

SUBJECT

BOARD RESOLUTION NO. 22-211

Pertaining to an application for a loan from the Drinking Water Revolving Fund to fund the design, and the first year of construction for the McCarron's Treatment Plant Project.

BACKGROUND INFORMATION

At its March 10, 2020 meeting, the Board authorized staff to apply for a Drinking Water Revolving Fund loan in the amount of \$20,000,000. Those funds were received and used for piloting, design, and consulting efforts for the McCarron's Treatment Plant Project.

Staff is now seeking authorization to apply for a Drinking Water Revolving Fund loan in the amount of \$45,000,000. The purpose of the proposed loan is to fund ongoing design and the first year of construction for the McCarron's Treatment Plant Project. The application for this loan is due for submission on April 6th, 2022. Between April 6th and the loan finalization date, it may be necessary to make updates to the loan amount. If the finalized loan amount exceeds \$45,000,000 staff will seek further Board approval.

The interest rate for Drinking Water Revolving Fund loans is considerably lower than traditional water revenue bonds, making this loan a favored means of project financing.

The form of the resolution is as required by the Minnesota Public Facilities Authority and has been used on previous MN PFA funding applications.

RECOMMENDATION

Board approval is recommended.