



STAFF REPORT

CITY OF GREEN COVE SPRINGS, FLORIDA

TO: City Council Regular Meeting **MEETING DATE:** December 8, 2020
FROM: Scott Schultz, Asst. Water Utilities Director
SUBJECT: City Council approval of Pay Request #4 in the amount of \$243,001.40 to General Underground for Bid Award LC 2020-06, Reynolds Water System Improvements in the amount of \$685,724.00 (Base Bid), and Alternate #1 (water & sewer extension to MOBRO) in the amount of \$314,275.00 for a total amount of \$1,000,449.00.

BACKGROUND

On June 16, 2016 the City Council approved the Rate Study conducted by Staff and Mittauer & Associates.

On March 21, 2017, Council approved a Task Order with Mittauer & Associates for \$50,000.00 for development of a Water Master Plan.

On June 19, 2018, the City Council approved the Water Master Plan conducted by Staff and Mittauer. The Master Plan included a thorough review of the existing Water Capital Improvement Program (CIP) and resulted in an update to the CIP. As a result of the updated CIP, Staff requested an update to the Water portion of the Rate Study to evaluate financing options and alternatives to CIP financing.

On September 4, 2018, City Council approved a Task Authorization with Mittauer & Associates for \$12,000.00 to update the Water Rate Study.

At the March 5, 2019 City Council meeting Staff and Mittauer presented the updated Water Rate Study which was subsequently approved by the City Council. The City Council directed staff to return with an Ordinance authorizing the borrowing of funds to complete the immediate and future CIP needs. Staff was also directed to draft an RFP to secure a loan for the "Priority 1" immediate need CIP projects.

The Priority 1, Reynolds Water System Improvements, total design and construction estimate is \$1,370,000.00

The Priority 2, Harbor Road, Bonaventure and Magnolia Point Cul-de-sac, total design and construction estimate is \$4,850,000.00.

The Priority 3, Reynolds High Service Pumps & Well 2 design and construction estimate is \$2,500,000.00.

The Priority 4, asbestos concrete (AC) pipe replacement. Design and construction estimate is \$6,620,000.00

The Priority 5, Governors Creek Water Main, design, and construction estimate is \$360,000.00

Design and permitting for Priorities 3-5 cost estimate is \$1,424,000.00

Total 2019 Water CIP Cost Estimate is \$17,124,000.00

Council approved Ordinance No. O-07-2019 on First Reading as to Form Only on 3/19/19 which authorized staff to borrow up to \$18,000,000.00 for capital improvements to the City's Water System.

Council approved Ordinance No. O-07-2019 on Second and Final Reading on 4/2/19 which authorized staff to borrow up to \$18,000,000.00 for capital improvements to the City's Water System

On April 2, 2019 staff was directed to draft an RFP to secure a loan for the "Priority 1" immediate CIP projects. The Priority 1, Reynolds Water System Improvements, total design and construction estimate is \$1,370,000 plus costs and fees related to the issuance of the loan.

On April 2, 2019, Council adopted Ordinance No. O-07-2019 authorizing the borrowing of up to \$18,000,000 for capital improvements to the City's water system. Staff was also directed to draft an RFP to secure a loan for the "Priority 1" immediate CIP projects. The Priority 1, Reynolds Water System Improvements, total design and construction estimate is \$1,370,000 plus costs and fees related to the issuance of the loan.

During the May 21, 2019 meeting, Council authorized staff to award the loan for improvements to the City's water distribution system in Reynolds Park to Synovus Bank. Synovus Bank was chosen to finance the Water Utility Revenue Note, Series 2019 with a fixed 2.63% interest rate for 10 years without premium or prepayment penalty. This loan is secured solely by a pledge of the net revenues of the City's Water Utility System. The net revenues pledge for the Water Utility Revenue Note, Series 2019 will be obligated for the ten year term of the loan. The maturity date for this loan is April 1, 2029.

A formal bid was conducted by city staff and Mittauer for the Reynolds Water System Improvements. Included as an alternate was the extension of water & sewer services to MOBRO which came up at the end of the design and was added.

City staff and the engineer of record have reviewed the received bids and certified General Underground as the qualified bidder.

Through value engineering and project optimization the total amount for the Reynolds improvements was \$684,724.00, far below the \$1,350,000.00 estimate. This enabled staff to include financing for the extension of water services to and across the MOBRO property to them water. MOBRO will be contributing approximately \$150,000.00 of the \$314,275.00 cost of the extension for water and sewer services. The system has been sized for future expansion east on State Road 16.

City Council approved Bid Award LC 2020-06, Reynolds Water System Improvements in the amount of \$685,724.00 (Base Bid), and Alternate #1 (water & sewer extension to MOBRO) in the amount of \$314,275.00 for a total amount of \$1,000,449.00 to general Underground on 5/19/2020.

FISCAL IMPACT

\$243,001.40 to the Water Fund CIP Budget

RECOMMENDATION

Approve Pay Request #4 in the amount of \$243,001.40 to General Underground for Bid Award LC 2020-06, Reynolds Water System Improvements in the amount of \$685,724.00 (Base Bid), and Alternate #1 (water & sewer extension to MOBRO) in the amount of \$314,275.00 for a total amount of \$1,000,449.00.