



# City of Grand Island

Tuesday, May 14, 2013

Council Session

## Item I-6

**#2013-150 - Consideration of Declaration of Intent to Issue Bonds for Sanitary Sewer Collection System and Wastewater Treatment Plant Improvements**

Staff Contact: John Collins PE, Public Works Director

# **Council Agenda Memo**

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

**Meeting:** May 14, 2013

**Subject:** Declaration of Intent to Issue Bonds for Sanitary Sewer Collection System and Wastewater Treatment Plant Improvements

**Item #'s:** I-6

**Presenter(s):** John Collins P.E., Public Works Director  
Marvin Strong P.E., Wastewater Plant Engineer

## **Background**

Public Works Engineering Staff and Wastewater Staff have been working with Black and Veatch and Olsson Associations to development and implement a 5 Year Wastewater Capital Improvement Plan for the City of Grand Island based on the following:

- The comprehensive plan in CH2M Hill's "Wastewater Collection and Treatment Systems Comprehensive Plan Update"
- Black and Veatch's "Wastewater Treatment Plant and Collection System Improvements – Draft Technical Memorandum #2 Hydraulic Model Validation and Analysis"
- Wastewater Projects intended to accommodate growth

Examples of Wastewater Projects included in the 5 Year Wastewater Capital Improvement Plan are:

- 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
- Growth – 281 Sanitary Sewer Improvements (District 530T)

## **Discussion**

Until the bonding is in place, our bond underwriter, Ameritas, has advised the City to declare its intention to use bond revenue to fund the capital improvements projects. This will allow bond proceeds to be used for costs of the project prior to the bonds being issued and funds received. The declaration of intent to issue bonds for \$60 million includes the \$56,545,747 million for the actual and estimated capital cost of the projects listed below plus estimated bond issuance costs.

The capital projects listed below are under construction or under design with estimated construction start dates.

Project Name	Start Date	Completion Date	Estimated Total Cost	Council Resolution	Resolution Approval Date
South and West Interceptor Rehabilitation	03/25/2013	Estimate 05/31/2013	\$ 1,054,045	2012 - 330	11-13-2012
4 <sup>th</sup> and 5 <sup>th</sup> Eddy to Vine Rehabilitation	03/20/2013	Estimate 08/15/2013	\$ 2,046,779	2012 - 360	12-18-2012
Headworks	Estimate 06/15/2013	Estimate 06/15/2015	\$21,728,264	2013 -	05-14-2013
North Interceptor Phase I	Estimate 06/12/2013	Estimate 06/26/2014	\$11,811,659	2013 -	05-14-2013
North Interceptor Phase II	Estimate 11/11/2013	Estimate 02/29/2016	\$19,905,000	Future Date	Future Date
	Total		\$56,545,747		

Multiple issues of bonds will be brought to Council, as needed, under this one declaration of intent to bond. Any remaining projects in the Wastewater Capital Improvement Plan requiring additional declaration of intent to bond above the \$60 million needs will be considered by Council in future years.

The existing Sewer System Revenue Refunding bonds, Series 2003, will be retired on April 1, 2014.

