



APPROVED  
BY THE CITY COUNCIL

SEP 28 1999

OFFICE OF THE  
CITY CLERK

1.10

DEPARTMENT OF  
UTILITIES  
ENGINEERING SERVICES

CITY OF SACRAMENTO  
CALIFORNIA  
September 8, 1999

1395 - 35TH AVENUE  
SACRAMENTO, CA  
95822-2911

PH 916-264-1400  
FAX 916-264-1497

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: UCD MEDICAL CENTER REGIONAL STORAGE PROJECT (PN:XM44):  
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 southeast corner of V and 49<sup>th</sup> Streets in District 5 (see attached map).

**RECOMMENDATION:**

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

**CONTACT PERSON:** Gary A. Reents, Engineering Services Manager, 264-1433  
Rick Batha, Senior Engineer, 264-1448

**FOR COUNCIL MEETING OF:** September 28, 1999

**SUMMARY**

City staff has secured a loan commitment from the State Revolving Fund (SRF) program for the design, administration, and construction of the UCD Medical Center Regional Storage 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  
September 8, 1999  
State Revolving Fund Requirements (PN: XM44)

## **BACKGROUND INFORMATION**

The UCD Med Center Regional Storage Project is a major component of the Combined System Improvement Plan which was adopted by the City Council in March, 1996. The project is currently under construction.

City staff has met with staff from the State Water Resources Control Board, who administer the State Revolving Fund loan program, to determine and ensure eligibility for the loan. In August 1999, the State Water Resources Control Board approved the Facility Plan, a major portion of the City's application for a loan from the State Revolving Fund for this project. After loan approval and execution of the contract, funds will become available as expenses are incurred. Repayment of the loan will begin one year after the UCD Medical Center Regional Storage Project is completed. The repayment period is 20 years.

## **ENVIRONMENTAL CONSIDERATIONS**

Consistent with the California Environmental Quality Act and the National Environmental Protection Act, the City has prepared a Negative Declaration for this project which has been ratified by the City Council.

## **FINANCIAL CONSIDERATIONS**

The estimated total cost to design, administer, and construct both major projects is approximately \$8,300,000. State Revolving Fund guidelines allow application for approximately \$4,500,000 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.

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.

The City currently appropriates \$280,000 annually to the CSS Major Project SRF Reserve (PN:XD44), which is sufficient to meet the SRF reserve requirements.

City Council  
September 8, 1999  
State Revolving Fund Requirements (PN: XM44)

**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.

**ESBD CONSIDERATIONS**

ESBD considerations do not pertain to this loan application requirement.

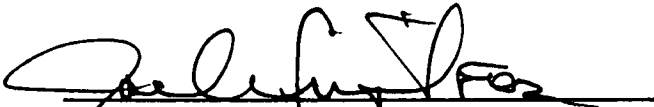
Respectfully submitted,



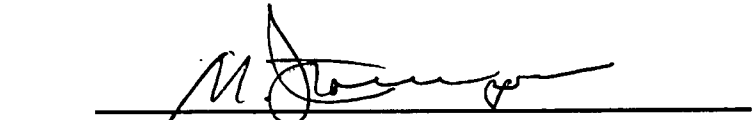
\_\_\_\_\_  
Gary A. Reents  
Engineering Services Manager

RECOMMENDATION APPROVED:

APPROVED:



\_\_\_\_\_  
Robert P. Thomas  
City Manager



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

of the SAP

of the SAP

# LOCATION MAP



PROJECT LOCATION

STOCKTON

DW BROADWAY

STOCKTON

ALHAMBRA

UC DAVIS  
MEDICAL  
CENTER

FAIRGROUNDS  
PAVILION

CHRISTOPHER

BEAR FLAG WY

RODEO

HIDDEN

**RESOLUTION NO. 99-543**

**ADOPTED**  
BY THE CITY COUNCIL

ADOPTED BY THE SACRAMENTO CITY COUNCIL

**SEP 28 1999**

ON DATE OF \_\_\_\_\_

OFFICE OF THE  
CITY CLERK

**RESOLUTION TO APPROVE A RESERVE AND TO DEDICATE  
REVENUE FOR THE REPAYMENT OF LOANS FROM THE STATE  
REVOLVING FUND FOR CONSTRUCTION OF THE UCD MEDICAL  
CENTER REGIONAL STORAGE PROJECT (PN: XM44)**

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

1. The City re-stipulates the CSS Major Project SRF Reserve (PN: XD44) as reserve until full repayment is made to the State Revolving Fund for the amount loaned and will continue to set aside annually 1/2 of 1% of all amounts loaned into this reserve until the total amount set aside is five percent (5%) of the amount loaned. 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-06-4652-110. 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.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO. \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_