



State of Oregon Department of Environmental Quality

The Clean Water State Revolving Fund

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The Clean Water State Revolving Fund (CWSRF) Loan Program provides low-cost loans for the planning, design and construction of water pollution control facilities. Any public agency in Oregon is eligible for a CWSRF loan for a publicly-owned project. The program is administered by the Oregon Department of Environmental Quality (DEQ) and is committed to working with Oregon communities to attain and maintain water quality standards, which are necessary to protect beneficial uses, such as swimming, boating, farming and drinking water.

Loan Terms

CWSRF interest rates are below what a community would have to pay if it sold bonds. As an example, the interest rate for design or construction loans signed from January through March 2003 is 3.19%. The interest rate for planning loans is 2.40%. The interest rates change quarterly based on the national average municipal bond rate.

Loan fees include a one-time fee of 1.5% of the amount of the loan and an annual fee of 0.5% of the outstanding balance. These costs of financing are less than the comparable administrative costs of issuing bonds.

Types of Loans

Most borrowers pledge Sewer Revenues, setting rates sufficient to cover 105% of repayments and maintaining a loan reserve of 100% of the average annual repayment amount. Other options are available, including different coverage and reserve pairs, or G.O. or revenue bonds. Communities that cannot meet the security requirements for a standard loan may be eligible for a discretionary loan with terms tailored to the situation.

Eligible Projects

- Wastewater system facility plans and studies
- Secondary treatment facilities
- Advanced wastewater treatment facilities
- Sludge disposal and management
- Interceptors, force mains and pumping stations
- Infiltration and inflow correction
- Major sewer replacement and rehabilitation
- Combined sewer overflow correction
- Collector sewers
- Storm water control
- Estuary management
- Nonpoint source control

Other criteria may limit eligibility of a specific project for CWSRF funding.

The Application Process:

Preliminary Application

Periodically, an application period is opened so prospective applicants may submit preliminary applications for Clean Water State Revolving Fund loans. The Preliminary Application asks for information on the project, existing water quality problems, existing facilities and project cost estimates. The Preliminary Application is available by contacting the regional Project Officers or from the DEQ website listed below.

Project Priority List

All projects are ranked based upon the preliminary application information and entered on the Project Priority List. Points are assigned based on the receiving waterbody sensitivity; enforcement activities and water quality violations; affordability; and the population served by the project. The Project Priority List is included in the proposed Intended Use Plan (IUP) along with other details about goals and program plans for the fiscal year.

Opportunity for Public Review

The DEQ mails a notice of the proposed Project Priority List to all loan applicants and provides a copy to any individual or group upon request. The public has thirty days to comment before the Project Priority List becomes final. This public comment period provides an opportunity to request a re-evaluation of a project's ranking on the proposed Project Priority List. Annually, the new Intended Use Plan is a part of the public review process.

Final Application

All applicants on the Project Priority List are invited to submit a Final Application, which provides additional details, and supporting documents about the project and the applicant. Based upon the Final Application, the DEQ assesses the ability of the applicant to repay the loan and the readiness of the project to proceed.

Project Funding

Upon approval of the final application, the project is funded if sufficient loan monies are available. If monies are insufficient to fully fund all of the Final Application projects, projects are funded in Project Priority List order, with a maximum of 15% of the monies going to any one applicant. If no loan monies are available, funding is awarded when new monies become available through federal grants, loan repayments or other fund changes.

Each time new monies become available, they are allocated to as many unfunded or partially funded projects with approved Final Applications as possible in the following sequence:

1. Communities with a population of 5,000 or less that have severe water quality problems are funded in point order for the first 15% of available monies.
2. Facilities planning projects are funded in point order for the next 10% of available monies.
3. Remaining monies are allocated to remaining projects in point order, including additional small community and facilities planning projects.

When loan monies are awarded, DEQ and the public agency negotiate the loan terms and sign a loan agreement. If a loan is not executed within a reasonable period of time, the loan monies may be withdrawn from that project.

To find a project officer in your region visit the Clean Water State Revolving Fund [online](#) or call 503-229-LOAN.

Alternative formats

Documents can be provided upon request in an alternate format for individuals with disabilities or in a language other than English for people with limited English skills. To request a document in another format or language, call DEQ in Portland at 503-229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696; or email deqinfo@deq.state.or.us.