

Clean Water State Revolving Fund Loan Program

Intended Use Plan

State Fiscal Year 2018

July 19, 2017



**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 Intended Use Plan describes how DEQ proposes to use the Clean Water State Revolving Fund during state fiscal year 2017 (July 1, 2016 through June 30, 2017).

DEQ's Clean Water State Revolving Fund 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 Clean Water State Revolving Fund program activities are governed by Oregon Administrative Rules Chapter 340, Division 54, which can be found on the Secretary of State website:

http://arcweb.sos.state.or.us/pages/rules/oars_300/oar_340/340_054.html

Reporting Requirements

Clean Water Benefits and Federal Funding Accountability and Transparency Act Reporting

EPA requires state Clean Water State Revolving Fund 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 database no later than the end of the fiscal quarter in which the loan, amendment, or binding commitment is executed, as a condition of the capitalization grant. DEQ will report these environmental outputs or outcomes along with other required data fields in Clean Water Benefits Reporting database by the end of the fiscal quarter in which a financial assistance agreement is executed.

Additionally, to meet the Federal Funding Accountability and Transparency Act reporting requirement, DEQ will report funding award amounts and loan agreement information for projects until a combined dollar amount equal to the applicable capitalization grant is reported. Oregon's newly executed Clean Water State Revolving Fund financial assistance agreements in excess of \$25,000 will be entered into the Federal Funding Accountability and Transparency Act Subaward Reporting System database by the end of the month following the month in which the agreement was executed, in accordance with EPA guidance¹. For example, a financial assistance agreement signed any day in May 2017 will be entered into Federal Funding Accountability and Transparency Act Subaward Reporting System database by June 30, 2017.

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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).

Clean Water State Revolving Fund Program Goals

Mission Statement

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

Program Goals

- 1. GOAL: Assist communities in restoring, maintaining and enhancing water quality by offering financial assistance for water pollution control, water quality improvement, and protection projects. (PROJECTS)**

OBJECTIVES

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

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

OBJECTIVES

Finance

- Maintain the revolving nature of the fund and an active pace of disbursements in conjunction with the receipt of new funds and loan repayments.
- Ensure program budget adequately supports resources, administrative costs and anticipates future needs.
- Provide financial assistance most advantageous to borrowers, to the maximum extent possible and maintain sound financial management for the program.
- Develop criteria and implement pilot projects that encourage developing and emerging markets.

Programmatic

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

Marketing/Communications

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

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

OBJECTIVES

- Provide technical assistance to small communities using principals of effective utility management to assess financial, operational, managerial, and infrastructure capability needs that will result in water quality improvements.
- Provide training and technical assistance to communities in conjunction with new program requirements of the Water Resources Reform and Development Act of 2014.

4. GOAL: Coordinate and collaborate with other state and federal programs to provide financial assistance for water quality improvements to Oregon public agencies. (COORDINATION)

OBJECTIVES

- Develop a strategy with other funding agencies to communicate, coordinate and jointly fund projects with high priority water quality needs in the State.
- In priority basins, identify opportunities to address point source and non-point source water quality impairments and other finance options, Clean Water State Revolving Fund loans and sponsorship options towards recipients whose projects can most effectively reduce the impairments.

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 Clean Water State Revolving Fund that increases DEQ's capacity to fund water quality improvement projects. This Intended Use Plan includes the federal fiscal year 2017 (Oct. 1, 2017 through Sept. 30, 2018) capitalization grant.

DEQ expects to receive the federal fiscal year 2017 capitalization grant in the amount of \$14,977,000 in September 2017.

Federal Fiscal Year 2017 Capitalization Grant Payment Schedules

The estimated payment schedule for the federal fiscal year 2017 capitalization grant is:

July – Sept. 2017: \$6,000,000

October – Dec. 2017: \$6,000,000

January – March 2018: \$2,977,000

DEQ disbursed 100 percent of the required state match prior for the 2017 federal grant.

Program Administration

Administrative Expenses

DEQ charges an annual fee in the amount of 0.5 percent of the unpaid balance (beginning with the second payment) as prescribed in Oregon Administrative Rule 340-054-0065(6). Annual fees are adequate to support DEQ's administration of the program. DEQ will continue to monitor the fees fund to ensure the revenue source is adequate. Fee revenue is kept in an account separate from the regular loan fund and is used exclusively to pay program administrative costs. As of April 30, 2017, the program had approximately \$3.25 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 four percent allowed under the capitalization grant for future administrative use. The banked authority stands at \$8.4 million. See Table 1 below for a summary of the total grants (including the total grants through the federal fiscal year 2016 capitalization grant, administrative allowance, allowance used and the remaining banked authority).

