



Waukesha Water Utility

SERVING WAUKESHA SINCE 1886

115 DELAFIELD STREET
WAUKESHA, WI 53188-3615

Telephone: (262) 521-5272 • Fax: (262) 521-5265 • E-mail: contactus@waukesha-water.com

MEMORANDUM

DATE: April 28, 2014

TO: Dan Duchniak *DD*
General Manager

FROM: Donna Scholl *DS*
Administrative Services Manager

RE: Reimbursement Resolution for Safe Drinking Water Loan Application

As you know, the construction project on Moreland from Madison to Michigan is eligible to receive money from the Safe Drinking Water Loan Fund. The 2014 Budget assumed the project would be funded in this manner. This is a low interest loan with rates as low as 1.925%.

The timing of this project is such that we will be spending money before we receive the loan. As a result, we are required to secure a Reimbursement Resolution from the City's Common Council. The resolution allows us to spend working capital and then reimburse our general fund with the loan proceeds.

The current estimate for the project is \$423,590. The bid opening is on May 14th. As I will not be in the office from May 1 through May 14, I have drafted the reimbursement resolution to allow us to reimburse the general fund up to \$450,000 (in case the bids exceed the estimate). The actual level of reimbursement will be the lower of the project cost or \$450,000.

I am proposing that the Water Commission endorse the attached resolution so that it can be considered by the City's Finance Committee on May 20th and the City's Common Council on June 2nd.

Motion

... move to approve the attached Reimbursement Resolution for \$450,000 in order to secure funds from the Safe Drinking Water Loan Program.

Agenda Item #7

A RESOLUTION DECLARING OFFICIAL INTENT TO REIMBURSE
EXPENDITURES FOR WATER SUPPLY SYSTEM IMPROVEMENTS

WHEREAS, the City of Waukesha, Waukesha County, Wisconsin (the "Municipality") owns and operates a water supply system (the "System") as a public utility; and

WHEREAS, the Municipality plans to construct improvements to the system as described in its Safe Drinking Water Fund Assistance Application and assigned Safe Drinking Water Fund Project No. 4928-07 by the Department of Natural Resources (the "Project"); and

WHEREAS, the Utility plans to construct these improvements with a low interest Safe Drinking Water Loan Program (SDWLP) loan; and

WHEREAS, these improvements may need to proceed with construction prior to receipt of the actual SDWLP loan due to the desire of the City and other users to expedite the project; and

WHEREAS, the City wishes to document its intent to use the SDWLP loan as a refinancing tool for expenditures that may be made before SDWLP loan closing; and

WHEREAS, the Municipality expects to receive a loan (the "Loan") from the State of Wisconsin Safe Drinking Water Loan Program (the "Program") to finance the Project and expects to issue tax-exempt bonds (the "Bonds") to the Program in evidence of the Loan; and

WHEREAS, it is necessary, desirable, and in the best interest of the Municipality to advance monies from its funds on hand on an interim basis until the Loan becomes available and the Bonds can be issued.

NOW, THEREFORE, BE IT RESOLVED by the City of Waukesha, Waukesha County, Wisconsin, that:

Section 1. Expenditure of Funds. The Municipality shall make expenditures as needed from funds on hand to pay the costs of planning, engineering and construction of these improvements until the SDWLP proceeds become available.

Section 2. Declaration of Official Intent. The Municipality hereby officially declares its intent under 26 CFR Section 1.103-18 to reimburse said expenditures with proceeds of the loan, the aggregate principal amount of debt expected not to exceed \$450,000.

Section 3. Unavailability of Long-Term Funds. No funds for payment of the Project from sources other than the Bonds are, or are reasonably expected to be, reserved, allocated on a long term basis, or otherwise set aside by the Municipality pursuant to its budget or financial policies.

Resolution # _____

Section 4. Public Availability of Official Intent Resolution. This Resolution shall be made available for public inspection at the Municipal Clerk's office within thirty days after its approval in compliance with applicable State law governing the availability of records of official acts including subchapter II of Chapter 19, and shall remain available for public inspection until the Loan is issued.

Section 5. Effective Date. This Resolution shall be effective upon its adoption and approval.

Adopted and recorded _____, 2014

Approved _____, 2014

Shawn N. Reilly, Mayor

(SEAL)

ATTEST:

Gina Kozlik, Clerk/Treasurer