

**BERLIN WATER & SEWER COMMISSION MEETING  
BERLIN CITY HALL  
COUNCIL CHAMBERS  
WEDNESDAY  
MAY 27, 2020  
4:30 P.M.**

**DUE TO THE CONTINUED CONCERN SURROUNDING COVID-19, THE CITY OF BERLIN IS TEMPORARILY  
TRANSITIONING THEIR PUBLIC MEETINGS TO A TELECONFERENCE FORMAT, VIA ZOOM.**

TO JOIN THE MEETING FROM YOUR COMPUTER, TABLET OR SMARTPHONE (AUDIO/VIDEO):

JOIN ZOOM MEETING:

<https://zoom.us/j/86702090442>

Meeting ID: 867 0209 0442

TO JOIN THE MEETING FROM YOUR PHONE WITH AUDIO ONLY:

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Meeting ID: 867 0209 0442

1. Call to Order
2. Roll Call
3. Minutes of April 29, 2020 Meeting.
4. Vouchers for April #15151 - #15194.
5. Public Appearances/Correspondence.
6. Old Business (To be used to request items of old business be put on a future agenda for further discussion or action; or used to make a motion for reconsideration of an item from the current meeting or immediately previous meeting; or to make a motion to take items off the table which were laid on the table only during the current meeting).
7. New Business (To be used to request items of new business be put on a future agenda).
8. Fluoridation discussion  
Recommendation: Discussion and action if appropriate
9. Discussion on 2019 Compliance Maintenance Annual Report  
Recommendation: To recommend Resolution and send to Council
10. Discussion on Cross Connection Control Inspection contract from General Engineering.  
Recommendation: To approve contract for Commercial (small business, industrial, public authority and multi-residential) and direct staff if any action is needed.

**11. Discussion on Potential 2021 Capital Projects and Funding Option.**  
**Recommendation: Discussion and action if appropriate.**

**12. Adjourn**

**Please let Peggy (361-5404) or Linda (361-5406) know by 4:00 P.M. on Monday, if you are unable to attend the meeting.**

SEWER AND WATER COMMISSION MEETING  
BERLIN, WISCONSIN

April 29, 2020

DUE TO THE CONTINUED CONCERN SURROUNDING COVID-19, THE CITY OF BERLIN IS  
TEMPORARILY TRANSITIONING THEIR PUBLIC MEETINGS TO A TELECONFERENCE FORMAT,  
VIA ZOOM

Roethel called the meeting to order at 4:30 P.M. Present – Commissioners Roethel, Dewhurst, Youngbauer, Bending and Erdmann. Absent – none.

Also, present was Jim Lehr, Lindsey Kemnitz, Jodie Olson, Kristina Boeck, Supt. Malnory and Peggy LaBuda.

The next item on the agenda was minutes from the February 26, 2020 Meeting. Youngbauer moved to approve the minutes of the February 26, 2020 Meeting. Erdmann seconded the motion, which was carried by voice vote.

The next item on the agenda was the vouchers for February and March. Youngbauer moved to approve the vouchers between #15074 through #15150. Erdmann seconded the motion, which was carried by voice vote.

The next item on the agenda was public appearances/correspondence. Of which, we had no correspondence or public appearances.

The next item on the agenda was Old Business. Of which, we had none.

The next item on the agenda was New Business. Of which, we had none.

The next item on the agenda was presentation of cost data pertaining to reinstating fluoride into the water system as requested by a previous Commissioner, Charlie Beard, at a prior meeting. Supt. Malnory had included cost estimates for the Commission to review if they determined they wanted to reinstate fluoride in the future. Commissioner Erdmann spoke and indicated that in thinking this thing through, he finds that most of our water coming from city wells is used for bathing, sprinkling flowers and washing cars and everything else. He noted recent medical tests indicating that fluoride affects the thyroid in older people. If that was the case, he questioned the importance of fluoride on the thyroid to kids with baby teeth. Erdmann stated he was thinking we don't need it because the cost of taking care of thyroid is a lot more than kids having a few cavities filled. He also questioned if fluorinating was that important, why are we the only ones doing it around here. Erdmann indicated that most of the school kids aren't from the city, but from the country. Also, people are predominantly drinking bottled water, so he felt that it was not to the city's advantage to go back to fluorinating. Roethel noted

that this was not really meant to be a discussion on the issue of fluoride or no fluoride, but thanked Erdmann for his comments.

