

# Oregon Clean Water State Revolving Fund Loan Program

## Intended Use Plan

State Fiscal Year 2022

May 13, 2021

### Clean Water State Revolving Fund Loan Program

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restoring, maintaining  
and enhancing the quality  
of Oregon's air, land and  
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# Introduction

The Oregon Department of Environmental Quality prepares this Intended Use Plan as required by the U.S. Environmental Protection Agency and Oregon Administrative Rules to inform Oregonians and the Clean Water State Revolving Fund loan applicants about how DEQ proposes to use the fund during state fiscal year 2022 (July 1, 2021 through June 30, 2022).

DEQ's Clean Water State Revolving Fund program offers below-market rate loans and bond purchases to public agencies for planning, design, construction and implementation of the following water quality improvement projects:

- Wastewater collection, treatment, water reuse and disposal systems
- Nonpoint source water pollution control projects
- Development and implementation of management plans for federally designated estuaries in Oregon (Tillamook Bay and Lower Columbia River)

DEQ accepts applications at any time, but sets application deadlines and application review periods three times per year in April, August and December. Loan applicants should become familiar with the CWSRF [application process and loan requirements](#) prior to applying. DEQ reviews the applications for eligibility and scores the applications based on the program's [ranking criteria](#).

Once scored and ranked, DEQ incorporates eligible applications into this plan, submits the plan to EPA for review and issues a public notice about the plan. DEQ notifies the public by announcing the public comment period in the Daily Journal of Commerce and through DEQ's [GovDelivery](#) notification system. After the public comment period, DEQ updates this plan and publishes it on the program's website: <https://www.oregon.gov/deq/wq/cwsrf/Pages/CWSRF-IUP.aspx>. Loan applicants can begin completing any remaining loan requirements after the public comment period.

EPA requires that each state's Clean Water State Revolving Fund program develop a project priority list, which is integral to the Intended Use Plan. DEQ includes applications for eligible projects on the project priority list in ranked order for financing, based on project score in [Appendix 2](#). However, DEQ does not commit or reserve funds for individual projects until an applicant meets all loan requirements. DEQ determines that the applicant is "ready to proceed" to loan agreement execution once all application requirements are satisfied.

Currently, DEQ has sufficient funds to award funding to all projects as they become ready to proceed. This ensures the fund is utilized in a timely manner. In the event the program does not have sufficient funds available to finance all projects that are ready to proceed, DEQ will award funding to projects that are ready to proceed in priority order based on project score.

**This Intended Use Plan includes 16 loan applications for a total of \$171,400,305 in requested funding. Currently, the loan program has \$261,526,658 net available to lend for state fiscal year 2022. DEQ can award a maximum individual loan amount of \$39,228,999.**

This plan includes loan program requirements, definitions and application process information. The plan also details the program's administration, budget and fiscal condition.

The Clean Water State Revolving Fund program rules and regulations:

- Title VI of the Clean Water Act ([33 U.S. Code §1383](#)) and CWSRF Regulations ([40 CFR Part 35.3100](#))
- Oregon Revised Statute [468.020 and ORS 468.423 – 468.440](#)
- [Oregon Administrative Rules Chapter 340, Division 54](#)

# Program goals

## Mission Statement:

Oregon's Clean Water State Revolving Fund program supports communities by financing projects that improve water quality and environmental outcomes for the State of Oregon. The program is dedicated to working with small communities and on water quality projects that increase financial and environmental sustainability, climate resiliency, and water and energy efficiency.

1. **GOAL: Assist communities in restoring, maintaining and enhancing water quality by offering financial assistance for water pollution control, water quality improvement and protection projects. (PROJECTS)**

### OBJECTIVES

- Continue priority focus on providing loans to publicly owned treatment facilities in Oregon. Develop tools to assist communities in obtaining loans.
- Promote the local community loan to support emerging markets.
- Encourage innovative and non-traditional projects, such as green infrastructure, water and/or energy efficiency, climate resilience, and environmentally and financially sustainable projects.
- Encourage communities to focus on high priority, water quality improvements projects statewide, including stormwater, nonpoint source pollution controls and estuary management projects.

2. **GOAL: Administer the Clean Water State Revolving Fund to ensure programmatic compliance with regulatory requirements, financial integrity, fund viability and perpetuity. (PROGRAM)**

### OBJECTIVES

- Maintain the revolving nature of the fund and an active pace of disbursements in conjunction with the receipt of new funds and loan repayments.
- Ensure program budget adequately supports resources, administrative costs and anticipates future needs.
- Provide financial assistance most advantageous to borrowers, to the maximum extent possible and maintain sound financial management of the fund.
- Ensure the program processes effectively align with existing, developing and emerging markets, incorporating treatment and non-treatment solutions for all sources of water pollution.
- Ensure the program management complies with current state and federal regulations.
- Strategically market and communicate the Clean Water State Revolving Fund project and borrower eligibility and benefits to decision makers at eligible public agencies.
- Build on previous successes and increase those market shares.

- 3. GOAL: Assist communities with the loan application and loan management process to meet regulatory requirements with federal and state requirements, water quality standards, utility and financial management. (TECHNICAL ASSISTANCE)**

#### **OBJECTIVES**

- Provide technical assistance to small communities using principles of effective utility management to assess planning, financial, operational, managerial, and infrastructure capability needs that will result in water quality improvements.
- Provide training and technical assistance to communities in conjunction with program requirements of the Water Resources Reform and Development Act of 2014.

- 4. GOAL: Coordinate and collaborate with other state and federal programs to provide financial solutions for water quality improvements to Oregon public agencies. (COORDINATION)**

#### **OBJECTIVES**

- Develop a strategy with other funding agencies to communicate, coordinate and jointly fund projects with high priority water quality needs in the state.
- Identify opportunities and financial solutions to address point source and nonpoint source water quality impairments.

The program's [2020 Annual Report](#) demonstrates actions taken to achieve the program's goals.

## **Program administration**

### **Administrative expenses**

DEQ charges an annual fee in the amount of 0.5 percent of the unpaid balance, beginning with the second repayment, as prescribed in Oregon Administrative Rule [340-054-0065\(6\)](#) to pay program administrative expenses. DEQ will continue to monitor the fee revenue account to ensure the revenue source is adequate. The fee revenue account is separate from the loan fund. As of Feb. 28, 2021, the program had approximately \$1.87 million in the fee revenue account, also known as the administrative fund.

EPA allows states to utilize four percent of the cumulative annual capitalization grant awards minus cumulative administrative expenditures toward program administrative expenses. For state fiscal year 2022, DEQ will utilize \$717,960 of the federal fiscal year 2021 capitalization grant award, in addition to using fee revenue, to support program administrative expenses.

### **Financing options**

Oregon's CWSRF program offers two financing options:

- Loans with terms not-to-exceed the lesser of 30 years or the useful life of the asset.
- Bond purchase agreements not-to-exceed the lesser of 30 years or the useful life of the asset.

## Terms and conditions

### Loans and bond purchases

The Clean Water State Revolving Fund offers loans and bond purchases agreements with a maximum up to 30-year repayment terms. The repayment term begins after project completion. Interest rates are based on the average 20-year municipal bond rate, as published by the Federal Reserve. Thirty-year terms are subject to an interest rate premium based on community demographics. Shorter terms may have different interest rates. The average bond rate is calculated on a quarterly basis. A percentage of that rate is used for the loan interest rate on loans signed in the subsequent calendar quarter. These percentages are stated in Oregon Administrative Rule [340-054-0065\(4\)](#).

