

# Proposed Intended Use Plan – Update #3

State Fiscal Year 2015

April 3, 2015



State of Oregon  
Department of  
Environmental  
Quality



This report prepared by:

Oregon Department of Environmental Quality  
Operations Division  
811 SW 6<sup>th</sup> Avenue  
Portland, OR 97204-1390  
1-800-452-4011

## Table of Contents

Introduction .....	1
CWSRF Program Goals .....	4
Federal Capitalization Grant Requirements .....	5
FFY 2014 Cap Grant Payment Schedules .....	5
Program Administration .....	5
Administrative Expenses .....	5
Funding Options .....	6
Terms and Conditions .....	6
Applications .....	6
Table 1: Project Descriptions .....	7
Project Priority List in Alphabetical Order .....	10
Project Priority List in Rank Order .....	10
Applicants Ready to Proceed .....	10
Priority Ranking Criteria .....	11
Estimated Funds Available for SFY 2015 .....	11
Funding Allocations .....	12
Planning Reserve .....	13
Small Community Reserve .....	13
Green Project Reserve .....	13
Additional Subsidization .....	14
Proposed SFY 2015 Activity .....	14
Timely Use of Funds .....	15
Binding Commitments and Funds Available .....	15
Environmental Review .....	15
Operating Agreement .....	15
Single Audit Act .....	15
Public Involvement .....	16
Appendices .....	18
Appendix 1: Project Priority List in Alphabetical Order .....	18
Appendix 2: Project Priority List in Rank Order .....	19
Appendix 3: Applicants Ready to Proceed .....	20
Appendix 4: Estimated Funds Available for SFY 2015 .....	21
Appendix 5: Estimated SFY 2015 Activity .....	22
Appendix 6: Binding Commitments and Funds Available .....	23

# Introduction

The Intended Use Plan (IUP) is a document the Oregon Department of Environmental Quality (DEQ) prepares for the U.S. Environmental Protection Agency (EPA) and others interested in Oregon's Clean Water State Revolving Fund (CWSRF) program. This IUP update describes how DEQ proposes to use the CWSRF funds during state fiscal year (SFY) 2015, July 1, 2014 through June 30, 2015. This IUP also includes information required for DEQ to receive federal funding through EPA appropriations and the resulting CWSRF capitalization grant. The SFY 2015 IUP will remain in effect until the SFY 2016 IUP is developed and finalized. This Update #3 specifically includes information necessary to apply for the 2015 Federal Fiscal Year (FFY) capitalization grant.

DEQ's CWSRF program offers below-market interest rate loans and bond purchases to public agencies for planning, design, construction or implementation of the following water quality improvement projects:

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

Applicants that have submitted applications for eligible projects are included on the project priority list in priority order. However, DEQ does not commit or reserve funds for individual projects until an applicant meets all application requirements. This indicates the project's readiness to proceed. DEQ funds projects that are ready to proceed in priority order.

All CWSRF program activities are governed by Oregon Administrative Rules Chapter 340, Division 54, which can be found on the state's website: [http://arcweb.sos.state.or.us/pages/rules/oars\\_300/oar\\_340/340\\_054.html](http://arcweb.sos.state.or.us/pages/rules/oars_300/oar_340/340_054.html).

## Environmental Benefits of Projects

EPA requires all new projects funded through the CWSRF program to have a demonstrated environmental benefit. States must document this benefit by including either specific projected environmental results or outcome measurements in their IUP. States also can choose to place a statement in their IUP that they will enter data into the Clean Water Benefits Reporting database at least quarterly for each project funded. Upon execution of each new project funding through the CWSRF program, DEQ will enter the required data into the online web-based database maintained by EPA, as required by the Federal Funding Accountability and Transparency Act. Additionally DEQ also will report in the federal System for Award Management on newly executed agreements in excess of \$25,000 in an amount equivalent to the capitalization grant duration. Reporting will be in accordance with the EPA memorandum, Guidance on Federal Funding Accountability and Transparency Act reporting through Clean Water State Revolving Fund and Drinking Water State Revolving Fund data systems (March 23, 2011).

## Impacts of 2014 Clean Water Act Amendments on CWSRF

### Background

On June 10, 2014, President Obama signed into law the Water Resources Reform and Development Act of 2014 (WRRDA). Among its provisions are amendments to Titles I, II, V, and VI of the Federal Water Pollution Control Act (Clean Water Act) that directly impact the Clean Water State Revolving Fund Programs. Some amendments to the Clean Water Act (CWA) take effect October 1, 2014 and others, October 1, 2015.

To determine the impact of the amendments on the CWSRF program, DEQ staff reviewed EPA's initial guidance on the amendments, consulted with State Assistant Attorney Generals, and participated in EPA training on the amendments. DEQ analyzed what CWA amendments were required and which were optional and whether they

required rule, statute and/or program changes. Based on this analysis, the CWSRF is consulting with its standing Advisory Committee throughout 2015 and 2016 for recommendations implementing these changes. It is expected that a two year rulemaking process will be necessary to address all changes to the CWSRF program as some require statute changes that are dependent on state legislative cycles. Below summarizes the CWA amendment changes that are necessary to the program and the action that Oregon DEQ is currently taking to address them. As these actions become finalized, necessary information will be incorporated into the IUP as relevant.

### **Statute and rule changes**

Two mandatory changes to OAR 340-54 are required to comply with the amended CWA. All others reflect optional changes to OAR and ORS for alignment with CWA amendments.

### **Required changes to comply with CWA**

- **Additional Subsidization.** Section 603 (i)(1)(A)(i): DEQ must change our permanent rules to include affordability criteria by September 30, 2015 to match the CWA even if we choose not to provide additional subsidies to borrowers. The CWA affordability criteria are income, unemployment data, population trends, and other data determined by the State, including economically distressed areas. **DEQ ACTION: DEQ's Advisory Committee has approved affordability criteria which are the following, in weighted order: 1. "Distressed" as detailed by the Distressed Index, calculated by the Oregon Business Development Department and updated at least once per biennium. This index includes the following data: income, unemployment, education, payroll, and poverty. 2). Negative population trends as determined by American Community Survey. Changes to state rules to reflect these criteria are anticipated in October 2015.**
- **Certification of Cost and Effectiveness.** Section 602(b)(13): This is a new requirement that applies to all applicants for non-planning funding after October 1, 2015 regardless of funding source or project type. Loan recipients must self certify that they have evaluated the cost and the effectiveness of the project, and they have selected an option that maximizes water and energy efficiencies. DOJ recommends adding this in rule. **DEQ ACTION: DEQ will have a process and certification by late summer 2015. Changes to state rules to reflect this new requirement are anticipated in October 2015.**

### **Optional changes to align with CWA**

- **Project eligibilities for Decentralized Wastewater, Stormwater, Water Conservation, Watershed Projects, Energy Conservation, Reuse and Recycling, and Security.** Section 603(c)(4-10): DOJ recommends adopting rules to align with the CWA. The CWA specifically lists these types of projects as eligible for funding under CWA 212, 319 and 320. All of these projects have been and continue to be eligible for CWSRF funding under ORS 468.429 and OAR 340-54-0015 with one exception: we are now allowed to fund the "construction" of new onsite systems, if we chose to change our permanent rules. **DEQ ACTION: Advisory Committee input and rule changes anticipated in October 2015.**
- **30 year loan term.** Section 603(d)(1)(A): The CWA now allows loans up to 30 years or the projected useful life of the project if less than 30 years. This would require a rule and statute change. **DEQ ACTION: Advisory Committee input and rule and statute changes anticipated in October 2015.**
- **Fees.** Section 602(b)(12):CWA now allows a certain portion fees to be used for loans and other activities eligible for assistance from the fund. We could consider allowing a portion of our fee account to be used to pay for state match, funding loans and funding other project assistance. Allowing this option in our program would require a statute change. **DEQ ACTION: Advisory Committee input and rule and statute changes anticipated in October 2017.**

- Loans to nonprofits to provide technical assistance. Section 603(c)(11): The CWA allows expanded eligibility to nonprofit entities as loan recipients to provide technical assistance. This requires a permanent rule change and a statute change.

