



City Council

Approval of a Resolution Authorizing a Public Works Board Emergency Loan Contract for Repair of the Percival Creek Utility Bridge

Agenda Date: 6/2/2020
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File Number:20-0415

Type: resolution **Version:** 1 **Status:** Passed

Title

Approval of a Resolution Authorizing a Public Works Board Emergency Loan Contract for Repair of the Percival Creek Utility Bridge

Recommended Action

Committee Recommendation:

Not referred to a committee.

City Manager Recommendation:

Move to approve a resolution authorizing a Public Works Board emergency loan contract for repair of the Percival Creek utility bridge and authorize the City Manager to sign the loan contract.

Report

Issue:

Whether to approve a Public Works Board emergency loan contract for repair of the Percival Creek utility bridge and authorize the City Manager to sign the loan contract.

Staff Contact:

Eric Christensen, Water Resources Director, Public Works Water Resources, 360.570.3741

Presenter(s):

None - Consent Calendar Item.

Background and Analysis:

On February 7, 2020, a windstorm caused a tree to fall severing the center span of a utility and pedestrian bridge spanning Percival Creek approximately 0.4 miles west of Deschutes Parkway. The bridge supported a drinking water main and a sewer main which were both also broken.

The broken sewer main released approximately 31,000 gallons of raw sewage to Percival Creek before being temporarily bypassed. Sewer service has been restored, temporarily using aboveground bypass piping. The sewer main serves approximately 765 residential units and 42 commercial accounts including the Thurston County Courthouse.

The broken water main has yet to be repaired. As a result, the ability to provide drinking and fire protection water to an area serving approximately 2,100 residential units and 64 commercial accounts is reduced.

The Public Works Board approved the City for a one million dollar, 20-year, 1.58% emergency loan on March 5, 2020. The attached contract will execute that loan.

Neighborhood/Community Interests (if known):

All customers are receiving water and sewer service at this time. More permanent mid-term restoration of utility services is underway and will be completed by mid-June. Long-term, more sustainable solutions will take approximately 2 years to design and construct.

Options:

1. Approve a resolution authorizing a Public Works Board emergency loan contract for repair of the Percival Creek utility bridge and authorize the City Manager to sign the loan contract. This will let the repair project continue to proceed as planned. The funding for other Drinking Water Utility (Utility) capital projects will not need to be reallocated and Utility rates increases can be minimized.
2. Do not approve the resolution, reject the loan, and direct staff to investigate other potential funding sources for the project. The funding for other Utility capital projects will need to be reallocated to this project and there may be more severe implications for Utility rates.

Financial Impact:

Total cost for this project is approximately \$2 million dollars. Funding for this project is through the Drinking Water Utility (Utility). The loan amount is \$1 million dollars financed at a 1.58% interest rate over 20 years. The loan allows the utility to smooth capital expenditures and moderate rate increases. The Utility has the funds to make these payments for the duration of the loan period. The loan will allow the Drinking Water Utility to smooth utility rate increases and potentially avoid selling bonds.

Attachments:

Resolution
Contract