

# MEMORANDUM

May 4, 2021

**TO:** Chris Cummings, Assistant Director, Economic Development  
**THRU:** Melisa Drugge, Regional Development Manager  
**FROM:** Tawni Bean, Regional Project Manager  
Dennis Knight, Finance Officer  
**SUBJ:** Funding Opportunity of \$3,745,030– Safe Drinking Water Revolving Loan Fund Program for City of Rogue River, Water Infrastructure Project, No. 884-14348

Please accept this memorandum for the *Oregon Infrastructure Finance Authority* (IFA) for funding assistance. Business Oregon's (statutorily and by rule referred to as *Oregon Business Development Department*) staff administers the IFA. This memorandum will provide an application review, findings and analysis, and staff's recommendation for requested action. There may also be post approval follow-up instructions for staff.

## BACKGROUND

**Applicant:** The city of Rogue River is located in western Jackson County, on the north side of the Rogue River, I-5 passes through the south side of the city, running along the north bank of the river. The city of Rogue River has a population of 2,235 and is rural and distressed.

**(DEI)** Per the American Community Survey (ACS) – Census Bureau, the race/ethnicity profile of Rogue River is represented by 88% White, 8% Hispanic, 2% American Indian and 2% Pacific Islander.

**Funding Request:** Loan & Principal Forgiveness

**Project Type:**

- Planning (technical)
- Design
- Construction

**Project Background:** In November, 2014, the city completed their Water Master Planning efforts. The plan identified four problems in need of mitigation for the city of Rogue River water system. The city currently has two water storage reservoirs, the first is a 1.2 MG reservoir construction in 2011 that is in good shape, but by adding cathodic protection it will extend its useful life; the second is a 500,000 gallon tank built in 1974 that is at the end of its lifecycle and needs to be replaced. It also determined that the city is currently deficient in water storage and needs an additional 500,000 gallons to be able to meet all of the city's needs. The city is also experiencing high water loss due to old meters installed in 1974 that are not able to accurately read water

usage. The other thing identified was there are multiple locations throughout the city limits that do not have adequate fire coverage.

To increase the storage capacity, the city wishes to build two 500,000 gallon water reservoirs. One will be located at the current site that will replace the 1974 500,000 gallon reservoir. The second will be located on city owned land at the Water Treatment Plant. The city would also like to add cathodic protection to the 1.2 million gallon reservoir to be able to extend its useful life. The city will also be installing magnetic flow water meters with radio read capabilities, which will allow for more accurate reading of water use and reduce water loss substantially. Finally the Water Master Plan has determined that 13 additional fire hydrants are needed in the system to provide fire protection to the entire city limits.

Project Description: The Recipient will, with the assistance of a professional engineer licensed in Oregon, prepare final design plans, which will include specifications and construction documents that must be approved by Oregon Health Authority – Drinking Water Services and submitted to Business Oregon. The construction will include, but is not limited to:

- Construct a new 500,000 gallon water reservoir;
- Replace the current 500,000 gallon water reservoir with a new 500,000 gallon water reservoir;
- Install cathodic protection on the 1.2 MG water reservoir;
- Install approximately 690 magnetic flow water meters with radio read capabilities; and
- Install approximately 13 additional fire hydrants around the city.

The city will also procure a professional consultant to perform project management and labor standards review.

Work Plan: This project includes final design and construction, the estimated project completion is September 30, 2022; a description of each primary activity and anticipated dates are provided in a table below.

Public Involvement Statement: There have been city council meetings specific to this project.

## **FINDINGS AND ANALYSIS**

This project helps implement the following goals and objectives of the Safe Drinking Water Revolving Loan Fund: *to provide public water systems financing for planning, design, and construction projects that protect public health, ensure compliance with federal and state requirements, respond to an emergency, or generally improve water infrastructure resiliency (ORS 285A.213 and OAR 123-049).*

This project aligns with Business Oregon's Strategic Plan. This project meets the priority of "Cultivate Rural Economic Stability." The key performance measure (KPM) that will capture the Department's investment is KPM 9 – Number of community capital construction financing projects that assist with future economic development.

