

Infrastructure Finance Authority

April 2, 2021

Virtual Meeting held via Go-To-Meeting

Attendance

Members Present: Andrea Klaas, Chair, Port of The Dalles; Kristin Retherford, Vice Chair, City of Salem; Pat Clancy, Financial Sector; Mark Knudson, Special Districts; Matthew Harris, Oregon State Treasury; and Chris Bailey, City of Albany.

Staff Present: Chris Cummings, Assistant Director; Sophorn Cheang, Director; Ed Tabor, Program and Incentives Manager; Melisa Drugge, Reg. Development Manager; Renee Frazier, Chief Finance Officer; Sean Stevens, Reg. Development Officer; Tawni Bean, Reg. Project Manager; Ted Werth, Reg. Project Manager; Stephanie Prybyl, Ports Program Coordinator; Jon Unger, Program and Policy Coordinator; Becky Baxter, Policy and Program Coordinator; Dennis Knight, Finance Officer; Rich Rodriguez, Finance Officer; Suzy Miller, Executive Assistant.

Guests: Lorna Davis, Manager, Port of Toledo; Bud Shoemake, (former) Manager, Port of Toledo; Brian Elliott, Community Development Director, City of Sutherlin; Tyler Molatore, PE, The Dyer Partnership Engineers & Planners, Inc.; and Bobbie Cochran, Willamette Partnership.

Chair Klaas called the meeting to order at 10:00 a.m.

Welcome, Introductions, Minute Approval

Chair Klaas welcomed everyone and introductions were made. Interim Director Cummings introduced the department's new director, Sophorn Cheang. Director Cheang is grateful to have the opportunity to meet everyone and to join the team. She thanked the board for all their hard work, and recognized the leadership they bring to help guide and support the department in their work with communities around the state. She looks forward to working with everyone.

Public Comment

None

Agency Update

- The department appeared before the Ways and Means Subcommittee to give their budget presentation in March. Three days total, two for presentation and one for testimony from stakeholders and partners. The department has over 80 programs, but presented broad overviews on infrastructure, incentives and staffing needs.
- Staff continues to work hard to get money out the door to assist those still in need. Most of the COVID-related programs are complete in regards to the first round of grants to businesses, with a few still open that were extended due to the recovery work being COVID-related (i.e. PPE, Technical Assistance). The first round of \$100 Million for the Commercial Rent Relief assistance went out; Ed's team was able to get the program up and running in six weeks to make that happen. The department received just under 3000 applications; 2600 applications selected (lottery process) that staff are currently reviewing.

- The department is now turning their focus to recovery planning; they have applied for a grant through the U.S. Economic Development Administration in order to receive funding to put towards that recovery planning. The department may also receive some of the \$10 Billion federal funding that may come the state's way; this will play into the Governor's 10 Point Recovery Plan. The Administration also been talking about an infrastructure package, so will be looking at what that may entail.
- Staff has started discussions on how to co-operate some kind of inventory/map that would locally/regionally identify significant infrastructure needs. The list would aid in the development and modernization of existing programs to better meet needs statewide, while serving as a credible source of information for legislators. The thought would be to pull in representatives from the League of Oregon Cities, Association of Counties, etc. as part of those discussions. Chris encouraged the board to send him any thoughts or ideas they may have.
- Staff has started discussions with the Department of Environmental Quality (DEQ) to look at ways to possibly guide funding in the future for communities who may not get the infrastructure work or how to determine if there is an issue within those communities that may not get the infrastructure work for improvements. We are looking at other state programs that may be able to be used as discussions expand, as well as a way to track what work has been done in those affected communities. Staff may come back to the board to include them in the discussions about what they may look like.

City of Sutherlin

Tawni Bean, Regional Project Manager, introduced Brian Elliott, Community Development Director, and Tyler Molatore, The Dyer Partnership Engineers & Planners, Inc., representing the city of Sutherlin, who came before the board seeking an amendment to their prior award of \$3,937,773 from the Safe Drinking Water Revolving Loan Fund Program (SDWRLF), for an additional \$1,915,792, for a total amended award of \$5,853,565. The city of Sutherlin was approved for a SDWRLF award on June 21, 2019, to complete final design documents, and construction of a Nonpareil Water Treatment Plant. The city completed the final design and bid documents, which were reviewed and approved by the Oregon Health Authority Drinking Water Services.

The city has two water treatment plants, the oldest constructed in 1982, is now approaching 40 years. Tyler and Brian provided background information on the treatment plant, the deficiencies they dealt with due to outdated and worn out equipment, as well as performance and reliability issues, and the significant rehabilitation project they engaged in to address those issues. With the current request before the board, the city's revised scope of work includes improvements to the Intake Building, Raw Water Pump Station, Intake Vault, Clarifier, Filter System, and a new electrical room, in addition to other essential improvements. Cost increases are due to an expanded scope, and volatile market conditions (supply chain disruptions driving cost increases for materials), all of which contributed into the overall cost of the project and construction duration. The city is looking at an 18-month construction schedule, with shutdown periods; completion target date is set for June 2022. There is still a lot of work to complete, but the city is confident they will meet their project target date.

Chair Klaas called for a motion.

Mark Knudson moved to approve an amendment to the prior award of \$3,937,773 in Safe Drinking Water Revolving Loan Fund Program for the city of Sutherlin, for an additional \$1,915,792 loan at

1% for 30 years. The total amended award is comprised of a \$5,473,555 loan at 1.00% for 30 years and a \$380,000 forgivable loan to construct the Nonpareil Water Treatment Plant Improvements. Kristin Retherford seconded the motion.

