

ITEM # 10
DATE: 09-11-18

COUNCIL ACTION FORM

**SUBJECT: SETTING DATE OF PUBLIC HEARING FOR STATE REVOLVING FUND
CLEAN WATER LOAN IN AN AMOUNT NOT TO EXCEED \$5,700,000 FOR
SANITARY SEWER SYSTEM IMPROVEMENTS**

BACKGROUND:

This loan provides funding for the annual program for rehabilitation/reconstruction of deficient sanitary sewers and deteriorated manholes at various locations throughout the city. The City's Capital Improvement Plan includes State Revolving Fund (SRF) Clean Water Loan funding to make significant improvements to three projects, referred to as Sanitary Sewer Rehabilitation (Manhole Rehabilitation – Basins 1 & 5), Sanitary Sewer Rehabilitation (Flood Prone Manholes), and Sanitary Sewer Rehabilitation (pipe lining).

System improvement locations have been identified through field investigation completed over the last several years. Through manhole inspections, smoke testing, and televising, several structural defects (rating of 4 or 5) have been identified as priorities within this program.

An SRF Clean Water Loan in the amount of \$5,700,000 provides funding for this Sanitary Sewer System Improvements program. Repayment of the loan will be from the Sanitary Sewer Fund. **This action will set the public hearing, which is required to proceed with the SRF loan.**

ALTERNATIVES:

1. The City Council can set September 25, 2018 as the date of public hearing to enter into a State Revolving Fund Clean Water Loan agreement in an amount not to exceed \$5,700,000.
2. The City Council can delay the hearing on the loan agreement.
3. The City Council can decide to fund these improvements from other revenues sources.

MANAGER'S RECOMMENDED ACTION:

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

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