

PUBLIC WORKS AND UTILITIES COMMITTEE

09-0515R

RESOLUTION AUTHORIZING APPLICATION TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY AND A LOAN AGREEMENT FOR PHASE I OF THE EAST INTERCEPTOR SSO STORAGE FACILITY PROJECT, LIFT STATION NO. 6 RECONSTRUCTION, COLLECTION SYSTEM AND DIVERSION STRUCTURE PIPING IMPROVEMENTS.

CITY PROPOSAL:

THE CITY COUNCIL FINDS:

(a) That the city of Duluth is under consent decree orders to eliminate sanitary sewer overflow;

(b) The East Interceptor is one of the overflow points that the city is mandated to eliminate;

(c) The estimated cost of Phase I of the East Interceptor SSO storage facility project (Lift Station No. 6 reconstruction, collection system and diversion structure piping improvements) is estimated to be \$3,000,000, with \$1,980,000 of the costs being funded by a grant from ARRA funds through the 569 assistance program. The remaining costs of \$1,020,000 are the city's responsibility. The public facilities authority (PFA) may have loan monies available to finance the city's share of the project costs;

(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 agreement with the Minnesota public facilities authority for funding of Lift Station No. 6 reconstruction, collection system and diversion structure improvements as described in the application.

FURTHER RESOLVED, that the city of Duluth has the legal authority to apply for the funds, 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 amount to be \$1,020,000 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 Minnesota public facilities authority.

Approved:

Approved for presentation to council:

Department Director
Purchasing Agent _____

Chief Administrative Officer

Approved as to form:

Approved:

Attorney

Auditor

ENG MJG:jh 8/12/2009

STATEMENT OF PURPOSE: This resolution will authorize the submission of an application and a loan agreement with the Minnesota public facilities authority for Phase I of the East Interceptor SSO storage facility (Lift Station No. 6 reconstruction, collection system and diversion structure piping improvements). The PFA funds will be the city's match to the Army Corps of Engineers 569 assistance program ARRA grant funds. The city's matching funds will be payable from Clean Water Fund 0532, Department/Agency 500, Object 5532, City Project No. 0802SN.