

RESOLUTION 10- 03

**RESOLUTION TO APPROVE SUBMISSION OF GEFA APPLICATION
FOR THE FUNDING OF WATER SYSTEM IMPROVEMENTS**

WHEREAS, The City Council of the City of Sky Valley hereby resolves to approve the submission of an application to the Georgia Environmental Facilities Authority (GEFA) for the Drinking Water State Revolving Fund program to fund improvements to its water system.

WHEREAS, The City Council hereby resolves to dedicate revenue from its Water Enterprise Fund and/or Capital Improvement Fund for the repayment of this loan.

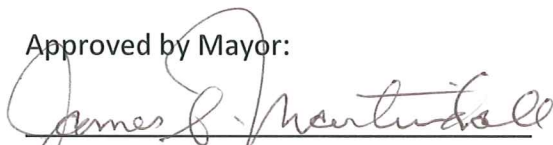
WHEREAS, Under the GEFA's financing terms for the "Rural" fund category is anticipated to be \$450,000 of the total project cost as principal loan forgiveness or subsidy and the remaining balance in the form of a State Revolving Fund (SRF) loan or City funds. The City Council acknowledges there is a two percent (2%) closing fee on the total principal amount of the project.

WHEREAS, The interest rate for GEFA-DWSRF funds is fixed at three percent (3%) unless the GEFA Board of Directors sets a higher rate based on the City's dedicated source of revenue and a full faith and credit pledge from the borrower. If it is confirmed by GEFA's financial analysis that the City meets the criteria for "disadvantaged communities," the City may be eligible to receive loan funds at a lower interest rate than the three percent (3%).

NOW, THEREFORE, BE IT RESOLVED, and IT IS HEREBY RESOLVED, by the Mayor and City Council of the City of Sky Valley, that this GEFA Loan Application is approved for submission to the Georgia Environmental Facilities Authority.

Approved by a majority vote of the City Council this 8th day of June, 2010.

Approved by Mayor:



Jim Martindale, Mayor

Attest:



Mandi Cantrell, City Clerk