has notified the City of its FY 2015-2016 CDBG allocation in the estimated amount of \$257,603. Additionally, the City may be the recipient of a Special Area of Hope program allocation in the amount of \$315,740. This funding is subject to availability from HUD and approval by the Board of County Commissioners.

Pursuant to the Interlocal Cooperation Agreement, the allocation of CDBG funds the City receives must be used for eligible activities pursuant to CDBG regulations in accordance with the County's CDBG program. Such eligible activities include the following:

- acquisition of real property;
- relocation and demolition;

- rehabilitation of residential and non-residential structures;
- construction of public facilities and improvements, such as water and sewer facilities, streets, neighborhood centers and the conversion of school buildings for eligible purposes;
- activities relating to energy conservation and renewable energy resources; and
- provision of assistance to profit motivated businesses to carry out economic development and job creation/retention activities.

The County's CDBG program does not permit the City to conduct public service, planning and administrative activities with its allocation of CDBG funds.

These eligible activities must address one of the three national objectives of the CDBG program as follows:

- to benefit low and moderate income persons;
- the prevention of slums or blight; or
- to address community development needs having a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community for which other funding is not available.

The County has established a CDBG Target Area in the City of Lake Worth that is comprised of one square mile in which eligible CDBG activities can be conducted. Such activities carried out in this area meet the national objective of benefiting low and moderate income persons. CDBG funds can be utilized for eligible activities outside the CDBG Target Area provided such activities meet one of the national objectives of the CDBG program as noted above.

The City is eligible to submit applications for up to two eligible activities. The deadline for submission is noon on May 4, 2015.

MOTION:

Direction from the City Commission is requested for the use of these funds.

ATTACHMENT(S):

- Fiscal Impact Analysis (not applicable)
- CDBG NOFA
- FY 2015-2016 CDBG Application
- CDBG Target Area Map
- Map of Lower Income Census Tracts
- CDBG Presentation