DEQ updates interest rates quarterly. The current interest rates are based on the average municipal bond rates during the Jan. 1 to March. 31, 2021 period. New rates for the next quarter will be calculated and published on the [Clean Water State Revolving Fund website](#) in July 2021.

## Applications

DEQ published the program's Annual Solicitation [Newsletter](#) in March 2021 to solicit loan applications. Although DEQ accepts loan applications at any time, DEQ reviews and scores applications three times per year. The next loan application deadline is April 9, 2021.

Under Oregon Administrative Rule [340-054-0025\(6\)\(a\)](#), project applications will remain on the project priority list for up to 36 months, after which the applicant can request a six-month or 12-month extension, or the application will be removed from the plan. DEQ also removes project applications from the list upon execution of a loan agreement or at the applicant's request.

DEQ used criteria in Oregon Administrative Rules [340-054-0026](#) and [340-054-0027](#) to rank projects. Project ranking criteria include: water quality standards, public health considerations, watershed health benefits, natural infrastructure inclusion, and other considerations. Rank order shifts as loan applications are added and removed from the project priority list. [Appendix 2](#) includes all loan applications in rank order, project scores.

This Intended Use Plan includes 16 loan applications for a total of \$171,400,305 in requested funding, including five new loan applications:

Applicant	Application Number	Project Name	Amount Requested
City of Chiloquin	22130-21	Point Source, Construction - City of Chiloquin Wastewater Treatment Plant Replacement	\$1,300,000
City of Madras	62370-21	Point Source, Design and Construction - Mountain View and SkyRidge Sewer Extension Project	\$600,000
Odell Sanitary District	70140B-21	Point Source, Design and Construction - Odell Sanitary District Thermal Load Reduction Project	\$250,000



City of Redmond	76070-21	Point Source, Design and Construction - Water Pollution Control Facility Treatment Plant Expansion - 2022	\$41,600,000
City of Sweet Home	89750-21	Point Source, Design and Construction - Sweet Home Wastewater Treatment Plant Improvements	\$30,056,061

Since the publication of the last Intended Use Plan, DEQ executed 10 new loan agreements totaling \$49,839,812 with City of Baker City (12600-19), City of Bend (14510A-20, 14510B-20, 14510C-20), City of Dayton (26750-20), Hood River (45760-20), City of Lebanon (56200-20), Lone Pine Irrigation District (58710-19), City of Umatilla (93050-21), and City of Wallowa (94580-20). City of Bay City (13840-21) and Odell Sanitary District (70140-21) withdrew their loan applications.

Table 2 lists project descriptions for each loan application and includes:

- Type of loan, loan amount and application numbers with an extension that indicates the state fiscal year.
- A description of the project goals and water quality benefits.
- The section of the Clean Water Act the project qualifies for: Section 212 (treatment works), Section 319 (nonpoint source pollution control) or Section 320 (estuary management).
- 2014 Oregon Nonpoint Source Management Program Plan citations for all nonpoint source pollution control projects.
- Reference to a Comprehensive Conservation and Management Plan for estuary management projects.

## Project descriptions

**Table 1: Project Description List**

<b>Loan Application Number</b>	<b>Applicant and Project Description</b>	<b>Amount</b>
<b>22130-21</b>	<b>City of Chiloquin (Klamath County)</b>	<b>\$1,300,000</b>
	Sec. 212, Design and Construction, City of Chiloquin Wastewater Treatment Plant Replacement. The City of Chiloquin's existing wastewater treatment facility does not meet the NPDES discharge limits for BOD and TSS. The discharge also exceeds the TMDL limits for dissolved oxygen and phosphorus which impact the Williamson River. The city will construct a new lagoon storage and effluent reuse facility and will abandon the existing WWTF and outfall pipe to the Williamson River. The project includes a new or modified pumping system that will provide transmission from the existing WWTF location to a new two-cell facultative lagoon system of approximately 15 acres total with maximum eight feet water depth to treat effluent and store reclaimed water for reuse in irrigation. The city will disinfect effluent in chlorine disinfection facilities before transfer to an irrigation system. An irrigation pump station will pump the reclaimed water from the lagoon cells to a sprinkler system that will irrigate natural vegetation in a 36-acre field. The new project will permanently eliminate discharge to the Williamson River. DEQ plans to issue a WPCF permit for the new lagoon facility in 2022.	
<b>26110-20</b>	<b>City of Dallas (Polk County)</b>	<b>\$9,000,000</b>
	Sec. 212, Design and Construction, Dallas WWTF Recycled Water Project. The city will use treated municipal wastewater for industrial paper manufacturing and system cooling as well as irrigation of a public park landscape. This city will proactively reduce thermal loading to Rickreall Creek in anticipation of thermal load limits in the upcoming NPDES permit renewal. The project will reduce demand on the city's limited drinking water supply by an estimated 45 percent, because it will no longer need to be used for public park landscape irrigation.	
<b>29520-20</b>	<b>City of Dufur (Wasco County) – Interim Financing</b>	<b>\$4,344,000</b>
	Sec. 212, Design and Construction, City of Dufur Wastewater System Improvements. The City of Dufur is in violation of its National Pollution Discharge Elimination System permit limits for ammonia and has been under a Mutual Agreement and Order with DEQ since 2007. The city has elected to modify their existing evaporative lagoon system to facilitate the addition of aeration equipment. The improvements will enable the city to meet required treatment levels as well as increase the storage and disposal capacity of the system. Other improvements include the addition of a headworks and screening system, maintenance building modifications, reconstruction of inlets and control structures at treatment lagoons, removing sludge build-up, and expansion of the city's irrigation area. These improvements will allow the city to discontinue discharge to Fifteenmile Creek. This is an interim financing loan. The city will repay DEQ with financing through USDA - Rural Development.	
<b>62370B-20</b>	<b>City of Madras (Deschutes County)</b>	<b>\$2,313,231</b>
	Sec. 212, Design and Construction, Wastewater Collection Expansion: Highway 361, 97 and Willowcreek. This project includes design and construction of a gravity collection system in three areas of Madras, which are currently not served by the city's sewer system. These are top priority areas for improvements listed in the city's Wastewater Facility Plan in 2018 based on concerns with failing septic systems and requests for development. The existing collection system is at capacity in two of the areas, which increases risk of sewer back-up and limits future growth. The city will construct a parallel sewer interceptor to increase capacity in these two areas. The third area currently does not have sewer. The city will extend sewer to this area so residences on septic systems will be able to connect to sewer, prevent pollution from failing septic systems and protect groundwater.	
<b>62370-21</b>	<b>City of Madras (Deschutes County)</b>	<b>\$600,000</b>