Roethel indicated that he didn't know if we were even going to consider putting fluoride back in, but Commissioner Beard had requested this information so it was provided to the Commission. Malnory confirmed that this is the information Beard had requested. Roethel stated no action was necessary as the decision to stop fluorinating was made some months ago and that is where we are at this point unless any of the commissioners have any other questions about this item. There was no further discussion.

The next item on the agenda was the discussion on dissolved oxygen probes at the Wastewater Treatment Plant. Malnory stated that he received 3 different prices, we are mainly concerned with Option A for the dissolved oxygen probes which are currently outdated and we had one fail that we cannot get parts for. He also stated that the cost was more expensive than we thought. Malnory stated that the YSI one has the better warranty. Roethel moved to direct Brian to do what he thinks is best and proceed that way, which was okayed by all of the other commissioners.

The next item on the agenda was the superintendent report.

- Update on Street Projects – Malnory stated that the Preconstruction meeting for Webster Street and N. Kossuth Street to N. Washington Street was held on Thursday, April 2, 2020. The projects will consist of full reconstruction of utilities for main line water and services to property line and main line sewer and laterals to property line. Wood Sewer & Excavation Inc. will be the general contractor and the project is estimated to start the end of May and be done the middle of November.
- Update on Ripon Road – Malnory stated that the sewer main line replacement and laterals on Ripon Road from S. Swetting Street to South Road are being done by Don E. Parker. We plan on repairing the sewer mains and laterals in that area before the State does the Road Restoration work on Ripon Road from Highway 49 to Forest Ridge Road.

The next meeting was scheduled for May 27, 2020.

Roethel adjourned the meeting.

