

Indian River County, Florida
Department of Utility Services
Board Memorandum

Date: August 3, 2020
To: Jason E. Brown, County Administrator
From: Vincent Burke, PE, Director of Utility Services
Prepared By: Arjuna Weragoda, PE, Capital Projects Manager
Subject: North Sebastian Water and Sewer Phase 2 - Approval of IRLNEP Funding Agreement

Descriptions and Conditions:

Indian River County Department of Utility Services (IRCDUS) submitted applications for the following grants for the North Sebastian Septic to Sewer-Phase 2 project in Fiscal Year (FY) 19-20:

- FY 19-20 Districtwide Cost Share – Saint Johns River Water Management District (SJRWMD)
- FY 19-20 Appropriations Project Request

The County had two applications for funding in the FY 19-20 Districtwide Cost Share program. In April of 2019, although successful in scoring high enough for a grant award, the County was notified that we had to pick one of the projects, and the County elected the Moorhen Marsh project. The County was also notified in July 2019 that the FY 19-20 Legislative Appropriations request could only allocate \$500,000 of the requested \$1.6 Million, which was to be administered by the Florida Department of Environmental Protection (FDEP). Therefore, due to the lack of funding, staff evaluated other options such as revising the project boundary.

Since then, IRCDUS re-submitted applications for the following grants for the North Sebastian Phase 2 Water and Sewer project:

- FY 20-21 Districtwide Cost Share
- FY 20-21 Indian River Lagoon Natural Estuary Program (IRLNEP) Cost Share
- FDEP Water Quality Restoration Grant
- FY 20-21 Appropriations Project Request

IRCDUS has been awarded funding from ALL four requested grant applications.

On May 19, 2020, the Indian River County Board of County Commissioners (BCC) approved the FDEP Water Quality Restoration Grant in the amount of \$2,500,000, and FDEP executed the same on July 2, 2020.

Saint Johns River Water Management District (SJRWMD) is working on finalizing the grant agreement for the SJRWMD FY 20-21 Cost Share application in the amount of 1,346,517. Upon finalization and review by legal, staff will bring that agreement to the BCC for review and final approval.

IRCDUS has now received the IRLNEP grant agreement. Funding will be made available through a cost reimbursement grant, which will require execution of a grant agreement with the IRLNEP.

Analysis:

In order to secure the funding, the following needed to be done:

- Agreement Contact Information form; and,
- A Grant Statement of Work

The above information was prepared by staff and forwarded to IRLNEP for their preparation of the final agreement. On July 15, 2020, IRLNEP forwarded the final grant Agreement No. IRL2020-04, which expires September 30, 2022. Staff's understanding is that the SJRWMD grant agreement will be finalized for BCC approval in September 2020.

Funding:

The estimated sewer construction cost is \$4.1 Million and the project cost is \$5,841,930.00. The IRLNEP grant will pay \$204,017.69 towards the construction cost. The project is contingent upon successful funding allocations from other funding sources are as follows:

- Indian River County Optional Sales Tax. Estimated amount of \$1,041,396.00.
- FDEP funding award of \$2,500,000. Please note that agreement has been executed.
- SJRWMD Cost-Share Grant funding award of \$1,346,517.00. Please note that agreement has not been finalized.
- FY 20-21 Appropriations request award of \$750,000.00. The understanding is that these monies will be incorporated in the FDEP grant as an amendment.

On August 13, 2019, the BCC approved using Optional Sales Tax funds if there are any shortfalls with the proposed funding sources needed to offset a portion of the construction costs. Staff was directed to continue to pursue all funding sources.

Note the funding source requests were based on estimated project costs subject to change once the project is bid.

Recommendation:

Staff recommends approval of the Indian River Lagoon Natural Estuary Program (IRLNEP) Cost Share Agreement No. IRL2020-04 and requests the Board of County Commissioners to authorize the Chairman to execute the same on their behalf.

Attachment(s):

- IRLNEP Cost Share Agreement (14 Pages)
- Grant Form