



Request for Council Action

TO: Mayor and City Council
THROUGH: Tim Murray, City Administrator
FROM: Mark DuChene, City Engineer
MEETING DATE: March 23, 2021
SUBJECT: Resolution 2021-058 Approve the Loan Application to Minnesota Public Facilities Authority for NW Area Water Tower Watermain Project – City Contract 2019-12

Background:

In 2020, the City's proposed NW Area Water Tower and Watermain Project (City Contract 2019-12) was submitted for funding approval through the Minnesota Public Facilities Authority (PFA) Drinking Water Revolving Loan Fund (DWRF). The PFA determined that the watermain portion of the project eligible but that the water tower portion of the project was not. Eventually the watermain project was placed in the fundable category of the PFA's Intended Use Plan (IUP) for 2021. The project qualifies for low interest loans through the PFA in an amount up to \$920,000 with a projected interest rate of 1-1.5%.

The next step in the PFA loan process is to submit a loan application to the PFA by March 31, 2021 and part of the loan application process is for the City Council to pass a loan application approval resolution and authorize the City Administrator or his designee to execute all other forms as necessary to complete the loan application.

Recommendation:

Approve Resolution 2021-058

Attachments:

- Resolution 2021-058

CITY OF FARIBAULT

RESOLUTION #2021-058

APPROVE THE LOAN APPLICATION TO MINNESOTA PUBLIC FACILITIES AUTHORITY FOR NW AREA WATER TOWER WATERMAIN PROJECT – CITY CONTRACT 2019-12

WHEREAS, the City of Faribault has recently annexed land and seen industrial growth in the far northern parts of the City that require public infrastructure improvements to support existing and future business and economic development; and

WHEREAS, these public infrastructure improvements include the construction of a 750,000-gallon elevated water storage tower and related watermain extensions; and

WHEREAS, plans and specifications have been prepared for the construction of a said water tower and watermain; and

WHEREAS, the City of Faribault intends to use a loan from the Minnesota Public Facilities Authority to provide funding for eligible portions of the project.

NOW, THEREFORE BE IT RESOLVED, that the City of Faribault, Minnesota, hereby applying to the Minnesota Public Facilities Authority for a loan from the Drinking Revolving Fund for improvements to its drinking water system as described in the loan application.

BE IT FURTHER RESOLVED, that the City of Faribault, Minnesota, estimates the loan amount to be \$920,000 or the as-bid cost of the project.

BE IT FURTHER RESOLVED, that the City of Faribault, Minnesota, has the legal authority to apply for the loan, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation and maintenance of the project for its design life.

BE IT FURTHER RESOLVED, that the City of Faribault, Minnesota, hereby expresses its official intent to use proceeds of this loan to reimburse construction expenditures made prior to the issuance of its general obligation bond to the Public Facilities Authority.

BE IT FURTHER RESOLVED, that the City Administrator or their designee is authorized to execute all forms related to the loan application.

Date Adopted: March 23, 2021

Faribault City Council

Kevin F. Voracek, Mayor

ATTEST:

Timothy C. Murray, City Administrator