<p>Sec. 212, Design and Construction, Mountain View and Skyridge Sewer Extension Project. The City of Madras will construct a gravity sewer collection system in the existing Mountain View and SkyRidge Subdivision that will include a new 8-inch gravity sewer with manholes, service connections and reconstruction of roadway surfaces after installation. The objective of the project is to provide sewer to an area of town where none exists, enabling residents with failing septic systems septic systems to connect to sewer. The project will also provide sewer to a number of lots that are currently vacant due to lack of public sewer facilities. The city plans to provide an incentive to homeowners to decommission their existing septic systems and connect to the city's sewer system in the same way the city did with the CWSRF funded Bel Air and Herzberg Heights Sewer Extension project.</p>		
<b>69660-21</b>	<b>North Unit Irrigation District (Deschutes County)</b>	<b>\$8,150,000</b>
<p>Sec. 319, Design and Construction, North Unit Irrigation District: Lateral 43 and Juniper Butte Piping Project. The North Unit Irrigation District's System Improvement Plan (2017) proposes to pipe the district's open canal network, including the addition of pressure reducing stations, reuse/retention reservoirs, and metered turnouts for every water user. The current project proposes to start in one portion of the district by piping laterals 31, 32, 34 and 43, which represents a total of 8.2 miles of leaky canal and serves over 9,800 acres of agricultural land. The project will improve water quality in the lower Crooked River, Lake Billy Chinook and the lower Deschutes River by removing canal seepage and minimizing and eliminating return flow from agricultural lands. Piping of the laterals will also encourage on-farm efficiency by providing pressurized water, which enables the switch from furrow irrigation to sprinkler irrigation, reducing excessive seepage and agricultural runoff from fields. The project is consistent with the 2014 Nonpoint Source Management Program Plan sections 3.6.1 Watershed Approach Basin Reports (Deschutes Basin) and 6.1 Clean Water State Revolving Fund.</p>		
<b>70140B-21</b>	<b>Odell Sanitary District (Hood River County)</b>	<b>\$250,000</b>
<p>Sec. 212, Design and Construction, Odell Sanitary District Thermal Load Reduction Project. Odell Sanitary District has a compliance schedule in their NPDES permit to eliminate excess thermal loading of Odell Creek by the end of 2021. The district initially applied for CWSRF funding to extend an outfall pipeline to the Hood River in August 2020 but withdrew that application because the district has not been able to secure the approvals to access the river and because the pipeline extension was cost-prohibitive. This new loan application addresses the district's second most feasible option identified in the alternatives analysis in 2019. This project includes design and construction of a duplex submersible pumping station and effluent chillers at the Odell Sanitary District Wastewater Treatment Plant. The pumping station will be installed within the existing concrete re-aeration basin along with valves and meters. The project will result in compliance with the district's NPDES permit.</p>		
<b>76070-20</b>	<b>City of Redmond (Deschutes County)</b>	<b>\$31,000,000</b>
<p>Sec. 212, Design and Construction, WPCF Improvements. The City of Redmond will complete Water Pollution Control Facilities improvements to address current and projected service needs for capacity, ability to meet current and potential future regulatory requirements, reliability of unit process performance and ability to maintain the facilities over a 20-year planning horizon. The major project components include expanding the Orbal System, installing new tertiary treatment filtration and UV disinfection, rehabilitating the solids de-watering building and equipment, installing a solar biosolids drying and storage system, installing a new standby generator, and other facility improvements including a new operations building.</p>		
<b>76070-21</b>	<b>City of Redmond (Deschutes County)</b>	<b>\$41,600,000</b>
<p>Sec. 212, Design and Construction, Water Pollution Control Facility Treatment Plant Expansion – 2022. The City of Redmond needs to upgrade its Water Pollution Control Facility that was constructed in 1978 to address regulatory requirements and meet the needs of a growing community. The city evaluated a number of alternatives and submitted a CWSRF loan application in August 2019 to expand and improve the WPCF at its current location. The city submitted this second loan application because the city reevaluated alternatives and decided to abandon the existing treatment plant and construct an aerated lagoon with wetland treatment and disposal facility at a new location because the facility is</p>		

<p>located too close to residential development. The project will include a headworks component for primary treatment, a series of aeration and settling lagoons for secondary treatment, lined constructed wetlands for tertiary treatment and unlined disposal wetlands for effluent disposal. For now, the city intends to keep loan application 76070-20 on the Intended Use Plan until it obtains the land use approvals for this new project alternative. If the city obtains all necessary land use approvals to move forward with this alternative, the city will withdraw loan application 76070-20. However, if the city does not obtain all necessary land use approvals, this city will abandon this alternative, withdraw this loan application, and proceed with the proposed project as outlined in loan application 76070-20.</p>		
<b>78600-21</b>	<b>Rogue River Valley Irrigation District and Medford Irrigation District (Jackson County)</b>	<b>\$24,334,500</b>
<p>Sec. 319, Design and Construction, Joint System Canal Piping Project. Rogue River Valley Irrigation District and Medford Irrigation District jointly use the Joint System Canal to serve several thousand customers with crop irrigation. Seepage and evaporation are occurring along the canal, which is resulting in lost water and ultimately less water flowing through the canal downstream to other water bodies. The proposed project includes design and construction of piping up to 4.4 miles of canal and diversions, replacement of siphons, improvements to water diversion structures and fish passage. The project will address water quantity and quality for downstream streams, including South Fork Little Butte Creek, which experience low flow in some seasons. The project focuses on best management practices for irrigation to improve water quality from nonpoint sources and is consistent with the 2014 Nonpoint Source Management Program Plan sections 3.6.1 Watershed Approach Basin Reports and 6.1 Clean Water State Revolving Fund.</p>		
<b>80300-21</b>	<b>Salishan Sanitary District (Lincoln County)</b>	<b>\$6,500,000</b>
<p>Sec. 212, Design and Construction, Salishan SD MBR Install and Pump Stations Upgrade. Salishan Sanitary District will complete design and construction of a major wastewater facilities upgrade. The proposed project includes design and construction of upgrades to the district's sewage treatment plant that use membrane bioreactor technology, new plant headworks, replacement of five pumps and new control structures for the collection system. The project will provide new and extended life for a sewage treatment plant with aging equipment. In addition to improving the water quality of the effluent produced, the project will increase the reliability and safety of the plant.</p>		
<b>80490-20</b>	<b>City of Sandy (Clackamas County)</b>	<b>\$6,025,000</b>
<p>Sec. 212, Design and Construction, WWTP Condition Assessment and Collection System Improvements. The city has a Mutual Agreement and Order executed in 2014 due to challenges with meeting its NPDES permit. The city needs to update its current WWTP and develop a rainfall-derived inflow and infiltration, also known as RDII, removal program to comply with the current NPDES permit. The preferred long-term alternative identified in the city's wastewater facility plan includes a new satellite WWTP, effluent pump station and outfall to the Sandy River. This city will upgrade the current WWTP and develop a RDII removal program to comply with the current NPDES permit until a new system is built.</p>		
<b>83810A-19, 83810B-19</b>	<b>City of Sheridan (Yamhill County)</b>	<b>\$4,577,513</b>
<p>Sec. 212, Design and Construction, Yamhill Street and East Main Street Sewer Improvement Project. The city will replace an existing 15" – 18" trunk line with a 24" interceptor to increase capacity and eliminate sanitary sewer overflows. The project also includes another 24" pipeline parallel to the existing pipe across the Yamhill River for redundancy. The City of Sheridan discharges into the South Yamhill River, a tributary of the Yamhill River, which is listed along with its tributaries as water quality limited for bacteria. The project will improve water quality by reducing bacteria in the South Yamhill River and Yamhill watershed.</p>		
<p>Sec. 319, Design and Construction Sponsorship Option loan in the amount of \$689,513 will address:</p>		

