

# Oregon Clean Water State Revolving Fund Loan Program

## Intended Use Plan

State Fiscal Year 2019

Aug. 2, 2018



**Clean Water State  
Revolving Fund  
Loan Program**

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restoring, maintaining  
and enhancing the  
quality of Oregon's  
air, land and water.



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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 how DEQ proposes to use the fund during state fiscal year 2019 (July 1, 2018 through June 30, 2019).

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 in this plan and submits the plan to a public comment period. 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: <http://www.oregon.gov/deq/wq/cwsrf>. Loan applicants can begin completing any remaining loan requirements after the plan is posted to the website.

EPA requires that each Clean Water State Revolving Fund program develop a project priority list. DEQ includes applications for eligible projects on the project priority list in priority order for funding 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 that will determine that the applicant is ready to proceed to executing a loan agreement with DEQ.

Currently, DEQ awards funding without regard to project score or ranking because the program has sufficient funds to finance all projects 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 offer funding to 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 23 project applications for a total of \$183,648,067 in requested funding. Currently, the loan program has \$269,654,039 net available to lend for state fiscal year 2019.

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

All Clean Water State Revolving Fund program activities are governed by:

- Title VI of the Clean Water Act ([33 U.S. Code §1383](#)) and CWSRF Regulations ([40 CRF Part 35.31](#))
- Oregon Revised Statute [468.020 and ORS 468.423 – 468.440](#)
- [Oregon Administrative Rules Chapter 340, Division 54](#)

# Clean Water State Revolving Fund Program Goals

## *Mission Statement*

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

## Program Goals

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 publically owned treatment facilities in Oregon. Develop tools to assist communities in obtaining loans.
- Support emerging markets to obtain loans; these include irrigation districts, working with tribes and local community loans.
- Encourage innovative and non-traditional projects, such as green infrastructure, water and/or energy efficiency, climate resilience, and sustainability environmentally and financially sustainable projects.
- Encourage communities to focus on high priority, water quality improvements projects statewide, including stormwater, nonpoint and estuary projects.

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

### **OBJECTIVES**

#### **Finance**

- 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 for the program.
- Develop criteria and implement pilot projects that encourage developing and emerging markets.

#### **Programmatic**

- Ensure the program effectively serves the needs of our existing, developing and emerging markets incorporating treatment and non-treatment solutions for all sources of water pollution.
- Ensure the program complies with changing state and federal regulations.

#### **Marketing/Communications**

- Strategically market and communicate the Clean Water State Revolving Fund availability, range of eligible projects, and benefits to decision makers at eligible and interested public agencies. Build on previous successes and increase those market shares.

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

**OBJECTIVES**

- Provide technical assistance to small communities using principals of effective utility management to assess financial, operational, managerial, and infrastructure capability needs that will result in water quality improvements.
- Provide training and technical assistance to communities in conjunction with new 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 assistance 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.
- In priority basins, identify opportunities to address point source and non-point source water quality impairments and other finance options, Clean Water State Revolving Fund loans and sponsorship options towards recipients whose projects can most effectively reduce the impairments.

# 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 Oregon Administrative Rule 340-054-0065(6). Annual fees are used exclusively to pay program administrative expenses. DEQ will continue to monitor the fees fund to ensure the revenue source is adequate. The fee revenue account is separate from the loan fund and is As of April 30, 2018, the program had approximately \$3.13 million in the administrative fund.

DEQ banks the four percent allowed under the capitalization grant for future administrative use. The banked authority stands at about \$8.9 million. See Table 1 below for a summary of the total grants (including the total grants through the federal fiscal year 2017 capitalization grant, administrative allowance, allowance used and the remaining banked authority). DEQ updates the total amount for capitalization grants only for the publication of each state fiscal year’s initial IUP. The total amount for capitalization grants only includes the total up to the previous capitalization grant year.

In state fiscal year 2020, DEQ plans to distribute about \$2,500,000 of administrative allowance towards the purchase of loan software using loan repayments that DEQ will deduct from the program’s banked authority.

**Table 1: Total of Banked Authority**

Total capitalization grants through September 30, 2017	\$477,366,785
Four percent administrative allowance	19,094,671
Allowance used through 4/30/2018	<u>10,101,744</u>
Banked Authority remaining	8,992,927

## Funding Options

Two funding options are available through the program:

- 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 with maximum repayment duration of 30 years after project completion, and interest rates 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).

Loan rates are updated quarterly. The current loan rates based on the average municipal bond rates during the April 1 through June 30, 2018 period. New rates will be calculated and published on the [Clean Water State Revolving Fund website](#) in July 2018 for next quarter.

## Applications

DEQ published the program's Annual Solicitation and Update [Newsletter](#) in March 2018 to solicit loan applications. Although DEQ accepts applications at any time, application deadlines are set prior to DEQ's application review meetings. The loan application deadlines for this state fiscal year are August 10, 2018; December 14, 2018; and April 12, 2019.

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

This Intended Use Plan includes 23 project applications for a total of \$183,648,067 in requested funding. The three new applications added to the plan are from the City of Baker City (12600-19), the City of Bend (14510-19), and the City of Winston (97790-19). DEQ executed a new loan agreement with the City of Pilot Rock (73540-17) since the last Intended Use Plan update.

Table 2 contains a brief description of each project, organized in alphabetical order, which includes:

- Newest applications are identified with a project number ending in "19."
- 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.

