

**APPROVED**  
BY THE CITY COUNCIL

**JAN 27 1998**

OFFICE OF THE  
CITY CLERK



1.4

DEPARTMENT OF  
UTILITIES  
  
ENGINEERING SERVICES

CITY OF SACRAMENTO  
CALIFORNIA  
January 2, 1998

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SUITE 100  
SACRAMENTO, CA  
95822-2911

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FAX 916-433-6652

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: SUMP 1/1A AND PIONEER RESERVOIR REHABILITATION AND IMPROVEMENT PROJECT AND SUMP 2 IMPROVEMENT PROJECT: (PN's XM23 AND XM24): TRANSFER FUNDS AND ESTABLISH WASTEWATER CAPITAL RESERVE AND DEDICATED SOURCE OF REVENUE FOR REPAYMENT OF STATE REVOLVING FUND LOAN**

**LOCATION AND COUNCIL DISTRICT:**

The project is located at the Sump 1/1A and Pioneer Reservoir facilities, U and Front Streets, and Sump 2, 3500 Riverside Boulevard in District 4 (see attached map).

**RECOMMENDATION:**

Staff recommends that the City Council approve the attached resolution to transfer funds and establish a wastewater capital reserve and a dedicated source of revenue for repayment of State Revolving Fund loan which will be used to fund the subject projects.

**CONTACT PERSON:** Gary A. Reents, Engineering Services Manager, 433-6633  
Rick Batha, Senior Engineer, 433-6625

**FOR COUNCIL MEETING OF:** January 27, 1998

**SUMMARY**

City staff has secured a loan commitment from the State Revolving Fund (SRF) program for the design, administration, and construction of the Sump 1/1A and Pioneer Reservoir Rehabilitation and Improvements Project and the Sump 2 Improvements Project. SRF program policies require the establishment of a wastewater capital reserve and a dedicated source of revenue for repayment of the loan amounts, which will commence after construction is completed.

**COMMITTEE/COMMISSION ACTION:**

None.

City Council  
January 2, 1998  
State Revolving Fund Requirements (PN: XM23, XM24)

## **BACKGROUND INFORMATION**

In November 1997, the State Water Resources Control Board approved the City's application for a loan from the State Revolving Fund. Funds will become available as expenses are incurred. Repayment of the loan will begin after the Sump 2 Rehabilitation and Improvement project is completed. The repayment period is 20 years.

## **ENVIRONMENTAL CONSIDERATIONS**

Consistent with the California Environmental Quality Act, the City has prepared an environmental impact report (EIR). The EIR addressed both the Combined Sewer System Rehabilitation and Improvement Program and the specific Sump 1/1A and Pioneer Reservoir Improvement Project and the Sump 2 Rehabilitation and Improvement Project. In March 1997, the City Council certified the EIR and adopted the Findings of Fact and Statement of Overriding Considerations, and adopted the Mitigation Monitoring Plan.

## **FINANCIAL CONSIDERATIONS**

The estimated total cost to design, administer, and construct both major projects is approximately \$61,000,000. State Revolving Fund guidelines allow application for \$55,988,600 based upon current estimates. The procedural guidelines of the State Revolving Fund stipulate that the borrower establish a reserve equal to five percent of the amount borrowed and maintain that reserve until the loan is repaid. The City is authorized under State Revolving Fund program guidelines to set aside the reserve at the rate of one-half (1/2) of one (1) percent annually until the full amount of reserve has been attained. Staff recommends that \$280,000 be transferred to the CSS Major Project SRF Reserve (425-500-XD44-4414), which has an unobligated balance of \$5,522,945 as of January 7, 1998.

State Revolving Fund program requirements stipulate that the City dedicate a revenue source for repayment of the loan. Staff recommends that the City Council approve the attached resolution to dedicate revenue from the Sewer Fund and the Storm Drainage Fund to repay the loan from the State Revolving Fund.

## **POLICY CONSIDERATIONS**

The Combined Sewer System Improvement Plan is consistent with past City Council direction and satisfies requirements that led to the rescission of the Cease and Desist Order issued by the RWQCB. Consultant procurements and bidding will be consistent with Sacramento City Code, Chapter 58 and 59.

City Council  
January 2, 1998  
State Revolving Fund Requirements (PN: XM23, XM24)

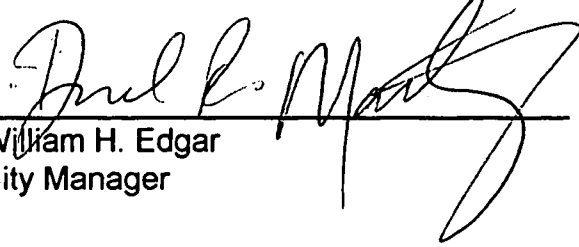
**MBE/WBE**

MBE/WBE considerations do not pertain to this loan application authorization. The two major projects require contracting with consulting engineers and contractors which are subject to City policy regarding MBE/WBE participation goals of 10.57% MBE and 9.5% WBE.