<p>Bridge Street and Main Street Stormwater Manhole Retrofits, includes retrofitting existing stormwater manhole and catch basins, which provide no water quality enhancement, to perform water quality enhancement and pollution control from impervious surface. The project will mitigate pollution into the South Yamhill River and reduce the potential hazard for the new raw water intake for the city. The sponsorship option project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan section 4.6 Total Maximum Daily Load Implementation for Urban and Rural Residential DMAs.</p>		
<b>89750-21</b>	<b>City of Sweet Home (Linn County)</b>	<b>\$30,056,061</b>
<p>Sec. 212, Design and Construction, Sweet Home Wastewater Treatment Plant Improvements. The City of Sweet Home’s current wastewater treatment plant is at the end of its useful life and is not capable of treating current flows nor the flows expected over the next 20 years. The proposed project will achieve compliance with NPDES permit requirements and alleviate water quality degradation in Ames Creek and South Santiam River through a complete WWTP renovation and an overhaul of the treatment processes. The project includes influent pump station upgrades, new headworks with screens, a new primary clarifier, modifications to the aeration basin, a new secondary clarifier, new pump stations, new tertiary filters, a new UV disinfection system, a new peak flow outfall, a new primary anaerobic digester, and new drying beds. Additionally, the project includes several site improvements including new buildings for electrical, mechanical and administrative needs.</p>		
<b>91800A-20</b>	<b>City of Toledo (Lincoln County)</b>	<b>\$600,000</b>
<p>Sec. 212, Construction, Sanitary Sewer Improvements and Butler Bridge Force Main Replacement. The city has a Mutual Agreement and Order executed in March 2019 due to inflow and infiltration and sanitary sewer overflows into the Yaquina River. The project will include inspecting the entire collection system, “Priority 1” collection system improvements identified in the wastewater facility plan, eliminating inflow and infiltration, replacing the Butler Bridge Sewer force main and installing flow meters to eliminate sanitary sewer overflows and achieve compliance.</p>		
<b>91800B-20</b>	<b>City of Toledo (Lincoln County)</b>	<b>\$750,000</b>
<p>Sec. 212, Planning, MAO/I&amp;I Sanitary Sewer Improvement Evaluations and Studies. The City of Toledo has a Mutual Agreement and Order for non-compliance. The city will perform a comprehensive inflow and infiltration study including evaluation of wet weather flows to assess the capacity of the plant to treat projected flows. The city will clean, perform a CCTV inspection and smoke test the collection system. The project includes purchase of three flow meters for the treatment plant’s influent lines to collect flow data, which will be used to support future pump station improvements.</p>		

## Project priority list in alphabetical order

[Appendix 1](#) includes all loan applications, including those ready to proceed to an executed loan agreement. An applicant must complete all applicable Clean Water State Revolving Fund loan requirements before DEQ will execute a loan agreement.

The project priority list is in alphabetical order by applicant and includes the following additional information required by the EPA: application number, amount requested, EPA needs category, water quality permit number (for federal National Pollution Discharge Elimination System permits, EPA’s “OR” identification number is listed and for state Water Pollution Control Facility permits, the DEQ identification number is listed), and preliminary project schedule.

## Project priority list in rank order

[Appendix 2](#) includes all loan applications in rank order, project scores, the applicable green project reserve category and dollar amount, a small community identifier as defined under Oregon Administrative Rule [340-054-0010\(28\)](#) and a facility planning identifier. Rank order shifts as loan applications are added and removed from the project priority list.

## Priority ranking criteria

DEQ used criteria in Oregon Administrative Rules [340-054-0026](#) and [340-054-0027](#) to rank projects. Project ranking criteria include: water quality standards, public health considerations, watershed health benefits, natural infrastructure inclusion, and other considerations.

## Applicants ready to proceed

DEQ will only finance a project that is included in the Intended Use Plan. Additionally, loan applicants must satisfy all Clean Water State Revolving Fund loan requirements prior to receiving an official loan offer from DEQ. Loan requirements include, but are not limited to: documentation of a reliable repayment source, authority to undertake the proposed project, a land use compatibility statement, an environmental review, audited financial statements, project budget and approved project planning documentation.

When an applicant satisfies all loan requirements, the applicant is considered “ready to proceed” and DEQ will begin the loan agreement execution process. [Appendix 3](#) indicates two applicants are ready to proceed: City of Sandy (80490-20) and Salishan Sanitary District (80300-21).

## Funding award by-pass procedure

Currently, DEQ has sufficient funds to finance all projects as they become ready to proceed. This ensures the fund is utilized in a timely manner. In the event the program does not have sufficient funds available to finance all projects that are ready to proceed, DEQ will award funding based on highest ranking project that is ready to proceed.

If an applicant declines funding, DEQ will go to the next highest ranking project and offer funding to that applicant, until all available funds have been committed.

## Estimated funds available for state fiscal year 2022

Currently, the loan program has \$261,526,658 net available to lend for state fiscal year 2022. [Appendix 4](#) provides the calculation of funds available for state fiscal year 2022 and includes the projections for state fiscal years 2022, 2023 and 2024. This calculation includes the federal fiscal year 2021 capitalization grant in the amount of \$17,949,000.

DEQ usually only updates the estimated use of funds calculation for the Intended Use Plan used for the annual capitalization grant application and for the Intended Use Plan issued after the end of state fiscal year accounting is complete.

## Sources and uses of funds

### Federal capitalization grant funds and state match

To increase funds available, DEQ annually applies for and receives a capitalization grant from EPA. The grant obligates DEQ to provide a 20 percent match in new money to capitalize the fund. DEQ disburses the required match to borrowers prior to disbursing capitalization grant funds. Once DEQ disburses all match and grant funds, DEQ disburses the state revolved funds (repayment funds) to borrowers.

DEQ will raise match bonds in May 2021 to meet the match requirement for state fiscal years 2022, 2023 and 2024. [Appendix 4](#) represents the estimated timing of the fund supply to the demand for funds, including the new match bonds that will be raised in May. DEQ has the statutory and budgetary authority to raise sufficient match bonds in order to provide the required 20 percent state contribution.

### Investment earnings

The fund earns interest on cash deposited in the Oregon State Treasury, increasing funds available. DEQ forecasts investment earnings conservatively based on the market interest rates and the fund's cash balance. The long-term goal is to keep cash reserves at a level where cash is available to cover future demand and the variability in project completion schedules, ensuring funds in active use by borrowers.

### Repayments

Repayment revenues are a primary source of funds DEQ uses to finance projects. Repayment revenues are projected to grow and meet future demand, indicating that the fund is adequately revolving. Borrowers begin repayment six months to one year after project completion, based on an amortization schedule provided by DEQ.

[Appendix 4](#) shows projected repayments (principal and interest) based on existing loan agreements for state fiscal years 2022, 2023 and 2024 in the amount of \$159,669,975 included in the cash available. This amount includes the following three categories (from most time certain to least time certain):

- 1) Repayments on projects that are fully disbursed and already in repayment,
- 2) Repayments of interim loans with long-term financing through USDA, Rural Development, and
- 3) Repayments on signed agreements that are not fully disbursed yet but are expected to be in repayment before the end of state fiscal year 2024.

The estimates for 2) and 3) are less time certain due to several factors, including:

- Repayment schedules shift when projects are delayed or completed early,
- Receipt of early loan repayments, and
- Loan agreements for short-term projects go into repayment more quickly, increasing the repayments actually received.

