



TO: Mayor Chuck Barney
Members of the City Council

FROM: David Lakefield, Finance Director

DATE: January 2, 2018

SUBJECT: CWSRF APPLICATION

I. RECOMMENDED ACTION

1. Approve the attached Resolution authorizing the application for a loan under the Clean Water Act for the eligible portion of project MI-1.

II. DEPARTMENT CONTACT PERSONS

David Lakefield, Finance Director 701-857-4784

III. DESCRIPTION

A. Background

The utility and street resulting street improvements 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.

B. Proposed Project

Apply for CWSRF funds for the eligible portion of Project MI-1.

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 applying for the loan now 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 funding for 20 year term is $\approx \$1.4$ million.

V. ALTERNATIVES

Finance the projects using Sales Tax Revenue Bonds.

VI. TIME CONSTRAINTS
ASAP

VII. LIST OF ATTACHMENTS

- A. Resolution
- B. CWSRF Application