Table 1: Total of Banked Authority

Total capitalization grants through September 30, 2016	\$462,389,785
four percent administrative allowance	18,495,591
Allowance used through 5/31/2017	<u>10,101,744</u>
Banked Authority remaining	8,393,847

Funding Options

Two funding options are available through the program:

- Loans with terms not-to-exceed the lesser of 30 years or the useful life of the asset
- Bond purchase agreements not-to-exceed the lesser of 30 years or the useful life of the asset

Terms and Conditions

Loans and Bond Purchases

The Clean Water State Revolving Fund offers loans and bond purchases with maximum repayment duration of 30 years after project completion, and interest rates based on the average 20-year municipal bond rate, as published by the Federal Reserve. Thirty year terms are subject to an interest rate premium based on community demographics. Shorter terms may have different interest rates. The average bond rate is calculated on a quarterly basis. A percentage of that rate is used for the loan interest rate on loans signed in the subsequent calendar quarter. These percentages are stated in Oregon Administrative Rule 340-054-0065(4).

Loan rates are updated quarterly. The current loan rates based on the average municipal bond rates during the January through March 2017 period. New rates will be calculated and published on the [Clean Water State Revolving Fund website](#) in July 2017 for the next quarter.

Applications

DEQ published and sent out an Annual Solicitation and Update [Newsletter](#) to interested parties in April 2017 to solicit applications for 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 application scoring meetings. The loan application deadlines for state fiscal year 2018 are August 11, 2017; December 8, 2017; and March 9, 2018.

Under Oregon Administrative Rule 340-054-0025(6)(a), project applications will remain on the priority list for up to 36 months, after which they will be removed from the list. DEQ also removes project applications from the list upon execution of a borrowing agreement or upon request by the applicant.

This Intended Use Plan includes 25 project applications for a total of \$170,979,278 in requested funding. DEQ is adding five new applications to the plan. These applications are from the Water Environment Services, Dee Irrigation District, Oregon International Port of Coos Bay, City of Rainier, and Tumalo Irrigation District. The application for the City of Madras was removed because the city signed a loan agreement and the application for the City of Glendale was removed because the city's IUP extension period expired.

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

- Newest applications are identified with a project number ending in "18."
- Applicants that serve populations of 10,000 or less are indicated as eligible for small community reserve funds as defined by administrative rule.
- Projects that meet categorical green project reserve requirements are identified with qualified funding.

Project Descriptions

Table 2: Project Description List

Application Number	Application Name Description	Requested Amount
11750-13	City of Ashland (Jackson County)	\$11,200,000
	Sec. 212 Design and Construction with Sponsorship Option. New oxidation ditch and pipeline improvements to provide sufficient treatment during high flows. This project includes a Sponsorship Option 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.	
18230-15	City of Brookings (Curry County)	\$3,214,470
	Sec. 212 Design and Construction with Sponsorship Option. This proposal includes inflow and infiltration work throughout city, including 2 miles of sewer mains and laterals. Construction to install 1500 linear feet of 27-inch of secondary interceptor on Railroad St. Pump testing and overhaul for 28 pumps. A methane storage and FOG feasibility study will provide methane gas storage to assure consistent supply of methane, supplied by anaerobic digester, to heat the digester. The project will also include aeration blower upgrades. This proposal also includes a Sponsorship Option for \$845,385 to redirect drainage to bio-swales in Azalea Park, develop engineered wetlands, improve storm drainage on Chetco Avenue, and update the city's current water conservation plan.	
	The stormwater related actions qualify for green project reserve funding; \$355,000 categorically green infrastructure (1.2-2). Updating the water conservation plan 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.	
21640-17	Central Oregon Irrigation District (Deschutes County)	\$1,140,000
	Sec. 319 Design and Construction. Piping of approximately 3,000 linear feet of open canal. COID will also upgrade the fish screen for the Central Oregon Canal at its inlet on the Deschutes River. Piping the canal is estimated to conserve 5 cubic feet per second for instream use. This project is consistent with the Nonpoint Source Management Plan in Sections 2.3 (short-term goal) and 3.5.2 (integrated report).	
22700-16	Clean Water Services (Washington County)	\$35,111,614
	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. The Sponsorship Option project for \$2,160,000 is riparian/floodplain restoration in the Fanno Creek sub basin. The Durham upgrades should allow CWS to maintain compliance for a variety of permit requirements through 2036. The Sponsorship Option 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.	
23550-17	City of Columbia City (Columbia County)	\$476,000
	Sec. 212 Design and Construction. This project will replace or abandon 17 septic tanks within the existing STEP sewer system to alleviate blockages and backups and reduce inflow and infiltration within the service area. The city will also upsize 1,550 linear feet of sewer main and add 10 manholes to the system service area.	
25140-17	Crescent Sanitary District (Klamath County)	\$5,364,700
	Sec. 212 Design and Construction. Construction of a new wastewater treatment facility with a lagoon; a collection system to replace individual onsite systems; and recycled water for the irrigation of 120 acres of forestland.	
26110-15	City of Dallas (Polk County)	\$7,000,000
	Sec. 212 Design and Construction with Sponsorship Option. 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 sewer overflows during high flow events. This project includes a Sponsorship Option in the amount of \$1,750,000 to acquire 460 acres of land adjacent to Mercer Reservoir. The reservoir is the City's drinking water supply and purchasing the surrounding land will protect the reservoir from sedimentation and runoff. The project will reuse 37 percent of its Class A treated effluent at a cost of \$6,000,000 and qualifies under Green Project Reserve guidance section 2.4. The Sponsorship Option is supported by section 3.4.3 of the 2014 Oregon Nonpoint Source Management Plan.	

