

**Drinking Water Program
Oregon Department of Human Services
800 N.E. Oregon Street, Suite 611
Portland, Oregon 97232-2162**

Announcement

**Call for FY2009 Letters of Interest
for Financing through
Oregon's Safe Drinking Water
Revolving Loan Fund**

*Oregon Safe Drinking Water
Revolving Loan Fund
Letter of Interest
Due Date: February 2, 2009*

Announcing the next round of funding!

Due Date: February 2, 2009

Each year the Safe Drinking Water Revolving Loan Fund offers a new round of financing for drinking water infrastructure projects. With this notice, the process begins now for funds available in 2009. Drinking water systems should prepare and submit information about their drinking water projects on a *Letter of Interest*.

HOW TO COMPLETE THE *LETTER OF INTEREST*:

WHO IS ELIGIBLE: Public and privately owned Community and Nonprofit Non-Community water systems seeking low interest loan financing to upgrade a water system. Projects may be to plan, design, or construct drinking water facilities needed to increase public health protection and maintain compliance with drinking water quality standards. Your project can include the cost to add or improve security measures to protect drinking water facilities.

Anti-Terrorism: Your project can include the cost to add or improve security measures to protect drinking water facilities.

Community water systems are also eligible for loans up to \$100,000 and for grants up to \$20,000 for source water protection efforts to help carry out elements of a Source Water Protection Management Plan.

Only projects submitted on the *Letter of Interest* may be eligible for financing from the Safe Drinking Water Revolving Loan Fund.

Safe Drinking Water Revolving Loan Fund offers:

- ▶ Below market interest rates and 20 year terms
- ▶ Further subsidized loans for financially disadvantaged communities as low as 1% interest up to 30 year terms
- ▶ \$6 million maximum loan
- ▶ Inclusion of adding or improving security of the water facilities as part of infrastructure and/or source water projects.

Each project submitted on a *Letter of Interest* is rated using risk to human health, compliance, and financial affordability criteria. Once on the Project Priority List, projects that are ready to proceed regardless of ranking may begin working with OECDD’s Regional Coordinator for its region. See OECDD’s web site at <http://www.oregon.gov/ECDD/CD/programlist.shtml> and click on Division Staff for list of Regional Coordinators.

To get a *Letter of Interest* form plus instructions or to see the project rating criteria:

- ▶ Go to our website:
www.oregon.gov/DHS/ph/dwp
- ▶ Click on Safe Drinking Water Revolving Loan Fund.

If you have questions about the Loan Fund or need assistance completing the *Letter of Interest* form, contact: Roberto Reyes-Colón, in Portland, Drinking Water Program, 971-673-0422; or Karen Homolac in Salem, Oregon Economic and Community Development Department, 503-986-0191.

If you need this information in an alternate format, please call: 971-673-0405

Letters of Interest due date: February 2, 2009.

Oregon Economic & Community Development
775 Summer Street N.E.
Salem, Oregon 97310
Phone: (503) 986-0123 (800) 233-3306

LETTER OF INTEREST
SAFE DRINKING WATER
REVOLVING LOAN FUND AND
DRINKING WATER PROTECTION
LOAN FUND

SECTION 1: APPLICANT

Applicant: _____
Address: _____
Phone: _____
Fax No.: _____
E-mail Address: _____
Contact Person: _____
Address: _____
Phone: _____
Fax No.: _____
E-MAIL _____

Population:

A. Community Population: _____
B. Project Area Population: _____
C. Equivalent Dwelling Units: _____
County: _____

D. Project Type:** _____

Infrastructure Project: (mark one)

Treatment: _____

Transmission & Distribution: _____

Source: _____

Storage: _____

System Purchase _____

Restructuring _____

Land Acquisition _____

Other _____

Planning & Design Only _____

...System security features _____

Planning, Preliminary Engineering

Final Design & Specifications

Construction

Please Submit an Original and 1 Copy.
You may attach additional sheets to your
Letter of Interest to describe your project.

Project type definitions: **

Treatment – includes disinfection, filtration, waste handling and treatment, aeration, iron/manganese removal and chemical storage tanks.

Transmission & Distribution – includes raw and finish water transmission, service lines, valves, backflow prevention, water meters and pumping stations.

Source – wells, wellhead pumps and surface water intakes.

Storage – elevated and ground level storage for finished/treated water and covers for existing storage.

