



# City of Grand Island

Tuesday, June 27, 2017

Council Session

## Item E-3

### **Public Hearing on Declaration of Intent to Use Clean Water State Revolving Fund (CWSRF) Loan Proceeds for Sanitary Sewer Collection System Improvements**

*Council action will take place under Resolution item I-1.*

Staff Contact: John Collins, P.E. - Public Works Director

# Council Agenda Memo

**From:** Marvin Strong PE, Wastewater Treatment Plant Engineer

**Meeting:** June 27, 2017

**Subject:** Public Hearing on Declaration of Intent to Use Clean Water State Revolving Fund (CWSRF) Loan Proceeds for Sanitary Sewer Collection System Improvements

**Presenter(s):** John Collins PE, Public Works Director

## Background

Public Works staff is working to complete the Wastewater Capital Rehabilitation Plan and develop projects to ensure the collection system and treatment plant continues to function and meet the needs of our growing community.

Projects completed or nearing completion include:

- Plant – Headworks
- Sanitary Sewer Collection System Rehabilitation
  - South and West Interceptor Rehabilitation
  - 4<sup>th</sup> and 5<sup>th</sup>; Eddy to Vine Rehabilitation
  - North Interceptor Phase I
  - North Interceptor Phase II
  - Lift Station No. 20 Force Main Rehabilitation
  - 281 sanitary sewer improvements including:
    - SID#2
    - 281 sewer extension to Bosselman's (530T)
    - Wildwood Industrial Subdivision (528)

Public Works representatives requested Clean Water State Revolving Loan Funds (CWSRF) from the Nebraska Department of Environmental Quality (NDEQ) in December 2013. The NDEQ subsequently approved various collection system improvement projects in CWSRF funds at 2 ¼ - 2 ½ %. Projects classified as “Green” receive a ¼% lower interest rate.

On July 29, 2014, via Ordinance No. 9493, City Council approved authorizing up to \$40,000,000 in financing from the CWSRF Loan Program administered by NDEQ.

## Discussion

With the favorable interest rates and staff dedication in overseeing Wastewater projects there is approximately \$6,500,000 available from the approved CWSRF Loan Program. At this time Public Works staff has identified additional projects beneficial to the City, which include:

- **Lift Station #11 Upgrade and Force Main Re-route:** The City's existing lift station is in disrepair and will be abandoned at 8<sup>th</sup> Street and Howard Avenue. A new lift station will be constructed within the boundaries of the City owned detention cell located at the southeast corner of 10<sup>th</sup> Street and Howard Avenue. A new submersible, duplex style lift station, with a grinder pump on the influent, and a stand-by generator will be installed. A new 6-inch force main will be directionally drilled from the new lift station north along Custer Avenue in order to connect into an existing 15-inch gravity line located approximately fourteen (14) blocks to the north at Custer Avenue and Forrest Street. The majority of the installation will be directional drill in order to avoid disruptive and costly pavement removal and replacement.
- **West Stolley Park Road Sanitary Sewer Extension:** The intent of this project is to extend sanitary sewer from West Stolley Park Road to the south and west in order to reduce disruption and cost by constructing infrastructure prior to the NDOR Highway 30 Realignment Project. The proposed project would provide sewer to Westpark Plaza and along the existing Highway 30 corridor via the south pipeline installation. Currently Westpark Plaza Trailer community is within City of Grand Island limits and served by a private lagoon. Businesses along existing Highway 30 are served by septic tanks and leach fields. The pipe laid to the west along Stolley Park Road will be positioned to serve existing residential lots and future development to the north and further to the west in this area.
- **Grand Island Airport Sanitary Sewer Rehabilitation:** The City of Grand Island is working with the Grand Island Airport (GRI) to combine the Airport's private sanitary sewer infrastructure with the City's. The Hall County Airport collection system originated with the Army Air Corp Base built during World War II. The majority of infrastructure is in failure, and in need of rehabilitation and repair. This project aims to investigate, and plan for repairs and or replacement of most of the sanitary infrastructure. Sanitary sewer rehab would begin at the north lift station and end at Skypark Road and Capital Avenue.

After tonight's public hearing and NDEQ's 30-day comment period, it is anticipated that an ordinance will be presented to the City Council on August 22, 2017 to give formal approval to include Lift Station No. 11 Upgrade and Force Main Re-route, West Stolley Park Road Sanitary Sewer Extension, and Grand Island Airport Sanitary Sewer Rehabilitation in a new SRF loan of \$6,473,500. Assuming SRF funding is approved, each project will follow the normal process which includes Council approval for any contracts or expenditures. With the above mentioned interest rates this will be within the constraints of the approved rates.

Of the approved loan contracts, in the amount of \$40,000,000, the City is expecting a total maximum reimbursement amount of \$31,436,436 for the existing loans in place. Of the remaining \$8,563,564; there is currently \$6,473,500 to facilitate a new loan that will include new projects and a new three (3) year construction window of interest only payments.

To date the City currently has received and spent \$35,111,862 in bond proceeds, and has made loan payments of \$8,444,164 (including principal & interest).

### **Alternatives**

It appears that the Council has the following alternatives concerning the issue at hand. The Council may:

1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

### **Recommendation**

City Administration recommends that the Council approve the resolution to include Lift Station No. 11 Upgrade and Force Main Re-route, West Stolley Park Road Sewer Extension, and Grand Island Airport Sanitary Sewer Rehabilitation in the available Clean Water State Revolving Loan Fund Program administered by the Nebraska Department of Environmental Quality.

### **Sample Motion**

Move to approve the resolution.