Application Number	Application Name Description	Requested Amount
26900-18	Dee Irrigation District (Hood River County)	\$1,000,000
	Sec. 319 Design and Construction. Dee Irrigation District will improve irrigation water use efficiency, reduce electricity consumption, and improve water quality. This project will replace old pipe with a new fully pressurized system, thereby eliminating overflows and individual pumps. Pressure head to the system will be provided by a new high-efficiency pump station and each individual patron will be metered. This project will leave water in the West Fork Hood River, which supports multiple ESA-listed species, and will increase spawning, juvenile rearing habitat, and improve fish passage. The increased streamflow will have temperature benefits while the elimination of overflows will reduce the amount of sediment and other materials that are discharged into the river. This project supports Sections 4.3.3 and 4.3.7 of the 2014 Oregon Nonpoint Source Management Plan.	
29650-16	City of Dundee (Yamhill County)	\$950,000
	Sec. 212 Design and Construction with Sponsorship Option. This is an inflow and infiltration 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. This proposal includes a Sponsorship Option in the amount of \$350,000 that 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.	
47600-17	City of Independence (Polk County)	\$5,966,930
	Sec. 212 Design and Construction. Upgrades to the wastewater treatment and collection systems to address inflow and infiltration and capacity issues. The project will also include the implementation of a spray irrigation system to apply recycled water on agricultural land within the urban boundary.	
49800-17	City of Joseph (Wallowa County)	\$30,000
	Sec. 212 Planning. The City will develop a Wastewater Facilities Plan. Facilities have not been studied in over 20 years. The City is experiencing needs in the wastewater treatment and disposal systems and needs to evaluate its adequacy for current and projected needs.	
55700-17a	City of La Pine (Deschutes County)-Interim	\$7,832,500
	Sec. 212 Design and Construction. This project will improve the La Pine wastewater collection system, treatment facility and wastewater disposal system. The city will expand the collection system to Cagle and Glenwood Acres and replace septic tanks in the area. Upgrades to the wastewater treatment facility and disposal system include replacing the facility's septage receiving station; constructing a 22 million gallon storage lagoon; and relocating and expanding the irrigation area to approximately 210 acres of city-owned land.	
55700-17b	City of La Pine (Deschutes County)	\$1,000,000
	Sec. 212 Design and Construction. This project will improve the La Pine wastewater collection system, treatment facility and wastewater disposal system. The city will expand the collection system to Cagle and Glenwood Acres and replace septic tanks in the area. Upgrades to the wastewater treatment facility and disposal system include replacing the facility's septage receiving station; constructing a 22 million gallon storage lagoon; and relocating and expanding the irrigation area to approximately 210 acres of city-owned land.	
57510-16	City of Lincoln City (Lincoln County)	\$260,000
	Sec. 319 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 Waste Water Treatment Plant. The project will benefit Devil's Lake that is 303(d) listed for Chlorophyll A, pH, harmful algal blooms/aquatic weeds. This project is consistent with the goals of the Oregon Nonpoint Source Management Program Plan, section 6.1.	
65100-17	Middle Fork Irrigation District (Hood River County)	\$20,000,000
	Sec. 319 Design and Construction. Middle Fork Irrigation District will implement multiple projects to improve water quality and quantity associated with its irrigation diversions in the Middle Fork Hood River watershed. Specific projects include: installing a new deep water outlet and improving fish passage in Laurance Lake, installing new irrigation pipe to alleviate impacts from current irrigation system and addressing return flows from the irrigation system, improving the spillway at the Clear Branch Dam, and improving irrigation efficiency by Middle Fork Irrigation District patrons. This project is consistent with the Nonpoint Source Management Plan in Sections 2.3 (short-term goal), 3.5.3 (Total Maximum Daily Load Management Plan), 4.3.1 & 4.3.3 (Agricultural Memorandum of Agreement & Total Maximum Daily Load implementation).	
24190-18	Oregon International Port of Coos Bay (Coos County)	\$650,000
	Sec 212 Design and Construction. This project will consist of design and construction of a new stormwater system per the Tier II Stormwater Treatment Plan in an effort to address elevated concentrations of zinc and	

