



Adopt Resolutions Supporting Application & Acceptance for SRF Low-Interest Financing

Engineering & Operations Committee

Item 7-3

May 12, 2014

Current Action

- Adopt resolution supporting Metropolitan's application for low-interest financing from State Revolving Fund (SRF) for a Mills project
- Adopt resolution accepting low-interest financing from SRF for a Weymouth project
- Authorize agreement with TSG Enterprises for funding agreement compliance

Background

- Safe Drinking Water SRF program created in 1996
- Provides long-term financing to qualifying projects
 - Current loan rate: 2.085%
 - Less than current borrowing rate of 3.00%
 - Potential savings: \$1.5 M for SRF loans vs. bond funding for 2 projects totaling \$14 M
 - Finances up to the full project cost, subject to the availability of funds
- Resolution req'd to submit SRF loan application to CDPH
- Resolution req'd to accept SRF loan from CDPH

Application for Mills Enhanced Bromate Control Improvements

- Enhance compliance with USEPA D/DBP Rule
 - Modify ammonia system
 - Add chlorine lines & relocate diffuser
- Estimated SRF loan: \$3 M

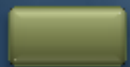
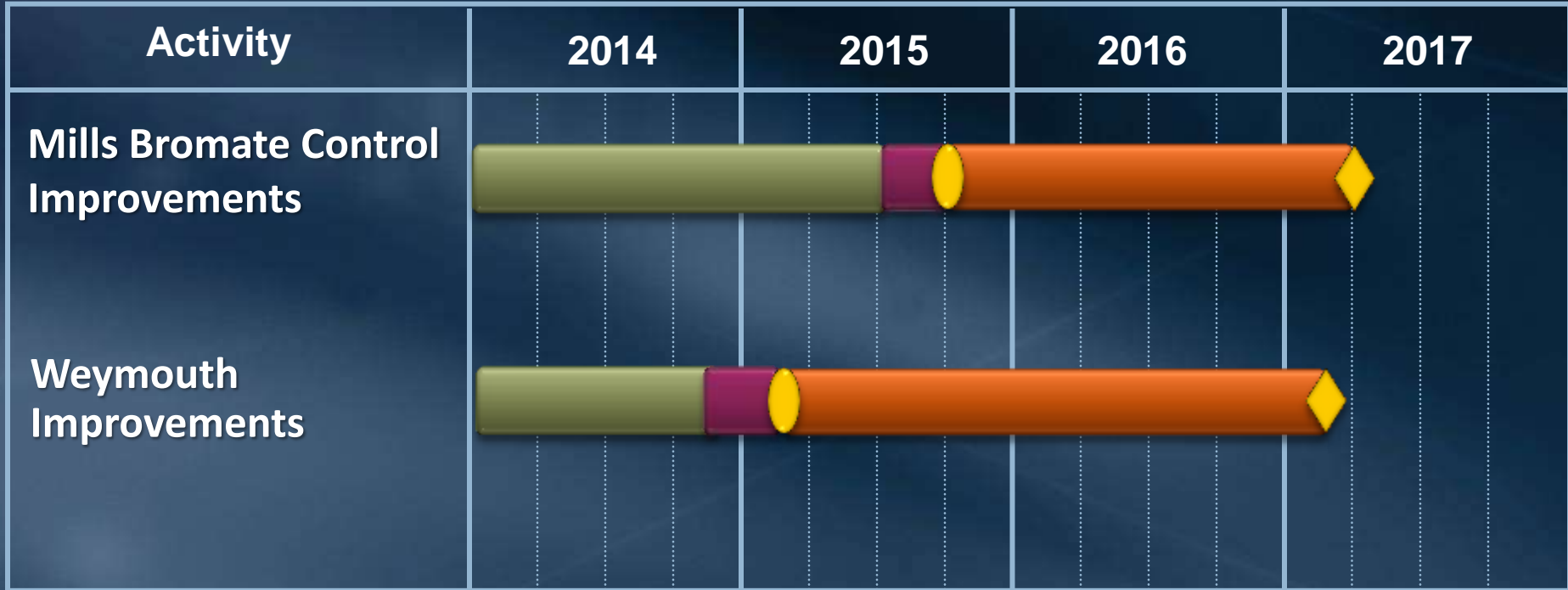


Mills Aqueous Ammonia Facility

SRF Loan for Weymouth Plant Improvements

- Enhance compliance with D/DBP Rule following completion of ozonation facilities
- Use chloramines for enhancing bromate control at ozone contactors
 - New aqueous ammonia storage & feed system
 - Chlorine system modifications
- Add disinfection of backwash water for filter biomass control
 - New sodium hypochlorite storage & feed system
- Anticipated SRF loan: \$11 M

Project Schedules



Final Design



Bidding



Construction



Board Action



Completion

TSG Enterprises – New Agreement

- SRF loan acceptance requires a Funding Agreement Compliance Program
- Scope: Monitor construction contractors' compliance
 - Amount NTE: \$150,000
 - Competitively selected – via RFQ 902
 - SBE participation level - 100%
- No funds required at this time

Board Options

● Option #1

- Adopt CEQA determination that this action is not subject to CEQA
- Adopt Board resolution authorizing the GM to apply for SRF financing for the Mills project
- Adopt Board resolution authorizing a funding agreement w/ CDPH for SRF financing for the Weymouth project
- Authorize agreement w/ TSG Enterprises in an amount NTE \$150,000 for funding agreement compliance

● Option #2

- Do not apply for & do not accept SRF financing

Staff Recommendation

- Option #1

