

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0122R

RESOLUTION AUTHORIZING APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY AND TO ENTER INTO A LOAN/GRANT AGREEMENT FOR THE CONSTRUCTION OF THE LAKESIDE INTERCEPTOR SANITARY SEWER OVERFLOW (SSO) STORAGE FACILITY - BASIN #2 AT 20TH AVENUE EAST AND WATER STREET.

CITY PROPOSAL:

The city council finds:

(a) That the city of Duluth has a long term program to eliminate and manage sanitary sewer overflows which includes construction of storage basins to accommodate peak wet weather flows; and

(b) Studies have shown that the city of Duluth must construct multiple storage basins to eliminate sanitary sewer overflows from the Lakeside interceptor; and

(c) The estimated cost of the Lakeside interceptor SSO storage facility - Basin #2 project is estimated to be \$6,000,000, with \$1,854,130 of the costs being funded by a grant from the 2005 bonding bill. The remaining costs (\$4,145,870) are the city's responsibility. The public facilities authority expects to have grant and loan monies available from President Obama's stimulus package to finance the city's share of the project costs; and

(d) To receive this money, the city must submit required information and enter into a loan/grant agreement with the Minnesota public facilities authority.

RESOLVED, that the proper city officials are hereby authorized to submit an application and to enter into a loan/grant agreement with the Minnesota public facilities authority for funding of the Lakeside interceptor sanitary sewer overflow storage facility - Basin #2 at 20th Avenue East and Water Street as described in the application.

FURTHER RESOLVED, that the city of Duluth has the legal authority to apply for the money, and the financial, technical and managerial capacity to ensure proper construction, operation and maintenance of the project for its design life.

FURTHER RESOLVED, that the city of Duluth estimates the loan/grant amount to be \$4,145,870 or the as-bid costs of the project.

FURTHER RESOLVED, that the city hereby expresses its official intent to use proceeds of this loan to reimburse engineering and construction expenditures made prior to the issuance of its general obligation bond to the public facilities authority.

Approved:

Approved for presentation to council:

Department Director

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

ENG MJG:jh 2/12/2009

STATEMENT OF PURPOSE: This resolution will authorize the submission of an application to enter into a loan/grant agreement with the Minnesota public facilities authority for the Lakeside interceptor SSO storage facility - Basin #2 at 20th Avenue East and Water Street. The PFA funds will be the city's match to the state of Minnesota's 2005 bonding bill grant funds. The city's matching funds will be payable from the Sanitary Sewer Fund 0530, Department/Agency 500, Organization 1905, Object 5533, City Project No. 0696SN.