

**CITY OF PEORIA, ARIZONA  
COUNCIL COMMUNICATION**

cc: 21C  
Amend No. \_\_\_\_\_

Date Prepared: June 18, 2009

Council Meeting Date: July 7, 2009

---

**TO:** Carl Swenson, City Manager  
**THROUGH:** Susan Thorpe, Deputy City Manager *SKT*  
**FROM:** Brent D. Mattingly, Finance Director *BDM*  
**PREPARED BY:** Deborah Card, Treasury Manager *DC*  
**SUBJECT:** Authorize Loan with Water Infrastructure Finance Authority of Arizona (WIFA) for Beardsley Water Reclamation Facility Upgrades

**RECOMMENDATION:**

That the Mayor and Council review and adopt Resolution 09- 91 to approve a loan with the Water Infrastructure Finance Authority of Arizona in the amount of \$4,545,000 to fund Beardsley Water Reclamation Facility Upgrades.

**SUMMARY:**

On May 6, 2008, the Mayor and Council approved a design/building contract for improvements to the Beardsley Water Reclamation Facility and recharge basin. The construction project (UT00124) was identified to be partially financed through a loan from the Water Infrastructure Finance Authority of Arizona and was included in the adopted FY 2009 Capital Improvement Plan.

On April 15, 2009, the Water Infrastructure Finance Authority Board approved the City's financing request for this project in the amount of \$4,545,000 for a 20 year term loan. This project was not eligible to receive economic stimulus dollars or American Reinvestment and Recovery Act (ARRA) funding because the construction contract was already in place and could not be modified to include additional ARRA contractual requirements. However, the City elected to secure funding for this project through WIFA rather than issuing its own debt directly into the market because of the favorable interest rates the Authority provides. The City receives a subsidized interest rate through the Authority which is approximately 80% of the 'AAA' rated municipal bond index. The attractive interest rate generates substantial savings to the City over the 20 year life of the loan. The estimated closing date for the loan is July 17, 2009.

---

**CITY CLERK USE ONLY:**

Consent Agenda  
 Carry Over to Date: \_\_\_\_\_  
 Approved  
 Unfinished Business (Date heard previous: \_\_\_\_\_)  
 New Business

ORD. # \_\_\_\_\_ RES. # 09-91  
LCON# 00309 LIC. # \_\_\_\_\_  
Action Date: \_\_\_\_\_

In summary, staff is requesting that Council approve the attached Resolution, Loan Agreement, and Standard Terms and Conditions, which allow for the City to enter into an agreement with the Water Infrastructure Finance Authority to finance construction of the Beardsley Water Reclamation Facility Upgrades in the amount of \$4,545,000. The resolution and loan documents have been reviewed and approved as to form by the City's outside bond counsel and by the City Attorney's Office.

**ATTACHMENTS:**

1. Resolution 09-01 ; Authorize Loan with Water Infrastructure Finance Authority of Arizona (WIFA) for Beardsley Water Reclamation Facility Upgrades
2. WIFA Loan Agreement No. 910117-09 for Beardsley Water Reclamation Facility Upgrades

**SUPPORTING DOCUMENTATION  
PERTAINING TO THIS  
AGENDA ITEM IS ON FILE IN THE  
OFFICE OF THE CITY CLERK**