Peggy LaBuda  
Secretary

## \*Check Summary Register©

APRIL 30 2020

Name	Check Date	Check Amt	
<b>11161 UTILITY CASH - FNB</b>			
Paid Chk# 015151	BADGER LABORATORIES INC	4/3/2020	\$156.80 TOTAL COLIFORM BACTERIA
Paid Chk# 015152	CCP INDUSTRIES INC.	4/3/2020	\$207.63 GRY NYL STG URETHANE CTD GLV
Paid Chk# 015153	FIRST SUPPLY	4/3/2020	\$142.98 2 BOXES DOCH FOX HE40-STD 2 16
Paid Chk# 015154	JON LUNDT ELECTRIC, INC	4/3/2020	\$182.49 REPLACE MANUAL MOTOR STARTER S
Paid Chk# 015155	KUNKEL ENGINEERING GROUP	4/3/2020	\$27,213.75 2020 STREET & UTILITY IMPROVEM
Paid Chk# 015156	MARTELLE WATER TREATMENT	4/3/2020	\$5,666.66 CHLORINE, CHLORINE CYLINDER EM
Paid Chk# 015157	SUPERHEAT AND COOLING	4/3/2020	\$1,845.00 FAN CONTROL INSTALLED AT WELL
Paid Chk# 015158	WALTCO INC	4/3/2020	\$609.18 PICK-UP SAMPLES FOR BADGER LAB
Paid Chk# 015159	WI ENVIRONMENTAL IMPROVE	4/3/2020	\$59,498.27 CLEAN WATER/SAFE DRINKING WATE
Paid Chk# 015160	UNITED STATES POSTAL SERVI	4/6/2020	\$539.95 POSTAGE FOR APRIL 2020 BILLING
Paid Chk# 015161	ADVANCED DISPOSAL SERVICE	4/9/2020	\$227.53 TRASH/RECYCLING SERVICE 04/01/
Paid Chk# 015162	AUTO BODY SPECIALISTS	4/9/2020	\$150.00 PAINT ELECTRICAL CABINET
Paid Chk# 015163	CCP INDUSTRIES INC.	4/9/2020	\$79.96 NITRILLE POWDER FREE EXAM GLOV
Paid Chk# 015164	CINTAS CORPORATION	4/9/2020	\$177.96 MAT CLEANING MARCH 2020
Paid Chk# 015165	CORPORATE NTRWK SOLUTION	4/9/2020	\$15.00 VGA CABLE-SELECT VGA VIDEO CAB
Paid Chk# 015166	EGBERT EXCAVATING INC	4/9/2020	\$4,230.00 TAP 12" AND 8" DUCTILE IRON WA
Paid Chk# 015167	FERGUSON WATER WORKS #14	4/9/2020	\$150.00 METER READER DIAGNOSTIC CHARGE
Paid Chk# 015168	FIRST SUPPLY	4/9/2020	\$69.56 SCH40 NIPPLE, 150# THD 90 ELL,
Paid Chk# 015169	INTERSTATE BATTERY	4/9/2020	\$229.90 31-ECL
Paid Chk# 015170	JOHN KRINGS & SONS WELDIN	4/9/2020	\$250.00 ELECTRICAL PANEL BUMP OUT BOX
Paid Chk# 015171	LINCOLN CONTR SUPPLY INC	4/9/2020	\$155.62 WATER BASED MARKING PAINT, BLU
Paid Chk# 015172	RIDGE STONE PRODUCTS, INC	4/9/2020	\$58.50 3/4" CLEAR LIMESTONE
Paid Chk# 015173	UNITED COOPERATIVE	4/9/2020	\$88.00 SOIL SAMPLE TESTING CHARGE
Paid Chk# 015174	UNITED STATES POSTAL SERVI	4/9/2020	\$385.00 STAMPS
Paid Chk# 015175	WATER WELL SOLUTIONS	4/9/2020	\$26,598.00 WELL #6 WELL PUMP REHABILITATI
Paid Chk# 015176	BADGER LABORATORIES INC	4/17/2020	\$1,703.50 TOTAL COLIFORM BACTERIA
Paid Chk# 015177	CENTURYLINK	4/17/2020	\$50.32 SERVICE 4/9 - 5/8
Paid Chk# 015178	HACH COMPANY	4/17/2020	\$364.48 OXY 1100 50MM MEMBRANE CRTG SI
Paid Chk# 015179	JON LUNDT ELECTRIC, INC	4/17/2020	\$15,513.75 VFD 50HP, REMOTE KEYPAD AND IN
Paid Chk# 015180	LEYSTRA SEEDS LLC	4/17/2020	\$100.00 1 HOUR CONSULTING
Paid Chk# 015181	SUPERIOR CHEMICAL CORP	4/17/2020	\$184.45 MEGA QUAT TUBERCULOCIDAL-MINI
Paid Chk# 015182	UNITED STATES POSTAL SERVI	4/17/2020	\$50.00 100 POST CARD STAMPS, 100 EXTR
Paid Chk# 015183	BERLIN CITY TREASURER 1015	4/24/2020	\$21,215.46 PAYROLL APRIL 2020
Paid Chk# 015184	CONCENTRA HEALTH SERVICE	4/24/2020	\$60.00 OJ HUFF DRUG SCREENING
Paid Chk# 015185	MARTYS BLUE SKY NURSERY	4/24/2020	\$204.00 MULCH, RED DYED
Paid Chk# 015186	NORTH CENTRAL LABORATORI	4/24/2020	\$371.97 GELMAN PETRI DISHES WITH PA, N
Paid Chk# 015187	BADGER LABORATORIES INC	4/30/2020	\$89.60 TOTAL COLIFORM BACTERIA
Paid Chk# 015188	BERLIN CITY TREASURER 1015	4/30/2020	\$915.67 BRIAN'S KEYBOARD TRAY
Paid Chk# 015189	BERLIN JOURNAL NEWSPAPER	4/30/2020	\$143.50 NOTICE FOR FLUSHING WATER HYDR
Paid Chk# 015190	ELECTRIC MOTOR SERVICE	4/30/2020	\$91.74 BALDOR BRUSH, BRUSH SPRING & R
Paid Chk# 015191	INTERSTATE BATTERY	4/30/2020	\$484.85 31P-MHD, 40-XHD
Paid Chk# 015192	MALNORY, BRIAN	4/30/2020	\$48.00 REIMBURSEMENT FOR 24 FACE MASK
Paid Chk# 015193	PACKER CITY INT L TRUCKS, IN	4/30/2020	\$110.27 CABLE HOOD SAFETY, SPRING HOOD
Paid Chk# 015194	U S CELLULAR	4/30/2020	\$162.96 SERVICE 04/16/20 - 05/15/20
<b>Total Checks</b>			<b>\$170,792.26</b>

