

Intended Use Plan Update #2

State Fiscal Year 2016

June 16, 2016

Clean Water State Revolving Fund loan program

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DEQ is a leader in restoring, maintaining and enhancing the quality of Oregon's air, land and water.



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Introduction

The Intended Use Plan is a document the Oregon Department of Environmental Quality prepares for the U.S. Environmental Protection Agency and others interested in Oregon's Clean Water State Revolving Fund 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 [Secretary of State website](#):

Clean Water Benefits and FFATA Reporting EPA requires state CWSRF programs to fund only projects that have a demonstrated environmental benefit. States must report this benefit for each project in the Clean Water Benefits Reporting (CBR) database no later than by the end of the fiscal quarter in which the SRF loan, amendment, or SRF binding commitment is executed, as a condition of the capitalization grant. DEQ will report these environmental outputs or outcomes along with other required data fields in CBR by the end of the fiscal quarter in which the project is signed into a SRF financial assistance agreement.

Additionally, to meet the Federal Funding Accountability and Transparency Act (FFATA) reporting requirement called, DEQ will report projects with a combined dollar amount equal to the applicable capitalization grant. Oregon's newly executed SRF financial assistance agreements in excess of \$25,000 will be entered into the federal System for Award Management SAM online database by the end of the month after which the agreement was executed, in accordance with EPA guidance¹. For example, a project loan signed any day in May 2016 will be entered into SAM by June 30, 2016.

¹ 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 Oregon's CWSRF Program

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) took effect Oct. 1, 2014 and others, Oct. 1, 2015. DEQ proposed programmatic and administrative rule changes addressing the revised CWA requirements. Those revisions were proposed by DEQ and adopted by the Environmental Quality Commission in October 2015.

The information below summarizes the revisions to DEQ's CWSRF program.

- 1) Thirty year loan term. DEQ amended OAR 340-054-0065(8)(D) to allow loans up to 30 years, but not to exceed the useful life of the project as determined by DEQ engineering staff. This rule became effective January 1, 2016.
- 2) Additional Subsidization. DEQ revised (OAR 340-054-0065(11) to address the affordability criteria required by the CWA in Section 603 (i) and available to:
 - Applicants that meet affordability criteria
 - Applicants that themselves do not meet the affordability criteria requirements, but have individual ratepayers who will experience financial hardship from a rate increase resulting from financing a project
 - Applicants with a project that implements a process, material, technique, or technology to address water-efficiency and energy-efficiency goals, to mitigate stormwater runoff, or to encourage sustainable project planning, design, and construction.
- 3) Certification of Cost and Effectiveness. OAR 340-054-0022(3)(j) now requires borrowers to certify they have evaluated the cost and the effectiveness of their project, and they have selected, to the maximum extent possible, an option that maximizes water and energy efficiencies.
- 4) Qualifications based procurement. OAR 340-054-0060(15) now requires architectural and engineering services funded by the CWSRF program be selected in accordance with state law on the basis of the consultant's qualifications for the type of professional service required.
- 5) Project eligibilities. DEQ revised OAR 340-054-0015 to align and include many of the new categories of eligible projects referenced in the Section 603(c) of the CWA.
- 6) Fiscal sustainability. This new requirement was included in the loan program without the need for a change in rule. Recipients of all loans for the repair, replacement or expansion of treatment works projects need to certify that they have developed and implemented a fiscal sustainability plan.

DEQ convened the CWSRF Advisory Committee (winter 2015-2016) to discuss the optional elements of the CWA amendments. Those results will be published in a later IUP.

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 2015 and 2016 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 2015 and 2016 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) and FFY 2016 (Oct. 1, 2016 through Sept. 30, 2017) capitalization grants.

On September 15, 2015 DEQ received the FFY 2015 capitalization grant, in the amount of \$15,758,000. This IUP includes DEQ receipt of the FFY 2016 capitalization grant in the estimated allocation amount of \$15,094,000.

