



CITY OF GRANTS PASS  
COUNCIL AGENDA  
August 22, 2022  
11:45 a.m. City Council Workshop and  
Special Meeting  
Council Chambers - 101 N.W. 'A' Street

MAYOR: Sara Bristol

CITY COUNCIL MEMBERS:

| <b><i>Ward 1</i></b>         | <b><i>Ward 2</i></b>           | <b><i>Ward 3</i></b>              | <b><i>Ward 4</i></b>       |
|------------------------------|--------------------------------|-----------------------------------|----------------------------|
| Brian DeLaGrange<br>Rob Pell | Valerie Lovelace<br>Rick Riker | Dwight Faszer, II<br>Curt Collins | Joel King<br>Vanessa Ogier |

1. COUNCIL WORKSHOP
  - a. Homeless shelter discussion
  - b. Allen Creek Road rezone update
  - c. Agenda review
2. ADJOURN WORKSHOP AND CONVENE THE SPECIAL COUNCIL MEETING
3. CONSENT AGENDA
  - a. \* Resolution authorizing the City Manager to submit a letter of intent, an application, and, upon award, enter into an agreement for loan funds from the Water Infrastructure Finance and Innovation Act program to help finance for the Water Treatment Plant project.
4. ADJOURN SPECIAL COUNCIL MEETING AND CONVENE THE SPECIAL COUNCIL MEETING IN EXECUTIVE SESSION

Executive Session is held to discuss the following subjects:

- (h) With city attorney re: rights/duties, current-likely litigation

Resolution authorizing the City Manager to submit a letter of intent, an application, and upon award, enter into an agreement for loan funds from the Water Infrastructure Finance and Innovation Act Program to help finance the Water Treatment Plant project.

Item:

Date: August 17, 2022

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SUBJECT AND SUMMARY:

This resolution authorizes the City Manager to submit a letter of intent, an application and, upon award, to enter into an agreement with the Environmental Protection Agency (EPA) for loan funds through the Water Infrastructure Finance and Innovation Act (WIFIA) Program to help finance the Water Treatment Plant project.

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RELATIONSHIP TO COUNCIL GOALS:

This supports the Council's goal to maintain, operate, and expand our **INFRASTRUCTURE** to meet community needs by building a replacement Water Treatment Plant and **ENHANCE COMMUNITY SAFETY** by relocating the Water Treatment Plant out of the 500-year flood plan and seismically reinforcing the Water Treatment Plant to mitigate damages in the event of an earthquake.

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CALL TO ACTION SCHEDULE:

Call to action schedule: August 17, 2022.

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BACKGROUND:

WIFIA authorizes the EPA to provide federal credit assistance in the form of secured direct loans for eligible water infrastructure projects. The goal of WIFIA is to accelerate the investment in our nation's water, wastewater, and stormwater infrastructure by providing long-term, low-cost, supplemental credit assistance under customized terms to creditworthy water infrastructure projects of national and regional significance.

The City of Grants Pass is eligible to apply for funding from the WIFIA program as a local government that meets the minimum creditworthiness. The work of replacing and relocating the Water Treatment Plant has begun with the design activities, currently under way, and construction to be completed with the replacement Water Treatment Plant opening in May of 2027, if the City is awarded a Building Resilient Infrastructure and Communities (BRIC) grant. Should the City not be awarded a BRIC grant, then financing options and start and finish dates for the project will be re-evaluated.

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ITEM: 3.a. RESOLUTION AUTHORIZING THE CITY MANAGER TO SUBMIT A LETTER OF INTENT, AN APPLICATION AND, UPON AWARD, ENTER INTO AN AGREEMENT FOR LOAN FUNDS FROM THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT PROGRAM TO HELP FINANCE THE WATER TREATMENT PLANT PROJECT.