# Compliance Maintenance Annual Report

Berlin Wastewater Treatment Facility

Last Updated: Reporting For:  
5/20/2020 **2019**

## Grading Summary

WPDES No: 0021229

SECTIONS	LETTER GRADE	GRADE POINTS	WEIGHTING FACTORS	SECTION POINTS
Influent	C	2	3	6
BOD/CBOD	A	4	10	40
TSS	A	4	5	20
Phosphorus	A	4	3	12
Biosolids	A	4	5	20
Staffing/PM	A	4	1	4
OpCert	A	4	1	4
Financial	A	4	1	4
Collection	A	4	3	12
<b>TOTALS</b>			<b>32</b>	<b>122</b>
<b>GRADE POINT AVERAGE (GPA) = 3.81</b>				

### Notes:

A = Voluntary Range (Response Optional)

B = Voluntary Range (Response Optional)

C = Recommendation Range (Response Required)

D = Action Range (Response Required)

F = Action Range (Response Required)

# Compliance Maintenance Annual Report

Berlin Wastewater Treatment Facility

Last Updated: Reporting For:  
5/20/2020 2019

## Resolution or Owner's Statement

Name of Governing  
Body or Owner:

City of Berlin

Date of Resolution or  
Action Taken:

2020-06-09

Resolution Number:

20-10

Date of Submittal:

### ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO SPECIFIC CMAR SECTIONS (Optional for grade A or B. Required for grade C, D, or F):

Influent Flow and Loadings: Grade = C

The City of Berlin WWTP received a C on the influent and loadings portion of the CMAR, the main reason for this is Industrial loading. Some Industries in Berlin are discharging very high BOD waste, some as much as 54,000 mg/l or more. The WWTP seems to be treating the high loading, the City of Berlin is also surcharging all Industries for BOD and TSS over 250 ml/l and phosphorus over 7 ml/l.

Effluent Quality: BOD: Grade = A

Effluent Quality: TSS: Grade = A

Effluent Quality: Phosphorus: Grade = A

Biosolids Quality and Management: Grade = A

Staffing: Grade = A

Operator Certification: Grade = A

Financial Management: Grade = A

Collection Systems: Grade = A

(Regardless of grade, response required for Collection Systems if SSOs were reported)

### ACTIONS SET FORTH BY THE GOVERNING BODY OR OWNER RELATING TO THE OVERALL GRADE POINT AVERAGE AND ANY GENERAL COMMENTS

(Optional for G.P.A. greater than or equal to 3.00, required for G.P.A. less than 3.00)

G.P.A. = 3.81

## **PROFESSIONAL SERVICE AGREEMENT for CROSS CONNECTION CONTROL INSPECTION**

This agreement, made and entered into this May 27, 2020 by and between the City of Berlin, organized and existing under the laws of the State of Wisconsin, referred to as "municipality," and General Engineering Company a Wisconsin Corporation, referred to as "GEC".