FFY 2015 and FFY 2016 Cap Grant Payment Schedules

The estimated 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

The estimated payment schedule for the FFY 2016 capitalization grant is:

- July – Sept. 2016: \$6,000,000,
- Oct. – Dec. 2016: \$6,000,000,
- Jan. – March 2017: \$3,094,000

DEQ plans to 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 is used exclusively to pay CWSRF program administrative costs. As of April 30, 2016, the CWSRF program had approximately \$3.6 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 \$8.3 million. See Figure 1 below for a recap of the total grants (including the FFY2015 and FFY 2016 Cap Grants, administrative allowance, allowance used and the remaining banked authority).

Figure 1: Total of Banked authority

Total Cap Grants through 2015	462,509,785
4 percent admin allowance	18,500,391
Allowance used through 6/30/2015	10,101,744
Banked authority remaining	8,398,647

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 30 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. 30 year loans are subject to an interest rate premium based on community demographic. A percentage of that rate is used for the CWSRF loan interest rate on loans signed in the subsequent calendar quarter. These percentages are stated in OAR 340-054-0065(4).

Interest rates for 20-year loans signed during the period April 1, 2016 through June 30, 2016 will be about 1.35 percent for small communities with median household income (MHI) below the statewide MHI, and about 1.85 percent for all other communities. Loan rates are based on the average municipal bond rates during the January through March period. New rates will be calculated and published on the [CWSRF website](#) in July 2016 for the next quarter.

Applications

DEQ published and sent out an annual program [newsletter](#) to interested parties in February 2016 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 application deadlines for funding during DEQ’s SFY 2016 are August 12, and December 9, 2016

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 22 projects for a total of \$181,105,230 in requested funding. Since the initial State Fiscal Year 2016 Intended Use Plan, DEQ received five new applications. These applications are from the cities of Canyonville, Lincoln City, two applications from the City of Drain, and an application from Clean Water Services. Four applicants have been removed from the list of projects in Table 1 because loan agreements were signed. These applicants are: the Cities of Bend, Prineville, Gold Hill and Sutherlin.

Table 1 contains 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)	\$11,200,000
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.		
14500B-15	City of Bend (Deschutes County)	\$5,450,000
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.		
14500C-15	City of Bend (Deschutes County)	\$7,895,000
Sec. 212 Design and Construction. Design and construction of a bypass valve and new force main within the north area.		

14500D-15	City of Bend (Deschutes County)	\$12,691,108
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.		
14500E-15	City of Bend (Deschutes County)	\$63,000,000
Sec. 212 Design and Construction. Design and construction of a large diameter gravity sanitary sewer pipeline within the south east portion of the city.		
	City of Brookings (Curry County)	\$3,214,470
This project includes a sponsorship option in the amount of \$845,385 of stormwater, drainage improvements, water conservation planning. Sponsorship options includes:		
<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. 		
<ul style="list-style-type: none"> • 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) 		
<ul style="list-style-type: none"> • 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). 		
The sponsorship projects are consistent with Oregon Nonpoint Source Management Plan sections 1.2, 2.3.4, 3.3.2, and 5.3.10.		
20590-16	City of Canyonville (Douglas County)	\$9,070,000
Sec. 212 Design and Construction Convert activated sludge tank to an equalization basin; add membrane system (MBR) for tertiary treatment; new UV disinfection; biosolids treatment; new control bldg; new blower bldg, Project is driven by MAO to meet chlorine, ammonia, and phosphorous permit limits. This is an interim financing loan for USDA-RD		
22405-16	Clackamas County Soil and Water Conservation District	\$250,000
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.		

24000-15	City of Coos Bay (Coos County)	\$21,836,876
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:		
<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. 		
<ul style="list-style-type: none"> • 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). 		
<ul style="list-style-type: none"> • 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). 		
The sponsorship projects are consistent with Oregon Nonpoint Source Management Plan sections 1.2, 2.3.4, 3.3.2, and 5.3.10		
26110-15	City of Dallas (Polk County)	\$7,000,000
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:		
<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. 		
<ul style="list-style-type: none"> • 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.		
29200-16A	City of Drain (Douglas County)	\$7,846,000
Sec. 212 Design and Construction. Construction of a new WWTP and influent pump station outside the floodway sized to meet capacity up to the year 2035. The system includes a gravity sewer main, influent PS, headworks, SBR reactors, UV disinfection, and a facultative sludge lagoon. The project also includes an irrigation system for summer irrigation.		
29200-16B	City of Drain (Douglas County)	\$4,336,000
Sec. 212 Design and Construction. Construction of a new WWTP and influent pump station outside the floodway sized to meet capacity up to the year 2035. The system includes a gravity sewer main, influent PS, headworks, SBR reactors, UV disinfection, and a facultative sludge lagoon. The project also includes an irrigation system for summer irrigation. This application is for interim funding with USDA-RD in the event the City decides to use that option.		
29650-16	City of Dundee (Yamhill County)	\$950,000
Sec. 212. Design and Construction with Sponsorship Option. This is an I/I project intending to reduce high flows during rainstorm 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.

