

November 5, 2014

To: Mayor Bemrich and City Council

From: David Fierke, City Manager

**Subject: Ordinance Establishing a surcharge to specifically fund the
Community Sewer Initiative (CSI)**



ACTION: For first reading Monday, November 10, 2014

Brief History

In heavy rains, the City of Fort Dodge currently experiences overloaded sewers, sewage backups in basements, untreated sewage bypassed to storm sewers, and overloaded pump stations that bypass raw wastewater directly to the Des Moines River. These incidents are all IDNR reportable events. This history has the IDNR specifically monitoring the City plans to resolve the sanitary sewer overload problems. To date the IDNR has not mandated any action primarily because we have been proactively working to resolve the problems since the Sanitary Sewer Evaluation Study was commenced in 2011.

The objective of this Sanitary Sewer Evaluation Study (SSES) is to evaluate the sanitary sewer system for the entire community. This Study included extensive field work to gather data about how the system operates on a day-to-day basis.

Extensive field investigations during SSES

- CSI Survey
- Field Survey & Inventory
- Manhole Inspections
- Flow Monitoring
- Rainfall Monitoring
- Hydraulic Modeling
- Closed Circuit Televising
- Nighttime Flow Monitoring
- Smoke Testing
- Rainfall Simulation

The SSES provided the framework by which decisions will be made regarding what type of improvement projects are needed: rehabilitation, reconstruction, relining, and relief sewers.

The City has already begun three CSI projects that were termed "immediate needs" projects. Those 3 projects included:

- Northgate Lift Station Force Main Reroute
- Basin R14 Relief Outlet (N. 14th St. and 10th Ave. N. to N. 18th St. and 10th Ave. N.)
- Basin G13 Relief Outlet (S. 19th St. and 1st Ave. S. to S. 17th St. and 6th Ave. S.)

In addition to the three "immediate needs" projects. The SSES identified a total of \$80 million of needed improvements to the system. They include:

- Grade 5 Rehabilitation \$15.0
- Cost Effective Rehabilitation \$10.1
- Collection System Hydraulic Upgrades \$39.9
- Lift Station Upgrades \$ 9.2
- WPCF Upgrades \$ 5.7

Analysis of Issue

Over the past months, the Council has reviewed the status and conclusions of the SSES. The direction from the Council is to commence \$30 Million in improvements immediately, and pay for the work with a 30-year loan from the Iowa Finance Authority.

Included Improvements:

- 13th/15th Avenue South Sewer Upgrade (M05) \$5.2 mil
- South 17th Street South Sewer Upgrade (G10) \$5.2 mil
- 10th Avenue South Sewer Upgrade (R17) \$3.5 mil
- Avenue B & C Street Trunk Sewers (G02) \$1.6 mil
- East Lawn Lift Station Upgrade \$4.4 mil
- Main Lift Station Replacement \$6.1 mil
- Grade 5 Rehabilitation \$2.5 mil±
- Cost Effective Rehabilitation \$1.5 mil±

To repay the loan, the Council has determined to create a CSI surcharge on all rate payers. The surcharge is a flat fee. It starts at \$5 per month on January 1, 2015, and is increased by \$5 per month on January 1, 2016, and increased again by \$5 per month on January 1, 2017. The revenues from the surcharge will be set aside from other sewer utility revenues and only spent on the CSI projects.

The ordinance attached establishes the CSI surcharge.

Budget Impact

The \$30 million dollars of sewer expense will be paid from a newly created CSI fund and be reimbursed by SRF loan proceeds. The CSI surcharge revenues and corresponding debt payments to Iowa Finance Authority will also be paid from the

newly created fund so there will be no co-mingling of CSI funds with operational budgets.

Strategic Plan Impact

Alignment with City's Envision 2030

- Identify & upgrade inadequate water & sewer utilities
- Define utility service areas for expansion outside of City limits
- Plan for the infrastructure improvements and expansions necessary to promote infill housing developments for target markets

Committee Review / Recommendation

Several Council workshops have been held regarding this process and the resulting projects.

Staff Conclusions / Recommendations

It is our recommendation to approved the attached ordinance.

Alternatives

The Council has studied a variety of different project amounts, financing schedules and fee structures and decided on this approach.

Implementation and Accountability

Several of the projects are currently in design, this ordinance puts the funding in place. Once the ultimate cost are determined, the City will establish the final loan terms with IFA.

Signed



David R. Fierke
City Manager

Ordinance No. 2221

An Ordinance to Provide for a Community Sewer Initiative (CSI)

Be It Ordained by the City Council of the City of Fort Dodge, Iowa:

Chapter 13.12 of the Fort Dodge Municipal Code be amended by adding Section 13.12.130 Community Sewer Initiative (CSI) Surcharge, that reads as follows;

“Every person, firm or corporation whose premises now or hereafter are directly or indirectly served by a connection to the City sewer system shall pay CSI surcharge in the amount of five dollars (\$5.00) per month beginning January 1, 2015, ten dollars (\$10.00) per month beginning January 1 2016, and fifteen dollars (\$15.00) per month beginning January 1, 2016.”

Severability Clause. If any section, provision or part of this Ordinance shall be adjudged invalid or unconstitutional, such adjudication shall not affect the validity of the Ordinance as a whole or any section, provision or part thereof not adjudged invalid or unconstitutional.

When Effective. This Ordinance shall be in effect the after its final passage, approval and publication as provided by law.

The above Ordinance was adopted by the City Council of the City of Fort Dodge, Iowa, this __ day of December, 2014

First consideration _____ day of _____ 2014.

Ayes: _____

Nays: _____

Other: _____

Second consideration _____ day of _____ 2014.

Ayes: _____

Nays: _____

Other: _____

Third consideration _____ day of _____ 2014.

Ayes: _____

Nays: _____

Other: _____

CITY OF FORT DODGE

BY: _____
Matt Bemrich, Mayor

ATTEST:

Jeff Nemmers, City Clerk

Published in The Messenger this