**Program Findings & Compliance**

1. Applicant eligibility: The city of Rogue River is a “community water system” and therefore an eligible applicant per OAR 123-049-0010(3); also 123-049-0020(1) states “all community water system and nonprofit community water systems are eligible to apply for financing except those determined to be ineligible by the department because of prior performance.”
2. Project compliance: This is not a compliance based project, but rather General Infrastructure & Resiliency.
3. Project priority is Medium. The project has been reviewed by the Oregon Health Authority – Drinking Water Services (OHA) and has been placed on the Project Priority List for “General & Resiliency Projects.”
4. Program suggestions and/or monitoring: Standard on-site monitoring procedure for construction project.
5. This project is found to be compliant with applicable Department policies, Rules and Statutes. The programmatic and financial sections of the Eligibility Checklist have been completed and the application has been determined per current ORS to be eligible for funding.
6. During the completeness review process, Oregon Health Authority has verified that the water system is not on the federal Suspension and Debarment list.

**Funding Recommendation**

Budget Line Items	SDWRLF	Other Funds	Totals
Design/Construction Engineering	\$352,118	\$0	<u>\$352,118</u>
Design Engineering Pre-Award	\$171,662	\$0	\$171,662
Construction	\$2,809,368	\$0	<u>\$2,809,368</u>
Construction Contingency	\$280,937	\$0	<u>\$280,937</u>
Labor Standards	\$15,000	\$0	<u>\$15,000</u>
Environmental Review	\$50,000	\$0	<u>\$50,000</u>
Project Management	\$15,000	\$0	<u>\$15,000</u>
Legal Fees	\$44,345	\$0	<u>\$44,345</u>
Permitting and Regulatory Fees	\$6,600	\$0	<u>\$6,600</u>
<b>Total</b>	<b><u>\$3,745,030</u></b>	<b><u>\$ 0</u></b>	<b><u>\$3,745,030</u></b>

**Proposed Work Plan**

Activity	Date
Phase I Radio Read Meters Draft Final Design	9/30/2021
Phase I Radio Read Meters Construction	1/31/2022
Phase II Water Treatment Plant Reservoir Final Design Draft	10/31/2021

<b>Activity</b>	<b>Date</b>
Phase II Water Treatment Plant submitted to Oregon Health Authority – Drinking Water Services Approval	11/30/2021
Phase II Water Treatment Plant Reservoir Environmental Review Completed	10/31/2021
Phase II Water Treatment Plant Reservoir Construction	4/30/2022
Phase III Replacement Reservoir Final Design	2/28/2022
Phase III Replacement Reservoir Final Design submitted to Oregon Health Authority – Drinking Water Services Approval	3/31/2022
Phase III Replacement Reservoir Construction	6/30/2022
Phase IV Hydrant & Cathodic Protection Final Design	3/31/2022
Phase IV Hydrant & Cathodic Protection Construction	6/30/2022
Closeout Project	9/30/2022

<b>Source of Business Oregon Funds</b> (Indicate Loan/Grant/Principal Forgiveness, Bond, Private or Public, and Taxable or Tax Exempt)	<b>Amount</b>
Safe Drinking Water Revolving Loan Fund – Loan, Public, Tax Exempt	\$3,215,030
Safe Drinking Water Revolving Loan Fund – Principal Forgiveness, Public, Tax Exempt	\$500,000
SDWRLF – Project Management, Principal Forgiveness, Public, Tax Exempt	\$15,000
SDWRLF – Labor Standards, Principal Forgiveness, Public, Tax Exempt	\$15,000
<b>Total</b>	<b><u>\$3,745,030</u></b>

<b>Source of Other Funds</b> (For other State funds, indicate loan / grant, et cetera)	<b>Amount</b>
	\$0
	\$0
<b>Total</b>	<b><u>\$ 0</u></b>

## **Financial Findings & Compliance**

### **Repayment source**

The table on the following page shows historic revenue from the Applicant's Water Fund for the last three audited fiscal years ending June 30, 2020 and fiscal year 2020-2021 budget.

