



Public Works Item

Meeting Date: June 11, 2024

Agenda Item: Safe Drinking Water Loan Reimbursement Resolution

Staff Contact (name, email, phone): Brad Marquardt, bmarquardt@whitewater-wi.gov, 262-473-0139

BACKGROUND

(Enter the who, what when, where, why)

Staff submitted an Intent to Apply for Safe Drinking Water Loan funds through the DNR last fall to help pay for replacing lead drinking water laterals. The project has ranked high among other projects submitted statewide. The actual application for the funding is due June 30, 2024. The application covers both private side and public side replacement. On the private side, the City is eligible to receive principal forgiveness up to 100% of the replacement costs. Any unused principal forgiveness throughout the state could be put towards the public side. Regardless, for the public side, the City would receive a subsidized loan. One of the requirements to be included with the application is a Resolution from the City Council indicating the City will cover costs of the Project incurred prior to receipt of the proceeds of the Bonds.

The replacement of lead water laterals would be a 2025 project and require an update to the CIP Budget for 2025.

PREVIOUS ACTIONS – COMMITTEE RECOMMENDATIONS

(Dates, committees, action taken)

N/A

FINANCIAL IMPACT

(If none, state N/A)

The total estimated cost to replace both the private and public side lead water laterals is \$2,700,000. The private and public laterals are roughly split 50/50. Thus, the City is eligible to receive up to \$1,350,000 in principal forgiveness for the private side laterals and at a minimum, a reduced interest rate on the remaining \$1,350,000 for the public side replacements.

STAFF RECOMMENDATION

Staff recommends a motion to send the Reimbursement Resolution to the full Council for approval.

ATTACHMENT(S) INCLUDED

(If none, state N/A)

1. Reimbursement Resolution