**DEQ ACTION: Advisory Committee input and rule and statute changes anticipated in October 2017.**

- Additional Subsidization. Section 603(i)(1)(A)(ii), (i)(1)(B)(i-iv), 603(3)(A): If DEQ intends to continue to subsidize loans, a permanent rule change is required to allow this along with the following considerations:
  - Whether to allow additional subsidization to benefit individual residential ratepayers who experience significant hardship in a municipality that does not meet affordability criteria.
  - Whether to allow additional subsidization to implement water-efficiency goals; energy-efficiency goals; mitigate stormwater runoff; or encourage sustainable project planning, design and construction.

**DEQ ACTION: Advisory Committee input and rule changes anticipated in October 2015.**

- Perpetuity. Section 602(b)(11): This provision requires the management of the CWSRF in such a way that the funds will be available in perpetuity for eligible activities under the CWA. As an alignment issue, a change to statute to reflect the new CWA language would eliminate future needs to change the statute regarding perpetuity.

**DEQ ACTION: Advisory Committee input and statute changes anticipated in October 2017.**

- Eligible land purchases. Title II, 212. The definition of treatment works (Sec. 212) has been modified to include “land necessary for construction.” The EPA guidance interprets this to include land for staging. OAR references CWA and not land purchases specifically. The statute will require a change in order for DEQ to broaden eligible land acquisitions.

**DEQ ACTION: Advisory Committee input and statute changes anticipated in October 2017.**

### **Program document and procedure changes**

The following three CWA provisions require changes to program documents and procedures:

- Qualifications based procurement. Section 602(b)(14): This is a new requirement on loans for management, feasibility studies, engineering, design, surveying and mapping projects in an amount equal to the annual federal capitalization grant (equivalency). The State must ensure that loan recipients have a procurement process for Architectural and Engineering contracts that are equivalent to 40 U.S.C 1101. Applies to loans made under capitalization grants awarded after October 1, 2014.

**DEQ ACTION: CWSRF applicants will comply with this requirement via ORS 279C.100 to 279C.125.**

- Fiscal sustainability. Section 603(d)(1)(E): This is a new requirement applying to all loans for the repair, replacement or expansion of treatment works projects. Loan recipients need to certify that they have developed and implemented a fiscal sustainability plan. It applies to all applications received after October 1, 2014.

**DEQ ACTION: Guidance in place.**

- Cost of administration. Section 603(d)(7): The CWA now provides a menu of options for funding costs of administering the fund and conducting activities under Title VI. ORS 468.431 established an administration fund for these purposes. Selecting an option does not require rule or statute changes, however, if DEQ chooses to change eligible costs in its administrative fund, that would require a statute change (see “Fees” above).

**DEQ ACTION: DEQ will use the option of 4% of the awarded capitalization grant. Advisory Committee will provide input on possible statute changes anticipated in October 2017.**

# CWSRF Program Goals

## Long Term Program Goals

- Goal #1:** Protect public health and the waters of the state by offering financial assistance for water pollution control projects.
- Goal #2:** Provide financial support for water quality improvement projects that incorporate innovative and sustainable approaches.
- Goal #3:** Administer the Clean Water State Revolving Fund to ensure its financial integrity, viability and perpetuity as a source of financial assistance.
- Goal #4:** Assist public agencies as they strive to achieve and maintain compliance with federal and state water quality standards.
- Goal #5:** Encourage public agencies to focus on high priority, water quality improvement projects statewide including stormwater, nonpoint source and estuary management projects.
- Goal #6:** Provide technical assistance to public agencies by using the principles of effective utility management to assess financial, operational, managerial and infrastructure capability needs that will result in water quality improvement.
- Goal #7:** Provide small public agencies with additional assistance that will result in their ability to complete water quality protection and improvement projects.
- Goal #8:** Ensure program budget adequately supports resources and administrative costs.
- Goal #9:** Encourage public agencies to use planning loans for water quality improvement and protection projects that incorporate sustainability and integrate natural green infrastructure with traditional gray infrastructure.
- Goal #10:** Continue coordination and cooperation with other state and federal programs in providing financial assistance to Oregon public agencies.
- Goal #11:** Solicit input from a standing external advisory committee on program development and implementation issues, as appropriate.

## Short Term Program Goals

- Goal #1:** Continue to maintain the revolving nature of the fund and an active pace of disbursements in conjunction with the receipt of new funds and loan repayments.
- Goal #2:** Provide the type and amount of financial assistance most advantageous to public agencies, to the maximum extent possible within the constraints of sound financial management, law and regulation.
- Goal #3:** Provide additional subsidization as required by the federal fiscal year 2014 and 2015 capitalization grants.
- Goal #4:** Fund green infrastructure, water or energy efficiency improvements or environmentally innovative projects that total the amount required by the federal fiscal year 2014 and 2015 capitalization grants.

# Federal Capitalization Grant Requirements

DEQ must comply with EPA capitalization grant requirements to receive its federal funding allocation. The annual EPA capitalization grant provides additional funding to the CWSRF that increases DEQ's capacity to fund water quality improvement projects. This IUP includes the federal fiscal year (FFY) 2014 (Oct. 1, 2013 through Sept. 30, 2014) capitalization grant.

On July 25, 2014 DEQ applied for the FFY 2014 capitalization grant, and was awarded the grant for \$15,839,000 on September 15, 2014. This IUP addresses requirements to fund green projects and to provide additional subsidization, which DEQ offers in the form of principal forgiveness throughout this IUP.

On March 9, 2015 EPA notified DEQ that the capitalization award for FFY 2015 would be in the amount of 15,862,000. DEQ plans to apply for the entire FFY 2015 grant when it becomes available.

## FFY 2014 Cap Grant Payment Schedules

The payment schedule for the FFY 2014 capitalization grant is:

July – Sept. 2014: \$6,000,000,  
Oct. – Dec. 2014: \$6,000,000,  
Jan. – March 2015: \$3,839,000

The payment schedule for the FFY 2015 capitalization grant is:

July – Sept. 2015: \$6,000,000,  
Oct. – Dec. 2015: \$6,000,000,  
Jan. – March 2016: \$3,862,000

DEQ will disburse 100 percent of the required state match prior to disbursing any of the associated federal grant funds.

## Program Administration

### Administrative Expenses

DEQ charges an annual fee in the amount of 0.5 percent of the unpaid balance (beginning with the second payment) as prescribed in OAR 340-054-0065(6). As part of DEQ's 2012 CWSRF rulemaking, the annual fee on loans in repayment was reduced from 0.5 percent to 0.25 percent starting Jan. 1, 2013, through Dec. 31, 2014, to align the program's administrative account balance with program expenditures. The temporary annual fee reduction will benefit borrowers and not adversely impact DEQ's ability to administer the program. Currently, annual fees are adequate to support DEQ's administration of the program, and DEQ will continue to monitor the fees fund to ensure the revenue source is adequate. Revenues from this fee are kept in an account outside the regular CWSRF and are used exclusively to pay CWSRF program administrative costs. As of June 30, 2014, the CWSRF program had approximately \$4.55 million in the administrative fund available for administrative expenses.

