



MEETING OF AUGUST 1, 2023

TO: Mayor Jordan and City Council
THRU: Paul Becker, Chief Financial Officer
FROM: Steven Dotson, Internal Auditor
DATE:
SUBJECT: Mayor's approval signature of the Arkansas Natural Resources Division loan terms and Resolution for Signatory Authority

RECOMMENDATION:

Staff recommends the Mayor sign approval of the loan terms for the Drinking Water State Revolving Loan Fund to fund the West Transmission Waterline Project, and recommend signature on the Resolution for Signatory Authority.

BACKGROUND:

The Drinking Water State Revolving Loan Fund was created to facilitate compliance with national primary drinking water regulations or otherwise significantly advance the public health protection objectives of the Safe Drinking Water Act. The City submitted a request for consideration of financial assistance to the Arkansas Natural Resources Commission to fund the West Transmission waterline. The existing 36 inch transmission main is deteriorating, cannot currently be operated at any pressures above the minimum, and will be unable to meet increasing water demands in the City. The proposed 48 inch West Transmission waterline is needed as soon as possible to secure access to safe drinking water and meet projected maximum demands of the City.

DISCUSSION:

The City's West Transmission waterline project is being expedited. Financial assistance is being made available to the City in the form of a loan under the Drinking Water State Revolving Loan Fund. The Arkansas Department of Agriculture has approved the City's request in the form of a loan in the amount up to \$85,000,000.00 for the replacement of the West transmission waterline. As the Arkansas Department of Agriculture indicates in the "approval of financial assistance" letter, the Director of the National Resource Division of the Arkansas Department of Agriculture will set the combined annual borrower rate and loan terms at the time of the loan closing. At this time, the anticipated term of the funding is 20 years, with a combined rate of 1.75% per annum.

BUDGET/STAFF IMPACT:

Budget adjustment attached

ATTACHMENTS: DWSRF_Signature Documents, Budget Adjustment Revision, SRF Revision

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