Application Number	Application Name Description	Requested Amount
	copper stormwater runoff and to supplement or replace existing stormwater treatment systems at the Charleston Shipyard. As a result of prior studies and testing in 2016 utilizing chitosan enhanced sand filtration (CESF) and other technologies to treat stormwater at the Charleston Shipyard, the Port of Coos Bay would like to design and construct a full scale system that will help the Port comply with existing regulatory thresholds and benefit native fish and aquatic species in the Joe Ney Slough.	
73540-17	City of Pilot Rock (Umatilla County)	\$4,135,000
	Sec. 212 Design and Construction. The city will construct a new evaporation pond system on city owned property to eliminate the current secondary pond, eliminate potential impacts to shallow groundwater, and adjacent 303 (d) listed Birch Creek. A new lift station will be added in a new location. This is an interim financing loan for US Department of Agriculture, Rural Development.	
75260-18	City of Rainier (Columbia County)	\$556,700
	Sec. 212 Design and Construction. The City of Rainier will upgrade old, degraded, and substandard sanitary sewer pipe systems within the "A" Street Corridor, including the upgrade of approximately 2800 feet of sanitary sewer lines to current design standards that will address potential and/or existing sources of groundwater infiltrating into the system, sewage leaking out of the system, and associated sinkhole development. There are 11 high- and moderate-priority repairs/replacements required, including cracks, offset joints, and pipe sags. This is a timely project due to ODOT-Rail Division proposed stormwater work that will expose this section of piping.	
78500-17	Rogue River Valley Irrigation District	\$3,198,944
	Sec. 319 Design and Construction. The district will implement the Bradshaw Drop piping project to eliminate canal leakage and reduce the diversion of water from Little Butte Creek by 7 cubic feet per second during the month of June. The project will provide pressurized water to patrons near the piped portion of the canal; reduce the need for pumps; and allow for farm conversions to sprinkler irrigation. This project is consistent with the Nonpoint Source Management Plan in Sections 3.5.3 (Total Maximum Daily Load Management Plan), 4.3.1 & 4.3.3 (Agricultural Memorandum of Agreement & Total Maximum Daily Load implementation), and 6.1 (utilizing Clean Water State Revolving Fund).	
80490-17	City of Sandy (Clackamas County)	\$250,000
	Sec. 212 Planning. The proposed planning project would update the City Wastewater Facilities Plan by reviewing the existing wastewater treatment, collection and pumping systems for age and capacity issues; the capacity of the receiving stream including existing or pending Total Maximum Daily Load limitations in the basin; and use population growth estimates to determine future wastewater flow. The project will also include the development of an I/I flow monitoring plan.	
89600-17	Swalley Irrigation District (Deschutes County)	\$16,000,000
	Sec. 319 Design and Construction. This irrigation piping project includes the installation of pressurized pipe to eliminate seepage and evaporative loss from open ditches; flow regulating and metering devices at service connections; pressurized delivery to eliminate individual pumps system-wide; active education; and a sprinkler exchange program. Piping and pressurizing the irrigation canals will result in approximately 1.1 million kWh/year in energy conservation and conserve up to 16 cubic feet per second of water during the irrigation season. This project is consistent with the Nonpoint Source Management Plan in Sections 3.5.3 (Total Maximum Daily Load Management Plan), 4.3.1 & 4.3.3 (Agricultural Memorandum of Agreement & Total Maximum Daily Load implementation), and 6.1 (utilizing Clean Water State Revolving Fund).	
90700-17	City of The Dalles (Wasco County)	\$2,000,000
	Sec. 212 Design and Construction. Construction of "Co-Gen" systems to generate heat and electrical power utilizing gas produced by anaerobic digestion processes at the city's wastewater treatment plant. The project will include installation of primary filtration for carbon diversion; methane gas compression, filtration and conditioning; and micro-turbine systems.	
92580-18	Tumalo Irrigation District (Deschutes County)	\$2,000,000
	Sec. 319 Design and Construction. Tumalo Irrigation District will complete a large portion of the Tumalo Feed Canal, enclosing 8,750 length-feet of the current open conveyance system in pipe, eliminating the existing major seepage loss, and returning 2.92 cubic feet per second of water to Tumalo Creek and 787.14 acre-feet of water to Crescent Creek. This project supports Sections 4.3.3 and 4.3.7 of the 2014 Oregon Nonpoint Source Management Plan.	
93050-17	City of Umatilla (Umatilla County)	\$2,342,420
	Sec. 212 Design and Construction. Construction of a 2.5 mile pipeline to accommodate industrial wastewater from the Port of Umatilla. Industrial wastewater will be discharged to a US Bureau of Reclamation canal and ultimately used by the West Extension Irrigation District. The industrial wastewater currently goes to the wastewater treatment plant.	

