

Intended Use Plan

State Fiscal Year 2016

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State of Oregon
Department of
Environmental
Quality



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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) 2016, (July 1, 2015 through June 30, 2016). This IUP also includes information required for DEQ to receive federal funding through EPA appropriations and the resulting CWSRF capitalization grant. The SFY 2016 IUP will remain in effect until the SFY 2017 IUP is developed and finalized.

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.

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 the Water Resources Reform and Development Act of 2014 (WRRDA) into law. 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 Oct. 1, 2014 and others, Oct. 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 Attorneys General, and participated in EPA training on the amendments. DEQ analyzed what CWA amendments were required, 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

Three 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 permanent rules to include affordability criteria by Sept. 30, 2015 to match the CWA even if DEQ chooses 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 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.
- Certification of Cost and Effectiveness. Section 602(b)(13): This is a new requirement that applies to municipality or intermunicipal, interstate, or state agency applicants for funding after Oct. 1, 2015 regardless of funding source or project type. Funding recipients must self certify that they have evaluated the cost and the effectiveness of the project, and they have selected, to the maximum extent possible, an option that maximizes water and energy efficiencies. **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.**
- Qualifications based procurement. Section 602(b)(14): This is a new requirement on funding 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 funding 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 Oct. 1, 2014.
DEQ ACTION: CWSRF applicants will comply with this requirement via ORS 279C.100 to 279C.125, rule changes to reflect this 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): 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: to the ability to fund the "construction" of new onsite systems, if DEQ chooses to change 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 January 2016.
- 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. DEQ could consider allowing a portion of the fee account to be used

to pay for state match, funding loans and funding other project assistance. Allowing this option would require a statute change.

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

- Funding to nonprofits to provide technical assistance. Section 603(c)(11): The CWA allows expanded eligibility to nonprofit entities as funding 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 decides to continue to subsidize funding, 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. 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 two CWA provisions require changes to program documents and procedures:

- 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. Funding recipients need to certify that they have developed and implemented a fiscal sustainability plan. It applies to all applications received after Oct. 1, 2014.

DEQ ACTION: Guidance in place and available at:

<http://www.deq.state.or.us/wq/loans/fiscalsustain.htm>

- 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 percent 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) 2015 (Oct. 1, 2014 through Sept. 30, 2015) capitalization grant.

On June 2, 2015 DEQ applied for the FFY 2015 capitalization grant, in the estimated amount of \$15,758,000. This IUP addresses the associated capitalization grant requirements. DEQ plans to apply for the entire FFY 2016 grant when it becomes available.

FFY 2015 Cap Grant Payment Schedules

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: \$3,758,000

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). 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. Fee revenue is kept in an account outside the regular CWSRF and are used exclusively to pay CWSRF program administrative costs. As of May 31, 2015, the CWSRF program had approximately \$3.74 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 \$7.8 million. See Figure 1 below for a recap of the total grants (including the proposed FFY2015 Cap Grant, administrative allowance, allowance used and the remaining banked authority).

Figure 1: Total of Banked authority

Total Cap Grants through 2015	447,415,785
4 percent admin allowance	17,896,631
Allowance used through 6/30/2015	10,101,744
Banked authority remaining	7,794,887

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 July 1, 2015 through Sept. 30, 2015 will be about 1.46 percent for small communities with median household income (MHI) below the statewide MHI, and about 2.00 percent for all other communities. Beginning Oct. 1, 2015, loans will have rates based on the average municipal bond rates during the July through September period. New rates will be calculated and published on the [CWSRF website](#) in October 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. Two borrowers, City of Tillamook and City of Reedsport have completed the refinance of their loans with bond purchases.

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 2016 is Aug. 14, 2015, Dec. 11, 2015, and April 8, 2016.

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 includes 21 projects for a total of \$176,585,448 in requested funding. Since State Fiscal Year 2015 Update #3, DEQ received six new applications from the Clackamas County Soil and Water Conservation District, Parkdale Sanitary District and Cities of Dundee, Newport, Redmond, and Warrenton. Six projects have been removed from the list of projects in Table 1 because their loan agreements have been signed; these applicants are the following: Dexter Sanitary District and Cities of Bay City, North Powder, Vernonia, Hood River, and Estacada.