Vote: Motion passed.

Port of Toledo

Ted Werth, Regional Project Manager, introduced representatives from the Port of Toledo (Port) who came before the board seeking an increase to their Special Public Works Fund (SPWF) loan of \$825,000 in order to complete work on their Environmental Work Building. The project is currently funded with a \$2,999,500 SPWF award, with \$60,000 in the form of a grant. An increase in funding will result in a loan of \$3,764,500 with no changes to the existing grant. Upon completion of the project, the Port will be able to work on vessels of all sizes up to the capacity of the Port's 660 ton lift. The request before the board is due to an increase in construction costs. The project deadline is scheduled for October 2021. Bud Shoemake, former Port Manager, and Lorna Davis, current Port Manager, provided background information and a slide presentation showing the various stages of the work completed on the project to date.

Chair Klaas called for a motion.

Mark Knudson moved to approve an increase of award of \$825,000 in SPWF funding to the Port of Toledo, resulting in a \$3,764,500 loan at 3.55% for 25 years and a \$60,000 grant/forgivable loan to construct an industrial building.

Matthew Harris seconded the motion.

Vote: Motion Passed.

Special Public Works Fund Rule Revision

Becky Baxter, Policy and Program Coordinator, gave a presentation before the board on some proposed rule revisions for the Special Public Works Fund (SPWF). Staff is looking for approval to move forward with the recommended revisions. Becky introduced Bobby Cochran with the Willamette Partnership, and Jon Unger, Program and Policy Coordinator with Business Oregon, who joined her to address any questions the board, may have.

The SPWF is one of the department's most popular loan programs providing loan funding to municipally-owned water and wastewater projects, as well as essential community facilities. Facilities must be municipally-owned or operated. They provide or support services vital to public health and safety including police and fire protection facilities, public utilities and 911 system. The SPWF provides much needed water and wastewater for infrastructure for municipally-owned industrial land. We can provide a job creation, retention forgivable loan, which provides the municipality with an incentive to encourage further community and economic development. The program may be used to provide the FEMA match for projects where there is an emergency as long as they are directly related to the development project.

In 2019, during the legislative session, expansion of the definition of Levee Project was added to include construction work needed to obtain or retain accreditation and certification. The definition also added repair of levees, flood control embankments, and flood control facilities, as eligible types of activities. The focus is now on natural or green infrastructure to be added. The Oregon Water Vision Group, and other organizations, are in discussions about the need to expand the ability to fund natural or green infrastructure. These types of activities have been eligible statutorily; however, greater clarification is needed to the types of activities that would be eligible

under the definition provided in the rule, and to make sure it is consistent with the Oregon Water Vision Group's definition.

Pre-disaster Mitigation helps to plan and construct hazard mitigation before a disaster. These projects must have federal disaster relief assistance committed to them as well. Project terms will be similar to that of emergency projects. In 2019, the department put together a Special Public Works Fund Committee. A pre-disaster mitigation fund was a programmatic change that was encouraged to move forward. While this is not creating a separate fund/sub-fund under SPWF, this change allows communities who have worked with FEMA, receiving funding under their Pre-disaster Mitigation Program, to utilize SPWF as the match for those FEMA funded projects. To be consistent with a legislative change, which removed the emergency grant limitation of \$2.5 Million, the language was removed from rule on the advice of the Department of Justice.

In 2019, the legislature created the Levee Grant Account. Initially, the account was to be funded with \$15 Million from the sale of lottery bonds. Due to COVID, the lottery sale did not happen leaving the program unfunded. The legislature is again considering funding the program for \$10 Million. If funded, the department wants to have rules in place in order to begin assisting communities with access to a much-needed, grant-funding stream.

If the board approves the proposed rule recommendations to move forward, staff will engage with stakeholders and partners in order to have an open and inclusive dialogue around the proposed rule. After the stakeholder meeting, staff will file a Notice of Proposed Rulemaking; a 30-day public comment period will follow. Once the comment period closes, staff will review and consider public comments then move forward with adopting the revised rules.

Chris Bailey commented on the definitions when it comes to wastewater treatment projects and keeping up with natural treatment systems. She wanted to make sure the definitions work with the types of projects that the DEQ might support to address permit compliance issues; how much coordination will occur to align those definitions. Staff is looking at running project scenarios through the revised rule in order to make sure they will actually work before acting. Some of the challenges they will face is that the facilities have to be municipally-owned and operated.

Due to the fact the board materials were late in being distributed, some members felt they could use a bit more time to review the redlined version of the proposed changes. They do, however, support the concept. The board suggested, once the public comment period closes, staff return before the board to report any comments received. The board amended the original motion.

Chair Klaas called for an amended motion to have staff return before the board once the public comment period has closed to share any comments received.

Pat Clancy moved the amended motion.

Mark Knudson seconded the motion.

Vote: Amended Motion Passed.

Next meeting: April 2, 2021, at 10:00 a.m. (Video-conference)

Chair Klaas adjourned the meeting at 1:00 p.m.

Approved by:

Signature on file

Andrea Klaas, Chair
Infrastructure Finance Authority Board

6/21/2021

Date

Signature on file

Chris Cummings, Assistant Director
Business Oregon

6/4/2021

Date