

Raymond/South Bend Regional Wastewater Treatment Facility
Funding Tech Team Meeting
Thursday, February 26, 2009

Meeting Notes

Attendees (see last page)

Following introductions, Cathi Read reviewed the background information that was distributed before the meeting. Then Jay Swift and Jim Dougherty of Gray & Osborne reviewed the status of design, environmental review, and permitting.

Economic Stimulus Funding

There was a lot of discussion about economic stimulus funding. G&O distributed a map showing “fast track” components of this project, and “other components,” and the permitting schedule for these components. One application will be submitted to Ecology requesting stimulus funding for the “fast track” components by March 13, 2009. Approvable design for fast track components must be submitted to Ecology by April 17, 2009. Fast track components include:

- Pressure lines from South Bend pump stations No. 1 and No. 2 to No. 3;
- South Bend pump station No. 3;
- Raymond pump station No. 1;
- Raymond pump station No. 11;
- Pressure line river crossing; and
- Wastewater Treatment Plant (existing) sludge removal

The cities may also apply for stimulus funding from USDA Rural Development later in the spring.

Non-Stimulus Funding Program Discussion

PWTF (Public Works Trust Fund) – Bruce Lund

- Each city will apply separately by May 11, 2009
- New terms available: 0.5% interest/30 years/no match
- Need to line up all construction funding by July 1, 2010 in order to convert PWTF pre-construction loan from 5-year to 20-year payback
- Check to ensure both cities are in compliance with Growth Management Act
- Bruce Lund distributed several example amortization schedules

CDBG (Community Development Block Grant) – Kaaren Roe

- Davis-Bacon wages/federal requirements
- Each city will apply separately in mid-November 2009
- Both cities will be able to apply for up to \$1.5 million in CDBG funding
- Existing CDBG contracts should be ‘in order’
- No land acquisition issues

Ecology – Jeff Nejedly

- Design phase must be approved before applying for construction funding
- Hardship determination
- Each city will apply separately in October 2009

RD (USDA Rural Development) – Debbie Harper

- Raymond will submit one application on behalf of both cities to RD
- NEPA process timing
- Debbie Harper would like all environmental and financial information that is available now, rather than waiting until application is submitted

CERB (Community Economic Revitalization Board) – Brent Bahrenburg

- Can fund public sector infrastructure improvements necessary to create or retain jobs

RCAC (Rural Community Assistance Corporation) – Skip Rand

- Possible interim financing?
- Can move quickly
- Cheaper than bank rate

PROJECT TIMELINE

Task	Timeframe
Submit Ecology application for economic stimulus funding for ‘fast track’ components	By March 13, 2009
Submit approvable design for fast track components to Ecology for stimulus funding	By April 17, 2009
Complete plans and specifications for entire project for the purpose of demonstrating “Readiness to Proceed” for PWTF construction application	By May 2009
Raymond and South Bend each apply for PWTF construction loans	May 11, 2009
Raymond applies for Rural Development loans and grants on behalf of Raymond and South Bend (as soon as Environmental Report is done). <ul style="list-style-type: none">• Fast track components – stimulus funding• Other components – regular RD funding	Spring 2009
If stimulus funding is received from Ecology, advertise for bids for fast track components	Summer 2009
If successful, Rural Development stimulus funding award made	2009

Task	Timeframe
PWTF offer list is made public	August 2009
Submit design for other components to Ecology for approval	September 2009
Raymond and South Bend each apply for Ecology (non-stimulus) loans and grants for construction	October 2009
Raymond and South Bend each apply for CDBG grants for construction	November 2009
Must begin construction of fast track components	By February 16, 2010
If successful, notification of CDBG awards	March 2010
If successful, CDBG funds available (on reimbursement basis)	May 2010
If successful, notification of PWTF construction loan awards	~May 2010
If successful, notification of Ecology awards	Spring 2010
If successful, PWTF construction funds available	July 1, 2010
If successful, Ecology funds available (on reimbursement basis)	July 1, 2010
Raymond and South Bend determine whether additional funding is needed; if so, secure interim financing for the amount of independent revenue bonds that will be issued	Must be before July 1, 2010
Raymond and South Bend must have all construction funding lined up in order to convert their PWTF design loans from 5 year to 20 year repayment; begin repaying PWTF design loan	July 1, 2010
Secure interim financing for Rural Development loan amount (could be from bank or RCAC)	Summer 2010
Advertise for bids	Summer 2010
Select contractor	Summer 2010
Begin construction	Fall 2010