The net effect of these factors in recent years resulted in an increase in actual repayments received over the amount projected. The projections in [Appendix 4](#) do not include repayments from future loan agreements not yet executed, but that could be executed and start repayment during state fiscal year 2023.

State fiscal years 2023 and 2024 are included in the projected repayments because borrowers typically request fund disbursements for approximately three years after loan execution. Future calculations of funds available may be adjusted as conditions warrant.

### **Administrative expenses**

Prior to state fiscal year 2004, DEQ used four percent of the annual capitalization grant, as allowable, and the annual fee charged on unpaid loan balances to cover administrative expenses. From state fiscal year 2004 to state fiscal year 2020, DEQ used only the annual fee revenue to pay administrative expenses for program operations. DEQ may use the remaining four percent of the cumulative annual capitalization grant awards minus cumulative administrative expenditures toward future program administrative expenses when needed. But, for state fiscal year 2022, DEQ will utilize \$717,960 of the federal fiscal year 2021 capitalization grant award, in addition to using fee revenue, to support program administrative expenses.

### **Debt service on match bonds**

When the State of Oregon, through DEQ, issues bonds to generate state match for the capitalization grant, the program pays debt service on those bonds using loan interest earnings exclusively. During state fiscal year 2022, the program will pay approximately \$1,324,875 in debt service costs on bonds issued in previous years. Because debt service reduces funds available for future years, DEQ routinely calls bonds when possible. While this reduces funds available in the short term, the program will realize a reduction of debt service in the long term. By issuing 24-hour bonds to meet state match, DEQ will increase the funds available over the long term.

## **Capitalization grant requirements**

DEQ must comply with the annual EPA capitalization grant requirements to receive the federal funding allocation. The grant provides additional funding for Oregon's Clean Water State Revolving Fund loan program, increasing DEQ's capacity to fund water quality improvement projects. This Intended Use Plan includes the federal fiscal year 2021 (Oct. 1, 2021 through Sept. 30, 2022) capitalization grant allocation, required subsidy, required green project reserve and state match allocation.

EPA provided DEQ the federal fiscal year 2021 capitalization grant in the amount of \$17,949,000. DEQ will demonstrate \$3,589,800 in state match.

Estimated federal fiscal year 2020 capitalization grant payment schedules:

- July – September 2020: \$4,000,000
- October – December 2020: \$8,000,000
- January – March 2021: \$5,949,000

DEQ disburses 100 percent of the required state match prior to disbursing the capitalization grant funds.

## **Reporting requirements**

### **Clean Water Benefits Reporting and Federal Funding Accountability and Transparency Act**

DEQ reports project data, loan data and environmental benefits to EPA through the Clean Water Benefits Reporting database. As a condition of the capitalization grant, DEQ reports data no later than the end of the fiscal quarter in which the loan, amendment or binding commitment is executed.

Additionally, DEQ meets the Federal Funding Accountability and Transparency Act requirement by reporting loan award data for loans in an amount equal to the capitalization grant amount for the given



state fiscal year. DEQ enters loan data into the Federal Funding Accountability and Transparency Act Subaward Reporting System database by the end of the month following the month in which the loan agreement was executed, in accordance with EPA guidance.

## Green project reserve

The federal fiscal year 2021 allocations require DEQ to use at least 10 percent of the grant amount for projects that qualify under [EPA's Green Project Reserve Guidance](#), to the extent that there are sufficient eligible projects. DEQ must allocate a minimum of \$1,794,900 to the green project reserve for federal fiscal year 2021.

[Appendix 2](#) lists the projects any of the four green project reserve qualifications categories: Green Infrastructure – GI, Water Efficiency – WE, Energy Efficiency – EE and Environmentally Innovative Activity – EIA. The current priority list includes more than \$74 million in project costs that meet the green project reserve criteria. DEQ expects to satisfy the federal fiscal year 2021 green project reserve requirement of \$1,794,900 by executing a loan agreement with one of the seven loan applicants that have project costs that meet the green project reserve criteria. DEQ documents the green project reserve eligibility for each project and reports the GPR amount in the Clean Water Benefits Reporting database.

## Additional subsidization

Oregon Administrative Rule [340-054-0065\(12\)](#) allows the maximum percentage of additional subsidization permitted by the federal allocations of each capitalization grant to be allocated to eligible applicants as principal forgiveness. The amount of principal forgiveness DEQ allocates each year is dependent on the federal allocations and what DEQ forecasts the fund can afford while maintaining the fund's perpetuity.

The federal fiscal year 2021 allocations requires states to offer a minimum of 10 percent of the capitalization grant amount as additional subsidization. Additionally, EPA allows states the option to increase the amount of additional subsidization up to 30 percent more, which would allow a maximum allocation of 40 percent of the capitalization grant as additional subsidization.

In accordance with Oregon Administrative Rule [340-054-0065\(12\)\(d\)](#), DEQ determined the maximum percentage for state fiscal year 2022 to be 33 percent of the 2021 capitalization grant amount, or \$6,007,907.

DEQ reserves 70 percent of the principal forgiveness allocation for applicants that meet DEQ's affordability criteria as a distressed community per Oregon Administrative Rule [340-054-0065\(12\)\(A\)\(c\)](#). DEQ reserves 30 percent of the annual principal forgiveness allocation for applicants with projects that meet DEQ's green/sustainability criteria per Oregon Administrative Rule [340-054-0065\(12\)\(B\)](#). Accordingly, for state fiscal year 2022, DEQ reserves \$4,205,535 for applicants that meet the affordability criteria and \$1,802,372 for applicants with green/sustainability projects.

DEQ will offer principal forgiveness to applicants that meet the criteria when they are ready to proceed to executing a loan agreement. At the close of each federal fiscal year, DEQ may reallocate any un-awarded allocation of principal forgiveness in one reserve to the other reserve. If reserves still remain after the reallocation, DEQ can award the remaining reserve amounts to borrowers that have an established ratepayer hardship assistance program.

DEQ will award up to \$500,000 in principal forgiveness per project, or 50 percent of the loan for a distressed community, or 50 percent of the eligible project costs for green/sustainability projects, whichever is less.

Table 2 lists the current applicants that are eligible for principal forgiveness when they are ready to proceed to executing a loan agreement, if principal forgiveness reserves are still available.

**Table 2: Eligible recipients for principal forgiveness**

Applicant	Application Number	Criteria	Amount
City of Chiloquin	22130-21	Affordability	\$500,000
City of Dufur	29520-20	Affordability	\$500,000
City of Madras	62370B-20	Affordability	\$500,000
City of Madras	62370-21	Affordability	\$300,000
North Unit Irrigation District	69660-21	Green/Sustainability	\$500,000
Odell Sanitary District	70140-21	Affordability	\$322,500
City of Redmond	76070-20	Green/Sustainability	\$500,000
City of Redmond	76070-21	Green/Sustainability	\$500,000
Rogue Valley Irrigation District and Medford Irrigation District	78600-21	Green/Sustainability	\$500,000
Salishan Sanitary District	80300-21	Affordability	\$500,000
City of Sandy	80490-20	Green/Sustainability	\$500,000
City of Sweet Home	89750-21	Affordability	\$500,000
City of Toledo	91800A-20	Affordability	\$300,000

## Annual DEQ funding allocations

Each year DEQ establishes a maximum loan amount available per project and sets aside certain amounts for the planning and small community reserves based on Oregon Administrative Rules.