Purchase of System – all of the eligible costs funded by the loan fund to purchase a system, as part of consolidation/regionalization.

Restructuring – costs associated with changes in organizational structure, management, accounting, rates, or other procedures conducted to meet the technical, financial, and managerial requirements.

Land Acquisition – all eligible costs funded by the loan fund to acquire land

Other – any other assistance costs that cannot be classified into the categories above.

E. Is system presently able to prepare and submit final application for funding?

Y _____ N _____

F. Maximum time after funding approval before work commenced/costs incurred. _____ Days

G. When is construction (if applicable) expected to begin: _____

SECTION 2: PROJECT TITLE:

SECTION 3: BRIEF PROJECT SUMMARY

- A. Describe Drinking Water Quality Problem: (For a Source Water Protection Project, describe the specific issue or concern that your proposed drinking water protection strategy will address.)**
- B. Describe the Proposed Solution to the Problem: Describe briefly the work to be done, whether this project is part of another large project, and any other relevant information that will identify the location and scope of what is proposed. If the project is for planning, preliminary or final engineering, describe the scope of this effort.**
- C. For a Source Water Protection Project, describe what the water system proposes to do, such as purchase land or easement (in the drinking water protection area), devices (gates, fencing), to control access to drinking water protection area etc. Describe how this will be accomplished.**

SECTION 4: LOAN REPAYMENT AND FINANCES

A. Source of Loan Repayment (check one or more that will apply):

Water user fees Voter-approved General Obligation Connection Fees
Reserves Other: _____

B. Total debt supported by the water system

1. Current debt paid by water fees..... \$ _____
2. Current debt paid by property taxes..... \$ _____

C. Current average monthly residential user fee \$ _____

D. Current average annual property taxes paid per residence for water system debt..... \$ _____

SECTION 5: SDWRLF FUNDS REQUESTED AND PROJECT COSTS

Safe Drinking Water Revolving Loan Funds Requested \$ _____

Additional Applicant Funds \$ _____

Other Funds (list source):
_____ \$ _____
_____ \$ _____

Total Cost of Project: \$ _____

SECTION 6: WATER SYSTEM

A. ARE ALL WATER SERVICE CONNECTIONS METERED? YES _____ NO _____.
IF NO, WHAT PERCENTAGE IS NOT METERED _____%

B. Does your project involve the merger of two or more water systems? Yes No

C. Would your project benefit from consolidation with another water system?
Yes No

D. Does the Water System currently utilize a database program to manage and document its assets? Yes No

E. Would the Water System benefit from assistance with identifying and documenting its assets? Yes No

SECTION 7: CERTIFICATION

I certify that, to the best of my knowledge, all information contained in this pre-application and letter of interest is valid and accurate.

Authorized Signature: _____

Title: _____

Jurisdiction: _____

Name:

Date:

(Type or print)

This letter of interest will be used to create a ranked list of potential projects to be funded by the Safe Drinking Water Revolving Loan Fund. Those who fill out the form and submit it to the Department are not obligated to accept a loan or grant simply by submitting this letter of interest. The Letter of Interest will be ranked and placed in the Intended Use Plan (IUP) for a two-year period. If the water system fails to apply for the revolving loan fund within the two year period, the project will be removed from the Intended Use Plan. Projects that are removed from the Intended Use Plan after two years may submit a new LOI for reconsideration.

Also see the Drinking Water Program web page at: www.oregon.gov/DHS/ph/dwp

Guidance for Safe Drinking Water Revolving Loan Fund Letter of Interest

Oregon Economic and Community Development Department

775 Summer Street NE, Salem, Oregon 97310

Phone: (503) 986-0123

These directions and information are provided to help you complete the Letter of Interest. If you have **questions** about completing this form, call Oregon Economic and Development Department and ask for the Regional Coordinator for your County.

SECTION 1: APPLICANT WATER SYSTEM

Population:

- A. **Community Population:** Current population of the applicant's community. This Loan Fund is available to all sizes of community and non-profit non-community water systems.
- B. **Project Area Population:** Current population of the area that will be affected by the proposed project. This should not include future anticipated population growth.
- C. **Equivalent Dwelling Units (EDU):** Number of standardized connections served by the water system.

