



## MEMORANDUM

DATE: February 12, 2015

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 Les Paul, Arcadian to Broadway, is eligible to receive money from the Safe Drinking Water Loan Fund. The 2015 Budget assumed the project would be funded in this manner. The interest rate on our last Safe Drinking Loan was 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 \$3,406,500. The bid opening is on April 13, 2015.

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 3<sup>rd</sup>.

**Recommended Motion:** Move to authorize the attached Reimbursement Resolution for \$3,406,500 in order to secure funds from the Safe Drinking Water Loan Program.