

# Ephrata street loan okayed

Monday, April 23, 2007

## Street loan

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Crago told the council the preconstruction loan will cover engineering and construction drawings for the project with the city providing a match of \$106,000.

However, he said actual cost engineering and drawing is expected to be only about half of the amount awarded with any money from the loan not expended by the city returned to the Public Works Trust Fund.

The city will receive notification on whether the application has been approved in August, and if successful, construction on the phased project is expected to begin in May 2008.

Crago said Ephrata's successful preconstruction loan application was 82 out of a possible total of 100 points, but said the city staff is doing all that it can in putting together the final application package to increase the point total as much as possible.

"At 82 we are on the positive side of the break point, but we would like to increase our total to 88—which is the highest we can realistically expect to reach—which should put us in very good shape," he said.

Crago said Ephrata received the maximum score possible on

management and performance of past Public Works Trust Fund Loans and is now attempting to make as strong a case as possible for the project.

The fact that the preconstruction loan was approved is an extremely favorable sign that the full \$9 million loan will be approved, since it is unlikely it would approve preconstruction money for a project that would not be built with the final loan approval, he said.

However, Crago said the greatest danger Ephrata's application faces is the possibility available loan funds could be exhausted by funding requests to rebuild municipal water systems which have suffered catastrophic failures. Those kinds of projects have the highest priority for funding.

The council authorized the Public Trust Fund loan application after concluding it was the only practical means of accomplishing the amount of work needed to be done as an acceptable cost to residents.

In addition to authorizing the loan application, the council in February committed to monthly water rate increases of \$8 per month for residential and commercial, \$4 per month for the city's 33 irrigation accounts and \$20 per month for the two industrial accounts.

If the application is approved, an ordinance establishing the rate increases is expected to be adopted this fall with the increases taking effect on Jan. 1, 2008.

If approved, the loan will carry an interest rate of 0.5 percent with the city committed to providing 15 percent matching money, with that money coming out of the city's cash reserves.

Final  
application  
is due  
April 26

BY JOE DENNIS  
of the Journal

EPHRATA — Approval of a \$616,000 state Public Trust Fund pre-construction loan puts the City of Ephrata in a strong position for being awarded a \$9 million loan for a comprehensive water and residential street reconstruction project, but staff will be working up to the last moment to improve chances even more, said city administrator Wes Crago.

The application deadline for the low interest Public Works Trust Fund construction loan is Thursday, April 26 and the fact the preconstructing loan was approved places Ephrata in a strong position, he reported during the Wednesday, April 18, council meeting.

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