Project Type:

- D. **Infrastructure Project (Safe Drinking Water Revolving Loan Fund) Letters of Interest** may be submitted for loans for different phases of a project. Please note the type of project you are applying for.

One or more projects intended to solve a single problem may be described on one *Letter of Interest* form. Unrelated projects must be submitted separately on separate *Letter of Interest* forms unless all of the proposed projects are needed to bring the water system into compliance with all applicable state and federal drinking water standards and regulations.

- E. **Source Water Protection Project** must be based on a completed source water assessment. **Security measures** may be stand-alone or included with infrastructure and source water projects.

SECTION 2: PROJECT TITLE

Give your project a short but descriptive title. [Example: use Pump Station #4 upgrade; not pump station upgrade; or Round Butte reservoir, not new reservoir; Secure easement along Elk Creek, etc.]

SECTION 3: BRIEF PROJECT SUMMARY (Answer only in space provided.)

- A. **Describe Drinking Water Quality Problem or Source Water Protection Problem:** Briefly describe the specific drinking water quality problem. Indicate any formal enforcement action issued by the Drinking Water Program that requires compliance with the Safe Drinking Water Act. If formal action has not been issued, explain how the system exceeds a maximum contaminant level(s) for a current drinking water quality standard. Indicate if your proposed project will prevent non-compliance: explain how your system needs to address an emerging water quality problem, or explain how a pending federal drinking water rule or standard will affect your ability to maintain compliance. State if your project is located in a drinking water protection area, i.e. surface water or groundwater. [For a Source Water Protection Project, briefly describe how your project will protect the system's source water, and how the project fits with other elements of your system's Certified Drinking Water Protection Plan or completed Source Water Assessment.]
- B. **Describe the Proposed Solution to the Problem:** Describe briefly the work to be done, whether this project is part of another larger project, and any other relevant information that will identify the location and scope of what is proposed. If the project is for planning, preliminary or final engineering,

describe the scope of this effort. [For a Source Water Protection Project, describe what the water system proposes to do, such as purchase land or easement (in the drinking water protection area), devices (gates, fencing), to control access to drinking water protection area, etc., and describe how this will be accomplished.]

SECTION 4: LOAN REPAYMENT AND FINANCES

- A. Mark all water system revenues/source(s) of funds you intend to use to meet loan repay obligations.
- B. Enter the amount of debt supported by the water system (funds the system has borrowed in the past to make system improvements). Identify the debt by how it is being repaid: by water user fees or property taxes.
- C. Enter the amount of the average monthly residential water bill. To complete this question, use 7,500 gallons per month as the average amount of water used to calculate the average monthly bill.
- D. Enter amount of average annual property taxes paid per residence for water system debt. Calculation you should complete is: (Average residential assessed value / 1,000) x property tax rate for the water system debt. If you need assistance with this calculation, please call your county tax collector or assessor, or call Economic and Community Development Department's Financial Analyst at (503) 986-0123.

Section 5: Funds Requested and Project Costs

Estimate financing needed for the project. List the amount to be requested from either the SAFE DRINKING WATER REVOLVING LOAN FUND or the DRINKING WATER PROTECTION LOAN FUND. List other planned project funding amounts by source, whether or not financing has already been committed to the project. (Both funds offer below-market interest rates for up to 20 years [standard loan]; SAFE DRINKING WATER REVOLVING LOAN FUND offers 1% interest rate loans at up to 30 years, with possible subsidization, for "disadvantaged communities")

Section 6: Water System

1. Check Yes if all water connections are metered. Check No if less than 100% of your system connections are metered, and enter the percentage that is not metered.
2. Indicate if this project will result in at least two water systems merging or joining together.
3. Remaining questions relate to whether or not water system would benefit from additional technical assistance with its asset management program.

SECTION 7: CERTIFICATION

Authorized signature should be that of the mayor, city manager or administrator, water district chair, board or association president, owner, or other water system official with decision-making responsibility.

QUESTIONS OR PROBLEMS?

For any questions or concerns about the Letter of Interest or any other matter pertaining to the State Safe Drinking Water Revolving Loan Fund, please contact: Roberto Reyes-Colón, Loan Fund Coordinator, Oregon Drinking Water Program, 971-673-0422, Roberto.Reyes-Colon@state.or.us, or Karen Homolac, Program & Policy Coordinator, Oregon Economic and Community Development Department, 503-986-0191, karen.homolac@state.or.us.