



CITY OF CAMBRIDGE
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EXECUTIVE DEPARTMENT
ROBERT W. HEALY
City Manager

RICHARD C. ROSSI
Deputy City Manager

September 21, 1992

To The Honorable, The City Council:

The following information is offered in response to Awaiting Report Item No. 50:

The original financing plan for Phase VI of the Sewer Separation Project included State funding of \$33 million with the remaining \$7 million funded through the issuance of bonds. However, due to the financial problems which have affected the State over the past several years, State financing remains unavailable to fund the largest portion of the costs. Because of this, it is now clear that, if the project is to go forward, full funding will have to come from the issuance of general obligation bonds with the debt service paid from the sewer service charge. As existing sewer bonds are retired, revenues which paid the debt service on these bonds will be available to cover a portion of the debt service on the new bonds, somewhat reducing the increase in the sewer service charge. However, this project will result in a substantial increase in the City's sewer rate if state money remains unavailable. The authorization for the first phase of this project, which will cover from the Charles River up DeWolfe Street to Quincy Street and Broadway, is currently in place.

The City Council approved two separate loan orders totalling \$16 million during 1990. All federal, state, and local requirements have been fulfilled. It is anticipated that construction on this phase will begin in April, 1993, with completion expected by April, 1995. When this phase is completed, the second phase, which covers from Broadway to Oxford and Kirkland Streets, will begin. It is anticipated that a loan order for \$24 million will be submitted to the City Council for the remaining two phases of the project at this time. Current plans call for the third phase, which continues up Oxford Street to Roseland Street, to begin in April, 1997.

I will keep the City Council informed of the progress of this project as it goes forward.

Very truly yours,

Robert W. Healy
City Manager

RWH/mev

CONSENT AGENDA ITEM #16

S-734

Awaiting Report Item No. 50 regarding
the sewer separation project.

In City Council,

September 21, 1992

Placed on file