Task	Timeframe
Use interim financing for Rural Development loan amount during construction; once that amount is spent, city signs RD revenue bond, bond put in RD safe as security for RD loan, RD wires money to city, then 6 months later, repayment of RD revenue bond begins (every 6 months for 40 years)	~2011
First PWTF construction loan payment (interest only) (20 year repayment)	July 1, 2011
First PWTF principle payment due	July 1, 2012
End construction	Fall 2012
Raymond issues independent revenue bond on behalf of Raymond and South Bend and pays off interim financing for independent revenue bond (After construction is complete)	2012
Begin re-paying any independent revenue bonds, if applicable (After issuing revenue bonds) (30 year repayment)	2012
Cities start re-paying Ecology loans – one year from “Initiation of Operation” date (when plant starts running) (20 year repayment)	~Summer 2013

Funding Strategy as of 2-26-09

Funding Program ¹	Submit application by/ <i>Notification of award</i>	Amount that will be requested by:	
		South Bend	Raymond
Public Works Trust Fund Pre-Construction Loan for design (state funding)	February 5, 2008/ <i>March 2008</i>	\$1,000,000 RECEIVED	\$1,000,000 RECEIVED
Public Works Trust Fund Construction Loan (state funding)	May 11, 2009/ <i>Spring 2010</i>	Apply for entire amount needed (~\$12,100,000)	Apply for entire amount needed (~\$15,800,000)
Community Development Block Grant (state funding)	November 2009/ <i>March 2010</i>	\$1,500,000	\$1,500,000
USDA Rural Development Rural Utilities Service Loan and Grant (federal funding)	Summer 2009/ <i>Winter 2009-10</i>	Apply for entire amount needed (~\$12,100,000); RD will determine loan and grant	Apply for entire amount needed (~\$15,800,000); RD will determine loan and grant
Rural Development Economic Stimulus funding	As soon as possible in 2009	Unknown at this time	Unknown at this time
Department of Ecology Loan and Grant (state funding)	October 2009/ <i>Spring 2010</i>	Apply for entire amount needed (~\$12,100,000); Ecology will determine loan and grant	Apply for entire amount needed (~\$15,800,000); Ecology will determine loan and grant
Ecology Economic Stimulus funding	By March 10, 2009	For fast track components	For fast track components
Loan Subtotal		\$	\$
Grant Subtotal		\$	\$
Regional Facilities Total		\$13,129,577	\$16,870,423
<i>Add local facilities costs</i>			
<i>Total</i>			

¹ Note: These are estimates. Individual funding programs will determine each city's eligibility for grants and loans.

MEETING ATTENDEES

Funding Program Staff

Bruce Lund, Public Works Trust Fund

Kaaren Roe, Community Development Block Grant

Jeff Nejedly, Department of Ecology

Debbie Harper, USDA Rural Development

Janice Roderick, USDA Rural Development (Environmental Coordinator)

Brent Bahrenburg, Community Economic Revitalization Board

Skip Rand, Rural Community Assistance Corporation

Sheila Lee-Johnston, CTED Contracts Administration Unit (Sheila would manage any CDBG, PWTF, or CERB contracts)

Cathi Read, CTED Small Communities Initiative

Gray & Osborne

Jay Swift

Jim Dougherty

Tom Zerkel

Regional Wastewater Coordinating Committee Members

Eric de Montigny, RWCC Chair, South Bend citizen

Dale Little, South Bend Councilmember

Kirk Church, South Bend Councilmember

Jason Dunsmoor, Raymond Councilmember

City of South Bend

Mayor Karl Heinicke

City of Raymond

Mayor Bob Jungar

Dean Parsons, Public Works Supervisor

Hester Gilleland, Clerk-Treasurer