

CITY COUNCIL

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. _____ File No. _____

Ord No. _____

Agenda Item No.: 13
Date: February 24, 2010

TO: Honorable Mayor and Members of the City Council

FROM: Lori Vereker, Director of Utilities

SUBJECT: Safe Drinking Water State Revolving Fund (SDWSRF) and American Recovery and Reinvestment Act (ARRA) Funding for Alexander Area Water Line Phase II Update and Budget Adjustment Request

RECOMMENDATION:

It is requested that Council accept the update and approve the budget adjustment request.

FISCAL ANALYSIS:

SDWSRF/ARRA funding of \$5,798,800 will be established for the project and will increase the total Water Capital Improvement Program budget. The funding is 50% loan and 50% Forgiveness of Principal which will increase the Water Fund loan liability by \$2,899,400 and increase reimbursement revenue by \$2,899,400. Bonding funding of \$5,000,000 for the project is being transferred from the project to Water Pipeline Replacement Project.

PREVIOUS ACTION:

On July 15, 2009, the City Council adopted Resolution No. 2009-100 authorizing the Mayor and City Clerk to execute the Safe Drinking Water State Revolving Fund (SDWSRF) and American Recovery and Reinvestment Act (ARRA) Funding Agreement.

On October 23, 2009, Southland Paving Incorporated was notified by letter that they had been awarded the contract for the amount of \$5,244,000. On November 30, 2009 they were notified that the Notice to Proceed date was December 1, 2009

On October 15, 2009, the City received the executed Funding Agreement from the California Department of Public Health for a total financing of \$7,329,400 through the SDWSRF/ARRA program.

On December 16, 2009, the Funding Agreement was amended to a total financing of \$5,798,800.

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BACKGROUND:

The water lines in the Alexander Area were divided into Phase I and Phase II for construction purposes. Phase I construction was completed in February 2009. Bids were opened on September 17, 2009; sixteen bids were received ranging from \$5,244,000 to \$7,313,313. All required SDWSRF/ARRA documentation having been executed and approved by the California Department of Public Health the contract was awarded to the low bidder, Southland Paving Inc. of Escondido. The Notice to Proceed was issued for December 1, 2009 and work on the project is ongoing. The total project consists of replacement of 5.7 miles of various sized water pipelines. The contractor has done extensive potholing to locate other utilities crossing or potentially interfering with the new pipeline installation. As of February 10th 3,450 feet of pipe has been installed.

Respectfully submitted,



Lori Vereker
Director of Utilities



Craig Whittemore
Deputy Utilities Manager/Construction &
Engineering



CITY OF ESCONDIDO
BUDGET ADJUSTMENT REQUEST

Date of Request: January 12, 2010

Department: Utilities

Division: Water

Project/Budget Manager: Craig Whitemore 4038
 Name Extension

Council Date (if applicable): February 24, 2010
 (attach copy of staff report)

For Finance Use Only

Log # _____

Fiscal Year _____

_____ Budget Balances
 _____ General Fund Accts
 _____ Revenue
 _____ Interfund Transfers
 _____ Fund Balance

Project/Account Description	Account Number	Amount of Increase	Amount of Decrease
WL Alexander Area Phase II	704709-556	5,798,800	
ARRA Loan	new	2,899,400	
Reimb from Outside Agencies	4370-555-000	2,899,400	
WL Alexander Area Phase II	704709-556		5,000,000
Water Pipeline Replacement	704003-556	5,000,000	

Explanation of Request:

To record the SDWSRF/ARRA funding for the Alexander Area Phase II project and move the bond funding for the project to the Water Pipeline Replacement project. The SDWSRF/ARRA funding is 50% loan and 50% Forgiveness of Principal.

APPROVALS

Department Head _____ Date _____ City Manager _____ Date _____

Finance _____ Date _____ City Clerk _____ Date _____

Distribution (after approval):

Original: Finance