

COUNCIL ACTION FORM

SUBJECT: PUBLIC HEARING FOR STATE REVOLVING FUND CLEAN WATER LOAN IN AN AMOUNT NOT TO EXCEED \$12,700,000 FOR SEWER SYSTEM IMPROVEMENTS PROGRAM (FY 2018/19, 2019/20, 2020/21, 2021/22)

BACKGROUND:

This loan provides funding for the annual Sanitary Sewer System Improvements program for rehabilitation/reconstruction of deficient sanitary sewers and deteriorated manholes at various locations throughout the city. System improvement locations have been identified through field investigation completed over the last several years. Several structural defects (rating of 4 or 5) have been identified as priorities within this program through manhole inspections, smoke testing, and televising.

The Capital Improvement Plan (CIP) includes State Revolving Fund (SRF) Clean Water Loan funding for the program. This funding will allow for significant improvements for five projects; Sanitary Sewer Rehabilitation (Wilson Ave and 15th Street), Sanitary Sewer Rehabilitation (Munn Woods), Sanitary Sewer Rehabilitation (Siphon), Sanitary Sewer Rehabilitation (Basin 10), and Sanitary Sewer Rehabilitation (Ames High School & Veenker Golf).

The SRF Clean Water Loan will provide \$12,700,000 of funding for this Sanitary Sewer System Improvements program. Repayment of the loan will be from the Sanitary Sewer Fund.

ALTERNATIVES:

1. Approve to entering into the State Revolving Fund Clean Water Loan agreement in an amount not to exceed \$12,000,000.
2. The City Council can decide to fund these improvements from other revenues sources.

CITY MANAGER'S RECOMMENDED ACTION:

Approval of the agreement will ensure that the City can proceed with the sanitary sewer system 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.