WHEREAS, the Municipality supplies potable water (drinking water) throughout its geographic boundaries to property owners; and desires to enter into a professional services contract for cross connection control program inspection, reporting and management services.

WHEREAS, GEC is experienced in and capable of supplying professional inspection of potable water distribution systems and cross connection control program management to the municipality and the municipality desires to engage GEC to act as its independent contractor in its cross connection control program.

WHEREAS, the municipality has the authority under the laws of the State of Wisconsin and its local governing body to enter into this professional services contract.

NOW THEREFORE, in consideration of the mutual agreements herein contained, and subject to the terms and conditions herein stated, the parties agree as follows:

### **ARTICLE I. Purpose**

During the term of this Agreement, the municipality agrees to engage GEC as an agent of the municipality to inspect its potable water distribution system in public, commercial and industrial facilities (where directed) within the community and document its findings. Each party to this agreement agrees that it will cooperate in good faith with the other, its agents, and subcontractors to facilitate the performance of the mutual obligations set forth in this Agreement. Both Parties to this agreement recognize and acknowledge that the information presented to them is complete and accurate, yet due to the inaccessible nature of water piping or due to access constraints within water user's facilities, complete and accurate data is not always available.

### **ARTICLE II. Scope of Services**

The scope of services to be provided by GEC under this Agreement will include the inspections, compliance, annual cross connection reports with respect to the Facilities to the extent specifically set forth in this Article II (hereinafter the "Scope of Service"). Should other reports be included within the scope of services, the same shall be included with this Agreement as Exhibit 1.

**2.1 Program Administration.** GEC will assist the municipality's Cross Connection Control Program administration. Administrative work products include:

- Provide cross connection manual
  - Press release
  - Inspections forms
  - 1-800 number for scheduling
  - Cross connection brochures
  - Notification letters
- Review wording and timeliness for program notifications include:
  - Inspection Notice
  - Compliance Notice
  - Non-Compliance Notices, Penalty Notices
  - Ordinance Updates, as needed
- GEC will be responsible for all program correspondence. The municipality shall provide to GEC the names and addresses of all mailings to be sent out. They also will be required to supply letter head.
- GEC will schedule inspections
- Conduct inspections, Complete on-site Inspection Report
- Conduct Re-Inspections, Complete on-site Inspection Report
- GEC will be responsible for all mailings and scheduling for Re-Inspections
- Compile final report of inspections for the year and provide to the municipality information for the annual report to the Department of Natural Resources.
- Review, on a yearly basis, changes to the facility listing as provided by the municipality, for inclusion into the municipality's Cross Connection Control Program. The facility listing includes the facility name, address, contact person(s) and phone number(s).



**2.2 Facility Listing.** A listing of the municipality's current inventory of required cross connection inspections included in the program are as follows:

Facility Type	Responsibility	Number of Sites
Residential	GEC	N/A for this contract
Commercial (small business, industrial, public authority, and multi-residential)	GEC	120

**2.3 Inspection Terms.** GEC will perform small commercial inspections, industrial/large commercial inspections, and public/institutional inspections. Newly built facilities occupied subsequent to the effective date of this Agreement, major building additions to commercial/industrial/public/institutional facilities or other additional surveys/inspections are considered additional services under this Agreement. Pursuant to ordinance updates, large public/institutional/industrial may perform cross connection control surveys/inspections at their own expense and such surveys shall be reviewed/certified by GEC.

**2.4 Changes in Scope of Services.** In the event that the municipality requests and GEC consents to perform additional work or services involving the consulting, management, operation, and maintenance where such services or work exceeds or changes the Scope of Services contemplated under this Agreement, GEC shall be provided additional compensation in accordance with the hourly rate schedule. Changes in the Scope of Services include, but are not limited to,

- (a) requests for additional inspections by the municipality
- (b) additional costs incurred in meeting new or changed government regulations or reporting requirements
- (c) inspection issues arising from construction or modification of the Facilities.
- (d) program correspondence as specifically directed by the municipality.
- (e) changes to the Program Administration as mutually agreed upon by GEC and the municipality.