## Project Descriptions

**Table 2: Project Description List**

<b>Application Number</b>	<b>Applicant Name and Project Description</b>	<b>Amount Requested</b>
<b>12600-19</b>	<b>City of Baker City (Baker County)</b>	<b>\$10,500,000</b>
Sec. 212 Design and Construction, Wastewater Treatment Facility and Effluent Disposal Improvement Project. The city is under a compliance Mutual Agreement Order for violating Biochemical Oxygen Demand limits in the water quality limited Powder River. The project will eliminate effluent discharge into the Powder River including: construction of an effluent transfer pipeline, construction of a storage lagoon for winter months, effluent land application and an irrigation system. Water quality improvement parameters include temperature, BOD, Total Suspended Solids, nutrients, and pH particularly in the low flow season when the city's discharge can be more than half of the river flow.		
<b>14510-19</b>	<b>City of Bend (Deschutes County)</b>	<b>\$ 8,000,000</b>
Sec. 212 Design and Construction, Pump Station Decommissioning Project. The city will eliminate pump stations and convey sewer solely by gravity as the next step following the completion of the Southeast Interceptor project. The project will decommission up to 10 lift stations in Southeast Bend, including any necessary abandonment of existing infrastructure no longer in service. The project will improve system reliability; reduce safety risks; reduce collection system operational, maintenance, operations and energy costs; and associated odor and corrosion issues. The city will achieve 100% improvement in energy efficiency by reducing energy use by an estimated 20,000 kWh/year.		
<b>14510-18</b>	<b>City of Bend (Deschutes County)</b>	<b>\$23,000,000</b>
Sec. 212 Design and Construction, The North Interceptor Sewer Project. The city will install a large diameter gravity sanitary sewer pipeline to extend about 10,500 ft. along the north side of Bend. The sewer pipeline will capture and convey sewer flows for the entire city. The alignment will capture existing flow from the current plant interceptor, collect flows from the future East Interceptor and future segments of the North Interceptor to the west. This will also provide a redundant transmission line to the water reclamation facility.		
<b>21640-17</b>	<b>Central Oregon Irrigation District (Deschutes County)</b>	<b>\$3,113,311</b>
Sec. 319 Design and Construction, Siphon Power Property Canal Project. Piping of approximately 3,000 linear feet of open canal. COID will also upgrade the fish screen for the Central Oregon Canal at its inlet on the Deschutes River. Piping the canal is estimated to conserve five cubic feet per second for instream use. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 2.3 (short-term goal) and 3.5.2 (integrated report).		
<b>21640-18</b>	<b>Central Oregon Irrigation District (Deschutes County)</b>	<b>\$20,000,000</b>
Sec. 319 Design and Construction, Smith Rock and King Way Project. The district will enclose approximately 4.8 miles of the 26 mile Pilot Butte Canal open canal system into a piped conveyance system. COID will also enclose approximately 2.9 miles of a 52 mile lateral irrigation canal into a piped conveyance system. Goals of the project include: habitat enhancement through allocation of water savings to in-stream water rights, reduction in risks to public safety from open irrigation canals, support for existing agricultural uses through water supply reliability, improvement to financial stability through reduced operation and maintenance costs and increased energy generation from micro-hydro, energy conservation, and a reduction of on-farm costs associated with on-farm pumping. This project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan in sections 3.5.3 (Total Maximum Daily Load Management Plan), 4.3.1 & 4.3.3 (Agricultural Memorandum of Agreement & Total Maximum Daily Load implementation), and 6.1 (utilizing Clean Water State Revolving Fund).		
<b>25140-17</b>	<b>Crescent Sanitary District (Klamath County)</b>	<b>\$5,364,700</b>
Sec. 212 Design and Construction, Wastewater Project. Construction of a new wastewater treatment facility with a lagoon, a collection system to replace individual onsite systems, and recycled water for the irrigation of 120 acres of forestland.		
<b>26110-15</b>	<b>City of Dallas (Polk County)</b>	<b>\$7,000,000</b>
Sec. 212 Design and Construction, Effluent Reuse. The project expands 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 sewer overflows during high flow events. The project includes a Sponsorship Option in the amount of \$1,750,000 that DEQ executed in a loan agreement with the city to acquire 460 acres of land adjacent to Mercer Reservoir. The reservoir is the city's drinking water supply and purchasing the surrounding land will protect the reservoir from sedimentation and runoff. The project will reuse 37 percent of its Class A treated effluent at a cost of \$6M and requires a business case to qualify for green project reserve under Green Project Reserve guidance section 2.4. The sponsorship		

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option project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 3.6.5 (Drinking Water Protection).		
<b>26900-18</b>	<b>Dee Irrigation District (Hood River County)</b>	<b>\$1,000,000</b>
Sec. 319 Design and Construction, DID Distribution System Pressurization Project. The district will improve irrigation water use efficiency, reduce electricity consumption, and improve water quality. The project will replace old pipe with a fully pressurized system, thereby eliminating overflows and individual pumps. Pressure head to the system will be provided by a new high-efficiency pump station and each individual patron will be metered. This project will leave water in the West Fork Hood River, which supports multiple ESA-listed species, and will increase spawning, juvenile rearing habitat, and improve fish passage. The increased streamflow will have temperature benefits while the elimination of overflows will reduce the amount of sediment and other materials that are discharged into the river. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 4.3.3 (TMDL Implementation) and 4.3.7 (Other Programs and Partners).		
<b>47740-18</b>	<b>City of Irrigon (Morrow County)</b>	<b>\$1,395,000</b>
Sec. 212 Design and Construction, Septic Connection to Collection System, Area 1 and Area 2 STEG Conversions. The city will address conversions from Septic Tank Effluent Gravity systems to the city's regular collections system for homes located in Area 1 and Area 2 of the city's 2017 wastewater facility plan. The project will address nitrogen and nitrate-nitrogen exceedances and improve a degrading system.		
<b>49800-17</b>	<b>City of Joseph (Wallowa County)</b>	<b>\$30,000</b>
Sec. 212 Planning. The city will develop a Wastewater Facilities Plan. Facilities have not been studied in over 20 years. The city is experiencing needs in the wastewater treatment and disposal systems and needs to evaluate its adequacy for current and projected needs.		
<b>55700-17a</b>	<b>City of La Pine (Deschutes County)-Interim Financing</b>	<b>\$7,832,500</b>
Sec. 212 Design and Construction, Wastewater System Improvements Project. The project will improve the La Pine wastewater collection system, treatment facility and wastewater disposal system. The city will expand the collection system to Cagle and Glenwood Acres and replace septic tanks in the area. Upgrades to the wastewater treatment facility and disposal system include replacing the facility's septage receiving station, constructing a 22 million gallon storage lagoon, and relocating and expanding the irrigation area to approximately 210 acres of city-owned land. This is an interim financing loan for the city that will repay the loan with financing through US Department of Agriculture, Rural Development.		
<b>55700-17b</b>	<b>City of La Pine (Deschutes County)</b>	<b>\$1,000,000</b>
Sec. 212 Design and Construction, Wastewater System Improvements Project. The project will improve the La Pine wastewater collection system, treatment facility and wastewater disposal system. The city will expand the collection system to Cagle and Glenwood Acres and replace septic tanks in the area. Upgrades to the wastewater treatment facility and disposal system include replacing the facility's septage receiving station, constructing a 22 million gallon storage lagoon, and relocating and expanding the irrigation area to approximately 210 acres of city-owned land.		
<b>65100-17</b>	<b>Middle Fork Irrigation District (Hood River County)</b>	<b>\$20,000,000</b>
Sec. 319 Design and Construction, Clear Branch Dam Rehabilitation and Coe Branch Pipeline. The district will implement multiple projects to improve water quality and quantity associated with its irrigation diversions in the Middle Fork Hood River watershed. Specific projects include: installing a new deep water outlet and improving fish passage in Laurance Lake; installing new irrigation pipe to alleviate impacts from current irrigation system and addressing return flows from the irrigation system; improving the spillway at the Clear Branch Dam; and improving irrigation efficiency by district patrons. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 2.3 (Short-term goal), 3.5.3 (Total Maximum Daily Load Management Plan), 4.3.1 & 4.3.3 (Agricultural Memorandum of Agreement & Total Maximum Daily Load implementation).		
<b>70640-18</b>	<b>Oregon Watershed Enhancement Board (Statewide)</b>	<b>\$2,000,000</b>
Sec. 319 Local Community Loan, Septic System Repairs. The project will provide loans to residential and commercial landowners, including low-income landowners, to repair and replace failing on-site septic systems throughout the state of Oregon. OWEB will work with Craft3, a community development finance institution, to implement the local community loan project. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan in sections 3.6.6 (Groundwater Protection), 4.3.8 (NPS Program Agricultural Measures) and 6.1 (utilizing Clean Water State Revolving Fund).		
<b>72400-18</b>	<b>City of Pendleton (Umatilla County)</b>	<b>\$9,800,000</b>
Sec. 212 Design and Construction, Lift Station Upgrades, Gravity and Force Main Installations. The city will construct several capacity projects from the city's Adopted 2015 Sewer Collection Master Plan, some of which are associated with development near the airport. Project elements include gravity and force main installations, as well as lift station upgrades.		

