

SUBJECT

BOARD RESOLUTION NO. 25-1239

Providing for the issuance of a water revenue note.

2025 STRATEGIC PLAN GOALS: Financial Stability

Executive Summary: At its January 18, 2025 meeting, the BWC approved resolution 25-72, which authorized SPRWS staff, city staff, and the St. Paul City Council proceed with plans to issue approximately \$29,000,000 of debt to continue to finance the McCarron's Water Treatment Plant Improvements project.

To that end, SPRWS, the City, and the MN Public Facilities Authority have prepared loan terms that are agreeable to all parties. Specifically, **the loan terms include \$28,000,000 of principal, a term of 20 years, and an interest rate of 2.547%**. The loan is expected to be fully executed by August or September of 2025.

For 2025, subsidized interest rates from the PFA are only available for loan value up to \$28,000,000 -hence the \$1M reduction between the initial planned value and the final value of the loan. We will have one final debt issuance through the PFA in 2026 to fully fund the project. That loan will be substantially smaller in value (less than \$10,000,000).

With loan terms agreed upon by SPRWS staff, City staff, and the Public Facilities Authority, all that remains necessary to issue the debt and execute the agreement is a final pair of resolutions:

1. A resolution by the St. Paul City Council confirming the desire to issue the debt
2. A concurring resolution by the BWC confirming the desire to issue the debt

The first of these resolutions is planned to be on the City Council's agenda at their meeting on August 13, 2025. The second of these resolutions is on the BWC agenda for today, August 12, 2025, and your approval of the resolution is sought at this point.

Upon passage of the two resolutions listed above, the City will promptly execute the financing agreement with the PFA and will issue the debt.

RECOMMENDATION

Approval