22500-18 Water Environment Services (Clackamas County) \$38,800,000

Sec. 212 Design and Construction with Sponsorship Option. In accordance with conceptual design of solids handling processes at the Tri-City Water Resource Recovery Facility, the facilities to be designed and constructed as part of this project include an anaerobic digester and control building, a biosolids dewatering process and cake loadout facility, rehabilitated existing solids handling facilities, and electrical, site and ancillary improvements. The project includes beneficial utilization of biogas through combined heat and power (CHP), including an 800 kW lean burn cogeneration unit that will use methane generated from anaerobic digestion to offset power demand at the facility and generate hot water for process and building heat.

This project includes a Sponsorship Option in the amount of \$1,800,000 to address two projects. Sponsorship project #1 involves restoration of a portion of Rock Creek and two small tributaries, including large wood placement, riparian corridor enhancement, removing an existing irrigation dam, and daylighting parts of two tributary channels. Sponsorship project #2 includes planning and data gathering for the Three Creeks Floodplain Enhancement project, which will enhance the existing natural floodplain area and construct wetlands and floodplain terraces to increase flood storage. The Sponsorship Option projects support Sections 2.3 (short-term goal), 3.5.3 (Total Maximum Daily Load implementation), 4.6.1 (Total Maximum Daily Load Implementation for Urban and Rural Residential DMAs), and 6.1 of the 2014 Oregon Nonpoint Source Management Plan.

Project Priority List in Alphabetical Order

[Appendix 1](#) includes all projects for which DEQ has received applications but has not yet signed a loan agreement, whether or not the project is ready to proceed. To be awarded funding, an applicant must complete all applicable Clean Water State Revolving Fund requirements. The project priority list is in alphabetical order by applicant, and includes the following additional information required by EPA: (1) project number; (2) amount requested; (3) EPA needs category; (4) water quality permit number (for federal National Pollution Discharge Elimination System permits EPA's "OR" identification number is listed and for state Water Pollution Control Facility permits the DEQ identification number is listed); and (5) preliminary project schedule.

Project Priority List in Rank Order

[Appendix 2](#) includes the same projects listed in Appendix 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 (Green Infrastructure – GI; Water Efficiency – WE; Energy Efficiency – EE; and Environmentally Innovative Activity – EIA), and an indication whether the project was submitted by a small community as defined under Oregon Administrative Rule 340-054-0010(28), or is for facility planning, or both.

Applicants Ready to Proceed

Program staff score and rank each eligible application submitted, and then the project is included in the Intended Use Plan. DEQ will only fund a project if it is included in the Intended Use Plan and is ready to proceed. "Ready to proceed" means applicants have satisfied all Clean Water State Revolving Fund requirements, including, but not limited to: a land use compatibility statement, an environmental review, and documentation supporting compliance with the federal cross cutting authorities when applicable. An applicant is not considered ready to execute a loan agreement until all requirements have been satisfied. Once all requirements are satisfied, DEQ will offer funding to applicants that are ready to proceed and begin the loan agreement execution process. Subsequent Intended Use Plan updates will reflect the projects from Table 2 that are ready to proceed and which applicants have signed a loan agreement.

[Appendix 3](#) indicates five applicants are ready to proceed including the City of Ashland (11750-13), City of Lincoln City (57510-16), City of The Dalles (90700-17), and City of Sandy (80490-17), and City of Umatilla (93050-17). These applicants have completed the requirements necessary to receive a loan offer for their projects.

Funding Award By-Pass Procedure

The 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 Intended Use Plan. If an applicant declines funding, DEQ will go to the next highest ranking project and offer funding to that project, until all available funds have been committed. If the number of projects ready to proceed does not draw down all available 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 ensures 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 Oregon Administrative Rule 340-054-0026 and 340-054-0027 to rank projects. Non-planning project ranking criteria include: water quality standards and public health considerations; watershed and health benefits; and other considerations. Planning projects are ranked similarly to the non-planning applications.

Estimated Funds Available for State Fiscal Year 2017

[Appendix 4](#) provides the calculation of funds available for state fiscal year 2018 and includes the projections for state fiscal years 2018 and 2019. This calculation includes the federal fiscal year 2017 capitalization grant in the amount of \$14,977,000.

Sources of Funds

Federal Capitalization Funds

DEQ will allocate any additional federal or state funds that become available during state fiscal year 2018 based on this Intended Use Plan. The federal fiscal year 2017 capitalization grant award includes a proposed federal payment schedule based on project schedules and when the cash will be needed.

State Match: DEQ issued bonds for matching funds in January 2017. Appendix 4 represents the timing of the funds supply to the demand for funds. DEQ has the statutory and budgetary authority to raise sufficient match in order to provide the required 20 percent state contribution as needed.

