

EXECUTIVE BRIEF REGULAR MEETING

AGENDA DATE: February 4, 2020

DEPARTMENT: Water Utilities

TITLE:

Authorize Amendment 3 to Drinking Water State Revolving Fund Loan Agreement DW501710 for the 2-inch watermain phases 1A and 2 replacement projects

SUMMARY:

This Amendment 2 provides a decreased capitalized interest amount and revised amortization schedule on this design loan for 2-inch watermain phases 1A and 2 replacement projects.

BACKGROUND AND JUSTIFICATION:

The City Water Utility Department has planned the replacement over six years of approximately 17 miles of 2 inch steel water pipes that are corroded and failing within the City water distribution system. The Commission directed staff to fund the capital improvement through water system revenue financing, which has resulted in award of several loans from the Drinking Water State Revolving Fund. This current loan totals \$4,131,353.22, which covers Phase 1A and 2 construction, which was completed. This Amendment 3 amends the current agreement to a decreased amount of capitalized interest and a reduction in semiannual loan repayment on the amortization schedule.

MOTION:

Move to approve/disapprove authorization of Amendment 3 to Drinking Water State Revolving Fund Loan Agreement DW501710

ATTACHMENT(S):

Fiscal Impact Analysis – N/A
Amendment 3
Offer Letter
Amortization Schedule

A. Department Fiscal Review: _____
Brian Shields – Director
Christy Goddeau – Legal
Michael Bornstein – City Manager