

ITEM # 12  
DATE: 08-09-16

**COUNCIL ACTION FORM**

**SUBJECT: SETTING DATE OF PUBLIC HEARING FOR STATE REVOLVING FUND PLANNING AND DESIGN LOAN IN AN AMOUNT NOT TO EXCEED \$375,000**

**BACKGROUND:**

The City is conducting an ongoing evaluation of the sanitary sewer collection system, including televising mains and associated structures to determine functionality and structural integrity. The purpose of the evaluation is to extend the life of the sanitary sewer collection system and to improve capacity by reducing inflow and infiltration ("I & I").

The approved Capital Improvements Plan includes \$3.5 million each year for collection system improvements, funded by State Revolving Fund (SRF) Loans. The first step of this process is to determine a plan for implementation of repairs identified in the system evaluation. An SRF Planning and Design Loan in the amount of \$375,000 has been identified as the funding source for developing the best plan to implement the improvements and design for the first year of the improvement plan. Repayment of the planning and design loan will be rolled in to the first construction loan. A public hearing is required to proceed with the SRF loan.

**ALTERNATIVES:**

1. The City Council can set August 23, 2016 as the date of public hearing to enter into a State Revolving Fund Planning and Design Loan agreement in an amount not to exceed \$375,000.
2. The Council can delay this hearing to another date.

**MANAGER'S RECOMMENDED ACTION:**

Setting the date of public hearing will ensure that City staff can proceed with the sanitary sewer collection system improvements plan as previously approved by Council.

Therefore, it is the recommendation of the City Manager that the City Council approve Alternative No. 1 as described above.