

**TOWN OF WEAVERVILLE
TOWN COUNCIL AGENDA ITEM**

MEETING DATE: December 21, 2018
SUBJECT: Acceptance of USDA Loan for Water Line Extension Project
PRESENTER: Pam Hysong/Town Manager
ATTACHMENTS: Resolution Concerning USDA Loan on the Waterline Extension Project
Letter of Conditions
Loan Resolution

DESCRIPTION/SUMMARY OF REQUEST:

Pam Hysong, our USDA/Rural Development Regional Representative, will be at today's meeting to formally present the loan terms that USDA is offering on the Waterline Extension Project and seek Town Council's acceptance of the loan. The basic terms of the loan are as follows:

Loan Amount – \$2,800,000
Interest Rate – 4.0%
Term – 40 years
Security – Revenue Bonds

The Town will need to secure conventional financing for the construction and this loan will be put in place at the end of construction.

Town Council will be asked to adopt two resolutions at today's meeting should the Town wish to go forward with this loan at the current rate of 4.0% as the rate is expected to increase on January 1st.

By adopting the Resolution Concerning a USDA Loan for the Waterline Extension Project, Town Council will be (1) accepting the conditions outlined in the Letter of Conditions - attached in draft form, (2) agreeing to adopt operating budgets that will maintain water rates sufficient to meet all budgeted operations, replacement, and debt service expenses, and (3) authorizing the Mayor and Town Clerk to sign all documents necessary to obtain the loan. The Loan Resolution authorizes and provides for the incurrence of the debt and provides additional requirements.

In addition to Pam Hysong, staff will be at today's meeting to answer questions regarding this loan.

COUNCIL ACTION REQUESTED:

Adoption of the resolutions as presented.