

SEWER INFRASTRUCTURE FINANCING

The City has a financing need for two sewer related capital improvement projects:

- a) **Boeckman Creek Interceptor** – Construction phase to upsize line running along the Boeckman Creek corridor. Currently under design CIP2107

- b) **WWTP Aeration Basin Expansion** - Add capacity, modernize, and allow the WWTP to operate within National Pollutant Discharge Elimination System (NPDES) limitations as the City continues to grow.

FIVE YEAR SEWER CIP FORECAST

Project Name	Funding Source	2024-25	2025-26	2026-27	2027-28	2028-29
Construction Projects						
Boeckman Road Sanitary Improvements	Sewer SDC/Frog Pond Dev.	\$ 772,000	\$ -	\$ -	\$ -	\$ -
Charbonneau Lift Station Rehabilitation	Sewer Ops	1,112,605	-	-	-	-
Boeckman Creek Interceptor	Sewer Ops/Sewer SDC	2,723,725	8,291,971	8,291,971	-	-
WWTP UV Disinfection Replacement	Sewer Ops	244,025	1,362,000	-	-	-
Coffee Creek Interceptor Railroad Undercrossing	Sewer Ops/Sewer SDC	-	194,800	615,000	-	-
WWTP Aeration Basin Expansion	Sewer SDC	-	2,805,720	8,417,160	-	-
WWTP Clarifier Mechanism Replacement	Sewer Ops	-	443,785	1,331,355	-	-
Coffee Creek - Day Road Sewer Extension	Coffee Creek Urban Renewal	-	1,080,000	3,050,000	-	-
Willamette Way West Sewer Rehabilitation	Sewer Ops	-	-	-	308,720	930,700
Town Center Pump Station Replacement	Sewer Ops	-	-	-	174,200	903,160
Day Dream Sewer Rehabilitation Phase I	Sewer Ops	-	-	-	-	341,870
Master Plan and Studies						
Sewer Rate and SDC Study Update	Sewer Ops/Sewer SDC	35,876	-	-	-	-
Public Works Standards Update	Sewer Ops	10,000	-	-	-	-
Wastewater Collection System Master Plan	Sewer Ops/Sewer SDC	-	462,250	-	-	-
Annual Maintenance Projects						
Annual - Miscellaneous Small Sewer Projects	Sewer Ops	103,500	103,500	103,500	103,500	103,500
Sewer Operations Allocation to Charbonneau	Sewer Ops	-	-	2,096,345	264,115	611,084
Miscellaneous Projects						
Annual - CD Department Support for Miscellaneous Projects	Sewer Ops	10,800	11,124	11,458	11,801	12,155
Annual - Sewer CIP's Final Closeout	Sewer Ops/Sewer SDC	3,000	3,090	3,183	3,278	3,377
Annual - Early Planning - Future Sewer Projects	Sewer Ops/Sewer SDC	10,800	11,124	11,458	11,801	12,155
Annual - 5 Year and Annual Budget Development	Sewer Ops/Sewer SDC	8,200	8,446	8,699	8,960	9,229
Annual - Project Design and Development	Sewer Ops/Sewer SDC	65,000	66,950	68,959	71,027	73,158
		<u>\$ 5,099,531</u>	<u>\$ 14,844,760</u>	<u>\$ 24,009,087</u>	<u>\$ 957,404</u>	<u>\$ 3,000,389</u>
Funding Sources						
Sewer Ops		\$ 1,826,773	\$ 3,067,608	\$ 4,707,606	\$ 889,088	\$ 2,930,024
Sewer SDC		2,500,758	10,697,152	16,251,481	68,315	70,365
Coffee Creek Urban Renewal*		-	1,080,000	3,050,000	-	-
Interfund Loan		772,000	-	-	-	-
Total Funding Sources		<u>\$ 5,099,531</u>	<u>\$ 14,844,760</u>	<u>\$ 24,009,087</u>	<u>\$ 957,404</u>	<u>\$ 3,000,389</u>

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SEWER SDC FUND:

Description	FY 2023-24	FY 2024-25 (est)
Beginning Fund Balance	\$1,424,665	\$1,373,726
REVENUES	868,475	581,500
EXPENSES	(918,414)	(1,930,561)
Ending Fund Balance	\$1,373,726	\$24,665

DEQ – CLEAN WATER STATE REVOLVING FUND (CWSRF)

CWSRF acts like an environmental infrastructure bank by providing *below-market* rate loans; with a principal forgiveness component. Specifically:

- a) Interest Rate: 2.14% / 20-year term; 3.14% / 30-year *(current rate through loans executed before December 31, 2024)*
- b) Flexibility: The City can borrow only as needed up to the \$29M credit limit:
 - a) \$18M – Boeckman *Interceptor* (\$16M with principal forgiveness)
 - b) \$11M – WWTP Aeration Basin Expansion (\$9M with principal forgiveness)
- c) Repayment: Begins six-months after project completion:
 - a) Beginning FY 2028/29 *(at least 2.5 years out)*
 - b) Debt Service - \$1.4M *(on average over 30 years)*
- d) Payback Structure: Through Sewer SDC collections. Ensures growth and benefiting development contribute its fair share to infrastructure costs through Sewer SDC collections.
- e) City is eligible to receive principal forgiveness. Not guaranteed yet as it is determined when the loan agreement is signed. Criteria based on borrowers with rate payer hardship or rate reduction programs, green/sustainability of the project. Up to \$4 million, reducing financed amount to \$25 million