

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING THE RACINE WATER UTILITY TO
BORROW FUNDS FROM THE CITY OF RACINE FOR REPLACEMENT OF
PRIVATE LEAD SERVICE LATERALS UNTIL
THE RECEIPT OF SAFE DRINKING WATER LOAN PROCEEDS**

WHEREAS, the City of Racine Water Utility (the "Water Utility") desires to commence a program ("Program") to make funds available to private property owners for the replacement of lead service laterals on private property; and

WHEREAS, the Water Utility desires to structure the Program to pay some or all of the cost for replacement of lead service laterals on private property by making direct payments to the plumbers and other contractors who perform such work on behalf of the private property owners; and

WHEREAS, the source of financing for the Program to be utilized by the Water Utility is a Safe Drinking Water Loan with 100% Principal Forgiveness ("Loan") that is expected to be provided by the Wisconsin Department of Natural Resources; and

WHEREAS, the amount of the Loan that is expected to be received by the Water Utility during 2016 is in an amount not to exceed \$500,000; and

WHEREAS, because the proceeds from the Loan will not be received by the Water Utility in time to make Program payments to plumbers and other contractors prior to October 1, 2016, the Water Utility must obtain interim financing to cover the cost of the Program incurred prior to receipt of the Loan proceeds; and

WHEREAS, the Wisconsin Public Service Commission (PSC) has determined that the Water Utility cannot advance funds from internal accounts generated by ratepayers to fund the Program expenditures on an interim basis until the Loan proceeds are received; and

WHEREAS, it is necessary, desirable, and in the best interests of the Water Utility to receive an interim advance of funds from the reserve funds of the City of Racine ("City") to pay the costs of the Project until the Loan proceeds are received.

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

Section 1. Expenditure of Funds. The Water Utility shall make Program expenditures as needed that are drawn from funds made available by the City to pay the costs of the Program.

Section 2. Repayment of Funds. Upon receipt of anticipated Loan proceeds as described herein, if any, the Water Utility shall reimburse the City the amount of funds

that were drawn from the City as described above in Section 1.

Section 3. Unavailability of Loan Funds. In the event that Loan proceeds are not received by the Water Utility, the Water Utility shall remain obligated to reimburse the City the amount of funds that were drawn from the City as described above in Section 1.

Section 4. Effective Date. This Resolution shall be effective upon its adoption.

Introduced at a meeting of the Common Council of the City of Racine, Wisconsin held this _____ day of _____, 2016.

Adopted by the Common Council of the City of Racine, Wisconsin this _____ day of _____, 2016.

CITY OF RACINE, WISCONSIN

By: _____
John Dickert, Mayor

Attest:

Attest: _____
Janice Johnson-Martin, City Clerk

Approved as to form:

Scott Letteney, City Attorney