



Gregory L. Geist  
Director

June 4, 2020

Board of County Commissioners  
Water Environment Services Board

Members of the Board:

**Approval of a Resolution Authorizing a Department of Environmental Quality State Revolving Fund Loan Agreement with Water Environment Services to Finance the Three Creeks Floodplain Enhancement Project**

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| <b>Purpose/Outcomes</b>                | To put in place a loan to finance a portion of the Three Creeks Floodplain Enhancement project.   |
| <b>Dollar Amount and Fiscal Impact</b> | The loan maximum will be \$1,450,000. Principal and interest payments will be made in semiannual installments based on the final, total loan.   |
| <b>Funding Source</b>                  | Monthly surface water service charges. No County General Funds are involved.  |
| <b>Duration</b>                        | The loan will have a 20 year term.  |
| <b>Previous Board Action</b>           | The Board authorized the Director of WES to enter into a loan agreement with the State of Oregon Department of Environmental Quality (“DEQ”) for a point source loan to WES from the State Revolving Fund (“SRF”) in the amount of \$37,000,000 for the Tri-City Solids Handling Improvements Project (“TC Solids Project”) in August 2018. |
| <b>Counsel Review</b>                  | This resolution was reviewed and approved by County Counsel on May 27, 2020.  |
| <b>Strategic Plan Alignment</b>        | Aligns with the County’s Strategic Priority to <i>honor, utilize, promote and invest in our natural resources</i> .   |
| <b>Contact Person</b>                  | Doug Waugh, Finance Manager, WES – 503-742-4564   |

**BACKGROUND:**

On January 9, 2019, WES entered into a loan agreement with the State of Oregon Department of Environmental Quality (“DEQ”) for a point source loan to WES from the State Revolving Fund (“SRF”) in the amount of \$37,000,000 for the Tri-City Solids Handling Improvements Project (“TC Solids Project”).

DEQ offers an option for public entities to take out a second loan (called a “Sponsorship Option Loan”) for nonpoint source pollution control projects, which makes the public entity eligible for a reduced interest rate for both loans. The TC Solids Project qualifies as a point source loan, making WES eligible to receive a reduced interest rate for the loan for the TC Solids Project by adding an additional loan for a nonpoint source project.

The interest rate for the Sponsorship Option Loan for the Three Creeks project will be set at 1.38% per annum, but would be raised to 2.06% if the project is not completed in compliance with the terms of the loan agreement. The interest rate on the TC Solids Project is currently set

at 2.14% and will be adjusted downward to reflect the interest rate reduction upon entering into the Sponsorship Option Loan Agreement.

WES has identified the Three Creeks Floodplain Enhancement (“Three Creeks Project”) as an eligible nonpoint source project, which is a large natural area owned by WES in urbanized Clackamas County with tremendous potential for a green infrastructure project that will enhance floodplain function, improve water quality, restore natural habitat, and provide opportunities for outdoor recreation and environmental education.

WES and DEQ are finalizing this Sponsorship Option Loan agreement terms to fund the first two phases of the project, including data collection, modeling, alternatives selection, design, and permitting.

**RECOMMENDATION:**

Staff recommends the Board approve the resolution authorizing WES to enter into a SRF Loan Agreement for the financing of approximately \$1,450,000 for the Three Creeks Floodplain Enhancement Project, and authorizing the Director of WES to execute the final SRF Loan Agreement, and any ancillary related documents or amendments that may be required thereafter, so long as such amendments do not increase the amount of indebtedness.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Greg Geist", with a long horizontal flourish extending to the right.

Greg Geist  
Director, Water Environment Services

Attachments:

Resolution Authorizing DEQ State Revolving Fund Loan Agreement with WES

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
OF CLACKAMAS COUNTY, STATE OF OREGON**

A Resolution Authorizing a Department  
of Environmental Quality State  
Revolving Fund Loan Agreement with  
Water Environment Services to Finance  
the Three Creeks Floodplain  
Enhancement



Resolution No. \_\_\_\_\_  
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This matter coming before the Board of County Commissioners of Clackamas County, Oregon (the "Board"), acting as the governing body of Water Environment Services, an intergovernmental entity created pursuant to Oregon Revised Statutes Chapter 190 ("WES"), in the Board's regular business meeting on June 4, 2020.