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<b>Water Fund</b>
<b>City of Rogue River</b>

<b>Performance Review</b>	<b>audited</b>	<b>audited</b>	<b>audited</b>	<b>budgeted</b>
<b>FY Ending June 30th</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
Beginning Fund Balance	839,066	933,186	950,593	1,082,969
<b><i>Revenues</i></b>				
Charges for Services	561,132	611,829	619,586	682,504
Other Operating Revenues	0	0	0	0
<b>Operating Revenues</b>	<b>561,132</b>	<b>611,829</b>	<b>619,586</b>	<b>682,504</b>
Interest and Miscellaneous	16,624	19,514	14,839	16,345
Other Non-Operating Revenues	0	0	0	0
<b>Total Non-Operating Revenues</b>	<b>16,624</b>	<b>19,514</b>	<b>14,839</b>	<b>16,345</b>
<b>Total Revenues</b>	<b>577,756</b>	<b>631,343</b>	<b>634,425</b>	<b>698,849</b>
<b><i>Expenditures</i></b>				
Personal Services	274,315	261,303	230,791	235,407
Materials & Services	143,444	168,192	178,103	181,665
<b>Total Operating Expenses</b>	<b>417,759</b>	<b>429,495</b>	<b>408,894</b>	<b>417,072</b>
<b>Net Operating Income</b>	<b>143,373</b>	<b>182,334</b>	<b>210,692</b>	<b>265,432</b>
Capital Outlay	0	124,281	26,811	0
Debt Service	0	0	0	0
Total Expenses	417,759	553,776	435,705	417,072
<b>Net Revenues</b>	<b>159,997</b>	<b>77,567</b>	<b>198,720</b>	<b>281,777</b>
Net Transfers/Adjustments	(65,877)	(60,160)	(66,344)	(66,344)
<b>Ending Fund Balance</b>	<b>933,186</b>	<b>950,593</b>	<b>1,082,969</b>	<b>1,298,402</b>

Revenues experienced a 9% increase in fiscal year 2019 due to a completed subdivision with a total of 74 new homes/connections coming on line. Budget year 2021 anticipates a 10% increase due to a rate increase. The transfers out goes to the Sewer/Water Debt Service Fund to pay the Water Funds portion of the 2017 Revenue Bond.

Revenues showed an increase in each year that was reviewed and the ending fund balance also grew in each of the years reviewed.

**General Fund summary**

The table on the following page shows a performance review of the Applicant's General Fund for the last three audited fiscal years ending June 30, 2020.

<b>General Fund</b>
<b>City of Rogue River</b>

<b>Performance Review</b>	<b>audited</b>	<b>audited</b>	<b>audited</b>
<b>FY Ending June 30th</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Beginning Fund Balance	738,933	975,557	1,266,997
<b><u>Revenues</u></b>			
Property Taxes	513,176	545,916	565,750
Other Operating Revenues	625,853	624,784	584,366
<b>Operating Revenues</b>	<b>1,139,029</b>	<b>1,170,700</b>	<b>1,150,116</b>
Interest and Miscellaneous	59,520	105,217	143,193
Intergovernmental	115,196	78,715	92,529
<b>Total Non-Operating Revenues</b>	<b>174,716</b>	<b>183,932</b>	<b>235,722</b>
<b>Total Revenues</b>	<b>1,313,745</b>	<b>1,354,632</b>	<b>1,385,838</b>
<b><u>Expenditures</u></b>			
Administrative	149,839	196,540	247,554
Public	883,841	851,008	989,100
<b>Total Operating Expenses</b>	<b>1,033,680</b>	<b>1,047,548</b>	<b>1,236,654</b>
<b>Net Operating Income</b>	<b>105,349</b>	<b>123,152</b>	<b>(86,538)</b>
Capital Outlay	5,639	2,560	45,902
Debt Service	13,084	13,084	13,084
Total Expenses	1,052,403	1,063,192	1,295,640
<b>Net Revenues</b>	<b>261,342</b>	<b>291,440</b>	<b>90,198</b>
Net Transfers/Adjustments	(24,718)	0	0
<b>Ending Fund Balance</b>	<b>975,557</b>	<b>1,266,997</b>	<b>1,357,195</b>