DEQ uses the annual fee revenue to pay administrative expenses for program operations and therefore chooses to bank the 4 percent allowed under the capitalization grant for administrative use. The banked authority stands at \$6.53 million after deducting \$405,588 in fees that were identified to have been deposited in the CWSRF loan



fund and transferred incorrectly into the administrative fund as well as \$273,137 in bond administration costs erroneously identified as bond issuance. See Figure 1 below for a recap of the total grants, administrative allowance, allowance used and the remaining banked authority.

**Figure 1: Total of Banked authority**

Total Cap Grants through 2014	431,657,785
4% admin allowance	17,266,311
Allowance used through 6/30/2014	10,101,744
Banked authority remaining	7,164,567

## Funding Options

Two funding options are available through the CWSRF program: loans with terms not-to-exceed the lesser of 20 years or the useful life of the asset and a bond purchase agreement for treatment works projects not-to-exceed the lesser of 30 years or the useful life of the asset.

## Terms and Conditions

### Loans

The CWSRF offers loans with maximum repayment duration of 20 years after project completion, and interest rates based on the average 20-year municipal bond rate, as published by the Federal Reserve. Loans with shorter repayment 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 CWSRF loan interest rate on loans signed in the subsequent calendar quarter. These percentages are stated in OAR 340-054-0065(4).

Interest rates for 20 year loans signed during the period April 1, 2015 through June 30, 2015 will be about 1.40 percent for small communities with median household income (MHI) below the statewide MHI, and about 1.93 percent for all other communities. Beginning July 1, 2015, loans will have rates based on the average municipal bond rates during the April through June period. New rates will be calculated and published on the [CWSRF website](#) in July for the next quarter.

### Bond Purchases

On Feb. 3, 2014, the DEQ adopted OAR 340-054-0072, which made longer-term financing available for treatment works projects via a bond purchase, with maximum repayment duration of 30 years not to exceed the useful life of the asset. Interest rates are calculated the same as above with a small added premium for certain borrowers.

As part of this rulemaking, DEQ made a one-time offer allowing a select number of existing CWSRF loans the opportunity to refinance under a bond purchase agreement if the borrower met certain criteria. DEQ identified 14 existing borrowers representing 19 loans that met these criteria - 6 of which decided to refinance their 10 loans. These 6 borrowers have until Feb. 1, 2016 to complete their loan refinance with a bond purchase.

## Applications

DEQ published and sent out an annual program update and newsletter in December 2014 to cities, service districts, sanitary districts, watershed councils, irrigation districts and other interested parties to solicit applications for CWSRF financing. DEQ encourages public agencies to submit a completed application for all eligible projects regardless of the project schedule or status. Although DEQ accepts applications at any time,

application deadlines are set prior to DEQ’s scoring meetings. The deadline for applications to be considered for funding during DEQ’s SFY 2015 is Aug. 8, 2014, Dec. 12, 2014, and April 10, 2015.

Under OAR 340-054-0025(6), projects must submit an annual written project status report to remain on the priority list. Under OAR 340-054-0025(6)(a), projects will remain on the priority list for up to 36 months, after which they will be removed from the list. DEQ also removes projects from the list upon execution of a borrowing agreement or upon request by the applicant.

This IUP Update #3 includes 22 projects for a total of \$167,368,312 in requested funding. Since Update #2, DEQ has not received any new applications.

Following in Table 1 is a brief description of each project, organized in alphabetical order, which includes:

- Newest applications are identified with a project number ending in “15.”
- Applicants that serve populations of 10,000 or less are indicated as eligible for small community reserve funds as defined by administrative rule.
- Projects that meet categorical green project reserve requirements are identified with qualified funding.

## Table 1: Project Descriptions

<b>Application Number</b>	<b>Application Name (County) And Description</b>	<b>Requested Amount</b>
<b>11750-13</b>	<b>City of Ashland (Jackson County)</b>	<b>\$11,200,000</b>
Sec. 212 Design and Construction. New oxidation ditch and pipeline improvements to provide sufficient treatment during high flows. This project includes a sponsorship project in the amount of \$1,300,000 to partially replace an irrigation canal with a pipeline. This piping project is consistent with Oregon Nonpoint Source Management Plan sections 2.3.3 and 3.3.1.		
<b>13840-15</b>	<b>City of Bay City (Tillamook County)</b>	<b>\$190,000</b>
Sec 212 Planning. Facility plan to develop and complete a mixing zone analysis and a sewer system evaluation including the impact of I&I remediation, the effectiveness of the existing outfall, and an investigation of the options for biosolids disposal.		
<b>14500B-15</b>	<b>City of Bend (Deschutes County)</b>	<b>\$5,450,000</b>
Sec. 212 Design and Construction. Design and rehabilitation of five identified areas and corrosion control throughout of the existing plant interceptor of the collection line.		
<b>14500C-15</b>	<b>City of Bend (Deschutes County)</b>	<b>\$7,895,000</b>
Sec. 212 Design and Construction. Design and construction of a bypass valve and new force main within the north area.		
<b>14500D-15</b>	<b>City of Bend (Deschutes County)</b>	<b>\$12,691,108</b>
Sec. 212 Design and Construction. Design and construction of a new lift station and force main in the southwest area and existing capacity improvements for the trunk line.		
<b>14500E-15</b>	<b>City of Bend (Deschutes County)</b>	<b>\$63,000,000</b>
Sec. 212 Design and Construction. Design and construction of a large diameter gravity sanitary sewer pipeline within the south east portion of the city.		

