CITY OF LA CROSSE

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LEGISLATION STAFF REPORT FOR COUNCIL

File ID 24-1186

Caption Resolution declaring official intent to reimburse expenditures from proceeds of borrowing through the State of Wisconsin Environmental Improvement Fund for Hagar and Pammel Creek Lift Station projects.

Staff/Department Responsible for Legislation

Engineering & Public Works, Sewer Utility

Requestor of Legislation

Engineering

Location, if applicable

Hagar Street Lift Station and Pammel Creek Lift Station

Summary/Purpose

By utilizing funding provided through the State of Wisconsin, such as a Clean Water Fund Loan, the Sewer Utility would be eligible for a 30% principal forgiveness, up to a maximum award of $2.1 million. This is a great benefit to the utility and its rate payers.

Background

In order for the City/Sewer Utility to submit an application for a Clean Water Fund (CWF) loan through the State of Wisconsin the City Council must first approve this Reimbursement Resolution prior to September 30, 2024, identifying that if any interim funding is used on this project, that the City/Utility is doing so with the intent of reimbursing the interim funding source with proceeds from the CWF loan. The Utility does have the funds available to commit to interim funding until the CWF loan is approved. Interest rates on a CWF loan are currently at 2.365% for a 20-year term and are adjusted quarterly. This rate is much lower than if the sewer utility were to obtain financing through Revenue Bonds and utilizing this financing tool is beneficial to the utility and its rate payers. Project details, specific funding, and final project approval are in development, but the intent to imply and application are required in advance.

Fiscal Impact

Interim Utility funding of $2.1 million, to be reimbursed with future CWF loan proceeds

Staff Recommendation

Approval