



Legislation Text

File #: 14-0446, **Version:** 4

Discussion and action on funding for water lines and tank

SUMMARY:

As discussed at the work session, the Rural Development funding approved by City Council in August 2014 is not available for all the projects since the City is no longer eligible for funding through Rural Development for projects in the City limits. They can fund the Catoosa water storage tank and the waterlines in Lantana Estates & Fairyland Acres only.

The options available are:

Rural Development - 38 year loan at 3% fixed rate with a 20% grant. Based on the estimated costs of the eligible projects, the loan would be for \$1,121,200 and the grant would be \$280,300. The loan money must be spent before the grant money is available.

TML Bond Fund - 20 year variable loan, currently at 1.03%. The variable rate can be converted to a fixed rate at any time. Finance Director Fred Houston will provide a report on that process.

- \$910,000 - Water Storage Tank - Catoosa Department
- \$296,000 - Holiday Drive waterline replacement and hydrants - approximately 6,040 feet
- \$181,000 - County Seat and Southbend waterline replacement and hydrants - approximately 3,400 feet
- \$491,500 - Lantana Estates & Fairyland Acres waterline replacement and hydrants - approximately 11,500 feet
- \$617,500 - Old Lantana Road waterline replacement and hydrants - approximately 8,300 feet
- Other similar projects may be added

BUDGET ACCOUNT:

NECESSARY COUNCIL ACTION:

Rescind the action taken on August 20, 2014 regarding funding the projects through Rural Development.

Determine funding through the TML Bond Fund or split between the TML Bond Fund and Rural Development.