<b>Application Number</b>	<b>Application Name (County) And Description</b>	<b>Requested Amount</b>
<b>18200-15</b>	<b>City of Brookings (Curry County)</b>	<b>\$3,214,470</b>
<p>Sec. 212 Design and Construction and Small Community. Design and construction of interceptor, pump testing and pump upgrades, aeration blower upgrade, I&amp;I study, and methane storage and fats, oils, and grease feasibility study. This project includes a sponsorship option in the amount of \$845,385 of stormwater, drainage improvements, water conservation planning. Sponsorship options includes:</p> <ul style="list-style-type: none"> <li>• Bio swale and stormwater retention, Chetco River creek restoration and drainage improvements, water conservation plan update, stormwater plan implementation planning, and stormwater education and outreach.</li> <li>• Redirect drainage of a wet weather management system for parking areas to existing bio-swales and improve storm drainage and outreach assistance to mimic natural hydrology and increase effective permeable surfaces; qualifies for green project reserve funding; \$355,000 categorically green infrastructure (1.2-2)</li> <li>• Update the water conservation plan to identify options for reducing water use and possibly reuse wastewater effluent; this will be incorporated into the project design; qualifies for green project reserve funding; \$25,000 categorically water efficiency improvement (2.2-5).</li> </ul> <p>The sponsorship projects are consistent with Oregon Nonpoint Source Management Plan sections 1.2, 2.3.4, 3.3.2, and 5.3.10.</p>		
<b>24000-15</b>	<b>City of Coos Bay (Coos County)</b>	<b>\$21,836,876</b>
<p>Sec. 212 Design and Construction. Design and construction of a new wastewater treatment facility. The new plant will provide additional capacity and UV disinfection. This project includes a sponsorship option in the amount of \$2,200,000 of stormwater and riparian enhancements. Sponsorship options includes:</p> <ul style="list-style-type: none"> <li>• Create a Stormwater Management Plan and Stormwater Ordinance development, replacement of a culvert and stream bank restoration, and development of a pet waste management program.</li> <li>• Establish and restore permanent riparian buffers and other natural features within a highly urbanized watershed, to mimic natural hydrology and increase effective permeable surfaces at Chicksees Creek and First Creek, \$975,000; qualifies for green project reserve funding under the categorically green infrastructure (1.2-7).</li> <li>• Retrofit of urbanized areas to include low impact development, install rain gardens with signage for education and outreach, \$550,000; qualifies for green project reserve funding under the categorically green infrastructure (1.2-1).</li> </ul> <p>The sponsorship projects are consistent with Oregon Nonpoint Source Management Plan sections 1.2, 2.3.4, 3.3.2, and 5.3.10.</p>		
<b>26110-15</b>	<b>City of Dallas (Polk County)</b>	<b>\$7,000,000</b>
<p>Sec. 212 Design and Construction. Project for expansion of the irrigation of treated (Class A) effluent in parks, playgrounds, and athletic fields to include industrial uses and residential landscape irrigation. The project also includes rehabilitation of 5,000 LF of an interceptor sewer line to avoid SSOs during high flow events. This project includes The following:</p> <ul style="list-style-type: none"> <li>• A sponsorship option in the amount of \$1,750,000 that is the acquisition of 460 acres of land adjacent to Mercer Reservoir for protection. The reservoir is the City's drinking water supply.</li> <li>• The project will reuse 37% (1 MG out of 2.7MG total) of Class A treated effluent at a cost of \$6M and requires a business case to qualify for green project reserve under GPR guidance section 2.4.</li> </ul> <p>The sponsorship option is supported by section 3.4.3 of the 2014 Oregon Nonpoint Source Management Plan.</p>		
<b>27850-15</b>	<b>Dexter Sanitary District (Lane County)</b>	<b>\$25,000</b>
<p>Sec. 212 Planning. This plan will evaluate Dexter Sanitary District's treatment plan to determine priority failure points for subsequent repair and upgrades especially as it relates to overflows and issues with I&amp;I throughout the system.</p>		

<b>Application Number</b>	<b>Application Name (County) And Description</b>	<b>Requested Amount</b>
<b>31740-15</b>	<b>City of Estacada (Clackamas County)</b> Sec. 212 Design and Construction and Small Community. Construction of a nitrifying trickling filter for tertiary treatment of ammonia.	<b>\$650,000</b>
<b>37450-14</b>	<b>City of Glendale (Douglas County)</b> Sec. 212 Design and Construction and Small Community. Design and construction of upgrades to the headworks, pump station, treatment unit, tertiary sand filter, and reconstruction of existing outfall.	<b>\$1,600,000</b>
<b>37820-15</b>	<b>City of Gold Hill (Jackson County)</b> Sec 212 Design and Construction. I&I correction work to include pipeline replacement and manholes repair. This is an interim financing loan for USDA.	<b>\$1,334,200</b>
<b>45760-15</b>	<b>City of Hood River (Hood River County)</b> Sec. 212 Design and Construction. Design and construction of a new sewer outfall to meet permit conditions.	<b>\$2,762,000</b>
<b>68931-14</b>	<b>City of Newport (Lincoln County)</b> Sec. 319 Design and Construction. Replacement of unpermitted storm sewer pipe that has collapsed. The project will address deficiencies in the drainage system by increasing the system's flow capacity and correcting structural failures. This project is consistent with the Oregon Nonpoint Source Management Plan section 2.1.	<b>\$1,982,122</b>
<b>69630-15</b>	<b>City of North Powder (Union County)</b> Sec. 212 Planning. Completion of a facility plan to evaluate the collection system and the wastewater treatment facility. The City has an MAO for BOD, TSS, <i>E.coli</i> and disinfection.	<b>\$33,750</b>
<b>73540-15</b>	<b>City of Pilot Rock (Umatilla County)</b> Sec. 212 Planning. Completion of a facility plan to evaluate the collection, treatment, storage, and disposal systems. This is to address the warning letter of non-compliance in the current system. The WWFP will help identify and prioritize the needs of the system. If the plan is enacted it will protect the shallow groundwater at the treatment and disposal lagoon locations.	<b>\$25,000</b>
<b>74680-15</b>	<b>City of Prineville (Crook County)</b> Sec. 212 Design and Construction. Upgrade of collection line, wastewater treatment and riparian improvements. Installation of a wetland disposal system with their NPDES permit. The community is going from a minor NPDES permit to a major NPDES permit with a year round discharge. Interim loan with long term funding with USDA. Project meets the following GPR criteria: <ul style="list-style-type: none"> <li>• Energy Efficiency: Project eliminates the need for pumps that achieves a 20% savings per year (1.50 MWH currently to 1.2 MWH projected which includes the entire plant operation including irrigation). This activity meets the definition of green energy efficiency and does not require a business case; meeting GPR Criteria 3.2-2 (\$2,819,500 million of project cost funded by DEQ). The city will need to document the 20% energy efficiency claimed to be credited as a GPR project, in accordance with EPA GPR guidance.</li> <li>• Green Infrastructure: Project meets the definition of green storm water infrastructure as it is a wetland restoration along 3 miles of the Crooked River. This meets GPR Criteria 1.2-7 and 1.2-8a (\$680,500 of the requested loan amount).</li> </ul>	<b>\$3,500,000</b>

<b>Application Number</b>	<b>Application Name (County) And Description</b>	<b>Requested Amount</b>
<b>78270-15</b>	<b>Rock Creek District Improvement Company (Wasco County)</b> Sec. 212 Design and Construction and Small Community. Design and construction of HDPE piping along 1.76 miles of the main canal. \$270,786 qualifies for water efficiency green project reserve funding (2.2-8). This project is consistent with Oregon Nonpoint Source Management Plan sections 2.3.3 and 3.3.1.	<b>\$270,786</b>
<b>83810-13</b>	<b>City of Sheridan (Yamhill County)</b> Sec. 212 Design and Construction and Small Community. Design and construction of improvements to the main lift station and associated force main.	<b>\$1,700,000</b>
<b>89540-15</b>	<b>City of Sutherlin (Douglas County)</b> Sec. 212 Design and Construction and Small Community. Design and construction of upgrades to the pump station, headworks , new sequencing batch reactor (SBR) treatment unit, tertiary filters, and UV disinfection system. A portion of the existing facility will be converted to biosolids treatment unit. The City will eliminate transportation of their sludge to a local farm. The reduce diesel consumption by 89% (3318 gallons per year to 370 gallons per year), \$1,160,000; may qualify for energy efficiency green reserve funding (3.2-2).	<b>\$18,242,000</b>
<b>93640-15</b>	<b>Vernonia (Columbia County)</b> Sec. 212 Design and Construction. The scope of the project includes three primary components for upgrades to its wastewater treatment facility including: a new dissolved air flotation and filtration facility, raising the dikes that surround the lagoons, and installing an infiltration gallery to allow hyporheic discharge of treated effluent. This is an interim loan with longer-term funding with USDA.	<b>\$2,800,000</b>

## Project Priority List in Alphabetical Order

[Appendix 1](#) includes all projects for which DEQ has received applications, whether or not the project is ready to proceed. To be awarded funding, an applicant must complete all applicable CWSRF requirements. The project priority list is in alphabetical order by applicant, and includes the following additional information required by EPA: (1) amount requested; (2) priority ranking; (3) EPA needs category; (4) water quality permit number (for federal NPDES permits EPA’s “OR” identification number is listed and for state WPCF permits the DEQ identification number is listed); and (5) preliminary project schedule.

