



City of Gainesville Agenda Report

File #: 2022-720

Agenda Date: November 17, 2022

Department: Gainesville Regional Utilities

Title: Proposed Amendment to Cost Participation Agreement with St. Johns River Water Management District for Construction and Maintenance of the Black Creek Water Resource Development Project 2022-720 (B)

Description: On July 15, 2021, the City Commission approved GRU entering into an agreement with the St. Johns River Water Management District (SJRWMD) to participate in the cost for construction and maintenance of the Black Creek Water Resource Development Project. The agreement requires GRU to make payments on November 1, 2021 and November 1, 2022 totaling a not to exceed amount of \$2.71 million. The SJRWMD has requested that the agreement be amended to delay the deadline for the second payment to November 1, 2023. Staff recommends that the city commission approves the proposed amendment to the agreement.

Explanation:

The City of Gainesville d/b/a Gainesville Regional Utilities (“GRU”) entered into a cost participation agreement with SJRWMD for the construction and maintenance of the Black Creek Water Resource Development Project. Under the agreement GRU agreed to pay up to \$2.71 million to SJRWMD as a cost participation for the Black Creek Water Resource Development Project. The project will restore water levels in Lakes Brooklyn and Geneva in Keystone Heights area. The agreement will ensure GRU’s compliance with regulatory requirements known as “minimum flows and levels” (MFLs) for those lakes through at least 2045 which will help to ensure the community’s future water supply.

Per the terms of the agreement, the total payment amount is divided into two payments with the first payment due November 1, 2021 and the second due November 1, 2022. GRU made the first payment of \$1.36 million in 2021. The second payment will be a maximum of \$1.36 million if the project is on or over the original budget. If the project cost is under budget, GRU’s second payment will be proportionally lower.

The SJRWMD has gotten construction bids for the portions of the project which have been under budget. They are awaiting costs for the remaining portion of the project to determine the total project cost. The SJRWMD has requested that the agreement be amended to delay the deadline for the second payment to November 1, 2023 to allow the SJRWMD to receive all of the construction cost bids in order to determine the exact amount GRU owes for the second payment.

Strategic Connection:

Goal 2: Sustainable Community

Goal 4: Resilient Local Economy

Fiscal Note:

The GRU water system budget includes the \$1.36 million that was expected to be paid by November 1, 2022. Delaying the payment until 2023 will have minimal fiscal impact. There is the potential that the required payment may be less than \$1.36 million.

Recommendation:

City Commission approve the proposed amendment to the cost participation agreement and have the mayor sign it.