## **Alternatives**

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

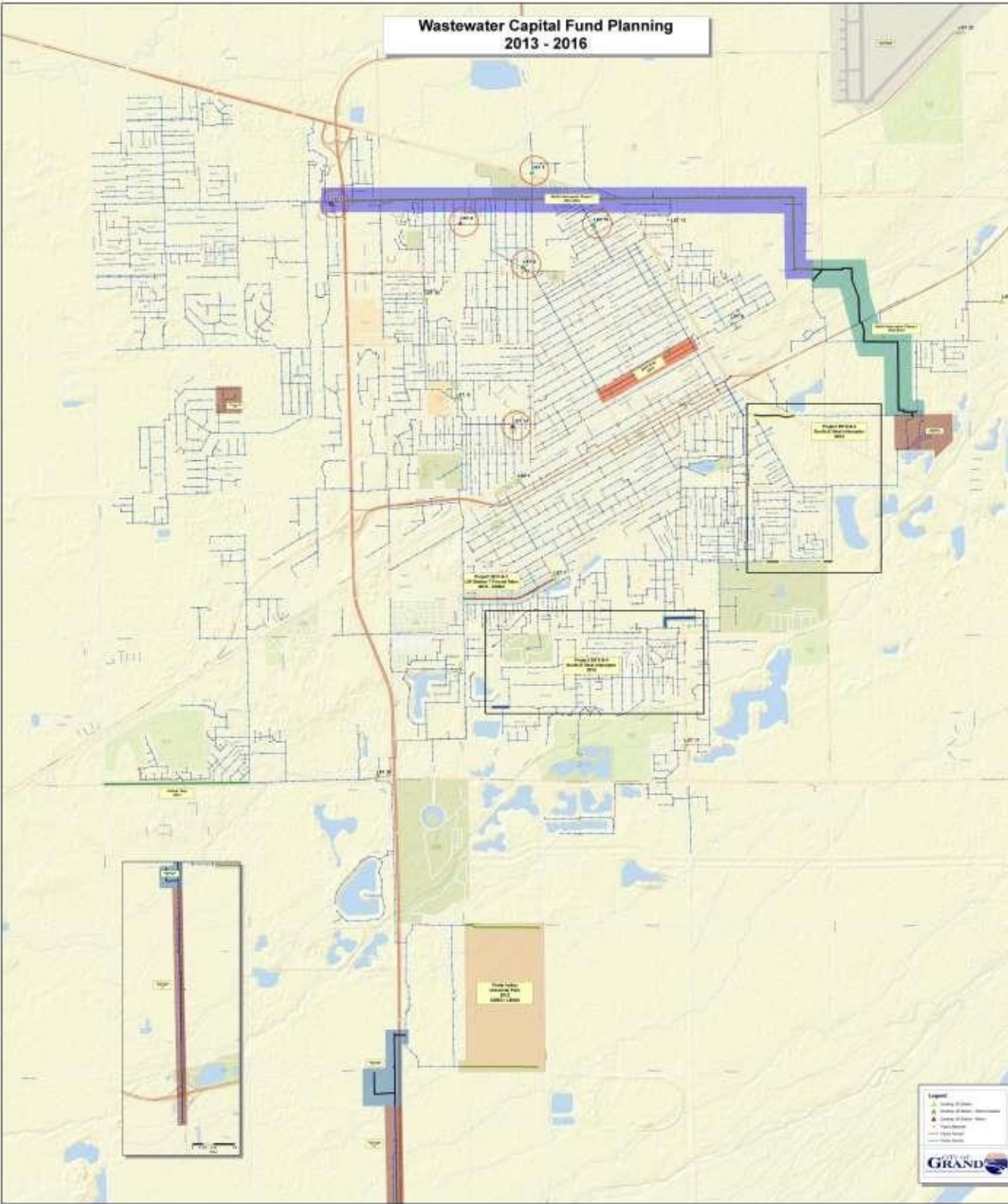
1. Move to approve
2. Refer the issue to a Committee
3. Postpone the issue to future date
4. Take no action on the issue

## **Recommendation**

City Administration recommends that the Council approve the declaration of intent to issue bonds to reimburse expenses resulting from sanitary sewer collection system and wastewater treatment plant improvements.

## **Sample Motion**

Move to approve the declaration of intent to reimburse expenses resulting from sanitary sewer collection system and wastewater treatment plant improvements.



## RESOLUTION 2013-150

WHEREAS; the Mayor and Council of the City of Grand Island hereby find and determine that it is necessary and appropriate to declare their official intent to issue tax-exempt bonds on behalf of the City, and in addition, the City's reasonable expectations to reimburse certain expenditures with the proceeds of such bonds as proposed to be issued by the City in connection with the proposed project as described below.

WHEREAS; this Resolution shall stand as a statement of the City's official intent under Regulation Section 1.150-2 of the regulations of the United States Treasury and for such purpose the following information is hereby given:

1. A general functional description of the projects for which expenditures may be made and reimbursement from bond proceeds provided is as follows:

Sanitary Sewer Collection System and Wastewater Treatment Plant Improvements

2. The maximum principal amount of debt expected to be issued for such projects is \$60 million dollars.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE CITY OF GRAND ISLAND, NEBRASKA, that the declaration of intent to issue bonds to reimburse expenses resulting from the Wastewater Capital Improvements is hereby approved.

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Adopted by the City Council of the City of Grand Island, Nebraska, May 14, 2013.

\_\_\_\_\_  
Jay Vavricek, Mayor

Attest:

\_\_\_\_\_  
RaNae Edwards, City Clerk

Approved as to Form	<input type="checkbox"/> _____
May 10, 2013	<input type="checkbox"/> City Attorney