



1.4

APPROVED
BY THE CITY COUNCIL
APR 21 1998
OFFICE OF THE
CITY CLERK
70 FREEPORT BLVD.
SUITE 100
SACRAMENTO, CA
95822-2911

DEPARTMENT OF
UTILITIES
ENGINEERING SERVICES

CITY OF SACRAMENTO
CALIFORNIA
April 1, 1998

PH 916-433-6318
FAX 916-433-6652

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: RESOLUTION TO APPROVE A RESERVE AND TO DEDICATE REVENUE FOR THE REPAYMENT OF A LOAN FROM THE STATE REVOLVING FUND FOR DESIGN AND CONSTRUCTION OF THE SUMP 2 REHABILITATION AND IMPROVEMENT PROJECT (PN: XM24)

LOCATION AND COUNCIL DISTRICT:

The project is located at Sump 2, 3500 Riverside Boulevard in District 4 (see attached map).

RECOMMENDATION:

Staff recommends that the City Council approve the attached resolution to approve a reserve and to dedicate revenue for the repayment of a loan from the State Revolving Fund for design and construction of the Sump 2 Rehabilitation and Improvement Project (PN: XM24).

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

FOR COUNCIL MEETING OF: April 21, 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
April 1, 1998
State Revolving Fund Requirements (PN: XM24)

BACKGROUND INFORMATION

In November 1997, the State Water Resources Control Board (SWRCB) 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.

On January 28, 1998, the City Council approved the designation of the CSS Major Project (PN: XD44) as reserve until full repayment is made to the State Revolving Fund and dedicated revenue from the Sewer Fund and the Storm Drainage Fund to repayment of any and all State Revolving Fund loans on State Board Project No. C-06-4441-110, the Sump 1/1A and Pioneer Reservoir Rehabilitation and Improvements Project. The State Water Resources Control Board, the State agency which administers the State Revolving Fund, requires an additional reserve account and revenue source for repayment for Project No. C-06-4441-120, the Sump 2 Improvements project.

ENVIRONMENTAL CONSIDERATIONS

Consistent with the California Environmental Quality Act, the City 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 \$50,000,000. State Revolving Fund guidelines allow application for \$39,552,000 based upon current estimates. The procedural guidelines of the State Revolving Fund stipulate that the borrower establish a reserve equal to five percent (5%) 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 of one percent (0.5%) annually until the full amount of reserve has been attained. On January 27, 1998, the City Council authorized the transfer of \$280,000 to the CSS Major Project SRF Reserve (PN: XD44) from the CSS Combined Sewer System Reserve. No further appropriation or transfer is necessary at this time. Additional annual appropriations will be requested as part of the annual Capital Improvement Program.

City Council
April 1, 1998
State Revolving Fund Requirements (PN: XM24)

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.

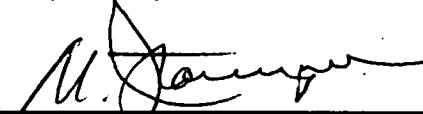
POLICY CONSIDERATIONS

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.

MBE/WBE

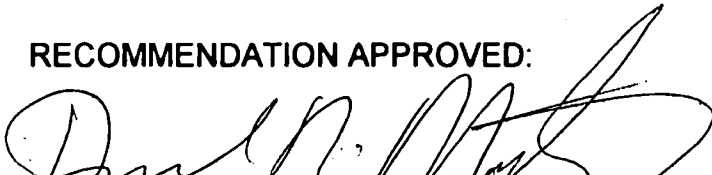
MBE/WBE considerations do not pertain to this loan application authorization. The two major projects require contracting with consulting engineers and contractors which are subject to City policy regarding MBE/WBE participation goals of 10.57% MBE and 9.5% WBE.

Respectfully submitted,



For Gary A. Reents
Engineering Services Manager

RECOMMENDATION APPROVED:

