



STAFF REPORT

Meeting Type: City Council
Meeting Date: June 1, 2026
From: AJ Thorne, Public Works Director
Subject: Resolution 2026-05: Authorized WIFIA Loan Agreement Amendment No. 1

DECISION TO BE MADE:

Whether to approve and authorize staff to amend the City's wastewater WIFIA Loan Agreement with the United States Environmental Protection Agency (EPA), previously approved by the City Council under Resolution 2024-19, for the purpose of updating the agreement's project description.

APPLICABLE COUNCIL GOAL:

- **Goal 7.9:** Secure necessary funding to complete projects

BACKGROUND / CONTEXT:

The Sandy Clean Waters Program ("SCWP") will complete a series of wastewater system improvement projects to bring operations of the City's wastewater collection, treatment, and discharge facilities into compliance with federal and state effluent discharge regulations. The current SCWP project involves repair / replacement / maintenance projects to improve reliability of the existing wastewater treatment facility; planning and permitting for a new Long-Term Wastewater Discharge solution; design and construction of collection system improvements; and program management and project management of planning, design, permitting, and construction activities. Details of the SCWP scope, particularly Long-Term Wastewater Discharge projects, will be clarified through the Wastewater Facilities Plan update that is currently in progress.

KEY CONSIDERATIONS / ANALYSIS:

This proposed amendment to the City's original WIFIA Loan modifies the project description to provide greater flexibility for the Sandy Long-Term Wastewater Discharge project, revises the Existing Wastewater Treatment Facility (WWT) project description, and adjusts the uses of funds accordingly.

While the original WIFIA Loan included a specific project description for planning and design of an outfall to the Sandy River, Amendment No. 1 broadens this description to allow the City to select the most cost effective and appropriate Long-Term Wastewater Discharge solution. It also accounts for the necessary investment in the WWT Facility to ensure continued operation.

BUDGET IMPACT:

The WIFIA maximum amount remains \$24,738,640, but the uses of funds have been adjusted to reflect the project description revision for the Long-Term Wastewater Discharge project and the Existing WWT Facility Upgrades. Table 1 summarizes the original WIFIA Loan Sources of Funds and Uses of Funds and Table 2 summarizes the Amended Sources of Funds and Uses.

Table 1 Original PART A Project Budget

SOURCES OF FUNDS	AMOUNT (\$USD)	PERCENTAGE (%)
WIFIA Loan	\$24,738,640	79%
SRF	\$6,631,088	21%
Total Sources of Funds	\$31,369,728	100%
USES OF FUNDS	AMOUNT (\$ USD)	PERCENGAGE (%)
Construction	\$17,661,203	56%
Design & Planning	\$6,358,525	20%
Program Management	\$3,300,000	11%
Contingency	\$3,750,000	12%
Financing Costs	\$300,000	1%
Total Uses of Funds	\$31,369,728	100%
Total Eligible Project Costs	\$31,369,728	100%
Total Project Costs	\$31,369,728	100%

Table 2 Amendment No. 1 PART A Project Budget

SOURCES OF FUNDS	AMOUNT (\$USD)	PERCENTAGE (%)
WIFIA Loan	\$24,738,640	76%
SRF	\$6,631,088	23%
Sewer General Fund	\$300,000	1%
Total Sources of Funds	\$32,419,728	100%
USES OF FUNDS	AMOUNT (\$ USD)	PERCENGAGE (%)
Construction	\$10,973,196	33.85% **
Design & Planning	\$18,948,532	58.45% **
Program Management	\$1,910,000	5.89%
Contingency	\$288,000	0.89%
Financing Costs	\$300,000	0.93%
Total Uses of Funds	\$32,419,728	100%
Total Eligible Project Costs	\$32,419,728	100%
Total Project Costs	\$32,419,728	100%

** This reallocation of funds allows for the City to immediately move forward with design and engineering for an MBR plant, ensuring timely progression and setting the City up for a phase two WIFIA loan to further fund the actual construction of the MBR and related improvements.

RECOMMENDATION:

Staff recommends adoption of Resolution 2026-05 to update the agreement's project description.

SUGGESTED MOTION LANGUAGE:

"I move to adopt Resolution 2026-05."

LIST OF ATTACHMENTS / EXHIBITS:

- Resolution 2026-05
 - WIFIA Amendment No. 1