

RESOLUTION 2014-529

A RESOLUTION OF THE CITY COUNCIL, OF THE CITY OF ASOTIN BEING A RESOLUTION APPROVING AND AUTHORIZING THE CITY OF ASOTIN APPLICATION FOR USDA, RURAL DEVELOPMENT (RD) FUNDS FOR THE UPGRADE TO THE CITY OF ASOTIN WASTE WATER TREATMENT PLANT

WHEREAS, the United States Department of Agriculture (USDA) awards Federal grant / loan combinations to help finance investment in infrastructure for Utility, Water and Environmental Programs; and

WHEREAS, the City of Asotin intends to update the Waste Water Treatment Plant, but only if USDA funds are provided to fund the project; and

WHEREAS, the City of Asotin agrees to the conditions set forth in a Letter of Conditions received by Marti Canatsey of USDA Rural Development, dated June 10, 2014; and

WHEREAS, the City of Asotin agrees to move forward with the design and construction of Options #1 for the Submersible Pump Station, Aerators and DO Control, and Grit System as well as Alternative #1 for the UV Bank improvements as summarized in Table 6.17 of the October 2013 Wastewater Treatment Plant Facility Planning Study prepared by Keller Associates. Upon notice to proceed by USDA Rural Development, the City of Asotin authorizes Keller Associates to proceed with the design of these selected improvements as outlined under Task 3 on Addendum No. 1 to their original agreement dated January 14, 2013; and

WHEREAS, the City agrees to forego the Community Development Block Grant (CDBG) General Purpose Grant application process in favor of the USDA funding offer; and

WHEREAS, the City of Asotin shall create and establish a new and separate fund number 412 titled Waste Water Treatment Plant Construction Fund. This will be a participating 31 CFR Part 202 collateral depositories, federal agency, or Federal Reserve Bank acting as a fiscal agent in the United States. All funds will be deposited into this account. The account shall be solely for the purposes of paying authorized costs of the project as outlined in the project budget; and

WHEREAS, the City of Asotin agrees to annual automatically deducted installments. The loan will be scheduled for repayment over a period of 40 years. The first payment due 12 months after loan closing will consist of principal and interest. Payments for the remaining 39 years will be equal amortized annual installments. The interest rate will be 3.25% or lower of the rate in effect at the time of loan approval or the time of loan closing, whichever is less; and

WHEREAS, the City of Asotin shall create and establish a new and separate fund number 413 titled Waste Water Treatment Plant Debt Service Reserve Fund. Debt Service Reserve Fund must be equal to 10% of the monthly payment each month over the life of the loan until one annual installment. This reserve will establish an emergency fund for emergency maintenance and repairs and debt repayment; and

WHEREAS, the grant request requires the applicant to contribute \$37,400, Agency Loan \$1,278,000 and USDA Rural Development (RD) Grant \$1,048,000; and

WHEREAS, the City of Asotin shall increase the base sewer rates by \$5.00 in 2015 and an additional \$5.00 in 2016 to cover the Debt Service payments through the passage of a City Ordinance.

NOW, THEREFORE, BE IT HEREBY RESOLVED, by the City Council of the City of Asotin, in regular meeting assembled, the City Council of the City of Asotin does hereby authorize the Mayor to submit an application to the USDA and other relevant agencies for funds to complete the engineering and construction project for the infrastructure needed to update the Waste Water Treatment Plant.

Passed in open and regular session on this 23rd day of June, 2014.

Vikki Bonfield, Mayor

Attest:

Approved as to form:

Tiffany Rogers, Clerk/ Treasurer

Jane E. Richards, WSBA #33542
Attorney for the City of Asotin