22700-16	Clean Water Services (Washington County)	\$35,111,614
<p>Sec. 212 Design and Construction with Sponsorship Option. 1) upgrade secondary treatment at their Durham treatment plant, including a new aeration basin and a new secondary clarifier; 2) construct an on-site renewable natural gas fueling facility at their Rock Creek treatment plant; and 3) riparian/floodplain restoration in the Fanno Creek subbasin. The Durham upgrades should allow CWS to maintain compliance for a variety of permit requirements through 2036. This project is consistent with the goals of the Oregon Nonpoint Source Management Program Plan, section 3.5.3 - Total Maximum Daily Loads and Water Quality Management Plans.</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>		

57510-16	Lincoln City (Lincoln County)	\$260,000
<p>Local Community Loan. The city will make financing available to property owners of 43 residences within a Local Improvement District (LID) to install a grinder pump, construction of a service line between the grinder and the existing lateral, and decommissioning of the existing septic tank. The collected wastewater will discharge to an existing pump station and conveyed to the City's WWTP. The project will benefit Devil's Lake that is 303(d) listed for Chlorophyll A, pH, harmful algal (microcystin) blooms/aquatic weeds. This project is consistent with the goals of the Oregon Nonpoint Source Management Program Plan, section 6.1.</p>		

68930-16	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 state 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
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.		
76070-16	City of Redmond (Deschutes County)	\$7,129,250
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.		
78270-15	Rock Creek District Improvement Company (Wasco County)	\$270,786
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.		
83810-13	City of Sheridan (Yamhill County)	\$1,700,000
Sec. 212 Design and Construction and Small Community. Design and construction of improvements to the main lift station and associated force main.		
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

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 five applicants are ready to proceed including the City of Bend (14500D-15), Clackamas Soil & Water Conservation District (22405-16), City of Newport (68930-16) Rock Creek District Improvement Company (78270-15) and City of Warrenton (94960-16) . These applicants have completed the CWSRF requirements necessary to receive a loan offer for their projects.

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 State Fiscal Year 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 amount of \$15,758,000 and the FFY 2016 capitalization grant in the estimated amount of \$15,094,000.

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 and FFY 2016 capitalization grant awards 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 \$4,819,591 to raise matching funds for up to \$24,000,000 in future federal capitalization grant money including the FFY 2015 and FFY 2016 capitalization grants. [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 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 SFY 2016 and part of SFY 2017 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 SFY 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. The updated figures in Appendix 4 indicate that the maximum amount per project will need to be adjusted down for SFY 2017.

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. Based on the updated figures in Appendix 4, the small community reserve may need to be adjusted down for SFY 2017. 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 and FFY 2016 capitalization grants require 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 and FFY2016 capitalization grant will be \$1,575,800 and \$1,509,400 respectively.

For a project to obtain green project reserve funding, it must follow the EPA GPR Guidance ([EPA 2012 Green Project Guidance](#)) for determining project eligibility. [Appendix 2](#) indicates projects that meet the green project reserve under the four categories: Green Infrastructure – GI; Water Efficiency – WE; Energy Efficiency – EE; and Environmentally Innovative Activity – EIA.

[Appendix 5](#) summarizes how DEQ expects to satisfy the FFY 2014, 2015 and FFY 2016 green project reserve requirement in part by executing an agreement with three projects.

First, the City of Coos Bay, project number 24000-15, application in the amount of \$21,836,876 of which \$2,200,000 is a categorically green infrastructure project meets the FFY 2014 requirement of \$1,583,900 and their loan agreement is signed.

