

Memorandum

March 19, 2019

TO: Infrastructure Finance Authority Board
FROM: Chris Cummings, Assistant Director
SUBJ: Funding Opportunity of \$1,443,736—Water/Wastewater Financing Program for City of Glendale, Wastewater Treatment Plant Influent Pump Station and Collection System Improvements—Final Design & Construction, No. 170-13441

Requested Action

Informational Only For Board Input For Board Action (see Recommended Motion)

Request

The city of Glendale, located in Douglas County, has submitted a Water/Wastewater Financing Program (W/WW) application for \$1,443,736 to design and construct improvements to their Influent Pump Station and Collection System.

In November 1998, the city received a Mutual Agreement Order (MAO) from the Department of Environmental Quality, regarding the wastewater collection system receiving large amounts of extraneous water in the form of inflow and infiltration (I&I) during high rainfall events. When those events occur, raw sewage overflow from the manhole directly upstream from the wastewater facilities and enter Cow Creek. The city has already completed most of the tasks outlined in the MAO, the final one is to complete final design and construction of the I&I improvements as well as pump station improvements. Once the improvements are completed the city will monitor wet weather flows, if there are no issues the MAO will be satisfied.

Proposed Project

The city will contract for final design and construction services to make improvements to their influent pump station as well as to the collection system to address the high levels of I&I.

Funding Summary

The city desires a loan and grant from Business Oregon to fund the improvements of their wastewater facility and the Water/Wastewater Fund is the recommended source of financing. Based on 2016 American Community Survey data, the MHI for city of Glendale was \$33,350 (66.36% of Statewide MHI) indicating an indexed (1.25%) affordability rate of \$36.82 per Equivalent Dwelling Unit (EDU) per month. The city's current sewer user charge for a 7,500-gallon water use is \$63.00 and it is projected to be at approximately \$89.00 at project completion, which will be well above the indicated affordability rate. Because the city is classified as disadvantaged we are recommending a grant of \$721,868 and a loan of \$721,868 at a subsidized rate of 1.0% for a term of 30 years. The estimated useful life of the improvements is 40+ years.

Recommended Motion

Move to approve an award of \$1,443,736 in Water/Wastewater Financing Program funding to the city of Glendale, comprised of a \$721,868 loan at 1% for 30 years and a \$721,868 grant to design and construct Influent Pump Station and Collection System Improvements.