Revenues showed similar increases each of the years reviewed and expenses experienced a higher increase in fiscal year end 2020 due to additional police staffing. Ending fund balances increased in each of the three years reviewed.

**Debt service analysis**

Net Revenues for Debt Coverage: The table on the following page reflects the Projected Net Revenues for the Applicant's Water Fund only as provided with the Applicant's application. It

reflects more than adequate net revenues necessary to provide the required 1.20 debt service coverage ratio.

<b>Summary of Revenues, Expenditures, and Debt Service Coverage</b>						
<b>City of Rogue River</b>						
<b>PRO FORMA</b>	<b>Current FY</b>			<b>Projected</b>		
Yea (ending June 30 <sup>th</sup> )	2021	2022	2023	2024	2025	2026
Beginning Fund Balance	<b>1,082,969</b>	<b>1,298,402</b>	<b>1,569,919</b>	<b>1,811,328</b>	<b>1,941,058</b>	<b>2,061,936</b>
<b>Operating Revenues</b>						
Charges for Service	682,504	745,421	745,421	745,421	745,421	745,421
Interest & Misc.	16,345	17,853	17,853	17,853	17,853	17,853
<b>Total Operating Revenues</b>	<b>698,849</b>	<b>763,274</b>	<b>763,274</b>	<b>763,274</b>	<b>763,274</b>	<b>763,274</b>
<b>Operating Expenses</b>						
Personal Services	235,407	240,115	244,917	249,816	254,812	259,908
Materials & Services	181,665	185,298	189,004	192,784	196,640	200,572
<b>Total Operating Expenses</b>	<b>417,072</b>	<b>425,413</b>	<b>433,921</b>	<b>442,600</b>	<b>451,452</b>	<b>460,480</b>
<b>Debt Service</b>						
<b>Funds Avail for Debt Coverage</b>	<b>281,777</b>	<b>337,861</b>	<b>329,353</b>	<b>320,674</b>	<b>311,822</b>	<b>302,794</b>
Revenue Bond - Wtr Portion	66,344	66,344	66,344	66,344	66,344	66,344
<i>Superior Rev Bonds DSC</i>	<i>4.25</i>	<i>5.09</i>	<i>4.96</i>	<i>4.83</i>	<i>4.7</i>	<i>4.56</i>
<b>Funds Avail for Debt Coverage</b>	<b>215,433</b>	<b>271,517</b>	<b>263,009</b>	<b>254,330</b>	<b>245,478</b>	<b>236,450</b>
IFA Proposed Loan	<b>0</b>	<b>0</b>	<b>21,600</b>	<b>124,600</b>	<b>124,600</b>	<b>124,600</b>
<i>Debt Service Coverage Ratio</i>	<i>N/A</i>	<i>N/A</i>	<i>12.18</i>	<i>2.04</i>	<i>1.97</i>	<i>1.90</i>
<b>Other Activities</b>						
<b>Cash Avail After Debt Service</b>	<b>215,433</b>	<b>271,517</b>	<b>241,409</b>	<b>129,730</b>	<b>120,878</b>	<b>111,850</b>
Loan Proceeds / Drawdowns	0	1,872,516	1,872,515	0	0	0
Capital Outlay (OUT)	0	(1,872,516)	(1,872,515)	0	0	0
<b>Net Other Activity</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Net Transfers & Adjustments	0	0	0	0	0	0
<b>Ending Fund Balance</b>	<b>1,298,402</b>	<b>1,569,919</b>	<b>1,811,328</b>	<b>1,941,058</b>	<b>2,061,936</b>	<b>2,173,786</b>
<b>Avg. Rev's per EDU (calc)</b>	<b>\$37.05</b>	<b>\$40.46</b>	<b>\$40.46</b>	<b>\$40.46</b>	<b>\$40.46</b>	<b>\$40.46</b>
<b>Rate per EDU (app)</b>	<b>\$35.58</b>	<b>\$38.86</b>	<b>\$39.86</b>	<b>\$39.86</b>	<b>\$39.86</b>	<b>\$39.86</b>
<b>EDU's (app)</b>	<b>1,572</b>	<b>1,572</b>	<b>1,572</b>	<b>1,572</b>	<b>1,572</b>	<b>1,572</b>
<b>Connections (app)</b>	<b>1,450</b>	<b>1,450</b>	<b>1,450</b>	<b>1,450</b>	<b>1,450</b>	<b>1,450</b>