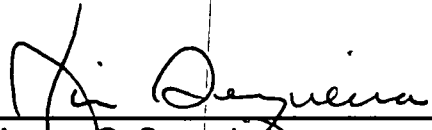
Respectfully submitted,

  
\_\_\_\_\_  
Gary A. Reents  
Engineering Services Manager

RECOMMENDATION APPROVED:

  
\_\_\_\_\_  
William H. Edgar  
City Manager

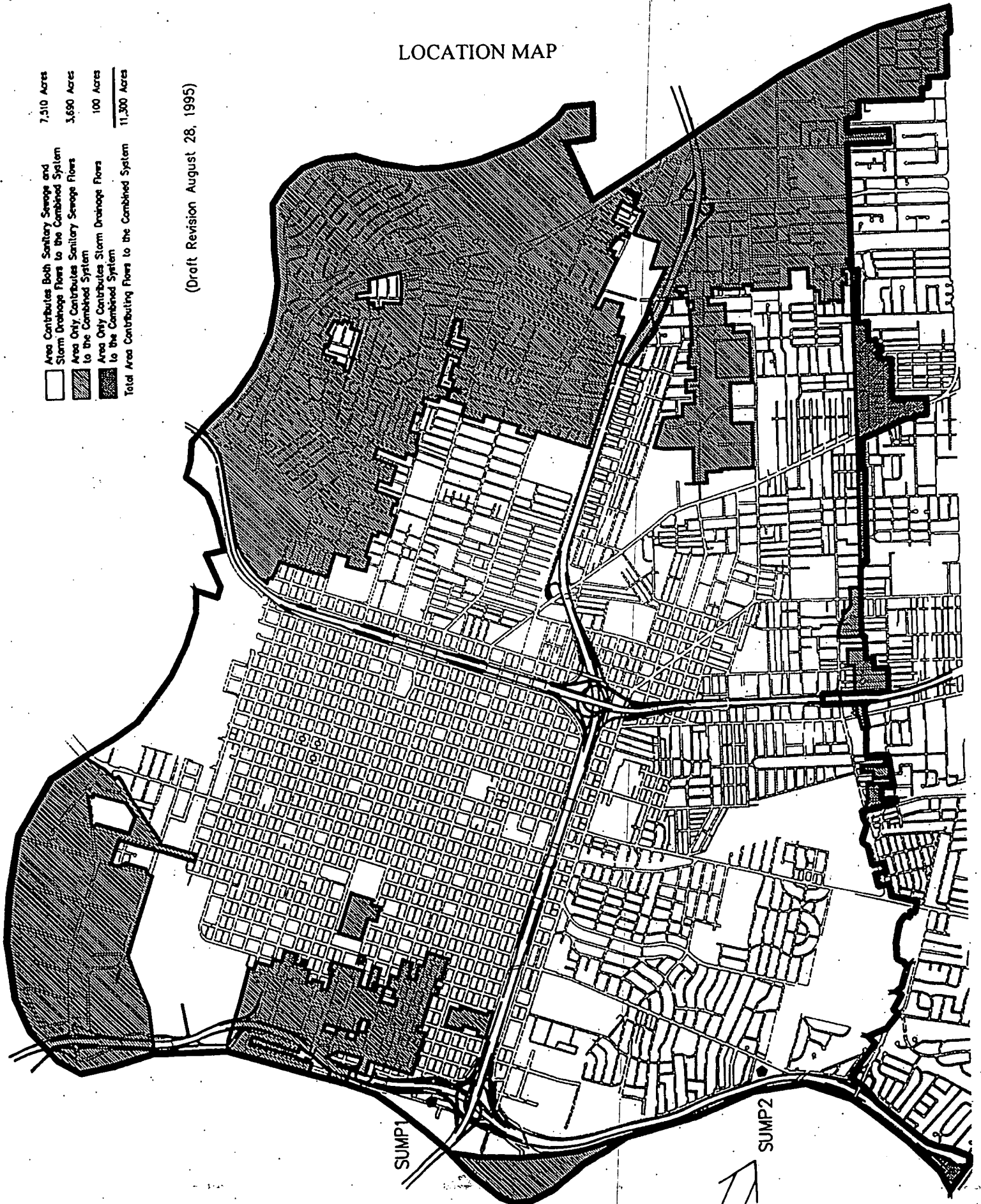
APPROVED:

  
\_\_\_\_\_  
James G. Sequeira  
Director of Utilities

# LOCATION MAP

- Area Contributes Both Sanitary Sewage and Storm Drainage Flows to the Combined System 7,510 Acres
- ▨ Area Only Contributes Sanitary Sewage Flows to the Combined System 3,690 Acres
- ▩ Area Only Contributes Storm Drainage Flows to the Combined System 100 Acres
- Total Area Contributing Flows to the Combined System 11,300 Acres

(Draft Revision August 28, 1995)



**AMENDED 3/6/98**

**RESOLUTION NO. 98-023**

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF JAN 27 1998

**RESOLUTION TO APPROVE A RESERVE AND TO DEDICATE REVENUE FOR THE REPAYMENT OF LOANS FROM THE STATE REVOLVING FUND FOR CONSTRUCTION OF THE SUMP 1/1A AND PIONEER RESERVOIR REHABILITATION AND IMPROVEMENT PROJECT AND FOR DESIGN AND CONSTRUCTION OF THE SUMP 2 REHABILITATION AND IMPROVEMENT PROJECT: (PN's XM23 AND XM24)**

**BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:**

1. The City designates the CSS Major Project (PN: XD44) as reserve until full repayment is made to the State Revolving Fund of the amount loaned. Funds in the amount of \$280,000 are hereby transferred from the Combined Sewer System Reserve (425-500-XD42-4414) to the CSS Major Project SRF Reserve (425-500-XD44-4414).
2. The City of Sacramento hereby dedicates revenue from the Sewer Fund and the Storm Drainage Fund to repayment of any and all State Revolving Fund loans on Project No. C-06-4441-110. This dedicated source of revenue shall remain in effect until such loan or loans are fully discharged, unless modification or change of such dedications is approved in writing by the State Water Resources Control Board.

**JOE SERNA, JR.**

MAYOR

ATTEST:

**VALERIE BURROWS**

CITY CLERK

FOR CITY CLERK USE ONLY

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MAYOR

ATTEST:

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