

City of Racine, Wisconsin
Declaration of Official Intent to Reimburse
Lead Service Line Replacement Project
Resolution No. _ _ _ _ _

WHEREAS, the City of Racine, Wisconsin, (City) owns and operates a water treatment plant and distribution system through the Racine Water Utility (Utility) as directed by the Racine Waterworks Commission (Commission); and

WHEREAS, the Utility is delegated to provide continuous need for maintaining the water distribution system so as to provide the public with clean and abundant supply of potable water; and

WHEREAS, many homes and buildings, especially those built before 1945, may have water service lines and/or internal plumbing and fixtures that are made of or contain lead.; and

WHEREAS, lead in drinking water is rarely the sole cause of lead poisoning, but it can add to a person's total lead exposure and no level of lead is considered safe for consumption; and

WHEREAS, the Utility annually replaces lead service lines as part of water distribution system water main replacement work, and at high priority locations such as at schools and licensed daycare facilities; and

WHEREAS, the Utility owns and maintains water service lines from the street water main to the customer property line, with the home and building owner being responsible for owning and maintaining water service lines from the property line into the building; and

WHEREAS, the City has received state grant funding for replacement of homeowner side lead service lines since 2016; and

WHEREAS, the Utility has applied to the State DNR Safe Drinking Water Loan Program (SDWLP) and expects to obtain a loan to provide long-term financing for the Project, of which a portion of the principal may be forgiven for homeowner side lead service line replacement in the form of Principal Forgiveness, pursuant to the WDNR Financial Assistance Agreement (FAA); and

WHEREAS, engineering, planning and design of the Project and construction related services will proceed prior to the SDWLP loan issuance; and

WHEREAS, the Racine Water Utility, through its Commission wishes to declare its intent to use its internal funds to temporarily fund costs of the Project until the SDWLP loan can be obtained; and

NOW, THEREFORE, BE IT RESOLVED, by the City Council of the City of Racine, Wisconsin, that:

1. Expenditures of Funds. The Racine Water Utility, through its Commission, shall make expenditures as needed from reserve funds to pay the cost of the Project until the SDWLP loan proceeds become available for reimbursement.
2. Declaration of Official Intent. The City hereby officially declares its intent under Treasury Regulations, 26 CFR 1.150-2 to reimburse said expenditures with proceeds of the SDWLP FAA, the aggregate principal amount of debt for the Project is expected not to exceed \$40,000,000, of which 49% may be allocated as Principal Forgiveness for homeowner side lead service replacement.