

Memorandum

May 28, 2019

TO: Infrastructure Finance Authority Board
FROM: Chris Cummings, Assistant Director
SUBJ: Funding Opportunity of \$ 1,480,000—Water/Wastewater Financing Program for City of Fossil, Wastewater System Improvements, No. 167-13538

Requested Action

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

Request

The city of Fossil, located in Wheeler County, has submitted a Water/Wastewater Funding application for \$1,480,000 to design and construction improvements to their Wastewater Treatment Plant.

In January 2019, the city completed their Wastewater Facility Planning efforts. The plan identified three alternatives to be considered. The city chose to move forward with complete collection line improvements within the system. Improvements also include lift station and chlorination system improvements. The city will evaluate the need for lagoon storage in the future.

Proposed Project

The city will contract for final design and construction services to makes improvements that include: localized collection system replacements, lift station improvements including replacement of existing pumps and provide backup power, and a crane for regular maintenance; and there will also be improvements on the chlorination system.

Funding Summary

Based on 2017 ASC data, the MHI for the city is below the State MHI and the water rate per EDU by the end of the project is above 115% of community's Affordability Rate. These qualify the community as Disadvantaged with a reduced interest rate, loan term of 30 years, and a grant award.

Recommended Motion

Move to approve an award of \$1,480,000 in Water/Wastewater Financing Program funding to the city of Fossil, comprised of a \$740,000 loan at 1.00% for 30 years and a \$740,000 grant to construct the Wastewater System Improvements project.