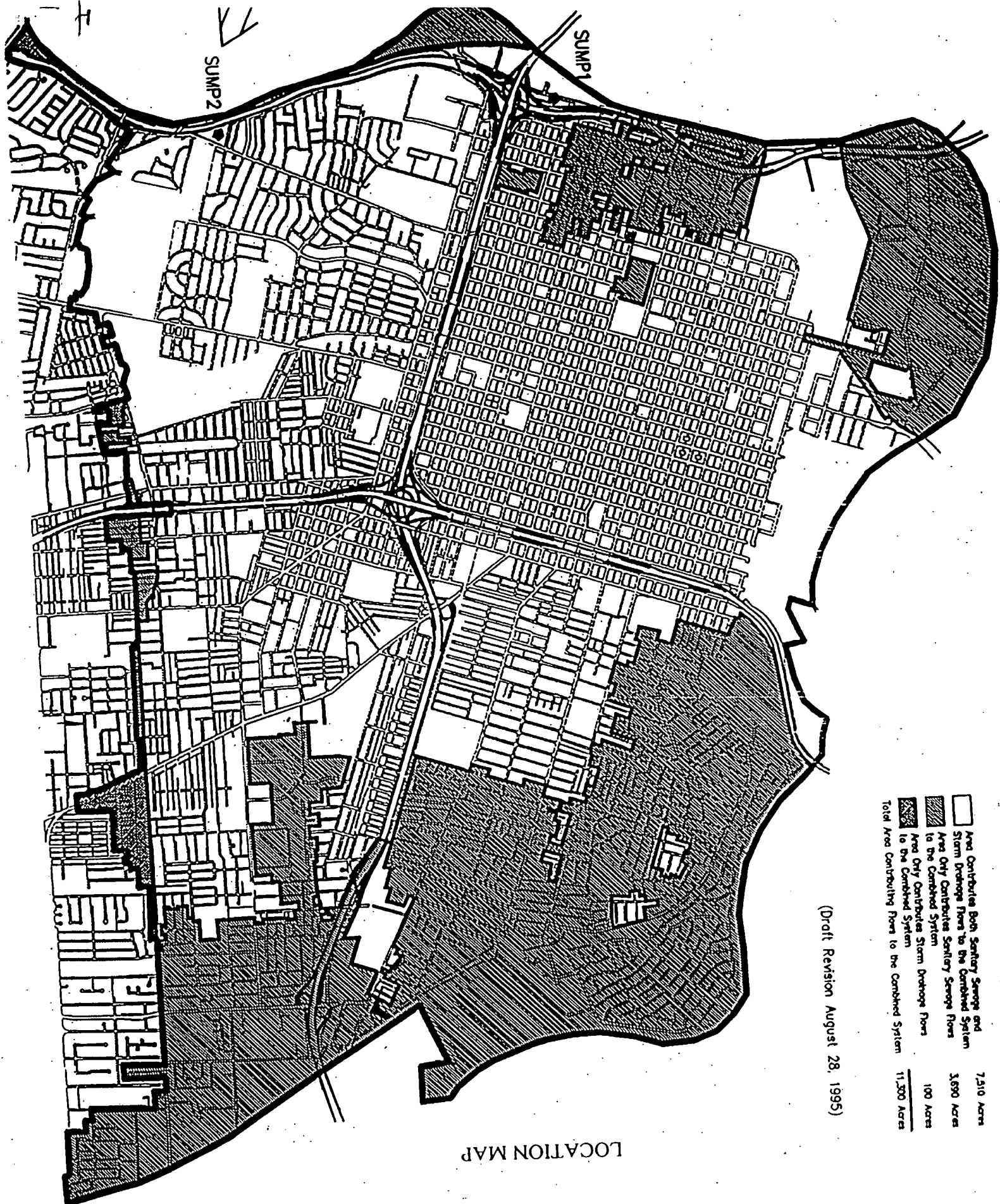


William H. Edgar
City Manager

APPROVED:



James G. Sequeira
Director of Utilities



LOCATION MAP

(Draft Revision August 28, 1995)

□	Area Contributing Both Sanitary Sewage and Storm Drainage Flows to the Combined System	7,210 Acres
▨	Area Only Contributing Sanitary Sewage Flows to the Combined System	3,690 Acres
▩	Area Only Contributing Storm Drainage Flows to the Combined System	100 Acres
▧	Total Area Contributing Flows to the Combined System	11,000 Acres

RESOLUTION NO. 98-132

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

APPROVED
BY THE CITY COUNCIL
APR 21 1998
OFFICE OF THE
CITY CLERK

RESOLUTION TO APPROVE A RESERVE AND TO DEDICATE REVENUE FOR THE REPAYMENT OF A LOAN FROM THE STATE REVOLVING FUND FOR DESIGN AND CONSTRUCTION OF THE SUMP 2 REHABILITATION AND IMPROVEMENT PROJECT (PN: XM24)

BE IT RESOLVED BY THE SACRAMENTO CITY COUNCIL THAT:

1. The City designates the CSS Major Project SRF Reserve (PN: XD44) as reserve until full repayment is made to the State Revolving Fund of any amounts loaned. The City will appropriate annually to this project an amount not less than one half of one percent (0.5%) of any amounts loaned from the State Revolving Fund until the amount in the project is equal to five percent (5%) of the total amounts loaned. The project will be administered in accordance with the terms of the "Policy for Implementing the State Revolving Fund for Construction of Wastewater Facilities" adopted by the State Water Resources Control Board on January 18, 1996.
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-06-4441-120. This dedicated source of revenue will 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: _____