

MEDIA RELEASE

For Immediate Release

Date: October 19, 2020

Contact: Dan Huff, City Manager

City of Molalla

(503) 829-6855

Dhuff@cityofmolalla.com



City Receives Low Interest Loan to Upgrade Wastewater Plant

On October 7, the City of Molalla secured a low-interest loan from the Clean Water State Revolving Fund for the design and eventual construction of an upgraded wastewater treatment plant. The loan, administered by the Oregon Department of Environmental Quality, is a key element for funding this needed project.

The current treatment plant cannot reliably meet state permit requirements, and Molalla continues to have treatment plant issues resulting in permit violations. In 2018 it was determined a new plant is needed to comply with rules to protect the environment and meet the City's future needs.

The initial state loan of \$2.7 million will fund design of the plant improvements. The City's consulting engineer, Dyer Partnership was immediately issued a Notice to Proceed to complete the design. Construction will begin after the design is complete and approved by DEQ. – project schedule will be available in November 2020.

The DEQ loan is the first installment of a much larger loan – \$27.5 million – that will pay for the combined treatment plant design and construction. The larger loan is contingent on successful completion and approval of the engineering design.

The Revolving Fund loan program is a federal-state partnership that provides communities with low-cost financing for high-priority water quality infrastructure projects. The low interest financing available to Molalla and other small communities helps keep rates low for the City's customers. The interest rate on this loan is just 0.86% (plus fees) and the loan forgives \$500,000 of the amount if Molalla meets the repayment obligations. Payments begin in 2024 after construction is complete.

City Manager Dan Huff is pleased to announce this low-cost financing saying, “This loan was part of our plan to keep our sewer rates affordable. I’m thrilled that we were able to work with DEQ to make that happen. It’s a great way to protect the environment while holding down costs for our customers.”

Molalla’s upgraded wastewater treatment plant will continue to discharge treated effluent to the Molalla River in the winter months. In the summer months treated effluent is recycled to irrigate agricultural fields.

To learn more, go to the City’s webpage <https://www.cityofmolalla.com> and click on the “Wastewater Treatment Improvements” tab.

#



The State of Oregon’s low-interest loan will help support needed upgrades for Molalla’s wastewater treatment plant.