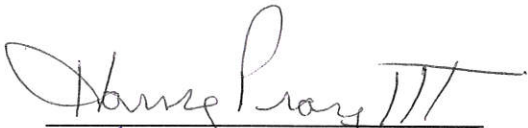


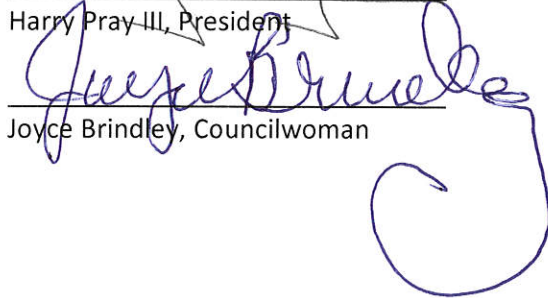
RESOLUTION 2020 – 11

A RESOLUTION TO TRANSFER \$84,274.00 FROM WATER B&I (FUND 602) TO FULLY FUND DEBT SERVICE RESERVE OBLIGATIONS IN FUND 603 FOR THE NEW USDA RURAL DEVELOPMENT LOAN


THE TOWN COUNCIL of the Town of Westport hereby authorizes the Clerk Treasurer to transfer immediately the amount of \$84,274.00 from FUND 602 Water Debt Service and Interest to FUND 603 Water Debt Service Reserve for the debt reservice reserve requirements from USDA Rural Development Loan, Water Treatment Plant & Improvement Project, CFDA # 10.760.




Harry Pray III, President



Joyce Brindley, Councilwoman



John Organist, Vice President



Attest: Gloria Alumbaugh, Clerk Treasurer



Rural Development

September 24, 2020

North Vernon Office

2600 Highway 7 North
North Vernon, IN
47265

Voice 812.346.3411 x4
Fax 855.541.9022

Harry Pray III
Town of Westport
P.O. Box 579
Westport, IN 47283

RE: Town of Westport
Water Treatment Plant & Improvement Project Application
CFDA NUMBER - 10.760

Dear Mr. Pray,

USDA, Rural Development was able to close both loans needed for the Town's water project at the current rate of 1.125%.

Based upon the lower interest rate, the updated debt reservice reserve requirements are:

- ~The \$1,082,000 loan - \$280.60 a month until the balance of \$33,672 is reached.
- ~The \$1,626,000 loan - \$421.68 a month until the balance of \$50,602 is reached.

Deposits into the debt service reserve account should start in October.

If you have any questions, please contact me at 812-953-4164 or via email at: marcia.comer@usda.gov

Sincerely,


 Marcia K Comer
 Area Loan Specialist

DSR

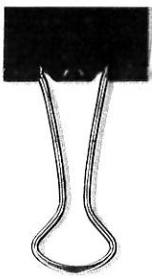
 \$1702.28 / mo

\$ 84274 total

How to be separate account

USDA is an equal opportunity provider, employer and lender.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.



- c. The depository would require an average or minimum balance so high that it would not be feasible within the expected Federal and non-Federal cash resources.
- d. A foreign government or banking system prohibits or precludes interest-bearing accounts.

9. **Reserves** – Reserves must be properly budgeted to maintain the financial viability and sustainability of any operation. Reserves are important to fund unanticipated emergency maintenance and repairs, and assist with debt service should the need arise. The following reserves are required to be established as a condition of this loan:

- a. **Debt Service Reserve** – As a part of this Agency loan proposal, you must establish a debt service reserve fund equal to at least one annual loan installment that accumulates at the rate of 10% of one annual payment per year for ten years or until the balance is equal to one annual loan payment. Ten percent of the proposed loan installment would equal \$350.58 per month; this amount should be deposited monthly until a total of \$42,070 has accumulated. Prior written concurrence from the Agency must be obtained before funds may be withdrawn from this account during the life of the loan. -When funds are withdrawn during the life of the loan, deposits will continue as designated above until the fully-funded amount is reached.
- b. **Short-Lived Asset Reserve** – In addition to the debt service reserve fund, You must establish a short-lived asset reserve fund. Based on the preliminary engineering report, you must deposit at least \$ 22,300.00 into the short-lived asset reserve fund annually for the life of the loan to pay for repairs and/or replacement of major system assets. It is your responsibility to assess your facility's short-lived asset needs on a regular basis and adjust the amount deposited to meet those needs.

Budget
← item

Current assets can also be used to establish and maintain reserves for expected expenses, including but not limited to operation and maintenance, deferred interest during the construction period, and an asset management program.

SECTION III – REQUIREMENTS PRIOR TO ADVERTISING FOR BIDS

10. **Environmental Requirements** – At the conclusion of the proposal's environmental review process, specific action(s) were determined necessary to avoid or minimize adverse environmental impacts. As outlined in the Environmental Report dated July 2018, the following actions are required for successful completion of the project and must be adhered to during project design and construction:

See attached list of Mitigation Measures

The project as proposed has been evaluated to be consistent with the National Environmental Policy Act. Other Federal, State, tribal, and local laws, regulations and or permits may apply or be required. If the project or any project element deviates from or is modified from the originally-approved project, additional environmental review may be required.