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<b>75260-18</b>	<b>City of Rainier (Columbia County)</b>	<b>\$556,700</b>
<p>Sec. 212 Design and Construction, A Street Sanitary Sewer Project. The city will upgrade old, degraded, and substandard sanitary sewer pipe systems within the "A" Street Corridor, including the upgrade of approximately 2800 feet of sanitary sewer lines to current design standards that will address potential and/or existing sources of groundwater infiltrating into the system, sewage leaking out of the system, and associated sinkhole development. There are 11 high- and moderate-priority repairs/replacements required, including cracks, offset joints, and pipe sags. This is a timely project due to ODOT-Rail Division proposed stormwater work that will expose this section of piping.</p>		
<b>78500-17</b>	<b>Rogue River Valley Irrigation District (Jackson County)</b>	<b>\$3,198,944</b>
<p>Sec. 319 Design and Construction, Bradshaw Drop Piping Project. The district will eliminate canal leakage and reduce the diversion of water from Little Butte Creek by seven cubic feet per second during the month of June. The project will provide pressurized water to patrons near the piped portion of the canal, reduce the need for pumps, and allow for farm conversions to sprinkler irrigation. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 3.5.3 (Total Maximum Daily Load Management Plan), 4.3.1 &amp; 4.3.3 (Agricultural Memorandum of Agreement &amp; Total Maximum Daily Load implementation), and 6.1 (utilizing Clean Water State Revolving Fund).</p>		
<b>78495-18</b>	<b>Rogue Valley Sewer Services (Jackson County)</b>	<b>\$1,026,925</b>
<p>Sec. 212 Design and Construction, White City Lagoon Improvements. The project goals are to improve White City lagoons to provide reliable disposal options for commercial Fats, Oils and Grease; provide treatment for biosolids from Shady Cove, Gold Hill, and septage for beneficial reuse; and to increase the efficiency in handling of vector truck generated waste from cleaning sanitary and storm sewers. The project will include a solar array to generate 100% of the annual power needs of the lagoon system.</p>		
<b>89600-17</b>	<b>Swalley Irrigation District (Deschutes County)</b>	<b>\$16,000,000</b>
<p>Sec. 319 Design and Construction, Irrigation Modernization Project. This irrigation piping project includes the installation of pressurized pipe to eliminate seepage and evaporative loss from open ditches; flow regulating and metering devices at service connections; pressurized delivery to eliminate individual pumps system-wide; active education; and a sprinkler exchange program. Piping and pressurizing the irrigation canals will result in approximately 1.1 million kWh/year in energy conservation and conserve up to 16 cubic feet per second of water during the irrigation season. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 3.5.3 (Total Maximum Daily Load Management Plan), 4.3.1 &amp; 4.3.3 (Agricultural Memorandum of Agreement &amp; Total Maximum Daily Load implementation), and 6.1 (utilizing Clean Water State Revolving Fund).</p>		
<b>92580-18</b>	<b>Tumalo Irrigation District (Deschutes County)</b>	<b>\$2,000,000</b>
<p>Sec. 319 Design and Construction, Tumalo Feed Canal Project. The district will complete a large portion of the Tumalo Feed Canal, enclosing 8,750 length-feet of the current open conveyance system in pipe, eliminating the existing major seepage loss, and returning 2.92 cubic feet per second of water to Tumalo Creek and 787.14 acre-feet of water to Crescent Creek. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 4.3.3 (TMDL Implementation) and 4.3.7 (Other Programs and Partners).</p>		
<b>94965-18</b>	<b>Wasco County Soil &amp; Water Conservation District (Wasco County)</b>	<b>\$299,987</b>
<p>Sec. 319 Local Community Loan, Mosier Deep Well Project. The district will lend loan funds to construct two deep irrigation supply wells. Upper aquifers (Pomona &amp; Priest Rapids) have declined nearly 200 feet over the last 40 years and are the primary source of water for domestic, municipal, and irrigation in the Mosier area. The wells will draw from deeper aquifers and supply the two largest irrigators in the Mosier Valley alleviating this demand from the upper aquifers. The project predicts restoration of the upper aquifers increasing reliability of domestic water sources and a resulting increase in stream flows, e.g. about 70% of the flow in Mosier Creek is from groundwater inputs. Mosier Creek is listed for temperature. The project will utilize high efficiency line shaft turbine pumps and variable frequency controllers that will save 20% of electricity usage.</p>		
<b>22500-18</b>	<b>Water Environment Services (Clackamas County)</b>	<b>\$38,800,000</b>
<p>Sec. 212 Design and Construction with Sponsorship Option, Tri-City Water Resource Recovery Facility Solids Handling Improvement Project; Pleasant Valley Stream Restoration, Three Creeks Floodplain Enhancement, Carli Treatment Wetland. In accordance with conceptual design of solids handling processes at the Tri-City Water Resource Recovery Facility, the applicant will design and construct facilities including: an anaerobic digester and control building; a biosolids dewatering process and cake loadout facility; rehabilitated existing solids handling facilities; and electrical, site and ancillary improvements. The project includes beneficial utilization of biogas through combined heat and power, or CHP, including an 800 kW lean burn cogeneration unit that will use methane generated from anaerobic digestion to offset power demand at the facility and generate hot water for process and building heat.</p>		

