

 <p style="text-align: center;">Council Communication Office of the City Manager</p>	Date	December 21, 2009
	Agenda Item No. 54 Roll Call No. <u>09-</u> Communication No. <u>09-878</u> Submitted by: William G. Stowe, Assistant City Manager-Public Works Director, and Jeb E. Brewer, P.E. City Engineer	

AGENDA HEADING:

Approval of an agreement between Des Moines and the Wastewater Reclamation Authority (WRA) Providing for the Acquisition of Design Flow Capacity and Proportionate Reversionary Interest in the Four Mile Interceptor Phase 23, Segments 1 - 4.

SYNOPSIS:

Recommend Council approval of the agreement between Des Moines and the WRA Providing for the Acquisition of Design Flow Capacity and Proportionate Reversionary Interest in the Four Mile Interceptor Phase 23, Segments 1 – 4 (the “Agreement”).

FISCAL IMPACT:

Amount: \$2,389,148

Funding Source: 2009-10 CIP, Page Sanitary-5, SAE054, City-wide Sanitary Sewers, Sanitary Sewer Revenue Funds, with reprogramming of funds from Page Sanitary-11, SAE049, Lining Sanitary Trunk and Lateral Sewers.

ADDITIONAL INFORMATION:

The City of Des Moines is a party to the Amended and Restated Agreement for the Des Moines Metropolitan Wastewater Reclamation Authority (the "WRA") effective as of July 1, 2004 (the "WRA Agreement"). As a Participating Community, the City of Des Moines is classified as a Core Community and may acquire design flow capacity and a proportionate reversionary interest in any expansion improvement undertaken in accordance with the WRA Agreement. The requesting Core Community shall be responsible for a proportionate share of the costs of acquiring and constructing such expansion improvement, based on the proportion of its design flow allocation to the total design flow of each project segment of the expansion improvement in which the Core Community desires to participate. The requesting Core Community shall pay all such costs at such times and in such amounts as shall be determined by the WRA Board.

The WRA Facility Plan Update was approved by City Council on April 19, 2004. This approved WRA Facility Plan identifies improvements that are essential to the overall operation of the WRA. These improvements are referred to as "core" improvements. These improvements are designed to provide additional sewer capacity or to extend sewer service to newly connecting communities. The improvements that benefit specific communities were identified as "expansion" projects. The communities that receive benefits from the expansion projects will be allocated the capital cost of all of

the expansion projects on the basis of the community flow to the total flow of the expansion communities. The Facility Plan also noted the existing City of Des Moines Four Mile trunk is located along Four Mile Creek following a corridor similar to this proposed WRA Four Mile Interceptor. In the northern part of the City of Des Moines Four Mile Trunk system, there are reaches where the existing City of Des Moines trunk sewer is located so close to the Four Mile Creek that erosion has endangered the structural integrity of the trunk sewer. The Facility Plan also noted the City of Des Moines may participate in a portion of the Four Mile Interceptor project; and as a core community, the City of Des Moines would be obligated to participate in the proportionate cost basis of the Four Mile Interceptor project that it would utilize. A need for an identified capacity for the City of Des Moines, as authorized in the approved Facility Plan, was determined prior to construction. Therefore, on January 2, 2008 a request was sent to the WRA noting the required capacity to fully service the area assigned to the City of Des Moines trunk sewer should be 6.12 million gallons per day (MGD) in the Four Mile Interceptor, Phase 23, Segments 1 through 4.

The City of Des Moines has planned for this anticipated utilization of Four Mile Interceptor. Also in 2004, Council authorized extension of a sanitary sewer across Four Mile Creek and temporary connection to the existing WRA trunk. This temporary sewer connection and manhole were constructed so that the permanent connection could be made easily when the proposed Four Mile Interceptor was constructed.

As required by the WRA Agreement and as noted above, the requesting Core Community shall be responsible for a proportionate share of the costs of acquiring and constructing such expansion improvement, based on the proportion of its design flow allocation to the total design flow of each project segment. The estimated City of Des Moines cost for this 6.12 MGD is \$2,389,148. This cost is based upon the 7.30% of estimated project costs and resulting 7.30% reversionary interest for the Four Mile Interceptor Phase 23, Segments 1 and 2 projects, and 10.50% of estimated project costs and resulting 10.50% reversionary interest for the Four Mile Interceptor Phase 23, Segment 3 project, and 9.72% of the estimated project costs and resulting 9.72% reversionary interest for the Four Mile Interceptor Phase 23, Segment 4 project.

In accordance with the Agreement, the City of Des Moines must pay the WRA before the construction costs associated with the Des Moines work are incurred by the WRA. Therefore, the WRA will invoice the City of Des Moines periodically based on the above percentages for each segment as the construction costs are incurred for each project, so that the WRA will not be required to finance the Des Moines construction costs. The City of Des Moines must promptly pay these invoices, so the Roll Call authorizes the Finance Director to pay these WRA invoices, after Staff approval, for each segment that are based on the City of Des Moines portion of the actual construction costs for the Four Mile Interceptor Phase 23, Segments 1-4 without further City Council action.

PREVIOUS COUNCIL ACTION(S):

Date: September 13, 2004

Roll Call Number: 04-1962

Action: On Four Mile Trunk Replacement Sewer: Resolution approving plans, specifications, form of contract documents, Engineer's estimate and designating lowest responsible bidder as Van Hauen & Associates, Inc. (Mark Van Hauen, Vice President/CEO), \$144,000. Moved by Mahaffey to adopt. Motion Carried 6-1. Absent: Coleman.

Date: April 19, 2004

Roll Call Number: 04-844

Action: Amended and Restated Agreement, consenting to issuance of bonds by the Board, to construct improvements under the term of the agreement, which includes the Facilities Plan Update. Moved by Vlassis to adopt. Motion Carried 6-1.

BOARD/COMMISSION ACTION(S): NONE

ANTICIPATED ACTIONS AND FUTURE COMMITMENTS: NONE

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