

SUBJECT

BOARD RESOLUTION NO. 25-73

Requesting the City of Saint Paul, Minnesota to Issue and Sell Water Revenue Bonds in an Aggregate Principal Amount Not to Exceed \$29,000,000 in 2025 and Estimated not to Exceed \$6,000,000 in 2026 for the WTP Modernization Project.

STRATEGIC PLAN GOALS: Financial Stability

See attached Report.

RECOMMENDATION

Approval

Staff Report – Resolutions Related to Debt Issuance for the McCarron’s Water Treatment Plant Project

Two resolutions are placed before the Board for consideration at the January meeting. Both resolutions related to issuing debt to continue to fund the McCarron’s Water Treatment Plant Improvement project, and the resolutions are interrelated.

Generally, it is the intent of SPRWS staff to collaborate with the city’s Office of Financial Services and the Minnesota Public Facilities Authority to secure additional loans from the Drinking Water Revolving Fund program. Both of the resolutions pertain to that process. Staff expects to seek a \$29M loan from the DWRF program in 2025 and an additional \$6M from the DWRF program in 2026. These two loans are expected to fully fund the project and are consistent with the debt issuance plans shared with the Board previously.

Resolution #1

This resolution authorizes SPRWS staff to apply for a DWRF loan. Applying for the loan does not obligate SPRWS or the Board in any way and is a necessary step in securing a loan. Parallel resolutions to this (Ex: RES 22-211, RES 23-555, and RES 24-369) have been passed in previous years and are generally included in the application packet to demonstrate that staff is applying with the support of the Board/governing body.

Resolution #2

This resolution is analogous to resolutions passed in previous years during the debt issuance process. It more clearly defines the anticipated financing values and timelines (for both 2025 and 2026) and allows for reimbursement if any expenses are incurred prior to the issuance of the loan. A resolution that was previously passed (RES 24-838) is somewhat redundant with this since it incorporated much of the same language and clearly expressed the plans to secure \$29M in DWRF loans in 2025. In spite of the parallel language, the city’s municipal bond advisor/specialist has recommended that this resolution be brought before the Board again in 2025.

In short, this resolution generally covers debt issuance plans already approved by the Board under RES 24-838 but is necessary, according to the municipal bond advisor, to thoroughly ensure that all the required Board approvals meet legal requirements.

A Note on Future Resolutions

The above referenced resolutions will allow SPRWS staff to apply for a loan and to begin to work with the MN PFA to develop the specific terms of that loan. Prior to fully securing the loan, one further resolution from the Board (and one resolution from City Council) will be necessary. That resolution will be brought before the board within approximately the next 6 months. A parallel example of that type of resolution is RES 23-1046. No debt issuance will occur until after that future loan is passed.

Update on Project Status

An update on the status of the McCarron’s WTP project will be provided at the January meeting in the form of a PowerPoint presentation and Q&A with the project manager.