

OFFICE OF THE CITY MANAGER
DES MOINES, IOWA

CITY COUNCIL COMMUNICATION 96-214
MAY 20, 1996 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
SRF LOAN NO. 7— WASTEWATER TREATMENT PLANT	◆ RESOLUTION ORDINANCE RECEIVE/FILE	MARTIN K. FREDERICKSON FINANCE DIRECTOR

SYNOPSIS —

State Revolving Fund (SRF) Loan No. 7 in the amount of \$6,166,000 is proposed to fund the second phase of the financing for the facilities expansion and new residuals handling facilities at the WRA Wastewater Treatment Plant. The initial \$11,234,000 of project costs were financed in June 1995 with SRF Loan No. 6, and Loan No. 7 is required to fund the remainder of the \$17,400,000 project.

FISCAL IMPACT —

This project is provided for on page 223 of the 1995-96 CIP. The funds obtained utilizing SRFs will be repaid by the WRA Constituent Communities on a pro rata basis according to the participation percentages provided in the ICA Agreement. Des Moines' share of this loan is 71.08 percent of the total or \$4,382,793. Provisions for debt retirement of the City's share is included in the current sewer usage fee rate structure.

RECOMMENDATION —

Approval to proceed with continuing the eighth phase financing plan for the facilities expansion and new residuals handling facilities at the WRA Wastewater Treatment Plant utilizing SRF Loan No. 7 in the amount of \$6,166,000.

BACKGROUND —

On April 5, 1993, by Roll Call No. 93-1302, an agreement was executed by the City of Des Moines with RUST/Metcalf & Eddy - A Joint Venture to prepare an amendment to the Des Moines Integrated Area Facilities Plan to provide for additional personnel facilities, additional storage facilities, additional vehicle storage facilities, and additional parking for plant employees at the wastewater treatment plant. Such amendment to the plan has now been completed and recommends certain additional facilities necessary to be constructed at the wastewater treatment plant.

Construction of the new facilities is necessary to accommodate the increase in plant staffing over that which was contemplated in the original design of the facilities initiated in 1982. The present staffing is at 163 employees and could reasonably be expected to ultimately climb to 200 employees as compared to the 1982 anticipated design staffing of 100. The increase in staff size as was outlined in Roll Call No. 93-102 is due to changes in federal regulations concerning laboratory functions, land application of solids residuals (sludge), the recent addition of certain process facilities at the treatment plant, and the additional responsibilities associated with maintenance of all the pumping stations in the City which

includes WRA pumping stations, Des Moines' sanitary pumping stations, and the Des Moines stormwater pumping stations.

The amendment to the facilities plan which is entitled *Personnel Facilities - Facilities Plan Amendment, Des Moines Integrated Community Area (ICA) Regional Wastewater Treatment Plant --1994* authorized by the City Council at the April 5, 1993, meeting has been reviewed and approved by the WRA Technical Committee on Tuesday, May 17, 1994. The amendment has also been subject to the hearing process required by the ICA Agreement and has received approval to proceed with design and construction of the recommended facilities by the WRA Management Agency on Tuesday, May 24, 1994. The Iowa Department of Natural Resources has also reviewed and approved the amendment as part of their review concerning the SRLF.

Funding for this project is being accomplished in two phases because the entire funding need could not be satisfied with one year's allocation of the State's SRF funds. The first part of the financing was accomplished in 1995 and the second part is necessary at this time to allow for completion of construction of the facilities. The design of the facilities is nearing completion with construction anticipated to begin in late 1996.

SRF Loan No. 7 has an interest rate of 4.19 percent and will fund the City's share as well as the costs allowable to the other WRA members.