<p>The Sponsorship Option projects in the amount of \$1,800,000 will address:                  Project #1, Pleasant Valley Stream Restoration, involves restoration of a portion of Rock Creek and two small tributaries, including large wood placement, riparian corridor enhancement, removing an existing irrigation dam, and daylighting parts of two tributary channels.                  Project #2, Three Creeks Floodplain Enhancement Project, includes planning and data gathering for the Three Creeks Floodplain Enhancement project that will enhance the existing natural floodplain area and construct wetlands and floodplain terraces to increase flood storage.                  Project #3, Carli Creek Treatment Wetland, will create approximately 7-acres of backwater channel habitat and a water quality treatment wetland complex.                  The sponsorship option project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 2.3 (Short-term goal), 3.5.3 (Total Maximum Daily Load implementation), 4.6.1 (Total Maximum Daily Load Implementation for Urban and Rural Residential DMAs), and 6.1 (utilizing Clean Water State Revolving Fund).</p>		
<b>97790-19</b>	<b>City of Winston (Douglas County)</b>	<b>\$ 1,230,000</b>
<p>Sec. 212 Design and Construction, Snow Pump Station. The city has an aging wastewater system, including a pump station over 40 years old with significant wear and tear damage, in addition to serious, hydrogen sulfide, H2S corrosion and confined space issues. The project includes replacement of the pump station and associated sewer lines and manholes. The wastewater system is in compliance, however if the project is not implemented, the system is at risk for non-compliance and will worsen. The project will eliminate sanitary sewer overflows during 5-year 24-hour storm events, will help improve habitat for salmonid species in the South Umpqua River, and the new pump station will have energy efficient pumps resulting in an estimated 27% energy savings.</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 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 EPA: application (project) 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 the same projects listed in Appendix 1 but listed in project rank order. Appendix 2 also includes the points assigned during the scoring process, applicable green project reserve category (Green Infrastructure – GI; Water Efficiency – WE; Energy Efficiency – EE; and Environmentally Innovative Activity – EIA), and an indication whether the project was submitted by a small community as defined under Oregon Administrative Rule 340-054-0010(28), or is for facility planning, or both.

## Applicants Ready to Proceed

Program staff score and rank each eligible application submitted before including the application in the Intended Use Plan. DEQ will only finance a project that is included in the Intended Use Plan and the applicant has satisfied all Clean Water State Revolving Fund requirements, including, but not limited to submitting: a land use compatibility statement, an environmental review, audited financial statements, project budget and approved project planning documentation. When all requirements are satisfied an applicant is considered “ready to proceed” and DEQ will begin the loan agreement execution process. Subsequent Intended Use Plan updates will reflect the projects from Table 2 that are ready to proceed in Appendix 3.

[Appendix 3](#) indicates three applicants are ready to proceed: City of La Pine (55700-17a and 55700-17b), Central Oregon Irrigation District (21640-17) and City of Rainer (75260-18).

## Funding Award By-Pass Procedure

Currently, DEQ awards funding without regard to project score or ranking because the program has sufficient funds to finance all projects 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 offer funding to all projects that are ready to proceed, DEQ will award funding to projects that are ready to proceed in rank order based on project ranking in Appendix 2. If an applicant declines funding, DEQ will go to the next highest ranking project and offer funding to that project, until all available funds have been committed. DEQ will use this same procedure for the Green Project Reserve funding to ensure these are fully obligated in accordance with DEQ and federal requirements.

## Priority Ranking Criteria

DEQ used criteria in Oregon Administrative Rule 340-054-0026 and 340-054-0027 to rank projects. Non-planning project ranking criteria include: water quality standards and public health considerations; watershed and health benefits; and other considerations. Planning projects are ranked similarly to the non-planning applications.

## Estimated Funds Available for State Fiscal Year 2019

[Appendix 4](#) provides the calculation of funds available for state fiscal year 2019 and includes the projections for state fiscal years 2019, 2020 and 2021. This calculation includes the federal fiscal year 2018 capitalization grant in the amount of \$18,132,000. In state fiscal year 2020, DEQ plans to distribute about \$2,500,000 of administrative allowance towards the purchase of loan software using loan repayments that DEQ will deduct from the program's banked authority.

DEQ usually only updates this calculation at the beginning of each state fiscal year.

## Sources of Funds

### Federal Capitalization Grant Funds

DEQ will allocate any additional federal or state funds that become available during state fiscal year 2019 based on this Intended Use Plan. The federal fiscal year 2018 capitalization grant award includes a proposed federal payment schedule based on project schedules and the demand for cash.

State Match: DEQ last issued bonds for matching funds in January 2017. DEQ tentatively plans to raise match bonds again in SFY 2020. 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 percent state contribution as needed.

### Investment Earnings

Investment earnings are projected conservatively through state fiscal year 2019 based on low-market interest rates and the fund's relatively high cash balance. 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

[Appendix 4](#) shows projected repayments based on existing loan agreements (principal repayments and interest payments) for state fiscal years 2019, 2020 and 2021 in the amount of \$138,828,687 as 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 state fiscal year 2020.

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 repayments 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 state fiscal year 2019.

State fiscal years 2020 and 2021 are 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 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 four percent allowed under the capitalization grant for administrative uses. Since 2004, DEQ uses the annual fee revenue to pay administrative expenses for program operations and therefore banks the four 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 program is required to pay the debt service on the bonds. It has an impact on the dollars available to fund projects this year and in future years. During state fiscal year 2019 the program will pay approximately \$2,455,000 in debt service costs on bonds issued in previous years. Debt service has a limiting effect on the availability of funds needed for the program over the long term, therefore the program plans to call the 2008A series bond in fall of state fiscal year 2019 and the 2009A series bond in fall of state fiscal year 2020, using interest earning from the fund. This will both reduce debt service and reduce cash on hand.