Investment Earnings

Investment earnings are projected conservatively through state fiscal year 2018 based on low-market interest rates and the relatively high cash balance of the fund. 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 state fiscal year 2018 and state fiscal year 2019 and 2020 in the amount of \$183,682,050 as included in the cash available. This amount includes the following three categories (from most time certain to least time certain):

- 1) Repayments on projects that are fully disbursed and already in repayment;
- 2) Repayments of interim loans with long-term financing through USDA Rural Development; and
- 3) Repayments on signed agreements that are not fully disbursed at this time but are expected to be in repayment before the end of state fiscal year 2020.

The estimates for 2) and 3) are less time certain because they are dependent upon timely project completion. Repayment schedules are delayed frequently when projects finish later than anticipated. However, unscheduled repayments increase the actual repayments received. New agreements for short-term projects also increase the repayments actually received. The net effect of these factors in recent years has been to increase actual repayments received over the amount projected. In addition, this estimate of repayments does not include repayments from agreements not yet executed, but which could be signed and in repayment during state fiscal year 2018.

The amount of repayments stated above includes DEQ's estimate of repayments, based on existing agreements. State fiscal year 2018 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 cash remaining unused. Future calculations of funds available may be adjusted as conditions warrant.

Uses of Funds

Administrative Expenses

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

Debt Service on Match Bonds

When state match bonds are sold, the program is required to pay the debt service on the bonds. It has an impact on the dollars available to fund projects this year and in future years. During state fiscal year 2018 the program will pay approximately \$2,400,000 in debt service costs 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.

Financial advisors recommended a one day bond sale for the bond issuance for state fiscal year 2017 to provide matching funds for the balance of federal fiscal year 2016 as well as the anticipated 2017 and 2018 capitalization grants. DEQ paid \$1,042 in debt service for the \$10,000,000 one day bond. The bond issuance will not result in any future debt service.

Funding Allocations

Each year DEQ establishes a maximum amount of funding available 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 of funding per project for state fiscal year 2018 is \$31,204,851. If there are not enough projects ready to proceed by the end of state fiscal year 2018, any remaining available funds may be offered to existing borrowers in rank order.

Planning Reserve

The total planning allocation cannot exceed \$3,000,000 per Oregon Administrative Rule 340-054-0036(1)(b). 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 reserve is designated for municipalities with a population of 10,000 or less. The reserve cannot exceed 25 percent of the current funds available per Oregon Administrative Rule 340-054-0036(1)(a). For state fiscal year 2018, the maximum funding under the small community reserve is \$52,008,085. Small community projects that are not fully funded through the small community reserve may be funded with the remaining loan funds by priority order. If the small community reserve is not fully used, DEQ will allocate any remaining reserve funds to design or construction projects in priority order during the final quarter of the state fiscal year.

Green Project Reserve

The federal fiscal year 2017 capitalization grant requires DEQ to use at least 10 percent of the grant for projects that qualify for funding under the green project reserve as specified by the EPA Green Project Reserve Guidance ([EPA 2012 Green Project Guidance](#)). DEQ must allocate a minimum of \$1,497,700 of green project reserve funding for federal fiscal year 2016. DEQ will obtain documentation to verify these projects meet the green project reserve eligibility.

[Appendix 2](#) lists the projects that meet the green project reserve under each of the four qualifications categories: Green Infrastructure – GI; Water Efficiency – WE; Energy Efficiency – EE; and Environmentally Innovative Activity – EIA. [Appendix 5](#) summarizes how DEQ expects to satisfy the federal fiscal year 2017 green project reserve requirement by executing a loan agreement for two projects: the City of Ashland, project number 11750-13, application in the amount of \$11,200,000 of which \$1,300,000 is a categorically green infrastructure, and Central Oregon Irrigation District, project number 21640-17 in the amount of \$1,140,000 which is 100 percent categorically green infrastructure.

Throughout the year DEQ receives new applications that are included in Intended Use Plan 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 Intended Use Plan updates. DEQ cannot reallocate the Green Project Reserve funds to any other funding category.

Additional Subsidization

The 2014 Water Resources Reform and Development Act amended the Clean Water Act and removed the requirement that state Clean Water State Revolving Fund programs provide a minimum amount of principal forgiveness. Accordingly, DEQ revised its rule in Oregon Administrative Rule 340-054-0065(11) to allow a percentage of each capitalization grant to be allocated to eligible applicants as principal forgiveness. The amount of principal forgiveness provided each year is dependent on the amount of the federal appropriation and to some extent the percentage of principal forgiveness offered by DEQ in previous years.