The FFY 2015 requirement of \$1,575,800 will be met with the Clackamas 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, Rock Creek Irrigation District, project number 78270-15, application amount of \$270,786, of which 100% is categorically water efficiency and Clean Water Services, project number 22700-16 of which \$2,160,000 is 100% categorically green infrastructure.

DEQ expects to meet the GPR requirement for FFY 2016 with City of Dallas project number 26110-15, application amount of \$7,000,000 of which \$1,750,000 is 100% categorically water efficiency.

Please see the chart below for a breakdown by federal fiscal grant year.

FFY Grant	2014	2015	2016
GPR Req	1,583,900	1,575,800	1,509,400
Coos Bay	2,200,000		
Clackamas SWCD		250,000	
Rock Creek		270,786	
Clean Water Services		2,160,000	
Dallas			1,750,000
	(616,100)	(1,104,986)	(240,600)

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 future green project reserve requirements for capitalization grants throughout the year with the eligible ready-to-proceed projects. DEQ will identify green project reserve allocations in subsequent IUP updates. DEQ cannot reallocate the Green Project Reserve funds to any other funding category.

Additional Subsidization

The 2014 amended Clean Water Act no longer requires that state CWSRF programs provide a minimum amount of principal forgiveness. Accordingly, DEQ revised its rule in OAR 340-054-0065(11) to allow a percentage of each capitalization grant to eligible applicants as principal forgiveness. The amount of principal forgiveness provided each year is dependent on the amount of the federal appropriation and to some extent the percentage of principal forgiveness offered by DEQ in previous years. For the FFY2015 Capitalization Grant, DEQ expects to award 18% in principal forgiveness, or \$2,836,440.

Subsequent to the WRRDA Clean Water Act amendments pursuant to Additional Subsidization, DEQ has been informed that the FFY2016 Capitalization Grant Agreement will include a provision requiring 10% of the allocated grant be offered as Additional Subsidization. This will be in addition to any principal forgiveness that DEQ offers as allowed by OAR 340-054-0065 (11). This will add \$1,509,400 to Appendix 5's estimate of principal forgiveness awards, or a total of \$4,345,840. For the FFY2016 grant,

DEQ plans to award City of Redmond \$500,000 and City of Dundee \$425,000 in principal forgiveness. These two applicants qualify for additional subsidization under the affordability criteria outlined in OAR 340-054-0065(11). There are no other eligible recipients at this time.

Proposed State Fiscal Year 2016 Activity

[Appendix 5](#) includes projects proposed for funding 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, SRF program funds are currently oversubscribed. OAR-340-054-0036 (3)(a)(A) places a cap of awarding no more than 15% of available funds in any given fiscal year to a single recipient. Recipients of program funds in amounts less than the total amount applied for in SFY 16 may receive additional funding from DEQ in future years to supplement the unfunded amount requested in FY2016.

[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. DEQ will provide up to approximately 18% of the FFY2015 Capitalization Grant in additional subsidization in the form of principal forgiveness. Applicants who meet the requirements according OAR 340-054-065 (11) will be offered principal forgiveness as they become ready to proceed.

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 approximately three years ending with SFY2014, DEQ experienced a relatively slow pace in obligating funds. The slow-down in the economy kept some communities from investing in infrastructure. The backlog in renewing Oregon NPDES permits, and the uncertainty associated with possible new permit requirements may have also limited the use of CWSRF funding. The impacts from these circumstances were outside the control of the CWSRF loan program.

In SFY2015 CWSRF staff began to focus on activities that were within the program's control. These activities included the program's first real attempt at marketing, increased association with other agencies, and completing a rulemaking that equipped the program to be more appealing to communities.

Marketing efforts included working with the Department of Administrative Services to develop professional brochures. These brochures target communities needing to address wastewater infrastructure needs, growing stormwater concerns or nonpoint source issues. DEQ also designed a technical assistance-marketing card easily used by CWSRF field staff to ensure all new community contacts have a simple and effective connection to DEQ's loan program.

