

**COUNCIL ACTION FORM**

**SUBJECT: APPROVAL OF LOAN AGREEMENT FOR STATE REVOLVING FUND  
CLEAN WATER DEBT IN AN AMOUNT NOT TO EXCEED \$797,000 FOR  
LIFT STATION IMPROVEMENTS**

**BACKGROUND:**

The City's capital improvement plan includes a \$797,000 project to make significant improvements to two wastewater lift stations, referred to as the Orchard Drive Lift Station and the Highway 30 Lift Station. Both lift stations are nearing the end of their useful lives and are in need of upgrades to ensure safe, reliable, and efficient operation.

A State Revolving Fund (SRF) Clean Water Loan in the amount of \$797,000 was identified as the funding source for the lift station improvements. Repayment of the loan will be from wastewater utility revenues. A public hearing was held on August 9, 2016, and a Council resolution is now required to enter into the agreement and receive the funds for the project.

**ALTERNATIVES:**

1. The City Council can approve the State Revolving Fund Clean Water Loan agreement in an amount not to exceed \$797,000.
2. The Council can deny approval of the loan agreement and direct City staff to identify other sources to fund the project to improve the wastewater lift stations.

**MANAGER'S RECOMMENDED ACTION:**

Approval of this loan agreement will ensure that funding is available to carry out the wastewater lift station improvements 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.