Subsequent to the Water Resources Reform and Development Act Clean Water Act amendments pursuant to additional subsidization, EPA informed Clean Water State Revolving Fund programs that the federal fiscal year 2017 capitalization grant agreement will include a provision requiring 10 percent of the allocated grant be offered as additional subsidization. This will be in addition to any principal forgiveness that DEQ offers as allowed by Oregon Administrative Rule 340-054-0065(11). For the federal fiscal year 2017 grant, DEQ plans to allocate \$2,695,860 in additional subsidization, or 18 percent of the capitalization grant, in the form of principal forgiveness. Currently, DEQ plans to award \$2,000,000 of the allocation to the following applicants:

Crescent Sanitary District	\$500,000
City of The Dalles	\$500,000
City of Umatilla	\$500,000
City of Independence	\$500,000

These four applicants qualify for additional subsidization under the affordability and green project criteria outlined in Oregon Administrative Rule 340-054-0065(11). Other eligible recipients will be evaluated for the remaining additional subsidization as projects become ready to proceed.

Proposed State Fiscal Year 2018 Activity

[Appendix 5](#) includes projects proposed for funding with state fiscal year 2018 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, program funds are currently oversubscribed. Oregon Administrative Rule 340-054-0036(3)(a)(A) places a cap of awarding no more than 15 percent of available funds in any given fiscal year to a single loan. Recipients of program funds in amounts less than the total amount applied for in state fiscal year 2018 may receive additional funding from DEQ in future years to supplement the unfunded amount requested in state fiscal year 2017.

[Appendix 5](#) is an estimate only and the actual state fiscal year 2018 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 may provide up to 18 percent of the federal fiscal year 2017 capitalization grant in additional subsidization in the form of principal forgiveness. Applicants who meet the requirements according Oregon Administrative Rule 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 program in a timely and expeditious manner. EPA requires funds to be committed within one year of availability, with some exceptions. [Appendix 6](#) documents DEQ's Clean Water State Revolving Fund program compliance with this requirement, including information by project for early repayments. DEQ has three years to commit early principal payments.

Federal Loan

With the Oregon Administrative Rule revisions of October 2015, DEQ established a new type of loan, the Federal Loan. Launching of the Federal Loan 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 served basis for a subset of borrowers subject to additional federal funding application requirements, often referred to as federal equivalency requirements. These projects are funded with monies directly made available by the federal capitalization grant for the associated federal fiscal year. This strategy obligates one or two large communities in each state fiscal year to address the federal equivalency requirements. For federal fiscal year 2017, DEQ anticipates identifying City of Albany as the Federal Loan recipient.

Binding Commitments and Funds Available

EPA's Memorandum #SRF 99-05 requires the program to execute binding commitments at least equal to the amount of funds available in the program, within one year of that fund availability. [Appendix 6](#) calculates the amount of funds available in 2018 and compares that amount to the binding commitments executed as of May 31, 2017. Appendix 6 identifies the binding commitments including the details of early repayments from applicants during state fiscal year 2016 and state fiscal year 2017.

Environmental Review/Cross Cutters

EPA approved DEQ's current state environmental review process in February 2008. Documentation of this process is available upon request and can be found on DEQ's website. All projects deemed treatment works by DEQ are required to undergo environmental review.

At a minimum, projects funded to an equal to the amount of EPA's capitalization grants must comply with the federal cross cutter laws including the environmental cross cutter laws. DEQ is in compliance with the federal environmental cross cutter requirements.

As referenced above, the City of Albany will have met all federal equivalency requirements for federal fiscal year 2017, including the federal environmental cross cutting authorities.

Operating Agreement

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

Single Audit Act

Borrowers who have been disbursed federal funds under DEQ's Clean Water State Revolving Fund program may be subject to the requirements of the Single Audit Act and 2 CFR 200 (Omni Circular). DEQ monitors borrowers' compliance with those requirements in an amount equal to the capitalization grants.

Public Involvement

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

Rulemaking

The program's administrative rules are revised to address changes in federal requirements or to better meet the financial needs of communities. Oregon's rulemaking process includes input from a public advisory committee, public hearings and public comment periods. The public is also encouraged to provide comments directly to the Environmental Quality Commission on administrative rule changes.

Clean Water State Revolving Fund Advisory Committee

DEQ frequently involves public advisory committees to assist the agency in developing policy. DEQ established the Clean Water State Revolving Fund Advisory Committee to address program issues and provide input to DEQ for rulemaking. The standing committee includes 13 members representing statewide organizations with an interest in financing water quality improvement projects. Interests represented included local governments, wastewater treatment facilities, environmental advocacy, federal and state agencies, and local conservation districts. Committee meetings are considered public meetings and the public is welcome to attend.

Public Notice of an Environmental Determination

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

Notice and comments on the Intended Use Plan

DEQ completes an Intended Use Plan annually and updates the plan as DEQ receives new applications for the Clean Water State Revolving Fund. The draft Intended Use Plan 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 Intended Use Plan.

