



ACTION ITEM REPORT

Item Title:

Consideration and ACTION to approve funding for wastewater upgrades in the commercial area of the City.

Recommendation:

LF was awarded a \$4,082,618 grant and a \$1,705,000 loan for upgrades to our sewer system. These upgrades are to old clay lines that have failed or soon to fail along with old brick manholes that have eroded and some collapsed causing infiltration of rain water into our sewer system resulting our sewer plant to be overwhelmed and not able to perform as needed. These lines and manholes are all over the city. We have calculated that about 30% of the lines and manholes directly affect the business community.

One of the functions of the CDC is to assist with the business community. The loan portion will be approximately \$2,210,530 which includes \$505,540 in interest. We have calculated the 30% to be \$33,000 per year beginning in late 2025 through 2045. The total amount contributed to this project over the life of the loan will be \$660,000.

So you are aware, here is the similar current commitments the CDC has made in prior years.

\$20,000 Street Project 2005-2025 (Last Payment made so this goes away)

\$25,000 Evergreen Street, water & wastewater upgrades around Walmart 2014-2034

\$95,000 Water Plant upgrades 2020-2040

\$25,000 Sewer Plant upgrades 2020-2040

Total amount for the 2024-2025 Budget was \$165,000

TOTAL 2025-2026 and future years to end of each loan

\$25,000 Evergreen Street, water & wastewater upgrades around Walmart 2014-2034

\$95,000 Water Plant upgrades 2020-2040

\$25,000 Sewer Plant upgrades 2020-2040

\$33,000 Sewer Lines and Manhole upgrades 2025-2045

Total amount for the 2025-2026 Budget and beyond is \$178,000

With the street project being paid off and adding this new sewer project, it only adds \$13,000 per year.

I recommend approval.