



**City of Pompano Beach
UTILITIES ADMINISTRATION**

Phone: (954) 545-7073 Fax: (954)545-7046

MEMORANDUM NO. 25-48

DATE: October 10, 2025

TO: Gregory P. Harrison, City Manager

VIA: Brian Donovan, Assistant City Manager

FROM: Renuka Mohammed, Utilities Director

CC: Phil Hyer, Superintendent of Plant Operations
Mondy Claude, Utilities Business Operations Analyst

SUBJECT: DWSRF Loan Application DW0624C0 and Acceptance - \$30,000,000 with 20% Principal Loan Forgiveness - Emerging Contaminants Water Treatment Plant Upgrades **Phase I – Buildout of Nanofiltration Facility**

Purpose

To obtain Commission approval and authorization to apply for and accept funding from the Florida Department of Environmental Protection (FDEP) Drinking Water State Revolving Fund (DWSRF) under loan application DW0624C0. The proposed loan will finance the Emerging Contaminants Water Treatment Plant Upgrades Phase I – Buildout of Nanofiltration Facility. The anticipated loan amount is \$30,000,000, of which 20% (\$6,000,000) will be forgiven, and the remaining balance will be financed over the maximum SRF term of 20 years at a below-market interest rate.

Background & Project Overview

The City of Pompano Beach owns and operates a 50 million-gallon-per-day (mgd) water treatment plant that utilizes both lime softening (40 mgd) and nanofiltration (10 mgd) processes to treat raw water from the Biscayne Aquifer. The existing nanofiltration (NF) facility was designed with the capacity to expand to an additional 10 mgd within the current facility footprint.

On April 10, 2024, the U.S. Environmental Protection Agency (USEPA) released the National Primary Drinking Water Regulation (NPDWR) establishing enforceable limits for per- and polyfluoroalkyl substances (PFAS), which become effective in 2029. The City's monitoring program has identified PFAS concentrations in both raw and finished water that exceed the PFAS maximum contaminant levels. To comply with Federal and State standards and ensure public health protection, significant treatment upgrades are necessary.

As a result, the City developed a Water Facility Plan for Emerging Contaminants Upgrades, which was approved by the Commission via Resolution 2024-184 and subsequently approved by the FDEP in 2024, with a revision completed in 2025. Phase I identifies two priority projects:

- Buildout of the existing nanofiltration facility (i.e. from 10 mgd to 20 mgd or greater).
- Construction of Deep Injection Well No. 2 (IW-2) for concentrate disposal.

The buildout of the nanofiltration facility aims to expand the nanofiltration capacity from 10 mgd to 20 mgd or greater within the existing facility, depending on feasibility and design criteria, as well as available funding sources.

Current Funding Opportunity

On August 13, 2025, the FDEP prioritized this project for funding under the DWSRF and agreed to provide a \$30,000,000 loan, with \$6,000,000 in principal forgiveness. The remaining \$24,000,000 balance will be repaid over the maximum allowable 20-year SRF term at a below-market interest rate. This financing will be supplemented with existing bond proceeds authorized under Ordinance 2025-01, adopted on October 22, 2024.

Prior Actions

Resolution 2023-200: Loan application DW06249A (\$9.595 M with 100% loan forgiveness)

Resolution 2024-184: Adoption of Water Facility Plan for Emerging Contaminants

Ordinance 2024-10: Adoption of Water and Sewer Rates

Ordinance 2025-01: Issuance of Water & Sewer Revenue Bonds Series 2024

Supports Strategic Goals, Objectives, Policies

Strategic Plan: Goal 4 (Item 6): Superior Capacity for Growth through Quality, Sustainable Development - Expand and enhance utility infrastructure - water, wastewater and stormwater.

Comprehensive Plan: Goal 7A: Provide safe, reliable, sustainable, cost-effective potable water to all residents and businesses within the City's water utility service areas and make the capital improvements necessary to maintain or improve potable water services.

Fiscal impact

\$24,000,000 financed over the maximum SRF 20-year term at a below-market interest rate and \$6,000,000 with principal forgiveness.

Recommendation

The Utilities Department recommends that the City Commission approve and authorize the Utilities Department to finalize the DWSRF loan application DW0624C0 in the anticipated amount of \$30,000,000, of which 20% (\$6,000,000) will be forgiven, and the remaining balance will be financed over the maximum SRF term of 20 years at a below-market interest rate. This funding opportunity is contingent upon the submission of the complete application by the deadline of December 11, 2025. Failure to meet this deadline will result in removal from consideration for inclusion in this priority listing cycle.

Applicable Attachments:

DWSRF Loan Application DW0624C0
Revised Water Facility Plan