



City Council

Approval of the Drinking Water State Revolving Fund (DWSRF) Loan for the Fones Road Booster Pump Station

Agenda Date: 6/14/2016
Agenda Item Number: 4.C
File Number: 16-0661

Type: contract **Version:** 2 **Status:** Passed

Title

Approval of the Drinking Water State Revolving Fund (DWSRF) Loan for the Fones Road Booster Pump Station

Recommended Action

Committee Recommendation:

Not referred to a committee

City Manager Recommendation:

Move to approve the Drinking Water State Revolving Fund Loan for the Fones Road Booster Pump Station and authorize the City Manager to sign the loan contract in the amount of \$1,931,982.

Report

Issue:

Whether to confirm staff's recommendation to approve the Drinking Water State Revolving Fund Loan for the Fones Road Booster Pump Station.

Staff Contact:

Tim Richardson, P.E., Project Manager, Public Works Engineering, 360.753.8749

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

The Drinking Water State Revolving Fund is a program that provides low interest loans to water utilities to upgrade the water system. The Washington State Department of Health, Public Works Board, and Department of Commerce administer the loans.

The loans fund improvements that protect public health and help meet State drinking water regulations. The program seeks to protect public health by ensuring safe and reliable drinking water.

This loan will provide funding to replace an aging drinking water pump station. The City-owned station supplies water from the McAllister Wellfield to the eastside of Olympia. The 45-year old facility

is essential, yet increasingly unreliable. It is located underground on Fones Road adjacent to the Woodland Trail.

A new above ground facility will be located in the same area on property currently owned by the City. It will ensure adequate water pressure, supply for fire protection and summer usage, and the ability to fill the Hoffman water reservoir. It will also serve the soon-to-be constructed Log Cabin reservoir. The project is included in Olympia's adopted Water System Plan.

Once Council has approved the loan, Staff will bid the project. Construction will start later in the summer or early fall. Construction is expected to be complete in the summer of 2017.

Neighborhood/Community Interests (if known):

The project team will inform nearby businesses and the Bicycle and Pedestrian Advisory Committee (BPAC) of the project. In addition, the project team will inform the public of project construction via social media such as Twitter.

Options:

1. Approve the DWSRF Loan for the Fones Road Booster Pump Station and authorize the City Manager to sign the loan contract in the amount of \$1,931,982.
 - Project proceeds as planned. The City delivers on its commitment to construct the project this year.
 - Olympia's Water System Plan is followed, ensuring the City meets drinking water requirements for the eastside.
2. Reject the loan and direct staff to investigate other potential funding sources for the project.
 - Investigating other potential funding sources will delay construction.

Financial Impact:

Total cost for this project is approximately \$2.6 million dollars as detailed below. Funding for this project is through the Drinking Water Utility, largely with a low-interest loan from the Washington Drinking Water State Revolving Fund. With the loan, there are sufficient funds in the budget to complete this project.

Funding Sources:

| | |
|------------------------|--------------|
| DWSRF Loan | \$ 1,931,982 |
| Drinking Water Utility | \$ 637,675 |

| | |
|----------------------------|---------------------|
| Total Project Costs | \$ 2,569,657 |
|----------------------------|---------------------|

Attachments:

DWSRF Loan Contract
Project Map