

### **Agenda Item 11:**

Resolution Accepting an Increase in State Revolving Fund Loan for West Cameron Water Main Project

### **Background:**

On March 22, 2022, the Board of Directors authorized acceptance of a low-interest loan from the state of North Carolina to fund the West Cameron Avenue Water Main Replacement project included in OWASA's Capital Improvements Program. The amount of the loan was \$4,657,928. Upon completion of the project, the cost exceeded the loan amount, and the state has approved increasing the loan by \$382,263.

Loan offers must be officially accepted by the governing board of the loan recipient, and loan recipients must comply with all applicable state and federal requirements, including bidding requirements for involving minority- and women-owned businesses in contracts. A copy of the Offer and Acceptance documents is attached.

The offer is for a 20-year loan with a fixed interest rate of 1.02%, which is about one-fourth of the current market rate for revenue bonds.

### **Staff Recommendation – Action Requested:**

This financing strategy will help in our efforts to keep costs low and improve affordability. Staff recommends accepting the state's loan offer. Attached is a draft of a resolution accepting the Loan Offer and authorizing the Executive Director to execute the loan documents and do all things necessary for administering the loans.

Staff recommends approval of the resolution.

### **Information:**

- Resolution Accepting an Increase in State Revolving Fund Loan for West Cameron Water Main Project
- State of North Carolina Funding Offer and Acceptance Documents

September 12, 2024

**Resolution Accepting an Increase in State Revolving Fund Loan for  
West Cameron Water Main Project**

**Whereas**, the Safe Drinking Water Act Amendments of 1996 and the North Carolina Water Infrastructure Fund have authorized the making of loans and/or grants, as applicable, to aid eligible, drinking-water system owners in financing the cost of construction for eligible, drinking-water infrastructure; and

**Whereas**, the North Carolina Department of Environmental Quality has offered a State Revolving Loan in the amount of \$5,040,191 for the replacement of the West Cameron Avenue Water Main Replacement project; and

**Whereas**, the Orange Water and Sewer Authority intends to construct said project in accordance with the engineering plans and specifications that have been or will have been approved by the North Carolina Public Water Supply Section;

**Now, Therefore, Be It Resolved:**

1. That the Orange Water and Sewer Authority does hereby accept the State Revolving Loan offer in the amount of \$5,040,191; and
2. That the Orange Water and Sewer Authority does hereby give assurances to the North Carolina Department of Environmental Quality that they will adhere to all applicable items specified in the standard “Conditions” and “Assurances” of the Department’s funding offer, awarded in the form of a State Revolving Loan; and
3. That the Orange Water and Sewer Authority Executive Director and successors so titled, is hereby authorized and directed to furnish such information, as the appropriate state agency may request, in connection with such application or the project; to make the Assurances as contained above; and to execute such other documents as may be required in connection with the application; and
4. That the Orange Water and Sewer Authority has complied substantially or will comply substantially with all federal, state and local laws, rules, regulations, and ordinances applicable to the project, and to federal and state grants and loans pertaining thereto.

Adopted this 12th day of September 2024.

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Mel Kramer, Chair

ATTEST:

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Pedro Garcia, Secretary