



RESOLUTION NO. 40928

1 A RESOLUTION relating to water quality; authorizing the execution of a loan
2 agreement and any associated term extensions with the Washington
3 State Department of Ecology for a Clean Water State Revolving Fund
4 loan, in the amount of up to \$14,610,731; and accepting and depositing
5 said sum into the Wastewater Fund, to provide 51 percent of the funding
6 to reimburse costs spent on the construction phase of the Central
7 Treatment Plant Electrical Distribution System Replacement Project.

8 WHEREAS a 2016 study of the Central Treatment Plant's ("CTP")
9 medium voltage electrical distribution system revealed the system is past its
10 anticipated design life and could suffer a catastrophic outage leading to
11 dangerous emergency situations, threatening plant staff and the environment,
12 and

13 WHEREAS the Environmental Services Department ("ES") prioritized
14 replacing this critical infrastructure because of the substantial damage its failure
15 could cause, and

16 WHEREAS, due to the high cost of the project, ES pursued low interest
17 loans from both the United States Environmental Protection Agency ("EPA")
18 and the Washington State Department of Ecology ("Ecology") to allow the
19 project to proceed ahead of schedule and without disrupting other planned
20 capital improvements for the Wastewater Utility, and

21 WHEREAS obtaining funding for the Clean Water State Revolving Fund
22 ("CWSRF") takes over a year to complete, the City applied for this funding while
23 the project was in design, and it has since progressed to the construction
24 phase, and
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WHEREAS this is the second CWSRF loan for this project, and the first loan was for the design phase, and

WHEREAS funding for the CTP Electrical Distribution System Replacement Project also includes up to \$21,000,000 of Water Infrastructure Finance and Innovation Act (“WIFIA”) bond funding from the EPA, approved by Ordinance No. 28690 on September 15, 2020, and

WHEREAS the WIFIA loan is on a reimbursement basis limited to 49 percent of eligible project costs, and the remaining costs are expected to be funded by the CWSRF loans, and the total project cost projection at this time is \$36,347,020, and

WHEREAS the City has applied for and been awarded funding in the amount of \$14,610,731 from Ecology through a CWSRF loan, to be repaid over 30 years at a 1.6 percent interest rate, and

WHEREAS, under the CWSRF process guidelines, the City Council must approve acceptance of CWSRF loan funding; Now, Therefore,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF TACOMA:

Section 1. That the proper officers of the City are hereby authorized to accept funding from the Washington State Department of Ecology in the amount of \$14,610,731 through a Clean Water State Revolving Fund loan, for deposit into the Wastewater Fund, to provide 51 percent of the funding to reimburse costs spent on the construction phase of the Central Wastewater Treatment Plant Electrical Distribution System Replacement Project.



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Section 2. That the proper officers of the City are hereby authorized to execute a Clean Water State Revolving Fund loan agreement and any associated term extensions with the Washington State Department of Ecology for the administration of the funding accepted pursuant to Section 1, said document to be substantially in the form of the proposed loan agreement on file in the office of the City Clerk.

Adopted _____

Mayor

Attest:

City Clerk

Approved as to form:

Deputy City Attorney