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## CITY OF EDEN – MEMORANDUM

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**TO:** HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

**THRU:** BRAD CORCORAN, CITY MANAGER

**FROM:** TERRY SHELTON, DIRECTOR OF ENVIRONMENTAL SERVICES

**DATE:** DECEMBER 4, 2012

**SUBJECT:** REQUEST FOR APPROVING RESOLUTION ACCEPTING A STATE LOAN WITH PRINCIPAL FORGIVENESS FOR THE KUDER STREET SEWER REHABILITATION PROJECT

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The City of Eden was officially awarded a Low Interest Loan with Principal Forgiveness by the Clean Water State Revolving Fund (CWSRF) on March 1, 2011, for the East Kuder Street Sewer Rehabilitation project. The financial assistance is for a loan of \$2,694,021.00 at an interest rate of 0.00% per annum. This loan has principal forgiveness of \$1,000,000 and the project will actually cost the City just \$1,694,021.00 over a term of 20 years.

The Kuder Street Sewer Rehabilitation Project is designed to improve a large portion of three failing sewer outfalls in the East Kuder Street subbasin feeding into the Kuder Street Pump Station. The Kuder Street Pump Station then pumps to the Junction Pump Station Basin. We believe that this project will help reduce the sewer system overflows in the Junction Pump Station Basin by reducing the overall flow coming into the Junction Pump Station. The Junction Pump Station Basin is a target of the EPA Administrative order because of the number of sewer overflows we have experienced in the past five years.

By this Resolution the City Council will formally accept the Loan with Principal Forgiveness for \$2,694,021.00. This project is expected to be bid in January 2013. Work on this project is expected to begin by May of 2013.

Please contact me if you any questions regarding the East Kuder Street Sewer Rehabilitation Project or the Resolution to formally accept the CWSRF Loan.