**2.5 Confined Space Entry.** GEC personnel will not enter into confined spaces for the purposes of fulfilling the required services identified herein, due to safety regulations and facilitative equipment issues.

### ARTICLE III. Term

**3.1 Initial.** Services by GEC under this Agreement shall commence immediately. All inspections and documentation by GEC shall be completed as authorized by the municipality.

**3.2 Renewal.** Services by GEC under this Agreement shall be solely for the 2020 inspection year, unless this Agreement is terminated or otherwise reconditioned due to changes in scope of services.

**3.3 Termination.** The Municipality or GEC may terminate this Agreement for cause by giving written notice of such intent to terminate to the other party at least sixty (60) days prior to the effective date of termination. Notice of the intent to terminate shall be given in writing by personal service, by an authorized agent, or by certified mail, return receipt requested.

### ARTICLE IV. Special Provisions

**4.1 Information.** Both Parties to this agreement recognize and acknowledge that the information presented to them is complete and accurate, conditioned on the sometimes inaccessible nature of water piping making complete and accurate data based on what is accessible or viewable.

**4.2 Relationship.** The relationship of GEC to the Municipality is that of an agent service provider and not one of employment. None of the employees or agents of GEC shall be considered employees of the municipality. For the purposes of all state, local, and federal laws and regulations, the municipality shall exercise primary management, and operational and financial decision-making authority.

**4.3 Amendments.** This signed Agreement contains the entire Agreement between the Municipality and GEC, and supersedes all prior or contemporaneous communications, representations, understandings, or agreements. This Agreement may be modified only by a written amendment signed by both parties.

**4.4 Insurance.** GEC agrees to obtain and maintain, at the GEC's expense, such insurance as will protect GEC under claims of Workmen's Compensation and General Liability Insurance, and will name the municipality as additional insured.

**ARTICLE V. Compensation**

The compensation for the Scope of Services shall be payable as follows, but shall **not** exceed **\$12,000** for the calendar year 2020:

**5.1 Program Administration.** These services shall be completed for an annual total of **\$1,250** based on current regulations, program requirements and current facility listing.

**5.2 Type of Inspection.** Type of inspection may be adjusted by the inspector when the inspector is on site and has had a chance to review the facility.

**5.3 Small Business Inspections.** These services shall be completed for **\$85/hour**, with a minimum of a half hour per inspection.

**5.4 Public/Institutional Inspections.** These services shall be completed on a per hour basis at **\$85/hour**.

**5.5 Large Facility Inspections.** These services shall be completed, per specific municipality direction, on a per hour basis at **\$85/hour**.

**5.6 Additional Services.** Additional services shall be completed as authorized by the municipality based on the consultant's current hourly rate schedule as listed below plus necessary expenses. This may include additional inspections, additional follow-up, program correspondence or other directives by the municipality in the area of cross connection control. The consultant may adjust the hourly rate schedule to allow for normal increases in hourly rates due to normal cost-of-living and salary increase adjustments. This is anticipated to occur on an infrequent basis subject to municipality approval.

Principal or Project Manager (if required)	\$115/hr
Cross Connection Survey Inspector	\$80/hr
Master Plumber	\$80/hr
Field Technician w/ Tracemaster Locator (if required)	\$70/hr
Administrative staff	\$40/hr

**5.7 Expenses.** Copy, print and processing expenses necessary for conducting of the above-referenced services will be included in the Program Administration fee.

**5.8 Payment.** Payments are due upon receipt of an invoice for services rendered. Interest charges for unpaid invoices greater than 30 days past due will be added to the next invoice at a rate of 1.5% per month. GEC reserves the right to terminate our representation and services if payment is not received within 30 days of a billing invoice, and the municipality agrees not to contest the termination of our representation and services if payment is not received within 30 days of a billing invoice.

In Witness whereof, the parties hereto have executed, or caused to be executed by their duly authorized officials this Agreement in duplicate on the date indicated herein.

