

Memorandum

March 19, 2021

TO: Infrastructure Finance Authority Board
FROM: Chris Cummings, Assistant Director
SUBJ: Increased Funding Opportunity (\$5,853,565) – Safe Drinking Water Revolving Loan Fund Program for the city of Sutherlin Nonpareil Water Treatment Plant Improvements
Project No. S19026

Requested Action

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

Request

The city of Sutherlin was approved for a Safe Drinking Water Revolving Loan Fund Program award on June 21, 2019 for \$3,937,773, to complete final design documents, and construction of the Nonpareil Water Treatment Plant Improvements. The city now requests an increase to their loan in the amount of \$1,915,792.

Proposed Project

To-date the city has completed the final design and bid documents, which were reviewed and approved by Oregon Health Authority – Drinking Water Services, they have also bid the project and issued a notice of award. The additional costs are associated with bids coming in higher as well as due to the retrofit nature of the project, as the plan was further evaluated.

Funding Summary

The City of Sutherlin qualifies as a Disadvantaged Community due to their projected user rate of \$55.00 by completion date, their MHI of \$36,054 being below the state average and their affordability rate, which is \$37.56, is below their user rate. However, their original award exhausted the allowable principal forgiveness and this amended amount will be awarded as loan only.

Financing is amended in the amount of \$1,915,792 which is to be distributed as follows:

- \$1,915,792 SDWRLF Loan; 30 year term loan at a 1.0% interest rate.

Recommended Motion

Move 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.