

M Management Committee

Meeting date: May 9, 2007

For Metropolitan Council Meeting May 23, 2007

ADVISORY INFORMATION

Date:	May 1, 2007
Subject:	Authorization to Submit Loan Application to the Public Facilities Authority
District(s), Member(s):	All
Policy/Legal Reference:	MN Statute 473.504 Subd. 5.
Staff Presented/Prepared:	Jason Willett, MCES Finance Director, 651-602-1196
Division/Department:	MCES c/o William G. Moore, General Manager, 651-602-1162

Proposed Action/Motion

That the Metropolitan Council authorize the Regional Administrator to submit a loan application to the Minnesota Public Facilities Authority (PFA) for the Brooklyn Park Interceptor & Lift Station Rehab project (project #8034).

Issue

Authorization is needed to submit loan applications to the PFA to qualify capital projects for funding out of the PFA Loan Fund.

Overview and Funding

This motion does not authorize spending. That authorization occurs when the capital budget is approved in December. This motion begins a process to fund this project through loan money from the PFA. Currently we are using funds from the \$50 million 2006 PFA loan (as of 3/31/07 \$8.6 million of the \$50 million remains to be spent). This motion authorizes the use of these loan funds and/or loan funds from any subsequent PFA loans, for this additional project.

The MPCA's Intended Use Plan (IUP) identifies projects that the PFA intends to fund from the Clean Water State Revolving Fund. Environmental Services requested that the above project be included. This is the first step in securing PFA loan funding. A project's loan application is submitted to both the MPCA and PFA. The MPCA reviews the application to ensure that the wastewater project meets technical and environmental requirements. Upon their approval, the MPCA certifies the project to the PFA for loan funding. Finally, the PFA amends the loan agreement with MCES to include the eligible costs for additional projects.

Since 1989, the Council, for MCES, has entered 17 loan agreements totaling \$885 million with the PFA. The latest loan was entered in September 2006 for \$50 million at 2.73 percent annual interest. For authorized capital projects, spending beyond what can be funded by PFA loans will come from bonds issued by Council.