Staff Report (continued):

The maximum loan amount through the WIFIA program is 49% of the project cost. However, up to 80% of the project can be federally funded. The loan period is up to 35 years after substantial completion of the project. The interest is a fixed rate of .01 more than the U.S. Treasury Rate for loans with a similar maturity rate. The interest rate today is approximately 3%. The interest is paid only on what is borrowed, and it is possible to borrow what is needed as the project progresses as compared to one lump sum. There is an application fee of \$100,000 and credit processing fees (which the application fee can go toward) are estimated to be \$100,000 - \$300,000.

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COST IMPLICATION:

This project is expected to cost \$116,741,923. The loan request would be for up to 49% of the cost of project as required and federal funding will not exceed 80% of the project. If awarded, the Capital Project WA6207 will be used. Other revenues could include funding from the BRIC and/or Congressional Directed Spending award.

|              |                    |                             |                  |
|--------------|--------------------|-----------------------------|------------------|
| Revenue      | 7586908-           | Project # WA6207            | \$116,741,923.00 |
| Includes     | 506601             | Water User Service Fees     | \$22,000,000.00  |
|              | 39XXXX             | WIFIA Funds (49%)           | \$57,203,542.27  |
|              | 3XXXXX             | Other Revenues*             | \$34,538,380.73  |
|              |                    | Total Federal funding (52%) |                  |
| Expenditures | 7586908-<br>650899 | Project # WA6207            | \$116,741,923.00 |

\* These funds have not been secured.

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ALTERNATIVES:

1. Authorize the submittal of the letter of intent whereby upon invitation the submission of the application and thereafter, if awarded, acceptance of the loan funds.
  2. Do not authorize the submission of a letter of intent.
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RECOMMENDED ACTION:

It is recommended that Council authorize the City Manager to submit a letter of intent to the EPA for WIFIA program loan funds to help finance the Water Treatment Plant project.

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POTENTIAL MOTION:

I move to approve the resolution authorizing the City Manager to submit a letter of intent to apply for loan funds from the WIFIA program to help finance the Water Treatment Plant project and to submit an application, if invited, and enter into an agreement upon award.

**RESOLUTION NO.**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF GRANTS PASS  
AUTHORIZING THE CITY MANAGER TO SUBMIT A LETTER OF INTENT, AN  
APPLICATION, AND UPON AWARD, ENTER INTO AN AGREEMENT FOR LOAN  
FUNDS FROM THE WATER INFRASTRUCTURE FINANCE AND INNOVATION ACT  
PROGRAM TO HELP FINANCE THE WATER TREATMENT PLANT PROJECT.**

**WHEREAS:**

1. The City of Grants Pass desires to submit a letter of intent and if invited an application requesting up to 49% of the cost of the Water Treatment Plant project in loan funds from the Environmental Protection Agency's (EPA) Water Infrastructure Finance and Innovation Act (WIFIA) Program and upon award enter into an agreement for the loan funds; and
2. Maintain, operate, and expand our infrastructure to meet community needs by building a replacement Water Treatment Plant is one of the 2022 Strategic Plan goals; and
3. Enhance a safe and secure environment by relocating the Water Treatment Plant out of the 500-year flood plain and seismically reinforcing the Water Treatment Plant to mitigate damages in the event of an earthquake.

**NOW, THEREFORE, BE IT RESOLVED** by the Council of the City of Grants Pass that the City Manager is authorized to submit a letter of intent and, if invited, an application and, if awarded, enter into an agreement for the WIFIA loan funds.

**EFFECTIVE DATE** of this Resolution shall be immediate upon its passage by the City Council and approval by the Mayor.

**ADOPTED** by the Council of the City of Grants Pass, Oregon, in regular session this 17<sup>th</sup> day of August 2022.

**SUBMITTED** to and \_\_\_\_\_ by the Mayor of the City of Grants Pass, Oregon, this \_\_\_\_ day of August 2022.

\_\_\_\_\_  
Sara Bristol, Mayor

**ATTEST:**

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Karen Frerk, City Recorder

Date submitted to Mayor: \_\_\_\_\_

Approved as to Form, Augustus Ogu, City Attorney

  
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