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 “16.”
- 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

Application Number	Applicant Name (County) and Description	Requested Amount
11750-13	City of Ashland (Jackson County) 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.	\$11,200,000
14500B-15	City of Bend (Deschutes County) 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.	\$5,450,000
14500C-15	City of Bend (Deschutes County) Sec. 212 Design and Construction. Design and construction of a bypass valve and new force main within the north area.	\$7,895,000
14500D-15	City of Bend (Deschutes County) 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.	\$12,691,108
14500E-15	City of Bend (Deschutes County) Sec. 212 Design and Construction. Design and construction of a large diameter gravity sanitary sewer pipeline within the south east portion of the city.	\$63,000,000

18200-15	City of Brookings (Curry County)	\$3,214,470
<p>Sec. 212 Design and Construction and Small Community. Design and construction of interceptor, pump testing and pump upgrades, aeration blower upgrade, I&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"> • 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. • 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) • 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). <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>		

22405-16	Clackamas County Soil and Water Conservation District	\$250,000
<p>Sec. 319. Local Community Loan - Treatment Works. Project will develop a pilot program to repair/replace failing onsite systems within their service area. The project will initially focus on previously identified hotspots; however, all private landowners will be eligible to participate in the program. The applicant will work with Water Environment Services to verify failing systems and recommend remediation options. Project meets the following GPR criteria: Environmentally Innovative under GPR Criteria 4.2-6 (\$250,000 for the amount of the total project). No business case is required. This project is consistent with the goals of the Oregon Nonpoint Source Management Program Plan, Section 6.1.</p>		

24000-15	City of Coos Bay (Coos County)	\$21,836,876
<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"> • 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. • 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). • 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). <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>		

26110-15	City of Dallas (Polk County)	\$7,000,000
<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"> • 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. • The project will reuse 37 percent (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. The sponsorship option is supported by section 3.4.3 of the 2014 Oregon Nonpoint Source Management Plan. 		
29650-16	City of Dundee (Yamhill County)	\$950,000
<p>Sec. 212. Design and Construction with Sponsorship Option. This is an I/I project intending to reduce high flows during rain storm events. One such event caused a plant washout in 2014 rendering the plant unable to perform biological treatment of its wastewater. The sponsorship option part of the project will connect, replace, and upsize components of their stormwater collection system. The sponsorship option portion of this project is consistent with the goals of the Oregon Nonpoint Source Management Program Plan, Section 3.3.3.</p>		
37450-14	City of Glendale (Douglas County)	\$1,600,000
<p>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.</p>		
37820-15	City of Gold Hill (Jackson County)	\$1,334,200
<p>Sec 212 Design and Construction. I&I correction work to include pipeline replacement and manholes repair. This is an interim financing loan for USDA.</p>		
29650-16	City of Newport (Lincoln County)	\$5,243,454
<p>Sec. 212. Design and Construction with Sponsorship Option. This project will eliminate old stormwater and sewer cross connections in Newport's Nye Beach basin. It will also install a grinder at the Nye Beach pump station; lack of one causes the wet well to overflow during heavy rains events as its capacity leaves very little response time for staff to address the problem. Beach closures are frequent due to bacterial contamination with 17 such events in 2013. The project also includes replacement of two sections of sewer lines that are in advanced estate of deterioration. The Sponsorship Option part of the project includes upgrades to the storm sewer in the Bay-Moore basin, installation of a bioretention facility at Sam Moore Creek, and the design of a fish passage at the Big Creek reservoirs and is consistent with the goals of the Oregon Nonpoint Source Management Program Plan, section 6.1. The sponsorship option portion of the project categorically meets the following GPR criteria: Green Infrastructure under GPR Criteria 1.2-6 and 1.2-9 (\$1,150,000 of the project cost) and does not require a business case.</p>		
71490-16	Parkdale Sanitary District (Hood River County)	\$2,133,000
<p>Sec. 212. Design and Construction. Interim financing for WWTP upgrades. Project will replace an old collection system pump station and make improvements to headworks, influent pump station, aeration basins, blowers, and clarifiers. Project also includes new UV disinfection system, filtration system (in part to lower TSS improving UV process efficacy), re-aeration for DO requirement and new outfall for continuous discharge within allowable mixing zone (25 percent of stream width).</p>		

73540-15	City of Pilot Rock (Umatilla County)	\$25,000
<p>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.</p>		

74680-15	City of Prineville (Crook County)	\$3,500,000
<p>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:</p> <ul style="list-style-type: none"> • Energy Efficiency: Project eliminates the need for pumps that achieves a 20 percent 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 percent energy efficiency claimed to be credited as a GPR project, in accordance with EPA GPR guidance. • 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). 		