## Project Priority List in Rank Order

[Appendix 2](#) includes the same projects listed in Table 1; however, this list is sorted in project rank order. [Appendix 2](#) also includes the points assigned during the scoring process, applicable green project reserve category, and an indication whether the project was submitted by a small community as defined under OAR 340-054-0010(28), or is for facility planning, or both.

## Applicants Ready to Proceed

DEQ’s CWSRF program staff score and rank each eligible application submitted, and then the project is included in the IUP. DEQ will only fund a project if it is included in the IUP and is ready to proceed. “Ready to proceed” means satisfying all CWSRF requirements, including, but not limited to: a land use compatibility statement; an environmental review (if applicable); and documentation supporting compliance with the federal cross-cutting authorities. An applicant is not considered ready to execute an agreement until all requirements have been

satisfied. DEQ will offer funding to ready-to-proceed applicants throughout the year and will be reflected in subsequent IUP updates.

[Appendix 3](#) indicates two applicants at this time have submitted project applications and also have completed all CWSRF requirements.

## **Funding Award By-Pass Procedure**

The CWSRF program may not always have sufficient funds available to offer funding to all projects that are ready to proceed. In this situation, DEQ will award funding to projects that are ready to proceed in rank order based on the Project Priority List ranking as published in the IUP. If an applicant declines funding, DEQ will go to the next highest ranking project and offer funding to that project, until all available CWSRF funds have been committed. If the number of projects ready to proceed does not draw down all available CWSRF program funds, DEQ will award funding without regard to ranking, since available funds will accommodate all projects ready to proceed. This encourages applicants to proceed with their projects and CWSRF funds are used in a timely manner. This procedure allows DEQ to fund a lower ranking project ahead of a higher ranking project if the lower ranking project is ready to proceed while the higher ranking project is not. DEQ will use this same procedure for the Green Project Reserve and principal forgiveness funding to ensure these are fully obligated in accordance with DEQ and federal requirements.

## **Priority Ranking Criteria**

DEQ used criteria in OAR 340-054-0026 to rank projects.

Table 1: CWSRF Project Ranking Criteria for Non-planning Loans and OAR 340-054-0027. Non-planning project ranking criteria include: water quality standards and public health considerations; watershed and health benefits; and other considerations.

Table 2: CWSRF Project Ranking Criteria for Planning Loans to score the new projects in this IUP. Planning projects are ranked similarly to the non-planning applications.

## **Estimated Funds Available for SFY 2015**

[Appendix 4](#) provides the calculation of funds available for SFY 2015 and includes the first half of SFY 2016 (hereafter referred to as SFY 2015 for this section only). This calculation includes the FFY 2014 capitalization grant in the amount of \$15,839,000 and an estimate of the FFY 2015 capitalization grant in the estimated amount of \$15,862,000.

### **Sources of Funds**

#### ***Federal Capitalization Funds***

DEQ will allocate any additional federal or state funds that become available during SFY 2015 based on this IUP. The FFY 2014 and FFY 2015 capitalization grant award will include a proposed federal payment schedule based on project schedules and when the cash will be needed.

#### ***State Match***

In March 2015, DEQ sold bonds in the amount of \$4,812,251 to raise matching funds for up to \$24,000,000 in future federal capitalization grant money including the anticipated FFY 2015 capitalization grant. Principal and interest repayments included in [Appendix 4](#) are payments received by DEQ through SFY 2013, SFY 2014 and an estimate SFY 2015. [Appendix 4](#) represents the timing of the funds supply to the demand for funds. DEQ has the statutory and budgetary authority to raise sufficient match in order to provide the required 20% state contribution as needed.

### ***Investment Earnings***

Investment earnings are projected conservatively for SFY 2015 based on low-market interest rates and the relatively high cash balance of the CWSRF. The long term goal is to keep cash reserves low by balancing the need for cash to cover variability in project completion schedules against the goal of keeping funds in use by communities. As the program's available cash balance gradually declines due to the disbursement of funds to borrowers, investment interest earnings also will gradually decline.

### ***Repayments***

Projected SFY 2015 repayments (principal repayments and interest payments) in the amount of \$45,498,370 are 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 at this time but are expected to be in repayment before the end of 2015.

The estimates for 2) and 3) are less time-certain because they are dependent upon timely project completion. Repayment schedules are delayed frequently when projects finish later than anticipated. However, unscheduled prepayments increase the actual repayments received. New agreements for short-term projects also increase the repayments actually received. The net effect of these factors in recent years has been to increase actual repayments received over the amount projected. In addition, this estimate of repayments does not include repayments from agreements not yet executed, but which could be signed and in repayment during SFY 2015.

The amount of repayments stated above includes DEQ's estimate of repayments, based on existing agreements through SFY 2014 with an estimate of SFY 2015. SFY 2015 is included in this calculation as the demand for disbursement funds has historically been spread over at least three years after the agreement is signed. Additionally, the inclusion of repayments supports the supply of funds to the demand for funds. Failure to provide funding at a level that can be supported by the program means fewer projects completed and higher balances of CWSRF cash remaining unused. Future calculations of funds available may be adjusted as conditions warrant.

## **Uses of Funds**

### ***Administrative Expenses***

Prior to 2004, DEQ used the 4 percent allowed under the capitalization grant for administrative uses. After 2004, DEQ uses the annual fee revenue to pay administrative expenses for program operations and therefore chooses to bank the 4 percent allowed under the capitalization grant for administrative use. [Appendix 4](#) represents the historical use of this allowance.

### ***Debt Service on Match Bonds***

When state match bonds are sold, the CWSRF program will be required to pay the debt service on the bonds. This has an impact on the dollars available to fund projects this year and in future years. Annual debt service on bonds issued in the amount of \$5,000,000 average approximately \$404,000. In addition to the cost of the SFY 2015 match bonds, the CWSRF also will pay approximately \$1,900,000 in debt service costs during SFY 2015 on bonds issued in previous years. This debt service has a limiting effect on the availability of funds needed for the program over the long term.

## **Funding Allocations**

Each year DEQ establishes a maximum amount per project and sets aside certain amounts for the planning reserve, small community reserve, green project reserve and additional subsidization based on administrative rules. Based on current funds available, the maximum amount per project for SFY 2015 is \$30,938,552.

DEQ does not expect to fund any projects for more than the maximum amount per project. However, this could occur if there are not enough projects are ready to proceed during SFY 2015. If this occurs, any remaining available funding may be offered to existing borrowers in rank order.

## Planning Reserve

The total planning allocation cannot exceed \$3,000,000 per OAR 340-054-0036(1)(b). Projects will be funded until such time as the reserve is fully allocated, or until any remaining reserve is reallocated to design or construction projects. Planning projects that are not fully funded through the planning reserves may be funded with the remaining funds only by competing with all other projects in priority order. If the planning reserve is not used, DEQ will allocate any remaining funds to design or construction projects in priority order during the final quarter of the state fiscal year.

