

MEMORANDUM

January 5, 2021

TO: Honorable Mayor and City Commission

VIA: James Slaton, City Manager

FROM: Sarah B. Kirkland, Utilities Director

SUBJECT: State Revolving Loan Fund (SRF) Agreement DW530390-Park Water Company Acquisition

SYNOPSIS: Approval of the SRF loan agreement for the acquisition of Park Water Company

STAFF RECOMMENDATION

It is recommended that the City Commission consider taking the following action:

1. Authorize the Mayor to sign the SRF Loan Agreement DW530390 for the Park Water Company Acquisition.

BACKGROUND

The City staff has been working diligently to finalize the purchase of Park Water Company with the use of State Revolving Loan Funds. The request for inclusion was submitted, with all the accompanying documentation. By all the paperwork being completed and approved, this City project was placed on the SRF funding list that was announced on November 18, 2020. The next step in the process is for the Commission to approve entering into the loan agreement with SRF so that the funds can be received and the purchase completed.

Staff is recommending the City Commission approve and authorize the Mayor to sign loan agreement DW530390. This agreement is specifically for the funds to complete the Park Water Company Acquisition.

OPTIONS

None. Without the acceptance of the loan agreement, the Park Water Company Acquisition would not be able to be completed.

FISCAL IMPACT

The agreement will be for \$5,105,900. This amount includes capitalized interest for \$5,900 and a loan service fee of \$100,000. The loan service fee equates to 2% of the loan proceeds. The interest rate is .96% per annum. The loan payments are to be made semi-annually for \$140,599 for the life of the loan, which is a 20-year term.

ATTACHMENTS

Agreement DW530390