

## **City of Nampa Wastewater Upgrade Judicial Confirmation Update**

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On August 28, Nampa received notification from the Idaho Department of Environmental Quality (DEQ) about a unique loan opportunity that could help finance the upgrades to the City's wastewater treatment plant. The money is available from the State Revolving Fund (SRF).

In order for Nampa to apply for an SRF loan, the City must have the authorization to take on debt. There are only two ways for debt authorization: voter approval or through a Judicial Confirmation process. Due to the timing of the notice from DEQ, Nampa was not able to get the initiative on the November 6 ballot for voter approval.

Therefore, the only way that the City could qualify for an SRF loan is to receive authorization to take on debt through the Judicial Confirmation process. Judicial Confirmation is a statement from a judge recognizing that the debt is being taken on to fund an ordinary and necessary expense. Judicial Confirmation will allow the City to assume a low interest debt to finance upcoming wastewater system upgrades.

Nampa's Wastewater Program Management Team met with Nampa's Wastewater Advisory and Industry Working Groups on October 9 to provide the groups with an overview of the SRF loan opportunity and gather input about Judicial Confirmation process. Group members expressed support for the City to pursue Judicial Confirmation.

On October 15, Nampa City Council held a public hearing to receive public input on whether or not to pursue Judicial Confirmation. During the public hearing, three people spoke in favor of the loan. No one spoke in opposition. At a special session on October 19, the Nampa City Council passed a resolution authorizing the City to pursue the funding opportunity from DEQ and file a petition for Judicial Confirmation.

As a result of the Council's decision, Nampa's city attorney filed a petition for Judicial Confirmation on behalf of the City. A hearing date on the petition has been set for December 20, 2012 at 11:00 a.m. before the Honorable Renae J. Hoff in the Third District Court. During the hearing, the judge will hear arguments on whether the City has the authority to take on this debt. When making a decision, the judge will take into consideration:

- The need for urgent action in order for the City of Nampa to meet the SRF loan application deadline.
- The loan will be used to upgrade the City's wastewater plant, which is a traditional and longstanding function.

- Nampa's wastewater improvements are required to meet federal regulatory permit requirements.

If a judge grants approval, the City has until January 1, 2013 to submit a loan application to DEQ.

If approved, the (SRF) loan would finance approximately \$17 million of the estimated \$28 million in costs for the first phase of Nampa's wastewater upgrade project. The SRF loan would save Nampa approximately \$7.5 million in interest compared to a traditional revenue bond.