

RESOLUTION 2016-04

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LOAN AGREEMENT WITH THE STATE OF WASHINGTON DEPARTMENT OF ECOLOGY FOR FINANCING OF NORTH WAPATO SEWER LIFT STATION.

WHEREAS, the City of Wapato has a sewer lift station, North Wapato Lift Station, that was put into operation in 1953, and

WHEREAS, the North Wapato Lift Station has undergone many operational problems and risks of structural and mechanical failure in recent years because of aging equipment; and,

WHEREAS, if the lift station fails, there will be significant risks and liability for sewage backup and environmental pollution into the groundwater;

WHEREAS, the North Wapato Lift Station needs to be totally replaced; and

WHEREAS, the City submitted an application to the Department of Ecology for project monies for construction of the North Wapato Lift Station that was approved. The Department of Ecology announced it would fund \$302,300.00 of the total cost of \$604,600.00 by loan; and

WHEREAS, the total loan amount is for \$302,300.00, with a forgivable principal of \$26,500.00; and

WHEREAS, the non-forgivable portion of the loan, \$275,800.00, is to be a revenue secure lien obligation, to be paid out of the City's sewer utility revenues; and

WHEREAS, the terms of the Ecology loan are for repayment of the non-forgivable portion over 20 years with a 2.4% interest rate.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Wapato does resolve as follows:

Section 1. The Wapato City Council hereby authorizes the Mayor of the City of Wapato to execute a Loan Agreement with the Washington State Department of Ecology (Exhibit A).

Section 2. This resolution shall take effect and be in full force upon passage.

PASSED AND APPROVED this 7th day of March, 2016


Jesse Farias Mayor

ATTEST:

Gloria Acosta
Gloria Acosta, Deputy City Clerk-Treasurer

Approved as to form:

Kellen Holgate
Kellen Holgate, City Attorney

1st Touch Date: 2/16/16

2nd Touch Date: 3/17/16