

SUBJECT

BOARD RESOLUTION NO. 16-649

Pertaining to an application for a loan from the Drinking Water Revolving Fund to fund the McCarron's Switchgear and Electrical Replacement Improvements and the West St. Paul Pump Station Generator and Electrical Improvements.

BACKGROUND INFORMATION

Staff is seeking authorization to apply for a Drinking Water Revolving Fund loan in the amount of approximately \$7,200,000.00 to fund the purchase and installation of the McCarron's Switchgear and Electrical Replacement Improvements and the West Saint Paul Pump Station Generator and Electrical Improvements and appurtenances. The interest rate for these loans is currently between 1.0% and 1.5%, which is considerably lower than traditional water revenue bonds.

The Saint Paul city council and mayor approved this financing and spending in the City's 2016 adopted budget.

Design for the McCarron's Improvements is currently underway and contractor work is scheduled to begin in July 2016, with final completion planned for January 2018. Design for the West Saint Paul Improvements is currently underway and contractor work is scheduled to begin in May 2016, with final completion planned for December 2016.

The form of the resolution is as required by the Minnesota Public Facilities Authority and has been approved by the assistant city attorney.

RECOMMENDATION

Approval is recommended.