

|         |          |
|---------|----------|
| ITEM #: | 50       |
| DATE:   | 03-24-26 |
| DEPT:   | PW       |

## COUNCIL ACTION FORM

**SUBJECT: SANITARY SEWER SYSTEM IMPROVEMENTS PROGRAM  
(E. LINCOLN WAY AND NIKKOL TRUNK LINE)**

### BACKGROUND:

This is the annual program for rehabilitation/reconstruction of deficient sanitary sewers and deteriorated manholes at various locations throughout the city. The goal of this program is to identify and remove major sources of inflow/infiltration (I/I) as a means of lowering the peak wet weather flow at the treatment plant. By eliminating I/I in these sewer mains, the sanitary sewer system will also regain needed capacity. **This project includes the rehabilitation and lining of sanitary sewer segments along E. Lincoln Way and the Nikkol Trunk Line, extending from E. Lincoln Way to south of U.S. Highway 30.**

On February 18, 2026, bids for the project were accepted by City Council. However, award of the project was delayed to comply with the requirements of the State Revolving Fund (SRF) Clean Water Loan process. Bids were accepted as shown below:

| Bidder                         | Bid Amount            |
|--------------------------------|-----------------------|
| <i>Engineer's Estimate</i>     | <i>\$7,540,000.00</i> |
| <b>Municipal Pipe Tool Co.</b> | <b>\$4,462,230.40</b> |
| SAK Construction, LLC          | \$6,225,796.00        |
| Michels Trenchless             | \$6,923,964.00        |
| Visu-Sewer                     | \$6,968,619.85        |

A State Revolving Fund (SRF) Clean Water Loan in the amount of \$5,700,000 has been secured as the funding source for this project. Repayment of the loan will be from the Sanitary Sewer Fund. **The not-to-exceed amount for the public hearing has been established at an amount to cover possible cost increases; however, the City will only borrow the amount needed to fund the project. A Public Hearing is required to enter into the Sewer Revenue Loan and Disbursement Agreement to borrow the funds in a principal amount not to exceed \$5,700,000.**

The revenues and expenses associated with this program are estimated as follows:

| Description                       | Available Revenue  | Estimated Expenses    |
|-----------------------------------|--------------------|-----------------------|
| State Revolving Fund (SRF)        | \$5,700,000        |                       |
| <b>Construction</b>               |                    | <b>\$4,462,230.40</b> |
| Engineering/Administration (est.) |                    | 250,000.00            |
| <b>TOTAL</b>                      | <b>\$5,700,000</b> | <b>\$4,712,230.40</b> |

**The Sanitary Sewer Improvements Program (E. Lincoln Way and Nikkol Trunk Line) are shown in the Capital Improvement Plan with \$8,000,000 in State Revolving Fund (SRF) proceeds.**

**ALTERNATIVES:**

1. Approve the following for the Sanitary Sewer Rehabilitation (E. Lincoln Way and Nikkol Trunk Line) Project:
  - a. Resolution proceeding to take additional action for the authorization of a Loan and Disbursement Agreement and this issuance of Sewer Revenue Bonds (SRF Loan) not-to-exceed \$5,700,000.
  - b. Resolution approving final plans and specifications and awarding contract to Municipal Pipe Tool Co. LLC of Hudson, Iowa, in the amount of \$4,462,230.40.
2. Do not proceed with this project at this time.

**CITY MANAGER'S RECOMMENDED ACTION:**

**This project will improve the sanitary sewer system by restoring structural integrity of deteriorating sewer segments and by removing inflow and infiltration to regain valuable capacity within the system.** Therefore, it is the recommendation of the City Manager that the City Council adopt Alternative No. 1, as described above.

**ATTACHMENT(S):**

[E Lincoln Way & Nikkol Trunk Line.pdf](#)