CWSRF staff also pursued a strategy of working with other agencies and organizations to carry the loan program's message. DEQ staff worked closely with the League of Oregon Cities, the Oregon Association of Water Utilities and the governor's Regional Solutions Team in promoting effective utility management workshops. Staff attended five events across Oregon in 2015. DEQ will attend similar events in the

future. To increase the program's exposure during these workshops, DEQ developed large, professional banners promoting the CWSRF program. Additionally, DEQ continues to build upon its relationship and gain exposure with the League of Oregon Cities by advertising monthly in the League's publication, "Local Focus". Concurrent with its marketing efforts, CWSRF staff initiated a quarterly newsletter that highlights activities and changes within the CWSRF program. The newsletter provides increased exposure and a new level of understanding of the program within DEQ.

Staff also revised the program's administrative rules to incorporate the 2014 changes to the Clean Water Act. Two major elements of that rulemaking, a new "federal loan" and an increase in principal forgiveness are already affecting the pace of obligating funds. DEQ incentivized the new federal loan to encourage large communities with greater resources to comply with the federal equivalency requirements (specifically the federal cross-cutting authorities). This strategy obligates one or two large communities in each fiscal year to address the cross cutters, allowing DEQ, when appropriate, to waive the cross cutter documentation from smaller, less resourceful communities. This approach involving a federal loan and the ability to waive cross-cutter documentation seems to be encouraging additional applications. Finally, DEQ revised its administrative rule to allow an increased amount of principal forgiveness (up to 18% of the capitalization grant accumulatively).

Federal loan

With the rule revisions of October 2015, DEQ established a new type of loan, the "federal loan". Launching of the federal loans is a pilot project giving DEQ the opportunity annually to offer incentives, in the form of a reduced interest rate, on a first come, first serve basis for a subset of borrowers subject to additional federal funding application requirements. These projects are funded with monies directly made available by the federal capitalization grant for the associated federal fiscal year.

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/Cross Cutters

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.

For FFY 2015 Capitalization Grant reporting purposes, City of Bend, Loan No. R14516 in the amount of \$28,144,891 signed on 12/11/2015, was identified as DEQ's "federal loan." As outlined in an earlier section, The City of Bend has met all federal equivalency requirements, including the federal cross

cutting authorities. This action allows subsequent qualified borrowers to have this requirement waived. DEQ will identify the FFY2016 Federal Loan in a subsequent SFY2017 IUP.

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 2 CFR 200 (Omni Circular). DEQ monitors borrowers' compliance with those requirements in an amount equal to the capitalization grants.

Public Involvement

Oregon's CWSRF program provides several opportunities for the public's involvement. These include the formal public notice process when administrative rules are revised, a public notice for projects requiring an environmental determinations, and when the Intended Use Plan is revised on a regular basis.

Rulemaking

The program's administrative rules are often revised to address changes in federal requirements or to better meet the financial needs of local 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.

CWSRF Advisory Committee

DEQ frequently involves public advisory committees to assist the agency in developing policy. DEQ established the CWSRF Advisory Committee to address program issues and provide input to DEQ for rulemaking. The standing committee includes 14 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 welcomed to attend.

Public Notice of an Environmental Determination

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 currently issues a public notice in a state-wide publication and in a local publication for each project. This public notice may also be required for Clean Water Act Section 319 and Section 320 projects that also are considered Section 212 projects.

Notice and comments on the Intended Use Plan

DEQ completes an Intended Use Plan annually and updates the plan as DEQ receives new applications to the CWSRF program. The draft IUP is then published in the Dailey Journal of Commerce. 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 IUP.

Public Notice of This Intended Use Plan

This proposed Intended Use Plan, for State Fiscal Year 2016, Update #2 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 2016 Update#2

Notice Issued: April 22, 2016
Comments Due: May 22, 2016

What is Proposed?

The Oregon Department of Environmental Quality has prepared a *Proposed Intended Use Plan Update #2, 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 Update #2, State Fiscal Year 2016* includes 22 projects for a total of \$181,105,230 in requested funding. The *Intended Use Plan* will fund approximately \$232 million for planning, design, or construction of projects needed to address water quality improvement in Oregon.