User rates had remained fairly consistent for several years but the city had to increase water rates in 2020 in order to keep up with expense and they plan to increase again next year to cover debt service and to give room for expenses to increase over the next several years without needing to increase rates. It will also help to cover future capital improvements.

### Existing obligations and risks

The table on the following page reflects the applicant’s debt service requirements as of their last audit.

#### City of Rogue River

Loan Source	June 30, 2020 Balance	Annual Debt Service	Payment Source	FF&C Pledged	Debt Priority	Maturity
<b>Net Direct Debt</b>						
Americanwest Bank - Note	\$46,598	\$13,084	General Fund	No	N/A	2024
GO Bonds 2013 A&B	\$1,207,083	\$88,344	Street Fund	Yes	N/A	2037
<i>Net Direct Debt</i>	<b>\$1,253,681</b>	<b>\$101,428</b>				
<b>Self-Supporting Debt</b>						
Revenue Bonds Series 2017	\$1,495,000	\$143,745	Water/Sewer Debt Fund	Yes	Superior	2038
<i>Self-Supporting Debt</i>	<b>\$1,495,000</b>	<b>\$143,745</b>				
<b>Gross Bonded Debt</b>	<b>\$2,748,681</b>	<b>\$245,173</b>				

The city has managed to keep debt at a manageable limit over the past several years through good management and building reserves when possible.

### COVID-19 Pandemic and Wildfire Response

The city has not seen any abnormal impact to their water revenues due to COVID. They also have not seen any increase in the amount of water usage or the number of delinquencies experienced. The wildfire gave a greater awareness of the need for more water storage but no effect on their revenues.

### Underwriting standards

The Applicant meets 16 of the 20 applicable indicators in the attached Financial Summary. The following indicators are not met:

- Net Direct Debt Service to General Fund Revenues (mry) [7.32% is not < 5% standard]
- Number of Connections (mry) [1,450 in not > 1,500 standard]
- Revenue Debt per capita (mry) [669 is not < \$650 standard]
- Top 10 Ratepayers as % of Revenues (3 yr avg.) [38.12% is not < 15% standard]



<b>City of Rogue River</b>				
<b>System's Ten Largest Customers</b>				

Customer Name:	Annual Consumption	% of Total Annual Consumption System	Annual Water Revenue Received by System	% of Total Annual Received by System
Oregon Ice Co.	263,383	10.20	\$ 65,795	10.40%
Murphy Plywood	114,034	4.40	\$ 39,299	6.20%
Brookside Village	80,213	3.10	\$ 22,335	3.50%
Rogue River School	65,342	2.50	\$ 34,669	5.50%
Pioneer Mobile	50,468	1.90	\$ 12,860	2.00%
Valarie Hill LTD	49,210	1.90	\$ 13,529	2.10%
Woodville Village Apt	47,933	1.90	\$ 13,104	2.10%
Bridgeview RV Park	37,942	1.50	\$ 11,367	1.80%
Morrow Hhts Ass. Liv	34,975	1.40	\$ 11,048	1.70%
Parkview Mobile Est.	36,850	1.40	\$ 9,784	1.50%
Total	780,350	30.20	\$ 233,790	36.80%

