

# Street loan request okayed

BY JOE DENNIS  
of the Journal

EPHRATA — Following the anticipated council endorsement of Ephrata's comprehensive waterline and street improvement project Wednesday, city officials and citizen street commission members found themselves facing the hardest part of their 18-month campaign to repair the city's aging waterlines and crumbling residential streets—waiting.

In a unanimous 6-0 vote the council made the proposal to replace aging waterlines and replace crumbling residential streets official, but also placed project supporters in the position of having to wait until August before it is known for certain that money needed to fund the work will be available.

Council members followed up on verbal support for the project and its funding mechanism expressed at a morning workshop session on Feb. 27 with official action.

The motion endorses a preconstruction loan application which has already been submitted and authorizes an application for a \$9 million state loan in May.

In expressing support for the recommendation councilman Ben Davis thanked Moore and commission members for their efforts and said he was confident the proposal brought to the council was the best solution available.

"A tremendous amount of effort and thought went into this, you are to be commended," Davis told Moore.

"We need to let the people know this is a good decision, the recommendation is the best we can do for the least amount of money," he said.

Following formation of the citizen commission by mayor Chris Jacobson in October 2005, members have been working city staff and engineers from Gray and Osborne, Ephrata's consulting engineering firm, to determine the scope of work the street and water project would encompass as well as determining the best method of financing the work.

City is  
now  
waiting  
for word

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# Loan request

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After examining several financing methods which included voter approved general obligation bonds, city utility department revenue bonds and water rate increases in a variety of combinations, the citizen commission recommended a state Public Works Trust Fund low interest loan to be paid off with revenue from a water rate increase as the only practical means of accomplishing the necessary work at an acceptable cost to Ephrata residents.

The ceiling for the project was set at \$9 million and monthly water rate increases of \$8 per month for residential and commercial classes, \$4 for the city's 33 irrigation accounts, and \$20 per month for the two industrial accounts was recommended.

Under the recommendation the city will provide 15 percent matching money through cash reserves and the interest rate will be 0.5 percent.

Council action approving the rate increases is expected this fall with the new rates to take effect in January of 2008 and remain in effect for 20 years, the term of the Public Works Trust Fund Loan.

Janice Moore, citizen street commission chairman, told the council that recommendation for a program combining the state low interest loan with water rate increases to produce the necessary revenue is being recommended because after 18 months of study, members are convinced it is the best option available to Ephrata residents and the City of Ephrata.

Looking at the other options available the Public Works Trust Fund loan is the only one that seems workable. Should the application be rejected, our next best option is to rework the application and resubmit it next year. I doubt a bond issue would pass, she told the council.

During the study session it was

stressed that because of the higher interest rates that would come with general obligation or revenue bonds, much less work could be accomplished if funding mechanisms other than the low interest loan were used.

Although final word on the fate of the project will not come until August when the city will be notified by the state whether the application has been approved or rejected, Moore and city administrator Wes Crago both stressed the preconstruction loan application submitted earlier this week will provide the city a very strong indication of how the Public Works Trust Fund board will rule on the full application.

If the preconstruction loan application is not accepted we know we have a problem with the project and will have to look at what we are going to do, but if it is approved that is a very strong indication that the full loan will also go through, Crago said.

Funds from the preconstruction loan will be used for engineering and design work before the actual construction portion of the project gets underway.

The decision on the preconstruction loan application will come prior to the deadline in May, Moore and Crago said.

Crago said a team from the Public Works Trust Fund loan program is scheduled to meet with city officials on March 22 to assist them in putting together the strongest loan application possible.

If the loan application is approved, construction work is expected to begin in May 2008 which is when the state loan money will become available, he said.

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