



MEMORANDUM

Comfort Lake-Forest Lake Watershed District

Date: March 16, 2023
To: CLFLWD Board of Managers
From: Mike Kinney, District Administrator
Subject: Clean Water Partnership Loan B



District Wide

Background/Discussion

The purpose of this agenda item is to consider adopting a resolution authorizing execution of a contract amendment to the District's current Clean Water Partnership Loan. This loan is referred to as "Loan B", as the District has already received and closed out one loan in the past; "Loan A."

During the budgeting process, the Board discussed applying for \$3.5 million under Loan B. The MN Pollution Control Agency (MPCA) was only able to approve up to \$1 million when Loan B was executed in December 2021. MPCA suggested the District could apply for loan amendments to receive additional loan dollars. The following summary is adapted from the October 2021 memo. Staff inquired about authorizing an additional \$1 million under the loan, but MPCA has indicated that in an effort to manage cash flow within the program, it can only approve another \$750,000 at this time.

- Loan A: 2018 loan application, now officially closed out.
- Loan B: 2021 loan application, submitted immediately following board adoption of resolution 21-10-01 at the December 16, 2021, board meeting.
 - B1: Initial loan application; \$1 million (entirety has been disbursed)
 - **B2: First loan amendment; \$1 million \$750,000 (current request)**
 - B3: Second loan amendment; \$1 million (potential future request)
 - B4: Third loan amendment; \$500,000 (potential future request)
 - Total Loan B potential award, including amendments = \$3.5 million
- Loan C: This was discussed in 2021 as part of the budget process. A potential future loan application after Loan B is closed out. If Loan B ends up utilizing the total \$3.5 million, this maxes out our current general obligation note, and the District will need to go through the process of obtaining a new note for any subsequent loan applications.

Recommended Motion

Proposed Motion: Manager _____ moves to adopt resolution 23-03-03. Seconded by Manager _____.

Attached: Resolution 23-03-03

**COMFORT LAKE-FOREST LAKE WATERSHED DISTRICT
BOARD OF MANAGERS**

RESOLUTION 23-03-03

CLEAN WATER PARTNERSHIP LOAN B AMENDMENT

Manager _____ offered the following resolution and moved its adoption, seconded by Manager _____:

WHEREAS on December 16, 2021, the Comfort Lake-Forest Lake Watershed District, as Project Sponsor and Loan Sponsor, by the Board of Managers, adopted Resolution 21-12-01 to approve the Minnesota Clean Water Partnership Project Implementation Loan Agreement SRF0346 with the Minnesota Pollution Control Agency to conduct the CLFLWD Adaptive Management Projects, Phase B.

WHEREAS District Administrator Mike Kinney thereby was designated to serve as Project Representative and represent the Watershed District in all matters that, according to the conditions of the Minnesota Clean Water Partnership Project Implementation Loan Agreement SRF0346, do not specifically require action by the Board.

WHEREAS the Board President thereby was authorized to execute loan disbursement requests for the above referenced project to the Minnesota Pollution Control Agency on behalf of the District.

THEREFORE BE IT RESOLVED by the Comfort Lake-Forest Lake Watershed District Board of Managers that Board President Steve Schmaltz is authorized to execute the Minnesota Clean Water Partnership Project Implementation Loan Agreement SRF0346, Amendment No. 1, for the above referenced Project on behalf of the District as Project and Loan Sponsor. This is retroactive to and amends Resolution 21-12-01 with respect to the Clean Water Partnership Project Implementation Loan Agreement SRF0346.

The question was on the adoption of the above resolution and there were ___ ayes and ___ nays as follows:

Manager	Aye	Nay	Absent	Abstain
Stephen Schmaltz				
Christopher Loth				
Dave Bakke				
Jackie Anderson				
Doug Toavs				

The President declared the resolution adopted.

Dated: March 23, 2023

 Dave Bakke, Secretary

* * * * *

I, Dave Bakke, Secretary of the Comfort Lake-Forest Lake Watershed District Board of Managers, do hereby certify that the above resolution is a true and correct transcription of an action of the Board taken on the date above indicated.

IN TESTIMONY WHEREOF, I have hereunto set my hand this _____ day of _____ 2023.

 Dave Bakke, Secretary