



FOR COUNCIL: March 12, 2016

SUBJECT: Sanitary Sewer & Storm Water Capital Needs

RECOMMENDATION/MOTION: For Discussion

STRATEGIC PLAN LINK: 1. Financially Sound City Providing Quality Basic Services.

STRATEGIC PLAN SIGNIFICANCE: 1a. Budget with adequate resources to support defined services and level of services.

BACKGROUND: The needs of the sanitary sewer system and storm water system in the City of Bloomington have been well documented. A team of specialists studied the systems and in 2014 produced the Stormwater and Sanitary Sewer Master Plans. The cost summary page is attached to this memo. It outlines \$136,131,000 in potential spending over 20 years. Current fees do not begin to generate revenue sufficient to respond to these proven needs.

Raftelis and staff are currently finalizing proposed rate levels that will sustain pay-as-you-go spending on various items, provide the necessary staffing levels to implement the projects, and recommend debt service for projects that have both high cost and long lifespans. Additionally, the rate plan will provide for prudent fund reserves, which guard against unforeseen expenses or unexpected decreases in fund revenue.

Effects of current underfunding of the Sanitary Sewer and Storm Water Utility

Bloomington's sanitary sewer fee is based on water consumption. The rate currently affords the City the resources it needs for only a limited degree of sewer maintenance, limited sewer rehabilitation (lining) and occasional small sewer replacement projects. Most sewer repair is done in response to emergency sewer main breaks and sewer collapses.

The current rates have left the Storm Water Utility in anemic condition. Public Works currently cannot fund established programs and projects, let alone address the needs identified in the Master Plans.

- On hold: The mandatory elimination of Combined Sewer Overflows, which are events that involve untreated sewage emptying directly into streams. The rates cannot support repayment of financing.
- On hold: Detention basin maintenance programs.

- On hold: Installation of sump pump drain lines in older neighborhoods. These drain lines keep sump pump water from puddling on sidewalks, where they create a slippery green slime in the summer and ice in the winter.
- Virtually all storm water capital projects are on indefinite hold until rates generate more revenue.

Rehabilitation of aging sewers

Citywide sewer rehabilitation is the largest single component of the Storm Water and Sanitary Sewers Master Plans. Recommended spending items include:

- Addition of staff.
- CCTV sewer televising and analysis.
- Sewer main repairs and sewer main lining.
- Storm water inflow & infiltration reduction and management
- Inlet repairs.
- Manhole repairs.
- Repairs and, where needed, installation of sump pump drain lines.

Projects and personnel

Public Works has prepared a summary of major projects currently planned for the first five years of the proposed program, and the document is attached. If a project needs to be delayed or cancelled, other projects can be moved up. The proposed projects cannot go forward without planning and oversight by the Engineering Division of Public Works, which currently has eight fewer employees than it had in 2009 prior to Recession-driven budget cuts. Public Works will ask for gradual addition of staff, to be paid from Storm Water and Sanitary Sewer revenue. This corresponds to the recommendations in the Stormwater and Sanitary Sewer Master Plans.

Public Works seeks the addition of a civil engineer and an engineering technician for Fiscal Year 2017. The Department plans to request an additional engineer and technician in FY18, a technician in FY19, and an engineer and technician in FY20. As currently planned, four of the employees will be paid out of Sanitary Sewer and three out of Storm Water.

Ability to enact sewer projects in conjunction with a street-bond initiative

In 2014, the City of Bloomington undertook a bond project directed primarily at streets but which also, by necessity, involved sewers. (It is only prudent to evaluate and repair sewers underneath a street prior to resurfacing or reconstruction of the street.) Members of the City Council have talked about undertaking another bond resurfacing project, perhaps with double or triple the impact of the previous bond.

If the Council decided to proceed with such an initiative in the near future, the associated sewer repairs would also have to be included in the bonding. The storm water and sanitary sewer funds do not have sufficient reserves to pay for a multi-million sewer rehabilitation initiative. However, with an adjustment of project priorities, the increased revenue from the recommended

rate adjustments could be used to pay for the bond principal and interest for the sewer portion of a bond issuance.

A street-bond project with a related sewer component would affect timing and prioritization of sewer work. However, sewer and storm water spending items for the street-bond work are still needed and are part of the City's long-term plans.

Respectfully submitted for Council consideration.

Prepared by: Ryan L. Otto, PE, Assistant City Engineer

Reviewed by: Jim Karch, PE CFM, Director of Public Works

Financial & budgetary review by: (finance fill in once reviewed – name, title)

Legal review by: (legal fill in once reviewed – name, title)

Recommended by:

David A. Hales
City Manager

- Attachments:** 1. Master Plan Cost Summary.
2. Summary Report on major sanitary sewer and storm water projects planned for initial years.

Motion: For Discussion

Motion: _____ Seconded by: _____

	Aye	Nay	Other		Aye	Nay	Other
Alderman Black				Alderman Mwilambwe			
Alderman Buragas				Alderman Painter			
Alderman Fruin				Alderman Sage			
Alderman Hauman				Alderman Schmidt			
Alderman Lower							
				Mayor Renner			