### Maximum loan amount

Oregon Administrative Rule [340-054-0036\(3\)\(a\)\(A\)](#) limits awarding no more than 15 percent of funds available in any given fiscal year to a single loan. For state fiscal year 2022, DEQ can award a maximum loan amount of \$39,228,999.

When a borrower requests a loan amount that exceeds the maximum amount allowable for any single loan, DEQ will award the maximum annual loan amount allowed. Subsequently, DEQ can increase the loan amount in the next fiscal years to supplement the unfunded loan request. DEQ may also award additional loan funding toward the unfunded loan request at the end of the same state fiscal year to projects in rank order, if sufficient funds are available. Loan increases for existing loans have first priority for new funding allocations.

## Planning reserve

The total planning reserve allocation cannot exceed \$3,000,000 per Oregon Administrative Rule [340-054-0036\(1\)\(b\)](#). DEQ will fund planning loans through the planning reserve until the reserve is fully allocated. Planning loans that are not fully funded through the planning reserve may be funded with the general loan fund in rank order. During the final quarter of the state fiscal year, DEQ will allocate any remaining planning reserve funds to design and construction loans in rank order.

## Small community reserve

The small community reserve is designated for municipalities with a population of 10,000 or less. The reserve cannot exceed 25 percent of the current funds available per Oregon Administrative Rule [340-054-0036\(1\)\(a\)](#). For state fiscal year 2022, DEQ allocates \$65,381,664 to the small community reserve. Loans to small communities that are not fully funded through the small community reserve may be funded with the general loan fund in rank order. During the final quarter of the state fiscal year, DEQ will allocate any remaining small community reserve funds to design and construction projects in priority order.

# State fiscal year 2022 activity

[Appendix 5](#) includes the project priority list, anticipated loan increases and funding allocations from current funds available as calculated in [Appendix 4](#).

The top section of Appendix 5 lists borrowers that may receive increases to existing loan agreements. The lower section shows loan applicants that may become ready to proceed in the current state fiscal year.

## Timely use of funds

DEQ intends to use funds in a timely and expeditious manner. EPA's Memorandum #SRF 99-05 requires new funds to be committed within one year of availability. [Appendix 6](#) calculates the amount of funds available in state fiscal year 2022 compared to the amount of binding commitments executed as of March 15, 2021 to demonstrate DEQ's compliance with the timely and expeditious use of funds requirement.

## Equivalency requirements

Each fiscal year, DEQ identifies loans equal to the amount of the capitalization grant to meet federal equivalency reporting requirements. The requirements include meeting economic, social and environmental cross-cutting federal laws and Executive orders; conducting a Single Audit; and meeting architectural and engineering procurement regulations per 40 USC Chapter 11. DEQ's equivalency loan for reporting purposes for federal fiscal year 2021 will be City of Redmond (76070-20).

# Environmental review and compliance with cross-cutters

EPA approved DEQ's current state environmental review process in February 2008. All projects deemed treatment works by DEQ are required to undergo environmental review.

At a minimum, projects funded to an equal amount of EPA's capitalization grants must comply with the federal cross-cutting authorities, including the environmental cross-cutter laws. DEQ is in compliance with the federal environmental cross-cutter requirements.

## Operating agreement

The Clean Water State Revolving Fund operating agreement between the EPA Region 10 and the DEQ includes procedures, assurances, certifications, applicable federal authorities and laws and other documentation required by EPA and is referenced here to demonstrate that DEQ meets the requirements.

## Single audit act

Borrowers who have received federal funds from the annual capitalization grant may be subject to the requirements of the Single Audit Act and 2 CFR 200 (Omni Circular). DEQ monitors borrowers' compliance with those requirements for loans in an amount equal to the capitalization grants.

## Public involvement

Oregon's Clean Water State Revolving Fund program provides several opportunities for public involvement. These include DEQ's rulemaking process, public notice of environmental determinations and public notice of this Intended Use Plan.

### Rulemaking

The program's administrative rules are revised to address changes in federal requirements or to better meet the financial needs of communities. Oregon's rulemaking process includes input from a public advisory committee, public hearings and public comment periods. The public is also encouraged to provide comments directly to the [Environmental Quality Commission](#) on administrative rule changes.

### Advisory committee

DEQ involves public advisory committees to assist the agency in developing policy. DEQ appoints an advisory committee to advise on program issues and provide input on rulemaking. The committee includes members representing statewide organizations with an interest in financing water quality improvement projects. Committee representation includes local governments, wastewater treatment

facilities, environmental advocacy, federal and state agencies, and local conservation districts. Committee meetings are open to the public.

## **Public notice of an environmental determination**

The public may request information and comment on the environmental determination for projects funded by the Clean Water State Revolving Fund during the public notice period, which is generally 30 days. DEQ currently issues a public notice in a statewide publication and in a local publication for each project subject to environmental review.

## **Notice and comments on the Intended Use Plan**

To notify the public about this Intended Use Plan, DEQ posts the draft Intended Use Plan on the program's [website](#), issues a public notice in the Daily Journal of Commerce and sends a notice through DEQ's [GovDelivery](#) notification system. The notice process includes a 30-day public comment period. Upon the completion of the public comment period, DEQ considers all comments and then finalizes the Intended Use Plan. The current Intended Use Plan is always available on the program's [website](#).

# Public notice

This *Proposed Intended Use Plan, State Fiscal Year 2022* will be noticed for 30 days in the Daily Journal of Commerce.

**Public Notice**  
**Oregon DEQ Clean Water State Revolving Fund**  
**Proposed Intended Use Plan State Fiscal Year 2022**

**Notice Issued: April 5, 2021**  
**Comments Due: May 5, 2021**

## What is proposed?

The Oregon Department of Environmental Quality has prepared a *Proposed Intended Use Plan State Fiscal Year 2022* for the Clean Water State Revolving Fund Program in accordance with procedures set forth in Oregon Administrative Rules, chapter 340, division 54. After the close of the public comment period, DEQ will address any comments received and finalize the plan.

## Description of proposed Intended Use Plan

The *Proposed Intended Use Plan State Fiscal Year 2022* includes 16 loan applications for a total of \$171,400,305 in requested funding for planning, design and construction of water quality improvement projects in Oregon.

### To receive a copy of the proposed Intended Use Plan

The *Proposed Intended Use Plan, State Fiscal Year 2022* and the option to sign up for notifications through GovDelivery are available on DEQ's website at:  
<http://www.oregon.gov/deq/wq/cwsrf/Pages/CWSRF-IUP.aspx>.

Comments on this plan must be submitted in writing via mail, fax or email any time prior to the comment deadline of 5 p.m. on Wednesday, May 5, 2021 to:

Mail: Oregon Department of Environmental Quality  
Water Quality Division  
Attn: Lee Ann Lawrence  
700 NE Multnomah Street, Suite 600  
Portland, OR 97232

Email: [intendeduseplancomments@deq.state.or.us](mailto:intendeduseplancomments@deq.state.or.us)

In addition to the above notice, DEQ sent email notification of this proposed plan to the new loan applicants for this funding cycle and to:

David Garcia  
U.S. Environmental Protection Agency  
1200 6<sup>th</sup> Avenue, Seattle, WA 98101

# Appendices

## Appendix 1: Project Priority List in Alphabetical Order

This Intended Use Plan includes 16 loan applications for a total of \$171,400,305 in requested funding for planning, design and construction of water quality improvements projects in Oregon.

