



City of Racine

City Hall
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Legislative Report

File Number: Res. 0577-21

Agenda Date: 07/20/2021

File Type: Resolution

City of Racine, Wisconsin, Declaration of Official Intent to Reimburse Lead Service Lateral Replacement Project

WHEREAS, the City of Racine, Wisconsin, owns and operates a water treatment plant and distribution facilities through the Racine Water Utility; and

WHEREAS, the State of Wisconsin is encouraging replacement of a number of existing lead service laterals in accordance with the requirements of NR 809 and may be providing special funding assistance through the SDWLP (Project); and

WHEREAS, the Utility expects to obtain a loan to provide long-term financing for the Project from the SDWLP; and

WHEREAS, construction of the Project is expected to proceed prior to the SDWLP loan being available; and

WHEREAS, the Racine Water Utility wishes to declare its intent to use its internal funds to temporarily fund the construction of the Project until the SDWLP loan, or other long-term financing, can be obtained; and

WHEREAS, this resolution documents the City's intent to reimburse its internal funds, as required by Treasury Regulations 26 CFR 1.150-2, with tax-exempt bond proceeds.

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

1. Expenditures of Funds. The City shall make expenditures as needed from funds on hand, including funds in the Water Fund, to pay the cost of planning, engineering and construction of the Project until the SDWLP loan proceeds become available.
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 loan, the aggregate principal amount of debt expected not to exceed \$1,610,120.

Fiscal Note: The Racine Water Utility applied for a Safe Drinking Water Loan through the State of Wisconsin. It may expend up to \$1,610,120.00 in internal funds through December 10th, 2021, which would be reimbursed by loan funds by the end of 2021.