76070-16	City of Redmond (Deschutes County)	\$7,129,250
<p>Sec. 212. Design and Construction. The City of Redmond's Wastewater Collection System Master Plan calls for a new Eastside Sewer Interceptor (ESSI) to serve properties east of the railroad. The ESSI will prevent sewer capacity problems in the Dry Canyon (a recreational area), eliminate pump stations and convey flow to the treatment plant in a line that is designed appropriately. Eliminating the pump stations will reduce operation and maintenance costs, and reduce energy usage by relying on gravity rather than pumps.</p>		

78270-15	Rock Creek District Improvement Company (Wasco County)	\$270,786
<p>Sec. 319 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.</p>		

83810-13	City of Sheridan (Yamhill County)	\$1,700,000
<p>Sec. 212 Design and Construction and Small Community. Design and construction of improvements to the main lift station and associated force main.</p>		

89540-15	City of Sutherlin (Douglas County)	\$18,242,000
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 percent (3318 gallons per year to 370 gallons per year), \$1,160,000; may qualify for energy efficiency green reserve funding (3.2-2).		

94940-16	City of Warrenton	\$1,920,304
Sec. 212. Design and Construction. This project includes replacing an existing pump station and installing a larger force main between the new pump station and the WWTP. The project is necessary to provide extra capacity for an existing pump station, which is approaching maximum capacity; additional capacity is also necessary to accommodate the eventual tie-in of the Shoreline Sanitary District to the City's sewer system. The new force main will also decrease the distance that effluent travels between the new pump station and the WWTP.		

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 one applicant, the City of Sutherlin, project number 89540-15, has submitted a project application and also has 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 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 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 SFY 2016

[Appendix 4](#) provides the calculation of funds available for SFY 2016 and includes the first half of SFY 2017 (hereafter referred to as SFY 2016 for this section only). This calculation includes the FFY 2015 capitalization grant in the estimated amount of \$15,758,000.

Sources of Funds

Federal Capitalization Funds

DEQ will allocate any additional federal or state funds that become available during SFY 2016 based on this IUP. The 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 February 2015, DEQ sold bonds in the amount of \$4,902,351 to raise matching funds for up to \$24,000,000 in future federal capitalization grant money including the anticipated FFY 2015 capitalization grant. [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 for SFY 2016 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

[Appendix 4](#) shows projected repayments (principal repayments and interest payments) for FY2016 and part of FY2017 in the amount of \$58,597,985 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 2016.

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 2016.

The amount of repayments stated above includes DEQ's estimate of repayments, based on existing agreements. SFY 2016 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 averages approximately \$400,000. 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 2016 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 2016 is \$28,144,891.

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 2016. 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, is a reserve that cannot exceed 25 percent of the current funds available per OAR 340-054-0036(1)(a). For SFY 2016, the maximum funding under the small community

reserve is \$46,908,152. 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.

Green Project Reserve

The FFY 2015 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 2015 capitalization grant will be \$1,575,800.

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) 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 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 Clackamas County Soil and Water Conservation District, project number 22405-16, application in the amount of \$250,000 of which \$250,000 is a categorically environmentally innovative project. [Appendix 5](#) also summarizes how DEQ will satisfy the FFY 2014 green project reserve requirement of \$1,583,900. 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 that will be used to meet this FFY 2014 requirement and is ready to proceed.

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 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

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”, page 3, for more details.

Proposed SFY 2015 Activity

[Appendix 5](#) includes projects proposed to be funded with SFY 2016 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 2016 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 2016 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. 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.

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 2016 and compares that amount to the binding commitments executed as of June 30, 2015. [Appendix 6](#) identifies the binding commitments including the details of early repayments from applicants during SFY14 and SFY15.

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 monitors 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 was printed in the Daily Journal of Commerce on Friday July 24, 2015.

Public Notice
Oregon DEQ Clean Water State Revolving Fund
Proposed Intended Use Plan State Fiscal Year 2016

Notice Issued: July 24, 2015
Comments Due: Aug. 24, 2015

What is Proposed?

The Oregon Department of Environmental Quality has prepared a *Proposed Intended Use Plan, State Fiscal Year 2016* 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*.

Description of Proposed Intended Use Plan

The *Intended Use Plan, State Fiscal Year 2016* will fund approximately \$188 million for planning, design, or construction of projects needed to address water quality improvement in Oregon. The *Intended Use Plan* includes no new applications on the Project Priority List that applied for funding.