## Small Community Reserve

The small community, population of 10,000 or less, has a small community reserve that cannot exceed 25 percent of the current funds available per OAR 340-054-0036(1)(a). For SFY 2015, the maximum funding under the small community reserve is \$51,564,253. Small community projects that are not fully funded through the small community reserves may be funded with the remaining funds only by competing with all other projects in priority order. If the small community reserve is not used, DEQ will allocate any remaining funds to design or construction projects in priority order during the final quarter of the state fiscal year. For SFY 2016 the IUP will reflect an adjusted total available for this reserve.

## Green Project Reserve

The FFY 2014 capitalization grant requires DEQ to use at least 10 percent of the grant for projects that qualify for funding under the green project reserve. The minimum amount of green project reserve DEQ must provide from the FFY 2014 capitalization grant is \$1,583,900 and for the FFY 2015 capitalization grant will be approximately \$1,586,200.

For a project to obtain green project reserve funding, it must follow the EPA Fiscal Year 2012 GPR Guidance ([http://water.epa.gov/grants\\_funding/cwsrf/upload/FY-2012-SRF-Procedures-and-Attachments.pdf](http://water.epa.gov/grants_funding/cwsrf/upload/FY-2012-SRF-Procedures-and-Attachments.pdf)) for determining project eligibility. [Appendix 2](#) indicates projects that meet the green project reserve under the four categories: Green Infrastructure – GI; Water Efficiency – WE; Energy Efficiency – EE; and Environmentally Innovative Activity – EIA.

[Appendix 5](#) summarizes how DEQ expects to satisfy the FFY 2014 and FFY 2015 green project reserve requirement, in part, by executing an agreement with two projects. First, with the City of Coos Bay, project number 24000-15, application in the amount of \$21,836,876 of which \$1,525,000 is a categorically green infrastructure project. Secondly, with the City of Sutherlin, project number 89540-15, application in the amount of \$18,242,00 of which \$3,500,000 is a categorically energy efficient project.

DEQ will obtain documentation to verify these projects meet the green project reserve eligibility categorically or through a business case prior to execution of funding.

Throughout the year DEQ receives new projects that are included in IUP updates. DEQ anticipates fulfilling the green project reserve requirements for the FFY 2014 and FFY 2015 capitalization grant throughout the year with the eligible ready-to-proceed projects and how DEQ will ultimately allocate green project reserve funding will be identified in subsequent IUP updates. DEQ cannot reallocate the Green Project Reserve funds to any other funding category.



## Additional Subsidization

The FFY 2014 federal Appropriations Act requires states to provide additional subsidization to CWSRF projects. DEQ chooses to award the required additional subsidization in the form of principal forgiveness (PF). Principal forgiveness is applied to the principal amount borrowed effectively reducing the debt and future repayments. The minimum amount of principal forgiveness DEQ must provide from the FFY 2014 capitalization grant is \$861,921.

A thorough eligibility review was completed before the required PF was provided. DEQ fulfilled the PF requirements for the FFY 2014 capitalization grant with an award of the full amount of PF to a planning project loan for the City of Bend as shown in [Appendix 5](#). For the purposes of the FFY 2014 capitalization grant, OAR 340-054-0065(11)(d) allows PF for nonpoint source control and estuary management projects in an amount that may not exceed 30 percent of the principal amount or \$1 million dollars, whichever is less. Planning projects are also eligible for PF under OAR 340-054-0065(11)(e) and are limited to no more than 30 percent of the principal amount for any single planning project. DEQ will determine PF for point source projects as provided in OAR 340-054-0065(11). To calculate PF for section 212 projects DEQ uses median household income as most recently available from the US Census Bureau to determine qualifying communities. A project applicant where the community served by the project has a median household income less than the statewide median household income qualifies. DEQ then uses the median household income of the community the project will serve as a factor in a calculation, based on the American Community Survey to determine an “affordability rate” (ability to repay the debt and projected sewer rate increases). This rate is unique to each project applicant. If a borrower’s projected sewer rate, when the project is complete, will be higher than their affordability rate, the borrower is eligible to receive PF included in the agreement.

For purposes of the FFY 2015 capitalization grant, changes to the Clean Water Act no longer require that state CWSRF programs provide a minimum amount of principal forgiveness. OAR 340-054-0065(11) states that DEQ can only give the minimal amount of principal forgiveness as dictated by the federal government during the federal grant year. Therefore, DEQ cannot allocate any principal forgiveness for the FFY 2015 capitalization grant. DEQ is working to amend rules so that principal forgiveness can be awarded in FFY 2016, please see section: “Impacts of 2014 Clean Water Act Amendments on CWSRF”, p. 3, for more details.

## Proposed SFY 2015 Activity

[Appendix 5](#) includes projects proposed to be funded with SFY 2015 funds based on the calculation of funds available as stated in [Appendix 4](#).

The top section of [Appendix 5](#) shows projects that may receive increases to their existing agreements. The lower section shows new agreements that may be executed, based on applications already received and includes the highest ranking projects that could be funded if ready to proceed. Funds will be allocated as projects become ready to proceed and funds are available. As indicated in this table, there is a remaining balance in the CWSRF fund. DEQ will leave this unallocated balance to provide communities the opportunity to submit project applications during SFY 2015 and obtain funding as allowed under CWSRF requirements. DEQ may also offer remaining available funds to an existing borrower in excess of the 15 percent annual funding limit, if all new requests are funded (OAR 340-054-0036(3)(a)(A)).

[Appendix 5](#) is an estimate only and the actual SFY 2015 funding activity may be different based on the demand for funds, the overall ranking of projects, projects’ readiness to proceed and recent rule amendments. Any remaining available funds will be obligated as applicants become ready to proceed and request agreements. DEQ has provided for an amount in subsidization based on the FFY 2014 and conditional FFY2015 capitalization grant. For the FFY 2015 requirement, OAR 340-054-0065(11) dictates that DEQ provide \$0 in principal

forgiveness. Please refer to section “Impacts of 2014 Clean Water Act Amendments on CWSRF”, for more details on how DEQ is working to amend that law to provide principal forgiveness in the future.

## Timely Use of Funds

DEQ intends to use funds in the CWSRF program in a timely and expeditious manner. EPA requires funds to be committed within one year of availability, with some exceptions. [Appendix 6](#) documents DEQ's CWSRF program compliance with this requirement, including information by project for early repayments. DEQ has three years to commit early principal payments. Several prepayments from the cities of Athena, Coburg, Creswell and Neskowin Sanitary District were received since the SFY 2015 IUP.

For the past three years, DEQ has experienced a slow pace in obligating funds. This decrease in pace is due to a number of factors that have discouraged the demand for public agencies to enter into loan agreements: the recent economic recession and new Oregon water quality permit laws. Oregon CWSRF also experienced unanticipated early re-payments totaling \$70.3 million in less than two years that has impacted the timely use of funds. To address the slow lending pace, DEQ is working on a short and long-term plan. In the short-term, DEQ is working to encourage larger borrowers to apply for funds and in the longer-term DEQ will be evaluating internal and external issues that affect pace in the program and will have targeted strategies such as a marketing strategy and program improvements that will help increase pace.

## Binding Commitments and Funds Available

EPA's Memorandum #SRF 99-05 requires the CWSRF program to execute binding commitments at least equal to the amount of funds available in the program, within one year of that fund availability. [Appendix 6](#) calculates the amount of funds available in 2014 and compares that amount to the binding commitments executed as of February 28, 2015. [Appendix 6](#) identifies the binding commitments including the details of early repayments from applicants during SFY13-15.