# 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 Clean Water State Revolving Fund that increases DEQ's capacity to fund water quality improvement projects. This Intended Use Plan includes the federal fiscal year 2018 (Oct. 1, 2018 through Sept. 30, 2019) capitalization grant.

DEQ is requesting the federal fiscal year 2018 capitalization grant in the amount of \$18,132,000.

Estimated Federal Fiscal Year 2018 Capitalization Grant Payment Schedules:

July – Sept. 2018: \$8,000,000  
October – Dec. 2018: \$8,000,000  
January – March 2019: \$2,132,000

DEQ disbursed 100 percent of the required state match prior for the 2018 federal grant.

## Reporting Requirements

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

DEQ's Clean Water State Revolving Fund program follows the EPA requirements to finance projects that have a demonstrated environmental benefit and reports the benefits in the Clean Water Benefits Reporting database no later than the end of the fiscal quarter in which the loan, amendment, or binding commitment is executed, as a condition of the capitalization grant.

Additionally, DEQ meets the Federal Funding Accountability and Transparency Act reporting requirement by reporting loan award amounts and information for project loan amounts that equal the applicable capitalization grant amount. DEQ enters financial assistance information for loans in excess of \$25,000 into the Federal Funding Accountability and Transparency Act Subaward Reporting System database by the end of the month following the month in which the agreement was executed, in accordance with EPA guidance.

## Funding Allocations

Each year DEQ establishes a maximum loan amount available per project and sets aside certain amounts for the planning reserve, small community reserve, green project reserve and additional subsidization based on state administrative rules and EPA requirements. Oregon Administrative Rule 340-054-0036(3)(a)(A) limits awarding no more than 15 percent of available funds in any given fiscal year to a single loan. For state fiscal year 2019, DEQ can award a maximum loan amount of \$40,448,106. Recipients that receive loan amounts less than the total amount requested may receive additional funding from DEQ in future years to supplement the unfunded amount. If there are not enough projects ready to proceed by the end of state fiscal year 2019, any remaining available funds may be offered to existing borrowers in rank order.

### **Planning Reserve**

The total planning allocation cannot exceed \$3,000,000 per Oregon Administrative Rule 340-054-0036(1)(b). Planning projects will be funded through the planning reserve until the reserve is fully allocated. Planning projects that are not fully funded through the planning reserve may be funded with the general loan fund in priority order. During the final quarter of the state fiscal year, DEQ will allocate any remaining planning reserve funds to design and construction projects in priority 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 2019, the maximum funding under the small community reserve is \$67,413,510. Small community projects that are not fully funded through the small community reserve may be funded with the general loan fund in priority 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.

### **Green Project Reserve**

The federal fiscal year 2018 allotments require DEQ to use at least 10 percent of the grant amount for projects that qualify under the green project reserve as specified by the EPA Green Project Reserve Guidance ([EPA 2012 Green Project Guidance](#)), to the extent that there are sufficient eligible projects. DEQ must allocate a minimum of \$1,813,200 to the green project reserve for federal fiscal year 2018.

[Appendix 2](#) lists the projects that meet the green project reserve under each of the four qualifications categories: Green Infrastructure – GI; Water Efficiency – WE; Energy Efficiency – EE; and Environmentally Innovative Activity – EIA. [Appendix 5](#) summarizes how DEQ expects to satisfy the federal fiscal year 2018 green project

reserve requirement of \$1,813,200 by executing a loan agreement for one project: Central Oregon Irrigation District (21640-17) in the amount of \$3,113,311 which is 100 percent categorically water efficiency. DEQ documented the project’s green project reserve eligibility.

## Additional Subsidization

The 2014 Water Resources Reform and Development Act amended the Clean Water Act and removed the requirement that state Clean Water State Revolving Fund programs provide a minimum amount of principal forgiveness. Accordingly, DEQ revised Oregon Administrative Rule 340-054-0065(12) to allow the maximum percentage of additional subsidization permitted by the federal allocation of each capitalization grant to be allocated to eligible applicants as principal forgiveness. The amount of principal forgiveness provided each year is dependent on the amount of the federal appropriation and the percentage of principal forgiveness offered by DEQ in previous years. To safeguard the fund’s perpetuity, DEQ sets an annual percentage based on what the fund can afford.

The federal fiscal year 2018 allotments require a minimum of 10 percent and a maximum of 30 percent of the capitalization grant amount be offered as additional subsidization. In accordance with Oregon Administrative Rule 340-054-0065(12)(d), DEQ determined the maximum annual additional subsidization percentage to be 30 percent of the 2018 capitalization grant amount, or \$5,439,600.

DEQ reserves 70 percent of the annual additional subsidization allocation for applicants that meet DEQ’s affordability criteria as a distressed community per Oregon Administrative Rule 340-054-0065(12)(A). DEQ reserves 30 percent of the annual additional subsidization allocation for applicants with projects that meet DEQ’s green/sustainability criteria per Oregon Administrative Rule 340-054-0065(12)(B).

Accordingly, DEQ plans to offer up to \$3,807,720 to applicants that meet the affordability criteria and up to \$1,631,880 to applicants with green/sustainability projects.

DEQ will offer principal forgiveness to applicants who meet the requirements according Oregon Administrative Rule 340-054-0065(12) as they become ready to proceed. At the close of each federal fiscal year, DEQ may reallocate any unawarded 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.

Currently, DEQ plans to award \$3,278,000 of the additional subsidization reserves to the following applicants:

<b>Applicant</b>	<b>Application Number</b>	<b>Criteria</b>	<b>Amount</b>
Crescent Sanitary District	25140-17	Affordability	\$500,000
City of Winston	97790-19	Affordability	\$500,000
City of Rainier	75260-18	Affordability	278,000
La Pine	55700-17b	Affordability	\$500,000
Central Oregon Irrigation District	21640-17	Green/Sustainability	\$500,000
Tumalo Irrigation District	92580-18	Green/Sustainability	\$500,000
Rogue River Valley Irrigation District	78500-17	Green/Sustainability	\$500,000
			<b>\$3,278,000</b>

# State Fiscal Year 2019 Activity

[Appendix 5](#) includes projects proposed for funding with state fiscal year 2019 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 loan applications that may become ready to proceed. DEQ allocates funds as projects become ready to proceed and funds are available.