To Receive a Copy of the Proposed Intended Use Plan

A copy of the *Proposed Intended Use Plan Update #2, 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 Sunday, May 22, 2016. Written comments may be mailed, faxed or emailed to:

Mail: Oregon Department of Environmental Quality,
Water Quality Program
Attn: Larry McAllister
811 SW Sixth Ave.
Portland, OR 97204-1390

Fax: 503-229-6037

Email: intendeduseplancomments@deq.state.or.us

In addition to the above notice, DEQ sent email notification of this proposed Intended Use Plan to the new applicants for this funding cycle, and to the following:

David Carcia
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

No public comments were received during the comment period, which ended May 22, 2016 at 5:00 pm. As such, this IUP has been finalized as proposed.

Appendices

Appendix 1: Project Priority List in Alphabetical Order

Applicant	Project #	Amount Requested (\$)	EPA Needs Category	Permit Number	Preliminary Project Schedule		
					Application*	**Start	Completion
Ashland	11750-13	11,200,000	I,IV-B,VII	OR0026255	Apr-13	Jun-13	Jun-15
Bend	14500D-15	12,691,108	III-B, IV-A	OR101572	Apr-14	Nov-14	Jan-16
Bend	14500B-15	5,450,000	III-B	OR101572	Apr-14	Jan-15	Sept-15
Bend	14500C-15	7,895,000	III-B	OR101572	Apr-14	Jun-15	Jun-16
Brookings	18200-15	3,214,470	I,II,III:A,B,IV:A,B,VI, VII: B,D,E	101773	Apr-14	Jul-16	Oct-16
Canyonville	20590-16	9,070,000	I, II	OR002072-9	Aug-15	May-18	Oct-19
Clean Water Services	22700-16	35,111,614	I, II, VII-K	OR-002811-8	Aug-15	Jun-16,	May-19
Dallas	26110-15	7,000,000	I, II, III-A, X	101518	Dec-14	Jul-15	Aug-16
Dundee	29650-16	950,000	III-A, VII-D	101722	Apr-15	Aug-15	Nov-15
Glendale	37450-14	1,600,000	I	OR0026409	Aug-13	Apr-15	Dec-15
Lincoln City	57510-16	260,000	VII-D	N/A	Aug-15	Jan-16	Jan-19
Parkdale Sanitary District	71490-16	2,133,000	I, II	101322	Apr-15	Jun-16	Apr-18
Pilot Rock	73540-15	25,000	I	971357	Dec-14	Dec-14	Jun-15
Redmond	76070-16	7,129,250	IV:A,B	101500	Apr-15	Jan-16	Dec-16
Sheridan	83810-13	1,700,000	III-B	OR0020648	Apr-13	Jul-15	Jun-16

NOTES:

*The Application date is DEQ's Application Deadline when DEQ received the application.

**The "Start " and "Completion" dates listed in the Preliminary Project Schedule were developed from the information provided in the respective project application.

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	68	20590-16	Canyonville	9,070,000	-	
4	65	29200-16B	Drain II	4,336,000		
5	64	18200-15	Brookings	3,214,470	GI - \$355,000, WE – \$25,000	SC
6	58	37450-14	Glendale	1,600,000		SC
7	57	71490-16	Parkdale Sanitary District	2,133,000		SC
8	55	57510-16	Lincoln City	260,000		
10	52	22700-16	Clean Water Services	35,111,614	GI – 2,160,000	
12	49	29650-16	Dundee	950,000		SC
13	45	83810-13	Sheridan	1,700,000		SC
14	45	26110-15	Dallas	7,000,000	WE - \$6,000,000	
15	37	14500B-15	Bend	5,450,000		
16	37	14500C-15	Bend	7,895,000		
17	36	14500D-15	Bend	12,691,108		
18	30	76070-16	Redmond	7,129,250		
19	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	24000-15	Coos Bay	21,836,876	1,915,500	n/a
19	37	14500C-15	Bend	7,895,000	n/a	n/a
20	36	14500D-15	Bend	12,691,108	n/a	n/a
21	30	76070-16	Redmond	7,129,250	n/a	7,129,250
13	51	78270-15	Rock Creek	270,786	270,786	

Appendix 4: Estimated Funds Available Thru State Fiscal Year 2017

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	30,852,000	462,509,785
State Match *	78,669,335	4,819,591	0	83,488,926
Investment Earnings	34,527,842	1,041,767	1,800,000	37,369,609
Loan Principal Repayments	489,409,852	32,382,354	42,199,014	563,991,220
Loan Interest Payments	156,542,187	9,848,899	16,398,971	182,790,057
Total Sources of Cash	1,174,968,001	63,931,611	91,249,985	1,330,149,597
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	94,105,156	48,390,082	89,349,985	231,845,223
Net Available to Loan - FY 2016	N/A	N/A	231,845,223	231,845,223

