

City Council – Action Request Form

Date: June 14, 2021

To: Mayor, Mayor Pro Tempore, and Members of the City Council

From: Damon C. Dequenne, Assistant City Manager
Lisa M. Saunders, Chief Financial Officer

Council Action Requested:

Resolution Accepting a North Carolina Drinking Water State Revolving Fund Loan for the Neilson Water Treatment Plant Modernization Project

Strategic Focus Area: Service Excellence

Strategic Objective: Maintain Financial Strength

Strategic Plan Action Item: No

Key Work Item: No



Summary of Information:

Approval of the attached resolution accepts a re-amended loan from North Carolina Drinking Water State Revolving Fund in the amount of \$80,000,000.

On September 18, 2017, the City Council approved an application for a North Carolina Drinking Water State Revolving Fund Loan for the Neilson Water Treatment Modernization project. The assistance requested was \$60,000,000. On October 21, 2019, the City Council approved a resolution accepting an amended loan for \$40,000,000.

On November 16, 2020, the City Council approved a resolution accepting a re-amended loan for \$60,000,000. Since this time, the City has been approved for an additional \$20,000,000. The North Carolina Local Government Commission formally approved the City of Winston-Salem as eligible to receive a re-amended Revolving Fund Loan in the amount of \$80,000,000 for a term of 20 years and 1.11% interest rate on May 4, 2021. Interest begins to accrue from the date of project completion and repayments begin between 6 to 12 months after project completion. The closing fee is 2% of the loan balance.

Committee Action:

Committee	Finance 6/14/21	Action	Approval
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For	Unanimous	Against	
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Remarks:

The Winston-Salem/Forsyth County Utilities Commission has approved appropriations in the amount of \$81,870,000 in previous years, with requested appropriations in the amount of \$40,000,000 for fiscal year 2021-2022. The total budget for this project is \$121,870,000. The re-amended loan amount of \$80,000,000 would help bridge the gap between the project budget and loans received to date.

Staff recommends approval.