## Environmental Review

EPA approved DEQ's current state environmental review process in Feb. 2008 and documentation of this process is available upon request and can be found on DEQ's website.

At a minimum, projects equal to the amount of EPA's capitalization grants must comply with federal cross-cutter laws. DEQ is in compliance with the federal cross cutter requirements, and all DEQ design and construction projects must comply with federal cross-cutting authorities.

## Operating Agreement

The operating agreement between the EPA Region 10 and the DEQ for the CWSRF includes procedures, assurances, certifications, applicable federal authorities and laws, and other on-going documentation required for the program. The Operating Agreement is discussed here to incorporate the required assurances, certifications and other documentation by reference. Copies of the operating agreement are available upon request.

## Single Audit Act

Borrowers who have been disbursed federal funds under DEQ's CWSRF program may be subject to the requirements of the Single Audit Act and OMB Circular A-133. DEQ will monitor borrowers' compliance with those requirements in an amount equal to the capitalization grants.

# Public Involvement

## Public Notice of Environmental Assessment

Applicants must complete an environmental impact analysis for projects funded under the Clean Water Act, Section 212. The environmental review process includes the opportunity for public review and comment, which is generally a 30-day period. DEQ issues a public notice for each project in the local area where the project occurs. This public notice may also be required for Clean Water Act Section 319 and Section 320 projects that also are considered Section 212 projects.

## Public Notice

DEQ sent an announcement to all Oregon jurisdictions, sanitary districts, and other interested parties in December 2014 that encouraged eligible public agencies to submit applications. The following public notice inviting comments on the Proposed Intended Use Plan – Update #3 was printed in the Daily Journal of Commerce on Friday April 3, 2015.

**Public Notice**  
**Oregon DEQ Clean Water State Revolving Fund**  
**Proposed Intended Use Plan – Update #3**  
**State Fiscal Year 2015**

**Notice Issued:** April 3, 2015  
**Comments Due:** May 4, 2015

## **What is Proposed?**

The Oregon Department of Environmental Quality has prepared a *Proposed Intended Use Plan- Update #3, State Fiscal Year 2015* 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 *Proposed Intended Use Plan- Update #3*.

## **Description of Proposed Intended Use Plan – Update #3**

The *Proposed Intended Use Plan- Update #3, State Fiscal Year 2015* will fund approximately \$206 million for planning, design, or construction of projects needed to address water quality improvement in Oregon. The *Proposed Intended Use Plan- Update #3* includes no new applications on the Project Priority List that applied for funding.

## **To Receive a Copy of the Proposed Intended Use Plan- Update #3**

A copy of the *Proposed Intended Use Plan- Update #3, State Fiscal Year 2015* is available on DEQ's website at: <http://www.deq.state.or.us/wq/loans/iup.htm>. Comments on this IUP must be submitted in writing via mail, fax, or email any time prior to the comment deadline of 5:00 p.m. on Monday, May 4, 2015. Written comments may be mailed, faxed or e-mailed to:

Mail: Oregon DEQ, Water Quality Division  
Attn: Katie Foreman  
811 SW Sixth Ave.  
Portland, OR 97204-1390  
Fax: (503) 229-6037  
Email: [intendeduseplancomments@deq.state.or.us](mailto:intendeduseplancomments@deq.state.or.us)

## **Notification of IUP**

DEQ sent e-mail notification to the following:

David Carcia  
U.S. Environmental Protection Agency  
1200 6<sup>th</sup> Avenue, Suite 900, Seattle, WA 98101

Janet Gillaspie, Executive Director  
Oregon Association of Clean Water Agencies  
107 SE Washington St., Suite 242, Portland, OR 97214

# Appendices

## Appendix 1: Project Priority List in Alphabetical Order

Applicant	Project #	Amount Requested (\$)	EPA Needs Category	Permit Number	Preliminary Project Schedule		
					Agreement	Start	Completion
Ashland	11750-13	11,200,000	I,IV-B,VII	OR0026255	Sep-15	Oct-15	Jun-16
Bay City	13840-15	190,000	I, III-A, III-B	101025	Jun-15	Jun-15	Dec-16
Bend	14500D-15	12,691,108	III-B, IV-A	OR101572	Oct-15	Nov-15	Oct-16
Bend	14500B-15	5,450,000	III-B	OR101572	Sep-15	Sep-15	Aug-17
Bend	14500C-15	7,895,000	III-B	OR101572	Sep-15	Sep-15	Jun-17
Bend	14500E-15	63,000,000	IV-B	OR101572	Sep-15	Sep-15	Dec-17
Brookings	18200-15	3,214,470	I,II,III-A, III-B, IV-A, IV-B, VI, VII-B, VII-D, VII-E	101773	Sep-15	Sep-15	Nov-16
Coos Bay	24000-15	21,836,876	I	100771	Sep-15	Sep-15	Oct-16
Dallas	26110-15	7,000,000	I, II, III-A, X	101518	Jun-15	Jul-15	Aug-16
Dexter Sanitary District	27850-15	25,000	III-A, III-B, V	N/A	Jun-15	Jun-15	Jul-15
Estacada	31740-15	650,000	II	101542	Feb-15	Feb-15	May-16
Glendale	37450-14	1,600,000	I	OR0026409	Jun-15	Jan-16	Jan-16
Gold Hill	37820-15	1,334,200	III-B	OR102404	Jun-15	Nov-15	Nov-17
Hood River	45760-15	2,726,000	III-B	OR0020788	Sep-15	Jul-16	Oct-16
Newport	68931-14	1,982,122	VII-E,VII-F	N/A	Jul-16	Apr-16	Sep-17
North Powder	69630-15	33,750	III-B	OR002240-3	Jun-15	Jan-15	Jan-16
Pilot Rock	73540-15	25,000	I	971357	Jun-15	Dec-14	Jun-15
Prineville	74680-15	3,500,000	I	OR0023612	Jun-15	Jul-15	Oct-17
Rock Creek Irrigation Company	78270-15	270,786	VII-A	N/A	Oct-15	Dec-15	Jan-16
Sheridan	83810-13	1,700,000	III-B	OR0020648	Jul-15	Jul-15	Jun-16
Sutherlin	89540-15	18,242,000	I	OR0020842	Jan-15	Jul-16	Dec-17
Vernonia	93640-15	2,800,000	I	OR002256-0	Jun-15	Mar-15	Jun-16

## Appendix 2: Project Priority List in Rank Order

Priority Ranking	Scoring	Project Number	Applicant	Amount Requested	Green Project Reserve Category and amount	Small Community & Facility Planning
1	90	11750-13	Ashland	11,200,000		
2	69	74680-15	Prineville	3,500,000	GI - \$680,500, EE - \$2,819,500	SC
3	66	24000-15	Coos Bay	21,836,876	GI - \$1,525,000	
3	66	89540-15	Sutherlin	18,242,000	EE - \$3,500,000	SC
4	64	18200-15	Brookings	3,214,470	GI - \$355,000, WE - \$25,000	SC
5	62	31740-15	Estacada	650,000		SC
6	58	37450-14	Glendale	1,600,000		SC
7	55	37820-15	Gold Hill	1,334,200		SC
8	54	45700-15	Hood River	2,726,000		SC
9	52	93640-15	Vernonia	2,800,000		SC
10	51	78270-15	Rock Creek District Improvement Company	270,786	WE - \$270,786	SC
11	45	83810-13	Sheridan	1,700,000		SC
11	45	26110-15	Dallas	7,000,000	WE - \$6,000,000	
12	44	68931-14	Newport	1,982,122		
13	37	14500B-15	Bend	5,450,000		
13	37	14500C-15	Bend	7,895,000		
13	37	1.45E-11	Bend	63,000,000		
14	36	14500D-15	Bend	12,691,108		
15	19	27850-15	Dexter Sanitary District	25,000		FP
16	17	13840-15	Bay City	190,000		SC & FP
16	17	69630-15	North Powder	33,750		SC & FP
16	17	73540-15	Pilot Rock	25,000		SC & FP

