

# Memorandum

May 21, 2021

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**TO:** Infrastructure Finance Authority Board  
**FROM:** Chris Cummings, Assistant Director  
**SUBJ:** Funding Opportunity of \$4,000,000 Safe Drinking Water Revolving Loan Fund, City of Amity, Water System Improvements, No. 121-14347

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## Requested Action

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

## Request

The city of Amity submitted a Safe Drinking Water Revolving Loan Fund application for \$4 million to construct improvements to the city's water intake and water treatment plant. The loan portion of the proposed funding package exceeds the threshold of \$3,000,000 and therefore requires IFA Board approval.

## Proposed Project

The city's 2014 Water Master Plan (WMP) included an evaluation of the existing treatment facility capacity and identified improvements to accommodate an increase in the production rate and potential changes in raw water quality; the WMP identified the need for a new potable water river intake and modifications to the Water Treatment Plant to provide quality water to the residents.

The city proposes relocating its municipal water intake site on the S. Yamhill River, this entails installation of approximately 3,500 feet of new raw water transmission piping. Improvements to the Water Treatment Plant include a new pretreatment system, improvements to the filters, a new clearwell, new pumps, a backup generator, and other site components.

## Funding Summary

Amity's MHI is below the state average and their water rates exceed the rate of affordability. This qualifies them for forgivable loan and a reduced interest rate under the Safe Drinking Water program. The recommended financing will consist of a 30 year \$3,470,000 loan with a subsidized interest rate of 1.00% and a forgivable loan of \$530,000.

## Recommended Motion

Move to approve an award of \$4,000,000 in Safe Drinking Water funding to the city of Amity, comprised of a \$3,470,000 loan at 1.00% for 30 years and a \$530,000 forgivable loan to construct water system improvements.