



City of Grand Island

Tuesday, August 24, 2021

Council Session

Item I-2

#2021-211 - Consideration of Approving Interlocal Agreement with Hall County and the Hall County Airport Authority Regarding Airport Sanitary Sewer Project

Staff Contact: Jerry Janulewicz

Council Agenda Memo

From: Jerry Janulewicz, City Administrator

Meeting: August 24, 2021

Subject: Interlocal Agreement for Airport Sanitary Sewer Project

Presenter(s): Jerry Janulewicz, City Administrator

Background

The airport was originally owned and operated by the City of Grand Island and known as Arrasmith Field. However, as part of our country's mobilization for World War II, the airport became a federal military base known as the Grand Island Army Airfield, which was opened in 1942 as one of eleven USAAF training bases in Nebraska during World War II. The Army Airfield was constructed, in part, over the pre-existing airfield. During this time, 173 buildings and structures were constructed together with supporting utilities and infrastructure, including a wastewater sewer system.

In 1948, all airport lands, buildings, personal property, and facilities, including sewer, water, and electric, were transferred by the federal government to the City of Grand Island. The city operated the airport as a city airport until March of 1970, when all lands, building, property and facilities were transferred to the County of Hall for the purpose of operating and maintaining the property as an airport pursuant to the county airport authority act. In November of 1971 the City and Airport Authority entered into an agreement for sewer service permitting the Authority to connect its system to the City's sewer system. The Authority was required to construct the necessary mains and lift stations for the project.

Although the airport is located within the municipal boundaries of the City of Grand Island, the existing airport sewer system remains property of Hall County and is under the jurisdiction and control of the Hall County Airport Authority. ("Such [county airport] authority shall be managed and controlled by a board which shall have full and exclusive jurisdiction and control over all facilities owned or thereafter acquired by such county for airport purposes." Neb. Rev. Stat. Ann. § 3-611.

Due to ongoing concerns with its condition, the sewer system was surveyed by video prior to 2017. According to a report by HDR, the pipes were found to be broken and cracked, in poor shape with areas of severe settlement and sags; cured in place liners have failed and disconnected from the pipes; the existing pumping stations are well beyond their useful service life. Following completion of the video survey and the Sanitary Sewer Master Plan, in 2020 a Basis of Design report was prepared by HDR.

The system of sewer mains and lift stations are at a point of theoretical failure. This means that the system could suffer one or more significant failure issues that could negatively impact system operations. A failure could impair operation of the airport, the Law Enforcement and State Patrol Academies, and other facilities located at the airport.

Discussion

This project has been an ongoing concern and discussion among City Administration and Airport Authority Administration, however, a clear path for financing the project was never found as the Airport Authority was unable to obtain grants for the project and it lacked the ability to pay for the project through its own revenue sources. The City, on the other hand, is unable to levy special assessments on the airport authority property. Financing the project using wastewater revenue paid by the system's rate payers was viewed as an option albeit one of last resort. With the approval of the American Rescue Plan Act of 2021, funds are now available through the Act's State and Local Fiscal Recovery Fund to pay for water, sewer, and broadband infrastructure. With this funding source in mind, discussions involving the project and project finances have taken place with the Airport Authority and the Hall County Board of Commissioners following a presentation to the City Council on June 8, 2021. As a result of the input from council members and discussions with county and airport representatives, a proposed Interlocal Agreement among the County, Airport Authority, and City was developed. The basic elements of the proposed agreement are as follows:

- A. The project would be let for bid by the City of Grand Island, which will act as the project administrator. The project would consist of the installation of a new system of sewer mains and lift stations to be connected to the City's existing sewer connection near the intersection of Sky Park Road and Capital Avenue. The existing sewer mains and lift stations would be decommissioned and abandoned in place.
- B. Upon completion of the project the city will accept the system and assume responsibility for its continued maintenance and operation on the same basis as all other public sewer mains within the city.
- C. The Hall County Airport Authority will pay \$500,000 of the project expenses, paying \$250,000 initially and \$250,000 upon project completion. The City and County would equally share in the project expenses less the amount paid by the Airport Authority.
- D. The County and/or Airport Authority will grant the necessary utility easements to the City.

Among other permissible uses, the State and Local Fiscal Recovery Fund, a part of the American Rescue Plan Act of 2021 (SLFRF/ARPA), may be utilized to fund necessary water, sewer, and broadband infrastructure. Necessary sewer infrastructure includes wastewater collection and treatment projects that would otherwise qualify for a loan from the EPA's state revolving loan fund that is administered in Nebraska by the Nebraska Department of Energy and Environment (NDEE). The airport sewer project was previously approved the project for the revolving loan program.

The proposed Interlocal Agreement was approved by the Hall County Airport Authority on August 18. The Hall County Board of Commissioners is to consider and take action on the proposed Interlocal Agreement at the Commissioners' August 24 meeting. This matter is placed on the City Council's August 24 agenda in anticipation that the Agreement will be approved by the County Commissioners and will be ready for consideration by the members of the Grand Island City Council.

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 approval of the resolution.

Sample Motion

Move to approve the resolution.

RESOLUTION 2021-211

WHEREAS, the County of Hall (“County”) holds legal title to the Central Nebraska Regional Airport and environs (“CNRA”), which is operated under the jurisdiction and control of the Hall County Airport Authority (“Authority”); and

WHEREAS, the sanitary sewer system of mains, lift stations, and related facilities (collectively referred to as the “sewer system”) at CNRA is in need of replacement; and

WHEREAS, the sewer system is owned by County and operated by Authority;
and

WHEREAS, County and Authority have approved a proposed interlocal agreement with the City of Grand Island whereby County, Authority, and City would share the cost of rehabilitating the CNRA sewer system through installation of new sewer mains, lift stations, and related facilities all as more specifically set forth in the proposed interlocal agreement; and

WHEREAS, CNRA is an important and significant asset, benefitting the City’s residents, businesses, and industries; and

WHEREAS, it is in City’s best interests to participate in the necessary rehabilitation of the CNRA sewer system and thereafter to incorporate the rehabilitated system into the City’s wastewater collection and treatment system.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA that the Interlocal Agreement for Infrastructure Rehabilitation and Transfer of Ownership by and among the Hall County Airport Authority, the County of Hall, and the City of Grand Island should be and is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, August 24, 2021.

Roger G. Steele, Mayor

Attest:

RaNae Edwards, City Clerk

Approved as to Form	☐ _____
August 20, 2021	☐ City Attorney