

City of Minot

TO: Mayor Chuck Barney
Members of the City Council

FROM: David Lakefield, Finance Director

DATE: May 2, 2018

SUBJECT: CWSRF and DWSRF Funding

I. RECOMMENDED ACTION

- A. Approve the attached Resolution and Loan Agreement (Bond Resolution Minot 2018 A CW SRF & Loan Agreement Minot 2018 A CW SRF) authorizing issuance of bonds through the

State Revolving Fund programs for Clean Water.

- B. Approve the attached Resolution and Loan Agreement (Bond Resolution Minot 2018 B CW SRF & Loan Agreement Minot 2018 B CW SRF) authorizing issuance of bonds through the State Revolving Fund programs for Clean Water.
- C. Approve the attached Resolution and Loan Agreement (Bond Resolution Minot 2018 C DW SRF & Loan Agreement Minot 2018 C DW SRF) authorizing issuance of bonds through the State Revolving Fund programs for Drinking Water.

II. DEPARTMENT CONTACT PERSONS

David Lakefield, Finance Director 701-857-4784

III. DESCRIPTION

A. Background

The utility and resulting street improvements related to the flood control work are eligible costs for a loan with the ND Department of Health. This program has a favorable interest rate and will result in considerable savings in interest costs.

The Hydraulic Improvements project at the City Wastewater Treatment Facility is also eligible costs for a loan with the ND Department of Health. . This program has a favorable interest rate and will result in considerable savings in interest costs.

B. Proposed Project

Approve CWSRF/DWSRF Loan Applications and Bond Resolutions for the eligible portion of Project MI-1.

Approve CWSRF Loan Application and Bond Resolution for Hydraulic Improvement project.

C. Consultant Selection

N/A

IV. IMPACT:

A. Strategic Impact:

The combined rate/fee of the CWSRF is $\approx 2\%$ for up to 20 years. It is estimated that 20 year bonds would have a rate of $\approx 3.58\%$.

B. Service/Delivery Impact:

Passing this resolution and authorizing this source of financing allows us to have the financing for at least a portion of this project secured and at a favorable rate. This will allow us time/flexibility to examine additional funding/financing sources.

C. Fiscal Impact:

Potential interest cost savings using the CWSRF/DWSRF funding for 20 year term is $\approx \$3.8$ million.

V. ALTERNATIVES

Finance the projects using Sales Tax Revenue Bonds.

VI. TIME CONSTRAINTS

ASAP

VII. LIST OF ATTACHMENTS

- A. Loan Agreement Minot 2018 A CW SRF
- B. Loan Agreement Minot 2018 B CW SRF
- C. Loan Agreement Minot 2018 C DW SRF
- D. Bond Resolution Minot 2018 A CW SRF
- E. Bond Resolution Minot 2018 B CW SRF
- F. Bond Resolution Minot 2018 C DW SRF
- G. SRF Application Revise Amount
- H. CWSRF Application MI 1
- I. DWSRF Application MI 1