To Receive a Copy of the Proposed Intended Use Plan

A copy of the *Proposed Intended Use Plan, State Fiscal Year 2016* 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, Aug. 24, 2015. Written comments may be mailed, faxed or e-mailed to:

Mail: Oregon DEQ, Water Quality Division
Attn: Larry McAllister
811 SW Sixth Ave.
Portland, OR 97204-1390

Fax: (503) 229-6037

Email: intendeduseplancomments@deq.state.or.us

Notification of IUP

DEQ sent e-mail notification to the new applicants for this funding cycle and the following:

David Garcia
U.S. Environmental Protection Agency
1200 6th 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

Public Comments

None.

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	Jan-16
Bend	14500D-15	12,691,108	III-B, IV-A	OR101572	Oct-15	Nov-15	Oct-15
Bend	14500B-15	5,450,000	III-B	OR101572	Sep-15	Sep-15	Aug-15
Bend	14500C-15	7,895,000	III-B	OR101572	Sep-15	Sep-15	Jan-16
Bend	14500E-15	63,000,000	IV-B	OR101572	Sep-15	Sep-15	Dec-15
Brookings	18200-15	3,214,470	I,II,III:A,B,IV:A,B,VI, VII: B,D,E	101773	Sep-15	Sep-15	Nov-15
Clackamas Co. SWCD	22405-16	250,000	VII-D	N/A	Sep-15	Oct-15	Sep-20
Coos Bay	24000-15	21,836,876	I	100771	Sep-15	Sep-15	Oct-15
Dallas	26110-15	7,000,000	I, II, III-A, X	101518	Jul-15	Jul-15	Aug-15
Dundee	29650-16	950,000	III-A, VII-D	101722	Jul-15	Aug-15	Sep-17
Glendale	37450-14	1,600,000	I	OR0026409	Jul-15	Jul-15	Oct-15
Gold Hill	37820-15	1,334,200	III-B	OR102404	Jul-15	Nov-15	Nov-15
Newport	29650-16	5,243,454	III-B,VII-D,VII:E,F,K	OR0044571	Jul-15	Apr-16	Dec-16
Parkdale Sanitary District	71490-16	2,133,000	I, II	101322	Jul-15	Jul-15	May-18
Pilot Rock	73540-15	25,000	I	971357	Jul-15	Dec-15	Jan-16
Prineville	74680-15	3,500,000	I	OR0023612	Jul-15	Jul-15	Oct-15
Redmond	76070-16	7,129,250	IV:A,B	101500	Jul-15	Jan-16	Dec-16
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	Oct-15
Sutherlin	89540-15	18,242,000	I	OR0020842	Jul-15	Jul-15	Dec-15
Warrenton	94940-16	1,920,304	III-B	OR002087-7	Jul-15	Nov-15	Dec-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	58	37450-14	Glendale	1,600,000		SC
6	57	22405-16	Clackamas County Soil and Water Conservation District	250,000	EI - 250,000	
6	57	71490-16	Parkdale Sanitary District	2,133,000		SC
7	55	37820-15	Gold Hill	1,334,200		SC
8	52	29650-16	Newport	5,243,454	GI - \$1,150,000	
9	51	78270-15	Rock Creek District Improvement Company	270,786	WE - \$270,786	SC
10	49	29650-16	Dundee	950,000		SC
11	45	83810-13	Sheridan	1,700,000		SC
11	45	26110-15	Dallas	7,000,000	WE - \$6,000,000	
12	42	94940-16	Warrenton	1,920,304		SC
13	37	14500B-15	Bend	5,450,000		
13	37	14500C-15	Bend	7,895,000		
13	37	14500E-15	Bend	63,000,000		
14	36	14500D-15	Bend	12,691,108		
15	30	76070-16	Redmond	7,129,250		
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
3	66	89540-15	Sutherlin	18,242,000	EE - \$3,500,000	SC

Appendix 4: Estimated Funds Available for SFY 2015

Sources of Funds	Actual Through FY 2014	Actual For FY 2015	Estimated For FY 2016-17	Total
Federal Capitalization Grants	415,818,785	15,839,000	15,758,000	447,415,785
State Match	78,669,335	4,902,351	0	83,571,686
Investment Earnings	34,461,508	921,179	1,000,000	36,382,687
Loan Principal Repayments	489,406,852	9,848,899	42,199,014	541,454,765
Loan Interest Payments	156,542,187	1,170,899	16,398,971	174,112,057
Transfer From Loan Fees Account	3,000,000	0	0	3,000,000
Total Sources of Cash	1,177,898,667	32,682,328	75,355,985	1,285,936,980
Uses of Funds				
Loans and Amendments	1,026,425,061	13,683,546	N/A	1,040,108,607
Administration Expense paid with Grant	10,101,744	0	0	10,101,744
Debt Service on Match Bonds	44,336,040	1,857,983	1,900,000	48,094,023
Total Uses of Cash	1,080,862,845	15,541,529	1,900,000	1,098,304,374
Sources of Cash less Uses of Cash	97,035,822	17,140,799	73,455,985	187,632,606
Net Available to Loan - FY 2015	N/A	N/A	187,632,606	187,632,606

