

**COUNCIL ACTION FORM**

**SUBJECT: SETTING DATE OF PUBLIC HEARING FOR STATE REVOLVING FUND CLEAN WATER LOAN IN AN AMOUNT NOT TO EXCEED \$1,001,000 FOR WPC BAR SCREEN IMPROVEMENTS**

**BACKGROUND:**

The City's Capital Improvement Plan includes a project to make significant improvements to the bar screen system at the Water Pollution Control (WPC) Facility. The project consists of removal of existing equipment and installation of a new mechanically cleaned bar screening system with washer/compactor/bagging system. Past expenses and available funding for the project are as follows.

FY 15 Actual Expenses	\$ 11,354.86
FY 16 Actual Expenses	40,264.50
FY 17 Actual Expenses	5,499.68
FY 18 Available Carryover	884,042.32
<u>FY 18 Mid-year Transfer*</u>	<u>27,593.00</u>
	\$968,754.36

*\* - Savings from the WPC Site Drive Repaving Project, that are being transferred as a part of the mid-year budget amendment process*

A Clean Water State Revolving Fund (SRF) Loan in the amount of \$1,001,000 has been identified as the funding source for the bar screen improvements. The loan amount being authorized is slightly higher to provide an available contingency that can be used without having to modify the loan agreement. The final loan amount will include only the actual expenses incurred, and will not include the contingency unless it is required. Repayment of the loan will be from wastewater utility revenues. A public hearing is required to proceed with the SRF loan.

**ALTERNATIVES:**

1. The City Council can set January 23, 2018, as the date of public hearing to enter into a State Revolving Fund Clean Water Loan agreement in an amount not to exceed \$1,001,000.
2. The Council can delay the hearing on the loan agreement and the project to improve the WPC bar screen.

**MANAGER'S RECOMMENDED ACTION:**

Setting the date of public hearing will ensure that City staff can proceed with the loan funding and WPC bar screen 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.