Applicant	Application Number	Amount	EPA Needs Category	Permit Number	Application Deadline	Start	Completion
Chiloquin	22130-21	1,300,000	I	OR0020320	Dec-20	Jun-21	Dec-23
Dallas	26110-20	9,000,000	I, II, XI	OR0020737	Apr-19	Jan-20	Sep-21
Dufur	29520-20	4,344,000	I, III-A	OR0029050	Aug-19	Mar-20	Sep-20
Madras	62370B-20	2,313,231	IV-A, IV-B	101739	Dec-19	Jun-20	Apr-21
Madras	62370-21	600,000	IV-A	101739	Dec-20	Sep-21	Nov-21
North Unit Irrigation District	69660-21	8,150,000	VII-A, VII-B	N/A	Aug-20	Jul-21	Jul-28
Odell Sanitary District	70140B-21	250,000	I	OR0022471	Dec-20	Dec-21	May-22
Redmond	76070-20	31,000,000	I	101500	Aug-19	Jan-21	Jan-23
Redmond	76070-21	41,600,000	I, II, XI	101500	Dec-20	Feb-21	Jan-25
Rogue River Valley Irrigation District and Medford Irrigation District	78600-21	24,334,500	VII-A	N/A	Aug-20	Jun-21	Jun-25
Salishan Sanitary District	80300-21	6,500,000	I, III-B	OR0027201	Aug-20	Jan-21	Dec-22
Sandy	80490-20	6,025,000	I, III-A, III-B	OR0026573	Apr-19	Nov-19	Jun-22
Sheridan	83810A-19; 83810B-19	4,577,513	IV-B, VII-D	OR0020648	Dec-18	May-20	Jun-22
Sweet Home	89750-21	30,056,061	I	OR0020346	Dec-20	Jan-22	Oct-23
Toledo	91800A-20	600,000	III-A, III-B	OR0020869	Apr-19	Mar-20	Dec-20
Toledo	91800B-20	750,000	XVIII	OR0020869	Aug-19	Jun-19	Dec-21

Project category	EPA Needs Categories
I	Clean Water Treatment - Secondary Treatment Plant (includes, but is not limited to: new, expansion, improvements; effluent disposal; biosolids treatment, biosolids disposal, water reuse)
II	Clean Water Treatment - Advanced Treatment
III-A	Clean Water Treatment - Infiltration/Inflow Correction (I/I)

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III-B	Clean Water Treatment - Sewer System Replacement/Rehabilitation
IV-A	Clean Water Treatment - New Collector Sewers and Appurtenances
IV-B	Clean Water Treatment - New Interceptor Sewers and Appurtenances
V	Clean Water Treatment - Combined Sewer Overflow (CSO) Correction
VI-A	Stormwater – Gray Infrastructure
VI-B	Stormwater – Green Infrastructure
VII-A	Nonpoint Source Resource Activity - Agriculture – Cropland (i.e. conservative tillage, nutrient management, irrigation improvements)
VII-B	Nonpoint Source Resource Activity - Agriculture – Animals (i.e. animal waste storage, animal waste management, composting facilities)
VII-C	Nonpoint Source Resource Activity - Silviculture (streamside buffers, revegetation)
VII-E	Nonpoint Source Resource Activity - Groundwater
VII-F	Nonpoint Source Resource Activity - Marinas
VII-F	Nonpoint Source Resource Activity - Brownfields
VII-H	Nonpoint Source Resource Activity - Storage Tanks
VII-J	Nonpoint Source Resource Activity - Sanitary Landfills
VII-K	Nonpoint Source Resource Activity - Hydromodification/Habitat restoration (i.e. conservation easements, swales, wetland development, shore erosion control)
VII-L	Nonpoint Source Resource Activity - Resource Extraction
VII-M	Nonpoint Source Resource Activity - Individual/Decentralized Systems
VII-N	Nonpoint Source Resource Activity - Land Conservation
VIII	Energy Efficiency
IX	Renewable Energy
X	Water Efficiency
XI	Recycled Water Distribution/Water Reuse
XII	Estuary (Sec. 320) Assessments
XIII	Desalination
XIII	Planning and Assessments



## Appendix 2: Project Priority List in Rank Order

Appendix 2 lists loan applications in rank order, applicable green project reserve category (Green Infrastructure – GI, Water Efficiency – WE, Energy Efficiency – EE and Environmentally Innovative Activity – EIA), whether the project will serve a small community and whether the loan will finance the development of a planning document.

Priority Ranking	Score	Applicant	Application Number	Amount	GPR Category and Amount	Small Community and Planning
1	65	North Unit Irrigation District	69660-21	8,150,000	EE - \$8,150,000	SC
2	64	Sweet Home	89750-21	30,056,061	WE - \$207,000; EE - \$1,651,000	SC
3	62	Redmond	76070-21	41,600,000	GI - \$13,800,000; WE - \$4,000,000; EE - \$12,800,000; EI - \$4,200,000	N/A
3	62	Chiloquin	22130-21	1,300,000	N/A	SC
4	58	Rogue River Valley Irrigation District and Medford Irrigation District	78600-21	24,334,500	WE - \$21,604,500	SC
5	57	Sandy	80490-20	6,025,000	GI - \$1,500,000; EE - 400,000	N/A
6	55	Dufur	76070-20	4,344,000	N/A	SC
6	55	Odell Sanitary District	70140B-21	250,000	N/A	SC
7	53	Salishan Sanitary District	80300-21	6,500,000	N/A	SC
8	48	Sheridan	83810A-19; 83810B-19	4,577,513	N/A	SC
9	47	Toledo	91800A-20	600,000	N/A	SC
9	47	Redmond	76070-20	31,000,000	EE - \$4,450,000	N/A
10	44	Dallas	26110-20	9,000,000	WE - \$1,577,000	N/A
11	43	Madras	62370-21	600,000	N/A	SC
12	41	Madras	62370B-20	2,313,231	N/A	SC
13	16	Toledo	91800B-20	750,000	N/A	SC & P

## Appendix 3: Applicants Ready to Proceed

The following applicants have met the loan requirements necessary to receive a loan offer for the proposed project:

Priority Ranking	Application Score	Applicant	Application Number	Amount Requested	Green Project Reserve Category and Amount	Small Community and Facility Planning
5	57	Sandy	80490-20	6,025,000	GI - \$1,500,000; EE - 400,000	N/A
7	53	Salishan Sanitary District	80300-21	6,500,000	N/A	SC

## Appendix 4: Estimated Funds Available

Appendix 4 provides the calculation of funds available for state fiscal year 2022 and includes the forecasts for state fiscal years 2022, 2023 and 2024. This calculation includes the federal fiscal year 2021 capitalization grant in the amount of \$17,949,000.