**WHEREAS**, WES entered into a loan agreement with the State of Oregon Department of Environmental Quality ("DEQ") for a point source loan to WES from the State Revolving Fund ("SRF") in the amount of \$37,000,000 for the Tri-City Solids Handling Improvements Project ("TC Solids Project") on January 9, 2019; and

**WHEREAS**, DEQ offers an option for public entities to take out a second loan (called a "Sponsorship Option Loan") for nonpoint source pollution control projects, which makes the public entity eligible for a reduced interest rate for both loans;

**WHEREAS**, the TC Solids Project qualifies as a point source loan, making WES eligible to receive a reduced interest rate for the loan for the TC Solids Project by adding an additional loan for a nonpoint source project;

**WHEREAS**, WES has identified the Three Creeks Floodplain Enhancement ("Three Creeks Project") as an eligible nonpoint source project, which is a large natural area owned by WES in urbanized Clackamas County with tremendous potential for a green infrastructure project that will enhance floodplain function, improve water quality, restore natural habitat, and provide opportunities for outdoor recreation and environmental education;

**WHEREAS**, WES and DEQ are finalizing this Sponsorship Loan agreement and the Board is desirous of delegating execution of the Agreement to the Director of WES; and

**WHEREAS**, it further appearing that it is in the best interest of WES to approve the SRF Loan Agreement;

**BEFORE THE BOARD OF COUNTY COMMISSIONERS  
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**NOW THEREFORE, the Clackamas County Board of County  
Commissioners acting as Governing Body of Water Environment Services  
resolves as follows:**

1. The Board does authorize and approve WES to enter into a SRF Loan Agreement for the financing of approximately \$1,450,000 for the Three Creeks Floodplain Enhancement Project with terms and conditions standard to such agreements and as required by DEQ.
2. The Board does authorize and approve the establishment and funding of a designated reserve account to meet the "Loan Reserve" requirement of the SRF Loan Agreement.
3. The Board does authorize and direct the Director of WES to execute the final SRF Loan Agreement and any ancillary related documents or amendments that may be required thereafter, so long as such amendments do not increase the amount of indebtedness.

**DATED** this 4<sup>th</sup> day of June, 2020.

**BOARD OF COUNTY COMMISSIONERS**

\_\_\_\_\_  
Chair

\_\_\_\_\_  
Recording Secretary



Gregory L. Geist  
Director

Board of County Commissioners  
Clackamas County

Members of the Board:

Approval of Brand Standardization for Flygt N-Impeller Pumps by Xylem

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|--|---|
| <b>Purpose/Outcomes</b>                | Approval to establish a brand standardization for Flygt N-Impeller Pumps by Xylem for WES Pump Stations.  |
| <b>Dollar Amount and Fiscal Impact</b> | N/A   |
| <b>Funding Source</b>                  | N/A   |
| <b>Duration</b>                        | Ten (10) years from date of approval  |
| <b>Previous Board Action/Review</b>    | N/A   |
| <b>Performance Clackamas Alignment</b> | This standardization will streamline WES upgrades of outdated equipment and is anticipated to reduce inefficiency's and provide an overall cost saving to the District. |
| <b>Contact Person</b>                  | Jeff Stallard, Civil Engineering Supervisor 503-742-4694  |

**BACKGROUND:**

Currently WES operates 54 pumps in their waste water treatment facilities, 32 of those pumps are Xylem brand pumps. WES has found that the self-deragging feature of the Flygt N-Impeller pump by Xylem preforms better and requires less maintenance than other similar brand pumps, ultimately resulting in extended pump life.

This standardization will provide several benefits by consolidating all pumps to one brand, thus eliminating the inefficiency of using multiple different styles of pumps for the same functions. Standardizing with Xylem is anticipated to reduce costs for training, support, inventory and maintenance. It is the intent of WES to use the Xylem brand pumps in future bid solicitations for upcoming capital projects.

**PROCUREMENT PROCESS:**

The Procurement Office advertised the Notification of Brand Standardization according to ORS 279B.215 on March 9, 2020. The Notification was published for fourteen (14) days and received no protest.

**RECOMMENDATION:**

Staff recommends the Board approve the request for a Brand Standardization for Flynt N-Impeller Pumps by Xylem.

Respectfully submitted,

Tralee Whitley  
Clackamas County Procurement Analyst

Placed on the 6-4-2020 Agenda by the Procurement Division.

Board Approval: \_\_\_\_\_