**RISK ANALYSIS SUMMARY:**

The top ten users is dominated by Oregon Ice Co. and Murphy Plywood. Murphy Plywood has operated for many years and shows no signs of financial struggles while Oregon Ice Co. has just recently started operations. They operated predominately during the summer which can put a strain on the city's water supply especially in a drought situation. The two rate increases will enable them to build reserves to cover any revenue loss as well as give future reserves to add more reservoir capacity. The city has demonstrated good management skills in their finances in operations and revenue and have been proactive in preparing for any unseen downturns

**Applicant's bond rating** The last revenue bond rating was from their 2017 issue which was a pooled issue and Standard and Poor's rated Rogue River at AA-. Standard and Poor's reaffirmed that rating last August 2020.

**Financial statement of program** SDWRLF as of April 25, 2021

1. Available funds \$37,173,940
2. Remaining balance, if the project is approved, is \$33,428,910
3. There are no existing Business Oregon loans

**Project Repayment Phase Loan Summary**

Type	Award Amount	Principal Forgiveness	Total Loan Amount	Interest Rate*	Amortized [in years]	Est. Annual Payment*
SDWRLF	\$3,745,030	\$530,000	<b>\$3,215,030</b>	1.0%	30	\$124,600
<b>Total</b>	<b>\$3,745,030</b>	<b>\$530,000</b>	<b>\$3,215,030</b>			<b>\$124,600</b>

\* Rate is Business Oregon Direct Loan rate for current quarter. Payment rounded to nearest \$100.

## FINANCIAL RECOMMENDATION

Applicants under the SDWRLF program may be determined to qualify for Affordability Assistance and qualify for forgivable loan and reduced interest rate. A Community is determined by the following criteria:

1. A community's Median Household Income ("MHI") is less than the State's MHI of \$59,393 and,
2. The community's Affordability Rate (MHI X 1.25% / 12) is lower than the actual monthly water rate per Equivalent Dwelling Unit ("EDU"). An EDU is one residential connection or up to the equivalent of 7500 gallons of usage, whichever is less.

The city of Rogue River qualifies for Affordability Assistance due to their total projected user rate of \$40.46 by completion date and their MHI of \$37,614 being below the state average and their affordability rate, which is \$39.18.

Financing is awarded in the amount of \$3,745,030 which is to be distributed as follows:

- \$3,215,030 SDWRLF Loan; 30 year term loan at a 1.0% interest rate.
- \$530,000 SDWRLF Forgivable Loan
  - **\$100,000**- All eligible projects up to 10% of Total Award not to exceed \$100,000, additionally
  - **\$400,000**- Affordability Assistance qualified communities are eligible for up to 50% of Total Award not to exceed \$500,000, (Total forgivable loan cannot exceed \$500,000 or 50% of award (less Labor Standards & Project Management))
  - **\$15,000**- Project Management
  - **\$15,000**- Labor Standards

The proposed loan will be structured in two phases. The first phase, Construction Phase, will accrue interest on actual funds disbursed, estimated first disbursement will be in August 1, 2021. All accrued interest during the construction phase (estimated to be \$21,600) will be due prior to or with the first principal and interest payment. The interest rate will be set at 1.0% for this phase. Construction is scheduled for completion by December 1, 2022.