The remaining funds available in [Appendix 5](#) that indicates the estimated remaining funds available if every entire loan amount for every project disbursed at 100 percent within one state fiscal year. This is an extremely unlikely occurrence as DEQ disburses loan funds incrementally throughout the project schedule. The actual state fiscal year 2019 funding activity is dependent upon the demand for funds, the overall ranking of projects and projects' readiness to proceed. On average, a project can take up to two to three years to receive the full loan allocation amount. Any remaining available funds will be obligated as applicants become ready to proceed.

## Timely Use of Funds

DEQ intends to use funds in the 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 Clean Water State Revolving Fund program compliance with this requirement, including information by project prepayments. DEQ has three years to commit principal prepayments, therefore a credit of prepayments received from state fiscal year 2017 and state fiscal year 2018 is shown in Appendix 6.

## Federal Loan

In October 2015 DEQ established the Federal Loan as a pilot project that offers an incentive in the form of a reduced interest rate for borrowers subject to the federal equivalency requirements. DEQ finances the projects directly with the federal capitalization grant for the associated federal fiscal year. For federal fiscal year 2018, the City of Albany's loan number R10514 is the Federal Loan recipient.

## Binding Commitments and Funds Available

EPA's Memorandum #SRF 99-05 requires the 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 2019 and compares that amount to the binding commitments executed as of April 30, 2018. Appendix 6 identifies the binding commitments including the details of prepayments from applicants during state fiscal year 2017 and state fiscal year 2018.

# Environmental Review and Compliance with Cross-Cutters

EPA approved DEQ's current state environmental review process in February 2008. Documentation of this process is available upon request. 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.

The City of Albany loan number R10514 has met all federal equivalency requirements for federal fiscal year 2018, including the compliance with federal environmental cross-cutting authorities.

## Operating Agreement

The operating agreement between the EPA Region 10 and the DEQ for the program 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 Clean Water State Revolving Fund program may be subject to the requirements of the Single Audit Act and 2 CFR 200 (Omni Circular). DEQ monitors borrowers' compliance with those requirements in an amount equal to the capitalization grants.

# Public Involvement

Oregon's Clean Water State Revolving Fund program provides several opportunities for the public's involvement. These include the formal public notice process when administrative rules are revised, when projects require an environmental determination, and when the Intended Use Plan is revised.

## 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.

## Clean Water State Revolving Fund Advisory Committee

DEQ frequently involves public advisory committees to assist the agency in developing policy. DEQ established the Clean Water State Revolving Fund Advisory Committee to address program issues and provide input to DEQ for rulemaking. The standing committee includes 12 members representing statewide organizations with an interest in financing water quality improvement projects. Interests represented included local governments, wastewater treatment facilities, environmental advocacy, federal and state agencies, and local conservation districts. Committee meetings are considered public meetings and the public is welcome to attend.

## Public Notice of an Environmental Determination

Applicants must complete an environmental impact analysis for projects meeting the definition of treatment works. All projects deemed treatment works by DEQ are required to undergo an environmental review. The environmental review process includes the opportunity for public review and comment, which is generally a 30-day period. DEQ currently issues a public notice in a state-wide publication and in a local publication for each project.

## Notice and comments on the Intended Use Plan

DEQ completes an Intended Use Plan annually and updates the plan as DEQ receives new loan applications. The draft Intended Use Plan is posted on the program's [website](#) and a public notice is published in the Dailey Journal of Commerce and distributed through [GovDelivery](#), DEQ's free e-mail subscription service. The notice process includes a 30-day public review and 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 of This Plan

This *Proposed Intended Use Plan State Fiscal Year 2019*, 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 2019**

**Notice Issued: July 2, 2018**  
**Comments Due: Aug. 1, 2018**

## What is proposed?

The Oregon Department of Environmental Quality has prepared a *Proposed Intended Use Plan State Fiscal Year 2019* 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 State Fiscal Year 2019*.

## Description of Proposed Intended Use Plan

The *Proposed Intended Use Plan State Fiscal Year 2019* includes 23 projects for a total of \$183,648,067 in requested funding for planning, design and construction of projects needed to address water quality improvement in Oregon.

## To Receive a Copy of the Proposed Intended Use Plan

The *Proposed Intended Use Plan State Fiscal Year 2019* 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 Intended Use Plan must be submitted in writing via mail, fax or email any time prior to the comment deadline of 5 p.m. on Wednesday, Aug. 1, 2018. Written comments may be mailed, faxed or emailed to:

Mail: Oregon Department of Environmental Quality  
Operations Division  
Attn: Lee Ann Lawrence  
700 NE Multnomah Street, Suite 600  
Portland, OR 97232  
Fax: 503-229-6037  
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 Intended Use Plan State Fiscal Year 2019* to the new applicants for this funding cycle and to the following:

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

# Appendices

## Appendix 1: Project Priority List in Alphabetical Order

The *Proposed Intended Use Plan State Fiscal Year 2019* includes 23 projects for a total of \$183,648,067 in requested funding for planning, design and construction of projects needed to address water quality improvement in Oregon.

