

CITY OF DILLINGHAM, ALASKA

RESOLUTION 2016-61

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY MANAGER TO PURSUE A USDA LOAN/GRANT FOR WASTEWATER SYSTEM AND WATER SYSTEM IMPROVEMENTS

WHEREAS, the City needs funds to complete the Wastewater system work that was started in 2012 and also the Water system work started in 2016; and

WHEREAS, the Wastewater system will involve installing a new aeration system with an estimated cost of \$1.2 million; and

WHEREAS, the Water system improvement will be installing circulation loops to water pipes that are dead ends for an estimated cost of \$2.2 million; and

WHEREAS, the City staff is exploring all avenues of funding in order to complete these projects; and

WHEREAS, the City has State Municipal Matching (MMGs) grants for both the wastewater and water projects that has a 30% match and are set to expire in May of 2018; and

WHEREAS, staff would like to pursue a USDA grant/loan for these projects in the event that the MMGs will not cover the cost of the projects; and

WHEREAS, in speaking with USDA their current interest rate is 1.875 and once they have our application they will determine if we would qualify for a loan, grant or a combination of the two; and

WHEREAS, the full amount requested will depend upon other funding sources for these projects such as MMGs and ANTHC; and

WHEREAS, the initial application for the funds will require an Environmental Review and Preliminary Engineer Reports; and

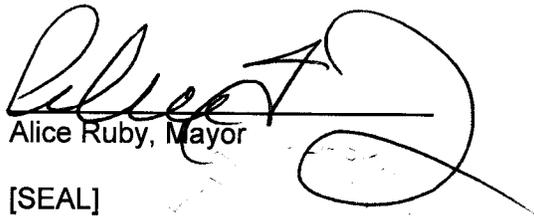
WHEREAS, staff is asking the current engineer CRW for the cost to do the Environmental Review; and

WHEREAS, USDA is reviewing the Engineer Reports completed for both systems to determine if they are sufficient; and

WHEREAS, pursuing a USDA application would not commit the City to accepting the funds if approved;

NOW, THEREFORE, BE IT RESOLVED that the Dillingham City Council authorizes the City Manager to pursue a USDA loan/grant for the wastewater and water projects.

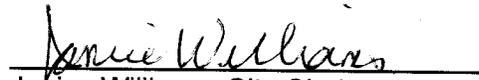
PASSED and ADOPTED by a duly constituted quorum of the Dillingham City Council on October 6, 2016.


Alice Ruby, Mayor

[SEAL]



ATTEST:


Janice Williams, City Clerk

City of Dillingham Information Memorandum

Agenda of: October 6, 2016

Attachment to:

Ordinance No. _____ / Resolution No. Resolution 2016-61

Subject:

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY MANAGER TO PURSUE A USDA LOAN/GRANT FOR WASTEWATER SYSTEM AND WATER SYSTEM IMPROVEMENTS

City Manager: Recommend Approval

Signature: Rose Loeber

Fiscal Note: Yes No

Funds Available: Yes No

Other Attachments:

Summary Statement:

The City staff has been discussing a possible grant/loan combination with USDA as a funding option for its wastewater and water system projects. The projects include the aeration system for the lagoon and water circulating loops for the water system. Both projects will cost about \$3.4 million. The City currently has MMGs for wastewater and water with a 30% match requirement as well as an ANTHC grant for the lagoon.

USDA stated if we were to get a loan the current rate is 1.875 and is good until the end of December.

USDA will review the City's financial capability and determine whether a loan or grant or a combination of the two is warranted. The maximum we would be applying for is \$3.4 million but with the other funding sources could be considerably left.

This authorizes City staff to pursue funding from USDA but doesn't obligate us to take it if awarded. The Council will be presented with the award when issued.

Time is important for this application because of the rate changing in December and the MMGs expiring in May 2018. The projects need to go out for bid soon for work to commence in 2017.

Attachment to:
Ordinance No. _____ / Resolution No. Resolution 2016-61

Summary Statement continued:

Route to	Department Head	Date
X	Finance Director	
X	Public Works Director	
X	Planning Director	
X	City Clerk	