



Department Source: City Utilities - Sewer/Stormwater

To: City Council

From: City Manager & Staff

Council Meeting Date: January 19, 2021

Re: Appropriating funds for sanitary sewer capital projects identified as Sewer Rehabilitation projects.

Executive Summary

Staff has prepared for Council consideration an ordinance to appropriate \$5,621,664.51 to Sewer Rehabilitation projects from Henderson Branch Sewer Extension, N Grindstone Phase 3 and Small Trunks 80 Acre Point sewer extension capital improvement projects.

Discussion

The Henderson Branch Sewer Extension Project, North Grindstone Phase 3 Sewer Extension Project and Small Trunk 80 Acre Sewer Extension Project were funded with Sewer Bonds and Enterprise Revenue. As discussed during the City Council Budget Work Session on August 13, 2020, these funds are requested to be transferred to Sewer Rehabilitation projects for two reasons. First, this will allow the bond funds to be spent in a timely manner and avoid arbitrage earnings that are subject to rebate to the US Treasury. Second, this will allow the Sewer Utility to achieve some of the goals of the Integrated Management Plan 5 year plan without the need for an operating revenue increase for the first few years. The Sewer Utility has sufficient voter approved bonding capacity to fund the construction of the Henderson Branch Sewer Extension Project, North Grindstone Phase 3 Sewer Extension Project and Small Trunk 80 Acre Sewer Extension Projects in the future, if these projects are determined to be beneficial.

For tracking purposes, bond funds are transferred to specific Bond Fund projects and then transferred to the appropriate rehabilitation project. Staff is requesting the following appropriation of funds:

1. From Henderson Branch Sewer Ext (SW255) \$3,746,571.08
\$38,974.08 2015 Sewer Bonds to Sewer Rehabilitation #9 (SW528)
\$2,300,000.00 2017 Sewer Bonds to Sewer Rehabilitation #9 (SW528)
\$1,407,597.00 Enterprise Revenue to Sewer Rehabilitation #10 (SW529)
2. From SM Trunks 80 Acre Point (SW111) \$700,000.00
\$280,000 2015 Sewer Bonds to Sewer Rehabilitation #9 (SW528)
\$280,000 2017 Sewer Bonds to Sewer Rehabilitation #9 (SW528)
\$140,000 Enterprise Revenue to Sewer Rehabilitation #9 (SW528)
3. From N Grindstone Ext Phase III (SW214) \$1,175,093.43
\$1,175,093.43 to Sewer Rehabilitation #10 (SW529)



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This will bring the total funding for Sewer Rehabilitation #9 to \$3,038,974.08 and Sewer Rehabilitation #10 to \$2,582,690.43. Bond funds will be in Sewer Rehabilitation #9 to facilitate timely spending. The Integrated Management Plan proposed to spend \$3.7 million annually on sewer rehabilitation work.

The total appropriation for these projects is \$5,621,664.51.

Fiscal Impact

Short-Term Impact: None. This is a transfer of prior year appropriations for \$5,621,664.51.
Long-Term Impact: None.

Strategic & Comprehensive Plan Impact

Strategic Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

Comprehensive Plan Impacts:

Primary Impact: Infrastructure, Secondary Impact: Not applicable, Tertiary Impact: Not Applicable

Legislative History

| Date | Action |
|------------|--|
| 09/04/2018 | PH33-18 Proposed design and construction of sanitary sewers to serve the Henderson Branch Watershed. |
| 08/20/18 | R120-18 Setting a public hearing: proposed design and construction of sanitary sewers to serve the Henderson Branch Watershed. |
| 05/21/2018 | B102-18 Authorizing an annexation agreement with Bechtold Properties LLC for properties located on West Highway 40. <i>Withdrawn</i> |
| 05/21/2018 | B103-18 Authorizing an annexation agreement with VH Properties LLC for properties location on Highway UU and West Van Horn Tavern Road. <i>Withdrawn</i> |
| 05/15/2017 | (PH15-17) Public Hearing |
| 04/17/2017 | (R52-17) Resolution setting a Public Hearing for May 15, 2017 |
| 11/07/2016 | (PH20-16) Public Hearing |
| 10/03/2016 | (PH20-16) Public Hearing |
| 07/05/2016 | (PH20-16) Public Hearing |
| 06/06/2016 | (R60-16) Resolution setting a Public Hearing for July 5, 2016 |
| 02/02/2016 | Interested Parties Meeting |
| 08/17/2015 | (B232-15) Amending the General Cooperative Agreement with Boone County Regional Sewer District |



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| 08/03/2015 | (R125-15) Engineering Services Agreement with HDR Engineering for the Henderson Branch Sewer Extension Project |
| 03/18/2015 | (Ord22383) Authorizing the issuance of Sewerage System Revenue Bonds, Series 2015, in the aggregate principal amount on not to exceed \$20,500.00 |
| 03/03/2015 | (R11-15A) Authorizing the offering for sale of not to exceed \$20,500.00 principal amount of Sewerage System Revenue Bonds, Series 2015, of the City of Columbia, Missouri. |
| 07/22/2014 | (R125-14) Transferring funds to offset expenditures relating to the November 2013 Special Bond Election for sanitary sewer improvements. |
| 01/02/2014 | (Ord21742) Declaring the results of the Special Election held in the City of Columbia, Missouri on November 5, 2013. |
| 08/05/2013 | (Ord21760) Calling a special election on whether to issue the Sewer System Revenue Bonds in the amount of \$32,340,000 for constructing, improving, repairing, rehabilitating, replacing, equipping, expanding, and extending the city-owned sewerage system. |
| 07/01/2013 | Pre-Council Meeting – General Obligation Bond Projects – Infrastructure Ballot Presentation |
| 05/20/2013 | Pre-Council Meeting – November Storm Water / Sewer Ballot Issue – Sewer Utility Presentation – Storm Sales Tax Presentation |
| 04/19/2010 | Public Hearing |
| 03/16/2010 | R51-10 Declaring the necessity for construction of sanitary sewer improvements, more specifically described as the North Grindstone Sewer Extension Phase III Project; setting a public hearing. |
| 01/01/2007 | Public Hearing – Sewer Master Plan |
| 12/04/2006 | (R262-06) Setting a Public Hearing to consider adopting the Sewer Utility Master Plan |

Suggested Council Action

Approve the ordinance to appropriate funding to the two Sewer Rehabilitation projects.