Sources of Funds	Actual through SFY 2021	Estimated SFY 2022	Estimated SFY 2023-24	Total
Federal Capitalization Grants	531,399,785	17,949,000	0	549,348,785
State Match*	113,384,322	0	0	113,384,322
Investment Earnings	60,814,929	2,750,000	5,500,000	69,064,929
Loan Principal Repayments	736,253,254	40,569,019	85,788,649	862,610,922
Loan Interest Payments	215,901,879	9,198,110	24,114,197	249,214,186
<b>Total Sources of Cash</b>	<b>1,657,754,169</b>	<b>70,466,129</b>	<b>115,402,846</b>	<b>1,843,623,144</b>
<b>Uses of Funds</b>				
Loans and Amendments	1,434,525,373	0	0	1,434,525,373
Administration Expense paid through capitalization grants	10,819,824	717,960	3,000,000	14,537,784
Debt Service on Match Bonds	129,063,455	1,324,875	2,645,000	133,033,330
<b>Total Uses of Cash</b>	<b>1,574,408,652</b>	<b>2,042,835</b>	<b>5,645,000</b>	<b>1,582,096,487</b>
<b>Sources of Cash Less Uses of Cash</b>	<b>83,345,518</b>	<b>68,423,294</b>	<b>109,757,846</b>	<b>261,526,658</b>
<b>Net Available to Loan - SFY 2022</b>				<b>261,526,658</b>

\*The May 2021 match bond issuance is included in this total.

## Appendix 5: Estimated State Fiscal Year 2022 Activity

Appendix 5 includes the project priority list compared to the funds available as calculated in [Appendix 4](#) and each fund reserve.

Current Funds Available		Planning	Small Comm.	GPR	Fund	FP,SC,GPR and Fund Total	PF Subsidy
		3,000,000	65,381,664	1,794,900	191,350,093	261,526,658	6,007,907
<b>Use of Available Funds – Anticipated loan increases:</b>							
Applicant	App. Number	Planning	Small Comm.	GPR	Fund	FP,SC,GPR and Fund Total	PF Subsidy
Coos Bay	24000D-19				346,340	346,340	
Coos Bay	24000B-19				1,423,000	1,423,000	
Coos Bay	24000A-19				13,015,156	13,015,156	
Dayton	26750-20		3,516,325			3,516,325	
Farmers Irrigation District	32240-09				976,000	2,770,000	
Lebanon	56200-20				13,500,000	13,500,000	
Molalla	66100-20				24,833,204	24,833,204	
<i>Subtotals</i>		-	3,516,325	-	54,093,700	59,404,025	6,007,907
<b>Use of Available Funds – SFY 2022 Loan Applications:</b>							
Applicant	App. Number	Planning	Small Comm.	GPR	Fund	FP,SC,GPR and Fund Total	PF Subsidy
Chiloquin	22130-21		1,300,000			1,300,000	500,000
Dallas	26110-20		9,000,000			9,000,000	
Dufur	29520-20		4,344,000			4,344,000	500,000
Madras	62370B-20		2,313,231			2,313,231	500,000
Madras	62370-21		600,000			600,000	300,000
North Unit Irrigation District	69660-21				8,152,000	8,152,000	500,000
Odell Sanitary District	70140B-21		250,000			250,000	125,000
Redmond	76070-20				31,000,000	31,000,000	500,000

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Redmond	76070-21				41,600,000	41,600,000	500,000
Rogue River Valley ID and Medford ID	78600-21			1,794,900	24,154,500	24,154,500	500,000
Salishan Sanitary District	80300-21		6,500,000			6,500,000	500,000
Sandy	80490-20				6,025,000	6,025,000	500,000
Sheridan	83810A-19 83810B-19		4,577,513	1,795,200		4,577,513	
Sweet Home	89750-21		30,056,061			30,056,061	500,000
Toledo	91800A-20		600,000			600,000	300,000
Toledo	91800B-20		750,000			750,000	
<i>Subtotal</i>			- 60,290,805	1,794,900	110,931,500	171,222,305	5,725,000

## Appendix 6: Binding Commitments and Funds Available

### Funds Available as of Feb. 28, 2021:

Total Cap Grants Awarded	Total State Match	Total Principal Repayments	Total Interest Payments	Total Investment Interest	TOTAL FUNDS AVAILABLE	
531,399,785	113,384,322	736,253,254	215,901,879	60,814,929	1,657,754,169*	
					Admin Allowance	-21,255,991
					Bond Debt Service	-129,063,455
					<b>Adjusted Total of Funds Available</b>	<b>1,507,434,723</b>
					<b>Total Binding Commitments as of 2/28/2021</b>	<b>1,441,775,373</b>
					<b>Binding Commitments as a Percentage of Funds Available from 2/28/2021</b>	<b>95.64%</b>

\*Total funds available includes the May 2021 bond issuance and the SFY 2021 prepayments that are listed below for informational purposes.

### Prepayments through Feb. 28, 2021:

State Fiscal Year 2021		
Borrower	Loan Number	Amount
Prairie City	R74420	187,237
Charleston Sanitary District	R21920	157,825
Charleston Sanitary District	R21921	39,800
Charleston Sanitary District	R21923	577,035
Hermiston	R43770	3,344,481
Hermiston	R43771	14,031,910
Lebanon	R56200	485,311
Molalla	R66100	1,204,544
Parkdale	R71491	1,733,941
St. Helens	R80163	3,931,580
Rockaway Beach	R78281	804,850
		<b>\$26,498,514</b>

## Appendix 7: Public Notice Period

One commenter, Judy Dahl, provided written comments during the public notice period for the *Proposed Intended Use Plan, State Fiscal Year 2022*.

Comment
<p>For the record, Chiloquin has applied for funding for a sewer lagoon system they intend on putting on a piece of property that they lost the Land Use Board of Appeals Hearing to use for that. We have no problem with them receiving funding for Sewer Plant upgrades, But the Lagoons are not needed. And the lagoons do not last as long, so not only is the cost higher to build them then to upgrade the plant, they can even remove the source point from the river via land application, of a much cleaner mix on nearby property without needing the lagoons or the property they are not allowed to use for many many reasons, State Goals, Conservation goals, Comprehensive plan goals, Forest Overlay, Elk Winter Range, Steep slopes not recommended for lagoons...and more.</p> <p>We just want to be sure you understand that land will not be used for Sewer Lagoons, so we feel they need to update there plans and re-apply, for the proper amount of funding for that which they can proceed with, and have the ability to do.</p> <p>Please spend tax payers money carefully, the less expensive option is truly what is best for everyone and the environment. Upgrades with source point removal, accomplishes everyone's goals, without compromising more land, water (contamination from cracked lagoons as does happen, especially in very cold freezing conditions as this would be) and protects the air from odor nuisances and mosquito problems associated with the odors. Because the water they dispel would be much much cleaner coming from the upgraded plant or even the plant the way it is now, (It does need upgrades) and not create the impacts the lagoons would.</p> <p>Thank You your attention to the details.</p>
DEQ's response
<p>Thank you for the comment. The purpose of the CWSRF's Intended Use Plan is to communicate what projects DEQ <i>intends</i> to finance if all loan application requirements are met. Acceptance onto the program's Intended Use Plan is an initial step of several loan application steps that must be completed by all CWSRF loan applicants before DEQ will considering financing the project.</p> <p>DEQ's CWSRF loan application process requires that water quality infrastructure projects meet all applicable permit, land use, cost and effectiveness, and affordability requirements and criteria. The City of Chiloquin has not yet met all of the above requirements or completed all of the loan application steps for the proposed project. DEQ must verify and approve that loan applicants meet all applicable state and federal requirements, including an affirmative LUCS, before DEQ's CWSRF loan program can offer the city a loan to finance the project. Accordingly, DEQ has not yet made a final funding determination for this project.</p>