The second phase (Repayment Phase) will begin with constant annual payments of principal and interest sufficient to repay the outstanding principal balance, together with interest, within a 30 year period. The estimated first principal and interest payment due date is December 1, 2023 . The loan can be prepaid in part or in full without penalty. The interest rate will be set at 1.0% for

the repayment phase. The "Repayment Phase Loan Summary" table summarizes the repayment phase of the proposed financing.

The present value of the subsidized 1% rate vs the IFA standard rate of 2.57% is \$735,931.

## **Funding Recommendation and Conditions of Award**

### **Conditions:**

Based upon the following analysis, the award recommended above should be subject to the following conditions:

- A. Full Faith and Credit Pledge.** The Recipient will be required to pledge its full faith and credit and taxing power within the limitations of Article XI, Sections 11 and 11 b, of the Oregon Constitution to pay the amounts due under the Financing Contract. All amounts due under this Contract are payable from all legally available funds of the Recipient.
- B. Pledge of Net Revenues as Source of Repayment.** The Recipient will be required to grant to the State a security interest in and irrevocably pledge its Net Revenues of the Recipient's Water System to pay all of the obligations owed by the Recipient to the State under the Financing Contract.
- C. Financial Covenants.** The Recipient shall charge rates and fees in connection with the operation of the Water System which, when combined with other gross revenues, are adequate to generate Net Revenues each fiscal year at least equal to one hundred twenty (120%) percent of the annual debt service due in the fiscal year on the Loan, any outstanding senior lien obligations, and any outstanding Parity Obligations.
- D. Affordability Rate.** If, at the Project Completion Date, the average monthly residential water rates for the water supplied by the Water System are not at or above the "affordability rate" of \$39.18, then \$400,000 of the amount due under the Forgivable Loan will not be forgiven. Further, the Financing Contract shall, at IFA's discretion and after notice to Recipient, be modified as follows: Interest shall accrue at the rate of one and 70/100ths percent (1.70%) per annum.

**E. Senior & Parity.**

- a. The IFA loan will be secured by a pledge of the Net Revenues that is only subordinate to the lien on, and pledge of, the Net Revenues of the city's 2017 Water and Wastewater Revenue Bonds (the senior bonds).
- b. Aside from the 2017 senior revenue bonds, the standard contract language "No Parity or Senior Debt" shall apply.

**F. Water Source Construction & Protection.**

In accordance with OAR 333-061-0076(4)(b)(B), the city must correct the well construction setback hazards identified in the January 16, 2019, sanitary survey letter issued by Oregon Health Authority – Drinking Water Services. Oregon Business Development Department should receive prior to releasing the contract, written verification by OHA – DWS showing that the setback hazards identified at the following wells have been corrected: 2<sup>nd</sup> Street 440 (SRC-AA), 2<sup>nd</sup> Street Dee (SRC-AC), Brookside (SRC-AD) and Hanbury (SRC-EA).

**This financial review is the financial portion of the Capacity Assessment. The Technical and Managerial portions of the assessment are included in a separate document.**

**List of Attachments**

Financial Summary

Budget recommends that this award come from [ ] Oregon Bond Bank [X] Program Funds

/s/ David Barnett 5/26/2021

David Barnett Date  
Senior Finance Accountant (Budget)

APPROVAL:

X Approve project and recommendation as submitted

Approve project and recommendation with the following modifications:

\_\_\_\_\_

/s/ Chris Cummings 5/26/2021

Chris Cummings, Assistant Director Date  
Economic Development

The IFA Board shall consider *loans* over \$2,999,999, *grants* over \$500,000 and Safe Drinking Water forgivable loans over \$750,000 for approval. The Drinking Water Advisory Committee shall consider Safe Drinking Water projects over \$6,000,000.

This project exceeds the regular approval dollar amount.

Infrastructure Finance Authority Board has discussed the proposed project and has concluded to approve the award.

Infrastructure Finance Authority Board has discussed the proposed project and has concluded to approve the award with the following modifications:

\_\_\_\_\_

Chris Cummings, Assistant Director  
Economic Development

Board Meeting Date