Applicant	Application Number	Amount Requested	EPA Needs Category	Permit Number	Application*	Start	Completion
Baker City	12600-19	10,500,000	I	OR101632	Apr-18	Jun-19	Sep-20
Bend	14510-18	23,000,000	IV-B	103035	Dec-17	May-18	Jul-21
Bend	14510-19	8,000,000	III-B	103035	Apr-18	Mar-19	Dec-19
Central Oregon Irrigation District	21640-17	3,113,311	VII-A, VII-D	N/A	Aug-16	Oct-17	May-18
Central Oregon Irrigation District	21640-18	20,000,000	VII-A, VII-D, VII-E	N/A	Aug-17	Oct-18	Mar-19
Crescent Sanitary District	25140-17	5,864,700	I	N/A	Dec-16	Aug-17	Mar-18
Dallas (point source application)	26110-15	7,000,000	I, II, III-A, X	101518	Jul-15	Jul-15	Aug-15
Dee Irrigation District	26900-18	1,000,000	VII-A, VII-D	N/A	Apr-17	Oct-17	Feb-17
Irrigon	47740-18	1,395,000	IV-A	101529	Dec-17	Jun-18	Sep-20
Joseph	49800-17	30,000	I, II	101602	Apr-16	Aug-16	Jun-17
La Pine	55700-17b	1,000,000	I	102069	Dec-16	Feb-17	Mar-21
La Pine-Interim	55700-17a	7,832,500	I, IV-A	102069	Dec-16	Feb-17	Mar-21
Middle Fork Irrigation District	57510-16	20,000,000	V11-A	N/A	Aug-16	Jul-18	Jul-21
Oregon Watershed Enhancement Board	70640-18	2,000,000	VII-D, VII-E, VII-F, VII-H	N/A	Aug-17	Mar-18	Dec-20
Pendleton	72400-18	9,800,000	III-B, IV-A	OR100982	Dec-17	Jul-17	Sep-20
Rainier	75260-18	556,700	III-B	OR0020389	Apr-17	Jul-18	Dec-18
Rogue River Valley Irrigation District	78500-17	3,198,944	VII-A	N/A	Dec-16	Aug-17	Mar-19
Rogue Valley Sewer Services	78495-18	1,026,925	I	102854	Dec-17	Jan-18	Sep-18
Swalley Irrigation District	89600-17	16,000,000	VII-A, VII-D	N/A	Dec-16	Nov-17	Apr-21
Tumalo Irrigation District	92580-18	2,000,000	VII-A, VII-D	N/A	Apr-17	Oct-17	Aug-18
Wasco County Soil & Water Conservation District	94965-18	299,987	VII-E	N/A	Dec-17	Aug-17	Jun-18
Water Environment Services	22500-18	38,800,000	I, VII-D, VII-K	101168	Apr-17	Jul-17	Jul-17
Winston	97790-19	1,230,000	III-A, III-B	OR100554	Apr-18	Dec-18	Aug-19

\*The application date is DEQ's application deadline.

The start and completion dates are the dates detailed in the loan applications.

## Appendix 2: Project Priority List in Rank Order

Appendix 2 lists projects in rank order and includes scores and applicable green project reserve category (Green Infrastructure – GI; Water Efficiency – WE; Energy Efficiency – EE; and Environmentally Innovative Activity – EIA), and whether the project will serve a small community or is for facility planning, or both.

Priority Ranking	Score	Applicant	Application Number	Amount Requested	Green Project Reserve Category and Amount	Small Community & Facility Planning
1	71	Middle Fork Irrigation District	65100-17	20,000,000	WE - 2,515,200, EE - 40,000, EIA - 2,000,000	
2	67	Crescent Sanitary District	25140-17	5,864,700	N/A	SC
2	67	Swalley Irrigation District	89600-17	16,000,000	WE - 16,000,000	
2	67	Water Environment Services	22500-18	38,800,000	EE - 6,500,000, GI - 1,800,000	
3	59	Central Oregon Irrigation District	21640-17	3,113,311	WE - 3,113,311	
3	59	Rogue River Valley Irrigation District	78500-17	3,198,944	WE - 3,198,944	
4	56	La Pine	55700-17b	1,000,000	WE - 750,000, EE - 75,000	SC
5	55	La Pine-Interim	55700-17a	7,832,500	WE - 750,000, EE - 75,000	SC
6	54	Oregon Watershed Enhancement Board	70640-18	2,000,000	EIA - 2,000,000	SC
7	52	Dee Irrigation District	26900-18	1,000,000	WE - 850,000, EE - 150,000	SC
8	51	Baker City	12600-19	10,500,000	N/A	SC
9	50	Central Oregon Irrigation District	21640-18	20,000,000	WE - 20,000,000	
9	50	Irrigon	47740-18	1,395,000	N/A	SC
10	48	Winston	97790-19	1,230,000	WE - 5,000, EE - 440,000	SC
11	46	Tumalo Irrigation District	92580-18	2,000,000	WE - 2,000,000	SC
12	45	Dallas	26110-15	7,000,000	WE - 6,000,000	
13	44	Wasco County Soil & Water Conservation District	94965-18	299,987	EE - 16,000	SC
14	37	Rainier	75260-18	556,700	N/A	SC
15	33	Bend	14510-18	23,000,000	N/A	
15	33	Bend	14510-19	8,000,000	EE - 8,000,000	
16	32	Rogue Valley Sewer Services	78495-18	1,026,925	EE - 107,500	SC
17	30	Pendleton	72400-18	9,800,000	N/A	
18	19	Joseph	49800-17	30,000	N/A	SC & FP

### Appendix 3: Applicants Ready to Proceed

Appendix 3 indicates three applicants are ready to proceed: City of La Pine, Central Oregon Irrigation District and City of Rainer. These applicants have completed the requirements necessary to receive a loan offer for their projects.

Priority Ranking	Scoring	Applicant	Application Number	Amount Requested	Green Project Reserve Category and Amount	Small Community & Facility Planning
4	59	Central Oregon Irrigation District	21640-17	3,113,311	WE - 3,113,311	
5	56	La Pine	55700-17b	1,000,000	WE - 750,000, EE - 75,000	SC
6	55	La Pine-Interim	55700-17a	7,832,500	WE - 750,000, EE - 75,000	SC
14	37	Rainier	75260-18	556,700	N/A	SC

### Appendix 4: Estimated Funds Available

Appendix 4 provides the calculation of funds available for state fiscal year 2019 and includes the projections for state fiscal years 2019, 2020 and 2021. This calculation includes the federal fiscal year 2018 capitalization grant in the amount of \$18,132,000. DEQ usually only updates this calculation at the beginning of each state fiscal year.