*includes \$3M transfer from Fee Account in 2002

Appendix 5: Estimated State Fiscal Year 2016-17 Activity

Project	Facility Planning	Small Comm.	GPR Funding (Cap Grant Year 14,15,16)	Other	FP,SC,GPR and Other Total	PF Subsidy	Remaining Available CWSRF Funds
Current Available Funds	3,000,000	57,961,306	4,669,100	166,214,817	231,845,223	4,345,840	231,845,223
Use of Available Funds - Increases							
Bend†				21,000,000	21,000,000		210,845,223
Prineville†		500,000			500,000		210,345,223
Subtotals	-	500,000	-	21,000,000	21,500,000	-	210,345,223
Balance	3,000,000	57,461,306	4,669,100	145,214,817	210,345,223	4,345,840	210,345,223
Use of Available Funds - New Loans							
Ashland				11,200,000	11,200,000		199,145,223
Bend				5,450,000	5,450,000		193,695,223
Bend				7,895,000	7,895,000		185,800,223
Bend				12,691,108	12,691,108		173,109,115
Bend *†				28,144,891	28,144,891		144,964,224
Brookings		3,214,470			3,214,470		141,749,754
Canyonville		9,070,000			9,070,000		132,679,754
Clackamas Soil & Water Conservation Dist. †			250,000		250,000		132,429,754
Clean Water Services*				28,144,891	28,144,891		104,284,863
Clean Water Services			2,160,000		2,160,000		102,124,863
Coos Bay †			2,200,000	19,636,876	21,836,876		80,287,987
Dallas		5,250,000	1,750,000		7,000,000		73,287,987
Drain**					-		73,287,987
Dundee		950,000			950,000	425,000	72,337,987
Glendale		1,600,000			1,600,000		70,737,987
Gold Hill †		1,334,200			1,334,200		69,403,787
Newport †				5,243,454	5,243,454		64,160,333
Parkdale Sanitary District		2,133,000			2,133,000		62,027,333
Pilot Rock	25,000				25,000		62,002,333
Prineville †		3,500,000			3,500,000		58,502,333
Redmond				7,129,250	7,129,250	500,000	51,373,083
Rock Creek Improvement Co. †			270,786		270,786		51,102,297
Sheridan		1,700,000			1,700,000		49,402,297
Sutherlin †		18,242,000			18,242,000	500,000	31,160,297
Warrenton †		1,920,304			1,920,304	500,000	29,239,993
Subtotal	25,000	48,913,974	6,630,786	125,535,470	181,105,230	1,925,000	
Balance	2,975,000	8,547,332	(1,961,686)	19,679,347	29,239,993	2,420,840	

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

** Application withdrawn

† denotes signed agreement

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 SFY 14, 15*	Total Cumulative Admin Allowance and Bond Debt Service	TOTAL FUNDS AVAILABLE
447,415,785	83,571,686	499,255,751	157,713,086	35,382,687	-19,268,275	-64,240,598	1,223,338,995
					2014 -6,529,025	Admin allowance -17,896,631	
					2015 -12,739,250	Bond debt service -46,343,967	
						adjusted total	1,139,830,122
Total Binding Commitments as of May 16, 2016:							1,153,807,600
Binding Commitments as a Percentage of Funds Available From 2015:							101.2%

* 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
Total	6,529,025	
Athena 11850	48,239	FY 2015
Athena 11850	10,208	FY 2015
Neskowin SD 68650	58,441	FY 2015
Creswell 25140	2,839	FY 2015
Coburg 23043	6,175,421	FY 2015
Govt Camp 38350	57,991	FY 2015
Govt Camp 38350	43,068	FY 2015
Gresham 39192	3,017,094	FY 2015
Gresham 39191	2,767,097	FY 2015
Gresham 39189	434,568	FY 2015
lone 47690	14,000	FY 2015
Coos Bay Port 24190	110,284	FY 2015
Total	12,739,250	