**CLIENT:**

By: \_\_\_\_\_  
Municipal Official

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Clerk

Date: \_\_\_\_\_

**ENGINEER/INSPECTOR:**  
**General Engineering Company**

By: \_\_\_\_\_  
Mark Jankowski  
Director of Inspection Services

Date: \_\_\_\_\_

DATE: May 21, 2020

TO: Water & Sewer Utility Commission

FROM: Brian Malnory & Jodie Olson

**RE: Discussion on Potential 2021 Capital Projects and Funding Options**

BACKGROUND: Utility and city staff have been reviewing potential capital projects for 2021. Between the W&S Utility and the City, reconstruction of Water Street (W. Park-W. Cumberland) remains a high priority. Not only is the road surface poor, but there is a significant water infiltration issue in that area as well as lead lines. This would be a \$3M project (\$1M city \$2M utility).

Kunkel Engineering has estimated the project cost for the Water Utility to be \$985,482 and Sewer Utility \$915,145. The Sewer Utility could look at a Clean Water Fund loan, where we have the potential to receive 30% in principal forgiveness. This would be a 20-year loan where \$275k would be "forgiven". The interest rate is currently at .99%. The Water Utility has enough in reserves set aside for infrastructure to accommodate the water portion of this project or a Safe Drinking Water loan could be looked at.

This project has been too expensive for the City to consider in recent years, but a grant opportunity has arisen for the City due to the mandatory closeout of the existing federal CDBG RLF program. The CDBG RLF program is a revolving loan fund for business/industry and is being closed down by HUD due to issues with administration.

With the CDBG RLF closeout program, municipalities are given an opportunity to "buy-out" their RLF program. In return for buying out their programs, the municipalities can then apply for a CDBG grant for the amount of the buy-out. The City has a current RLF balance to be bought out of \$1.2M. The City will have \$500k of the \$1.2M, but needs to find a way to finance the additional \$700k. If the Utility would upfront the remaining \$700k in RLF Close Funds needed to apply for the CDBG grant, the city could apply for and receive a \$1.2M grant award to be put towards the Water Street project. The City would then repay the Utility the \$700k plus interest.

Below is a chart of assumptions with estimated expenses and revenues of what project funding could look like if we were to pursue reconstructing Water Street in conjunction with the City. Keep in mind that the city will be applying for several grants, and if enough grant funding does not come thru, this project will likely not occur. Starting now gives us an opportunity to thoroughly explore if and how we can reconstruct Water Street and how it could fit into the 2021 budget.

**ASSUMPTIONS-Water & Sewer Utility:**

Utility upfronts \$700k closeout funding and is reimbursed thru closeout grant

Utility receives \$42,523 of CDBG PF Grant

Utility applies for Safe Drinking Water Loan or Utilizes Reserves

Utility applies for Clean Water Fund Loan of \$915,145 and receives 30% forgiveness of \$274,544

<b>Expenses-Water</b>		<b>Expenses-Sewer</b>	
Water Utility Project Costs	\$ 985,482	Sewer Utility Project Costs	\$ 915,145
Finance Closeout Funds	\$ 700,000		\$ 915,145
	<u>\$ 1,685,482</u>		
<b>Revenues-Water</b>		<b>Revenues-Sewer</b>	
Water Reserves (or SDWL)	\$ (942,959)	Clean Water Fund Loan	\$ (640,601)
CDBG PF Grant Proceeds	\$ (42,523)	Clean Water Fund Grant Forgiveness	\$ (274,544)
CDBG Close Out Grant Proceeds	<u>\$ (700,000)</u>		<u>\$ (915,145)</u>
	<u>\$ (1,685,482)</u>		

**RECOMMENDATION:** Discussion and if appropriate, direct staff to pursue Water Street as a 2021 capital project, authorize the Water Utility to upfront the necessary CDBG RLF Closeout Program dollars needed by the City to be reimbursed, and continue to pursue Safe Drinking Water and Clean Water Fund Loans with grant forgiveness.