Sources of Funds	Actual through SFY 2017	Actual SFY 2018	Estimated SFY 2019	Estimated SFY 2020-21	Total
Federal Capitalization Grants	462,389,785	14,977,000	18,132,000	0	495,498,785
State Match	93,425,072	0	0	10,000,000	103,425,072
Investment Earnings	41,509,736	3,392,857	3,300,000	6,600,000	54,802,593
Loan Principal Repayments	588,599,692	43,751,735	27,481,525	81,103,374	740,936,326
Loan Interest Payments	184,582,420	9,026,676	8,953,019	21,290,769	223,852,884
<b>Total Sources of Cash</b>	<b>1,370,506,705</b>	<b>71,148,268</b>	<b>57,866,544</b>	<b>118,994,143</b>	<b>1,618,515,660</b>
<b>Uses of Funds</b>					
Loans and Amendments	1,188,793,638	75,483,715	0	0	1,264,277,353
Administration Expense paid with Grant	10,101,744	0	0	2,500,000	12,601,744
Debt Service on Match Bonds	61,494,028	2,326,077	4,677,419	3,485,000	71,982,524
<b>Total Uses of Cash</b>	<b>1,260,389,410</b>	<b>77,809,792</b>	<b>4,677,419</b>	<b>5,985,000</b>	<b>1,348,861,621</b>
<b>Sources of Cash Less Uses of Cash</b>	<b>110,117,295</b>	<b>-6,661,524</b>	<b>53,189,125</b>	<b>113,009,143</b>	<b>269,654,039</b>
<b>Net Available to Loan - SFY 2019</b>					<b>269,654,039</b>

## Appendix 5: Estimated State Fiscal Year 2019 Activity

Appendix 5 includes projects proposed for funding with state fiscal year 2019 funds based on the calculation of funds available as stated in [Appendix 4](#).

Project	Facility Planning	Small Comm.	GPR Funding (Cap Grant Year 2018)	Fund	FP,SC,GPR and Fund Total	PF Subsidy	Remaining Available CWSRF Funds**
Current Available Funds	3,000,000	67,413,510	1,813,200	197,427,329	269,654,039	3,278,000	<b>269,654,039</b>
<b>Use of Available Funds - Anticipated Increases:</b>							
Central Oregon Irrigation District			1,813,200	160,111	1,973,311		267,680,728
<i>Subtotals</i>	-	-	1,813,200	160,111	1,973,311	-	
<b>Balance</b>	<b>3,000,000</b>	<b>67,413,510</b>	<b>-</b>	<b>197,267,218</b>	<b>267,680,728</b>	<b>3,278,000</b>	<b>267,680,728</b>
<b>Use of Available Funds – SFY 2019 Loan Applications:</b>							
Baker City		10,500,000			10,500,000		257,180,728
Bend				23,000,000	23,000,000		234,180,728
Bend				8,000,000	8,000,000		226,180,728
Central Oregon Irrigation District				1,140,000	1,140,000	500,000	225,040,728
Central Oregon Irrigation District				20,000,000	20,000,000		205,040,728
Crescent Sanitary District				5,864,700	5,864,700	500,000	199,176,028
Dallas		7,000,000			7,000,000		192,176,028
Dee Irrigation District		1,000,000			1,000,000		191,176,028
Irrigon		1,395,000			1,395,000		189,781,028
Joseph	30,000				30,000		189,751,028
La Pine - Interim		7,832,500			7,832,500		181,918,528
La Pine		1,000,000			1,000,000	500,000	180,918,528
Middle Fork Irrigation District				20,000,000	20,000,000		160,918,528
Pendleton				9,800,000	9,800,000		151,118,528
Oregon Water Enhancement Board				2,000,000	2,000,000		149,118,528
Rainier		556,700			556,700	278,000	148,561,828
Rogue River Valley Irrigation District		3,198,944			3,198,944	500,000	145,362,884

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Rogue Valley Sewer Service		1,026,925			1,026,925		144,335,959
Swalley Irrigation District				16,000,000	16,000,000	-	128,335,959
Tumalo Irrigation District		2,000,000			2,000,000	500,000	126,335,959
Wasco County SWCD				299,987	299,987		126,035,972
Water Environment Services				37,000,000	37,000,000		89,035,972
Water Environment Services - Sponsorship				1,800,000	1,800,000		87,235,972
Winston		1,230,000			1,230,000	500,000	86,005,972
<i>Subtotal**</i>	<i>30,000</i>	<i>36,740,069</i>	<i>-</i>	<i>144,904,687</i>	<i>181,674,756</i>	<i>3,278,000</i>	
<b>Balance</b>	<b>2,970,000</b>	<b>30,673,441</b>	<b>-</b>	<b>52,362,531</b>	<b>86,005,972</b>	<b>-</b>	

\*\*These estimates and the subtotal represent a highly unlikely scenario because every loan will not fully disburse the entire loan amount within one fiscal year.

## Appendix 6: Binding Commitments and Funds Available

### Funds Available as of April 30, 2018:

Total Cap Grants Awarded	Total State Match	Total Principal Repayments	Total Interest Payments	Total Investment Interest	Total Principal Prepayments SFY 2017, 2018*	Total Cumulative Admin Allowance and Bond Debt Service	TOTAL FUNDS AVAILABLE
477,366,785	93,425,072	632,351,427	193,609,096	44,902,593	-27,174,64	-112,519,743	1,441,654,973
						Admin Allowance	-19,094,671
						Bond Debt Service	-93,425,072
						<b>Adjusted Total of Funds Available</b>	1,301,960,585
<b>Total Binding Commitments as of April 30, 2018</b>							1,264,277,353
<b>Binding Commitments as a Percentage of Funds Available From April 30, 2018:</b>							<b>97.1%**</b>

\* DEQ has three years to commit prepayments.

\*\*EPA's calculation is likely to be different because EPA includes prepayments as part of EPA's internal calculation for funds available, as reflected in the EPA National Information Management System database.

### Prepayments:

State Fiscal Year 2017		
Borrower/Loan Number	Amount	Date
Clackamas County Service District #1 22403	6,290,582	8/30/2016
Myrtle Point 68795	7,511,000	10/13/2016
Myrtle Point 68796	2,588,868	10/13/2016
Burns 19400	200,000	10/1/2016
Vernonia 93642	2,680,377	12/22/2016
Vernonia 93644	2,877,000	12/22/2016
Unity 93090	3,120	1/24/2017
Unity 93091	24,960	1/24/2017
Reedsport 8710	100,000	1/30/2017
Government Camp 38350	69,736	3/2/2017
<b>Subtotal</b>	22,345,643	
State Fiscal Year 2018		
Borrower/Loan Number	Amount	Date
Gold Hill 37820	671,000	8/1/2017
Prineville 74683	4,000,000	1/19/2018
Reedsport 8701	100,000	1/18/2018
Albany 10513	58,002	4/3/2018
<b>Subtotal</b>	4,829,002	
<b>Total</b>	<b>27,174,645</b>	

## **Appendix 7: Public Notice Period**

DEQ did not receive any comments during the July 2, 2018 to Aug. 1, 2018 public comment period for the *Proposed Intended Use Plan State Fiscal Year 2019*. The content of this plan remains the same as the July 2, 2018 publication of the document.