

Memorandum

July 20, 2018

TO: Infrastructure Finance Authority Board
FROM: Chris Cummings, Assistant Director
SUBJ: Funding Opportunity of \$5,530,000—Safe Drinking Water Revolving Loan Fund Program for City of Coburg, Water System Improvements, No. 142-13313

Requested Action

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

Request

The city of Coburg submitted a Safe Drinking Water Revolving Loan Fund (SDWRLF) application for \$5,530,000 to construct water system improvements. The city owns and operates a municipal water system that currently serves 1,200 residents, the city is expecting the population to double by 2025; there is also a small portion of the city that is served by private wells that have a history of coliform bacteria contamination as well as taste and odor issues. The city intends to address water quality and supply issues by constructing the Priority 1 improvements outlined in the 2016 Water Master Plan.

Proposed Project

The city will contract for design and construction services to upgrade their water system. The proposed improvements include: drilling and development of an additional well; rehabilitation of the 2 existing wells; construction of a pump station at the new well; installation of a 12" transmission line bored under I-5 to connect the areas on the east and west side; various water distribution lines; and a 750,000 gallon reservoir.

Funding Summary

The city of Coburg qualifies as a Disadvantaged Community due to their MHI being below the state average, and a projected user rate of \$63.65 by the project completion date, which exceeds their affordability rate of \$53.54.

Recommended Motion

Move to approve an award of \$5,530,000 in Safe Drinking Water Program funding to the city of Coburg, comprised of a \$4,750,000 loan at 1.00% for 30 years and a \$780,000 forgivable loan to construct water system improvements.