

IX. Drinking Water State Revolving Fund Projects

A. Project Identification Process

Before projects are placed on the project priority list, water systems must first submit an LOI. An LOI is a document that provides information about the water system, its water quality problem, its finances, its readiness-to-proceed, and its project solution and estimated cost. This is sufficient information to rate and rank each project to create the PPL, as required by the amended 1996 SDWA. Oregon's primary focus remains with projects that address drinking water public health risks and compliance issues while assisting systems most in need on a per household basis using state affordability criteria.

During SFY-2018, a total of twenty-five new eligible projects successfully submitted an LOI for consideration. All twenty-five (i.e., 100%) serve less than 10,000 people. These twenty-five new projects are asking for over \$42 million and have been reviewed, rated, and ranked by DWS Technical Staff and the EPA and placed on the most current combined PPL. These projects are currently in the process of being funded by Business Oregon or have already been funded. The combined PPL allows Oregon to better manage the Loan Fund and assures ready-to-proceed projects continue through financing and project implementation quickly. For more information on the PPL, reference **Attachment A** of the IUP.

Most water systems not in full compliance with the Safe Drinking Water Act have some form of administrative enforcement order from OHA that defines the problem(s) to be resolved and includes a compliance schedule. If a water system has an enforcement order, then the proposed project must be able to return the water system to a full compliance status. DWSRF funds can be used to assist systems in reaching their compliance issues provided that the system has the technical and managerial capacity required to operate the system being funded.

B. Project Selection Criteria – Rating and Ranking, By-Pass

EPAs DWSRF Interim Final Rule 40 CFR Section 35.3555 (c)(1) suggests that the IUP must include a priority system for ranking individual projects for funding that is detailed and understandable. Oregon's infrastructure, DWSP, and SIPP program rating criteria are robust and meet this requirement. More information related to OHAs rating form and detailed criteria is available on request.

The By-Pass Process is equivalent to skipping over a project higher on the PPL that is not ready-to-proceed in order to fund a project lower on the PPL that is ready-to-proceed. Unfunded Projects may remain on the PPL for up to two years from the approval of the IUP of the federal grant that they submitted their LOI for. Additional by-pass information can be provided on request.

Finally, to comply with provisions of the amended 1996 SDWA, Oregon will assure at least 15% of the Loan Fund will be used to assist small water supplies, those that serve 10,000 or fewer people. If it is not at the 15% mark, then "only" these small systems will be considered until this federal requirement is met. Historically, Oregon has been in compliance with this requirement.

X. Public Reviews & Comments

❖ Process

The public has been invited to review and comment on Oregon's proposed SFY-2018 IUP of the DWSRF grant application. If comments are received and it is determined that our IUP must be amended, we will notify the EPA Region 10 office immediately.

According to the SDWA's Federal Register Interim Final Rule, Section "O. Meaningful Public Review of the IUP (40 CFR 35.3555 (b)),"

- *"This interim final rule does not include specific requirements as to what constitutes "meaningful public review" of the IUP. Due to the variation among States, no single approach will work under all conditions."*

EPA interprets the above language to provide States the ability to determine what is appropriate for meeting this requirement provided an effort is made to provide the public an opportunity to make comments. EPA Region 10 also supports Oregon's public notice decisions referenced below. The result is a more rapid process that also reduces program costs.

Below is a list of resources OHA uses when posting notices for public comments related to our annual IUP and our quarterly PPL. List includes:

- DWSRF webpage, <http://healthoregon.org/srf>
- DWS main website front page, <http://healthoregon.org/dwp>
- Orange postcards mailed out (annually for the IUP) to public water systems and other interested parties throughout Oregon
- Publication of "Pipeline" Newsletter includes permanent information about policy, <http://public.health.oregon.gov/HealthyEnvironments/DrinkingWater/Operations/Pages/pipeline.aspx>

Public Notice materials can be found in **Attachment G** of the IUP.

◆ End of Summary ◆