## Appendix 3: Applicants Ready to Proceed

Priority Ranking	Scoring	Project Number	Applicant	Amount Requested	Green Project Reserve Category and amount	Small Community & Facility Planning
15	19	27850-15	Dexter Sanitary District	25,000	N/A	FP
16	17	69630-15	North Powder	33,750	N/A	SC & FP

## Appendix 4: Estimated Funds Available for SFY 2015

Sources of Funds	Actual Through SFY 2014	Actual and Estimated SFY 2015	Estimated For SFY 2016	Total
Federal Capitalization Grants	415,818,785	15,839,000	15,862,000	447,519,785
State Match	78,754,473	4,812,251	0	83,566,724
Investment Earnings	34,461,508	1,018,978	900,000	36,380,486
Loan Principal Repayments	489,409,852	34,319,178	25,257,140	548,986,170
Loan Interest Payments	156,542,187	11,179,192	11,133,248	178,854,627
Transfer From Loan Fees Account	3,000,000	0	0	3,000,000
<b>Total Sources of Cash</b>	<b>1,177,986,805</b>	<b>67,168,599</b>	<b>53,152,388</b>	<b>1,298,307,792</b>
<b>Uses of Funds</b>				
Loans and Amendments	1,026,425,061	7,145,740	N/A	1,033,570,801
Administration Expense paid with Grant	10,101,744	0	0	10,101,744
Debt Service on Match Bonds	44,336,040	2,007,927	2,034,267	48,378,234
<b>Total Uses of Cash</b>	<b>1,080,862,845</b>	<b>9,153,667</b>	<b>2,034,267</b>	<b>1,092,050,779</b>
<b>Sources of Cash less Uses of Cash</b>	<b>97,123,960</b>	<b>58,014,932</b>	<b>51,118,121</b>	<b>206,257,013</b>
<b>Net Available to Loan - FY 2015</b>	<b>N/A</b>	<b>N/A</b>	<b>206,257,013</b>	<b>206,257,013</b>



## Appendix 5: Estimated SFY 2015 Activity

Project	Facility Planning	Small Comm.	GPR Funding	Other	FP,SC,GPR and Other Total	Subsidy	Remaining Available CWSRF Funds
Current Available Funds	3,000,000	51,564,253	3,170,100	148,522,660	206,257,013	861,921	206,257,013
<b>Use of Available Funds - Increases</b>							
Coquille*		28,000			28,000		206,229,013
Hermiston*				2,500,000	2,500,000		203,729,013
Newberg				25,000,000	25,000,000		178,729,013
Myrtle Point		5,000,000			5,000,000		173,729,013
Bend				11,000,000	11,000,000		162,729,013
Columbia City				350,000	350,000		162,379,013
<b>Subtotals</b>	0	5,028,000	0	38,850,000	43,878,000	0	
<b>Balance</b>	3,000,000	46,536,253	3,170,100	109,672,660	162,379,013	861,921	162,379,013
<b>Use of Available Funds - New Loans</b>							
Ashland				11,200,000	11,200,000		151,179,013
Bay City		190,000			190,000		150,989,013
Bend *	3,000,000			939,246	3,939,246	861,921	147,049,767
Bend				5,450,000	5,450,000		141,599,767
Bend				7,895,000	7,895,000		133,704,767
Bend				12,691,108	12,691,108		121,013,659
Bend **				31,989,268	31,989,268		89,024,391
Brookings		3,214,470			3,214,470		85,809,921
Coos Bay		20,311,876	1,525,000		21,836,876		63,973,045
Dallas		7,000,000			7,000,000		56,973,045
Dexter Sanitary District		25,000			25,000		56,948,045
Estacada				650,000	650,000		56,298,045
Glendale		1,600,000			1,600,000		54,698,045
Gold Hill		1,334,200			1,334,200		53,363,845
Hood River				2,726,000	2,726,000		50,637,845
Newport				1,982,122	1,982,122		48,655,723
North Powder		33,750			35,750		48,619,973
Pilot Rock		25,000			25,000		48,594,973
Prineville		3,500,000			3,500,000		45,094,973
Rock Creek		270,786			270,786		44,824,187
Sheridan		1,700,000			1,700,000		43,124,187
Sutherlin		1,160,000	1,645,100	15,436,900	18,242,000		24,882,187
Vernonia		2,800,000			2,800,000		22,082,187
<b>Subtotal</b>	3,000,000	43,165,082	3,170,100	90,959,644	140,296,826	861,921	
<b>Balance</b>	0	3,371,171	0	18,713,016	22,082,187	0	

\*Signed loan

\*\*Current request exceeds maximum allowed per OAR-340-054-0036 (3)(a)(A). At the end of SFY2015 the DEQ may allocate remaining funds.

## Appendix 6: Binding Commitments and Funds Available

Total Federal Cap Grants Awarded	Total State Match	Total Principal Repayments	Total Interest Repayments	Total Investment Interest	Total Early Principal Repayments And other allowances SFY 13, 14*	TOTAL FUNDS AVAILABLE
415,818,785	78,669,335	489,409,852	156,542,188	34,494,675	-133,279,673	1,174,934,835
					2013	-63,773,930
					2014	-6,529,025
					Admin allowance	-16,632,751
					Bond debt service	-46,343,967
					adjusted total	1,041,655,162
<b>Total Binding Commitments as of February 28, 2015:</b>						1,033,570,801
<b>Binding Commitments as a Percentage of Funds Available From 2014:</b>						<b>99.2%</b>

### EARLY REPAYMENTS DEQ HAS RECEIVED FROM BORROWERS

Borrower	Amount	State Fiscal Year
Brookings 18230	7,257,408	FY 13
Veneta 93621	95,652	FY 13
Corvallis 24481	11,141,546	FY 13
Cottage Grove 24573	6,977,170	FY 13
Independence	300,001	FY 13
Madras 62370	3,048,873	FY 13
RVSS 14001	509,293	FY 13
RVSS 14002	196,377	FY 13
RVSS 14003	302,987	FY 13
RVSS 78495	3,855,720	FY 13
Salem 80210	3,163,013	FY 13
Salem 80211	8,127,401	FY 13
Salem 80212	7,084,001	FY 13
Salem 80213	8,127,114	FY 13
Stayton 87590	3,587,374	FY 13
Gold Beach 37814	4,057,000	FY 14
Gold Beach 37811	929,141	FY 14
Cove 24680	1,345,194	FY 14
Three Sisters 6914	2,975	FY 14
Maywood Park 63960	27,160	FY 14
Vernonia 93640	8,613	FY 14
Athena 11850	139,997	FY 14
Athena 11850	12,378	FY 14
Athena 11850	6,567	FY 14