Appendix 5: Estimated SFY 2015 Activity

Project	Facility Planning	Small Comm.	GPR Funding (Cap Grant Year '14-15)	Other	FP,SC,GPR and Other Total	Subsidy	Remaining Available CWSRF Funds
Current Available Funds	3,000,000	46,908,152	3,159,700	134,564,755	187,632,606	0	187,632,606
Use of Available Funds - Increases							
Bend				12,200,000	12,200,000		175,432,606
Subtotals	0	0	0	12,200,000	12,200,000	0	175,432,606
Balance	3,000,000	46,908,152	3,159,700	122,364,755	175,432,606	0	175,432,606
Use of Available Funds - New Loans							
Ashland				11,200,000	11,200,000		164,232,606
Bend				5,450,000	5,450,000		158,782,606
Bend				7,895,000	7,895,000		150,887,606
Bend				12,691,108	12,691,108		138,196,498
Bend *				28,144,891	28,144,891		110,051,607
Brookings		3,214,470			3,214,470		106,837,137
Clackamas County Soil and Water Conservation District			250,000		250,000		106,587,137
Coos Bay		20,311,876	1,525,000		21,836,876		84,750,261
Dallas		7,000,000			7,000,000		77,750,261
Dundee		950,000			950,000		76,800,261
Glendale		1,600,000			1,600,000		75,200,261
Gold Hill		1,334,200			1,334,200		73,866,061
Newport				5,243,454	5,243,454		68,622,607
Parkdale Sanitary District		2,133,000			2,133,000		66,489,607
Pilot Rock	25,000				25,000		66,464,607
Prineville		3,500,000			3,500,000		62,964,607
Redmond				7,129,250	7,129,250		55,835,357
Rock Creek		270,786			270,786		55,564,571
Sheridan		1,700,000			1,700,000		53,864,571
Sutherlin		1,160,000	1,384,700	15,697,300	18,242,000		35,622,571
Warrenton		1,920,304			1,920,304		33,702,267
Subtotal	25,000	45,094,636	3,159,700	93,451,003	141,730,339	0	
Balance	2,975,000	1,813,516	0	28,913,752	33,702,267	0	

*Current request exceeds maximum allowed per OAR-340-054-0036 (3)(a)(A). At the end of SFY2016 the DEQ may allocate remaining funds.

Appendix 6: Binding Commitments and Funds Available

FUNDS AVAILABLE AS OF JUNE 30, 2015:

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 14, 15*	TOTAL FUNDS AVAILABLE
447,415,785	83,571,686	499,255,751	157,713,086	35,382,687	-83,508,873	1,223,338,995
					2014 -6,529,025	
					2015 -12,739,250	
					Admin allowance -17,896,631	
					Bond debt service -46,343,967	
					adjusted total	1,139,830,122
Total Binding Commitments as of June 30, 2015:						1,040,108,607
Binding Commitments as a Percentage of Funds Available From 2015:						91.3%

* DEQ has 3 years to commit early principal payments

EARLY REPAYMENTS DEQ HAS RECEIVED FROM BORROWERS

Borrower/Loan Number	Amount	State Fiscal Year
Gold Beach/37814	4,057,000	FY 14
Gold Beach/37811	929,141	FY 14
Cove/24680	1,345,194	FY 14
Three Sisters/91412	2,975	FY 14
Maywood Park/63960	27,160	FY 14
Vernonia/93642	8,613	FY 14
Athena/11850	139,997	FY 14
Athena/11850	12,378	FY 14
Athena/11850	6,567	FY 14
Athena/11850	48,239	FY 15
Athena/11850	10,208	FY 15
Neskowin SD/68650	58,441	FY 15
Creswell/25140	2,839	FY 15
Coburg/23043	6,175,421	FY 15
Govt Camp/38350	57,991	FY 15
Govt Camp/38350	43,068	FY 15
Gresham /39192	3,017,094	FY 15
Gresham/39191	2,767,097	FY 15
Gresham/39189	434,568	FY 15
Ione/47690	14,000	FY 15
Coos Bay Port/24190	110,284	FY 15