

City of Racine, Wisconsin
Declaration of Official Intent to Reimburse
Water Main 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, the Utility must maintain approximately 465 miles of water main within the local water service area distribution system; and

WHEREAS, the Utility must annually repair and replace water mains that have reached its useful life; and

WHEREAS, the Utility has service area water main replacement projects scheduled in 2024 that will require financial assistance to fund; 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 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 Utility reserve funds to pay the cost of engineering and construction related services of the Project until the SDWLP loan proceeds become available for Utility 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 \$9,000,000.