



Waukesha Water Utility

SERVING WAUKESHA SINCE 1886

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WAUKESHA, WI 53188-3615

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MEMORANDUM

DATE: January 15, 2016

TO: Dan Duchniak
General Manager

FROM: Donna Scholl
Administrative Services Manager

RE: Reimbursement Resolution for Safe Drinking Water Loan Application

As you know the construction project on Main St, Clinton to Barstow, should be eligible to receive money from the Safe Drinking Water Loan Fund.

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 or borrowed funds and then reimburse our accounts with the loan proceeds.

The estimate for the project, including contingency and financing is \$ 897,367. The bid opening was on January 15, 2016.

I am proposing that the Water Commission endorse the attached resolution so that it can be considered by the City's Finance Committee on February 24th and the City's Common Council on March 3rd.

Recommended Motion: Move to authorize a Reimbursement Resolution allowing the City to declare its official intent to reimburse expenditures of up to \$897,367 for the water system improvements on Main Street, Clinton to Barstow.

R _____

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 on Main Street, Clinton to Barstow, as a subset of Project 4928-06 as described in its Safe Drinking Water Fund Intent to Apply and assigned job number GLC-D0005 by the Utility(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 the 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, because the Loan will not become available prior to February 15, 2016, the Municipality must provide interim financing to cover costs of the Project incurred prior to receipt 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 and possibly a "Note Anticipation Note" 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 loans, the aggregate principal amounts of debt expected not to exceed \$897,367.

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.

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 _____, 2016

Approved _____, 2016

Shawn Reilly, Mayor

(SEAL)

ATTEST: _____
Gina Kozlik, City Clerk