

**Indian River County, Florida  
Department of Utility Services  
Board Memorandum**

**Date:** May 11, 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 FDEP 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 grant award, the County was notified that we had to pick one of the projects, and 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 and are working with SJRWMD FY 20-21 Cost Share application on the Statement of Work (SOW).

On January 8, 2020, the FDEP announced that Indian River County was awarded \$2,500,000 in funding for the North Sebastian Phase 2 Water and Sewer Project. Funding will be made available through a cost reimbursement grant, which will require execution of a grant agreement with the FDEP.

**Analysis:**

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

- Agreement Contact Information form,
- A Grant Work Plan; and,
- Certificate of Insurance Coverage or letter from the community or agency's Chief Financial Officer stating that the Grantee is self-insured.

The above information was prepared by staff and forwarded to FDEP for their preparation of the final agreement. On April 7, 2020, FDEP forwarded the final grant Agreement No. LPQ0019, which expires June 30, 2023. Staff's understanding is that the other three (3) grant agreements will be finalized for BCC approval in late June/July, 2020.

**Funding:**

The estimated sewer construction cost is \$4.1 Million. The FDEP grant will pay \$2,500,000 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.
- IRLNEP funding award of \$204,018. Please note that agreement has not been finalized.
- 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. Not yet finalized.

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 Florida Department of Environmental Protection Standard Grant Agreement No. LPQ0019 and requests the Board of County Commissioners to authorize the Chairman to execute the same on their behalf.

**Attachment(s):**

FDEP Standard Grant Agreement (28 Pages)