Public Notice of This Intended Use Plan

This *Proposed Intended Use Plan State Fiscal Year 2018* 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 2018**

**Notice Issued: June 14, 2017
Comments Due: July 14, 2017**

What is Proposed?

The Oregon Department of Environmental Quality has prepared a *Proposed Intended Use Plan State Fiscal Year 2018* for the Clean Water State Revolving Fund Program in accordance with procedures set forth in Oregon Administrative Rules, chapter 340, division 54. After the close of the public comment period, DEQ will address any comments received and finalize the *Proposed Intended Use Plan State Fiscal Year 2018*.

Description of Proposed Intended Use Plan

The *Proposed Intended Use Plan State Fiscal Year 2018* includes 25 projects for a total of \$170,979,278 in requested funding 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

The *Proposed Intended Use Plan State Fiscal Year 2018* and the option to sign up for notifications through GovDelivery are available on DEQ's website at: <http://www.oregon.gov/deq/wq/cwsrf/Pages/CWSRF-IUP.aspx>. Comments on this Intended Use Plan must be submitted in writing via mail, fax or email any time prior to the comment deadline of 5 p.m. on Wednesday, July 14, 2017. Written comments may be mailed, faxed or emailed to:

Mail: Oregon Department of Environmental Quality
Operations Division
Attn: Lee Ann Lawrence
700 NE Multnomah Street, Suite 600
Portland, OR 97232

Fax: 503-229-6037

Email: intendeduseplancomments@deq.state.or.us

In addition to the above notice, DEQ sent email notification of this *Intended Use Plan State Fiscal Year 2018* to the new applicants for this funding cycle and to the following:

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

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	Sep-15	Oct-15	Jan-16
Brookings	18230-15	3,214,470	III-B, IV-A,VI	101773	Apr-14	Jul-16	Oct-16
Central Oregon Irrigation Dist.	21640-17	1,140,000	VII-A, VII-D	N/A	Aug-16	Oct-17	May-18
Clean Water Services	22700-16	35,111,614	I, II, VII-K	OR002811-8	Aug-15	Jun-16	May-17
Columbia City	23550-17	476,000	III-B	N/A	Dec-16	Mar-17	Mar-18
Crescent Sanitary District	25140-17	5,864,700	I	N/A	Dec-16	Aug-17	Mar-18
Dallas (PS portion of SO)	26110-15	7,000,000	I, II, III-A, X	101518	Jul-15	Jul-15	Aug-15
Dee Irrigation District	26900-18	1,000,000	VII-A, VII-D	N/A	Apr-17	Oct-17	Feb-17
Dundee	29650-16	950,000	III-A, VII-D	101722	Jul-15	Aug-15	Sep-17
Independence	47600-17	5,966,930	I, III-A, III-B, X	101217	Dec-16	May-18	Jun-19
Joseph	49800-17	30,000	I, II	101602	Apr-16	Aug-16	Jun-17
La Pine-Interim	55700-17a	7,832,500	I, IV-A	102069	Dec-16	Feb-17	Mar-21
La Pine	55700-17b	1,000,000	I	102069	Dec-16	Feb-17	Mar-21
Lincoln City	57510-16	260,000	VII-L	NA	Aug-15	Jan-16	Jan-19
Middle Fork Irrigation Dist.	57510-16	20,000,000	VII-A	N/A	Aug-16	Jul-18	Jul-21
Oregon Intl. Port of Coos Bay	24190-18	650,000	I, VI	OR201485	Apr-17	Jun-17	Aug-17
Pilot Rock	73540-17	4,135,000	I	971357	Apr-16	May-18	Dec-18
City of Rainier	75260-18	556,700	III-B	OR0020389	Apr-17	Jul-18	Dec-18
Rogue River Valley Irrigation Dist.	78500-17	3,198,944	VII-A	N/A	Dec-16	Aug-17	Mar-19
Sandy	80490-17	250,000	I	OR102492	Dec-16	Jun-17	Jun-18
Swalley Irrigation District	89600-17	16,000,000	VII-A, VII-D	N/A	Dec-16	Nov-17	Apr-21
The Dalles	90700-17	2,000,000	I	OR0020885	Dec-16	Apr-17	Dec-17
Tumalo Irrigation District	92580-18	2,000,000	VII-A, VII-D	N/A	Apr-17	Oct-17	Aug-18
Umatilla	93050-17	2,342,420	X	N/A	Aug-16	Jan-17	Jul-17
Water Environment Services	22500-18	38,800,000	I, VII-D, VII-K	101168	Apr-17	Jul-17	Jul-17

*The application date is DEQ's application deadline and when DEQ received the application. The start and completion dates listed were detailed in the applications.

Appendix 2: Project Priority List in Rank Order

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.

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	GI - 1,300,000	
2	71	65100-17	Middle Fork Irrigation District	20,000,000		
3	67	25140-17	Crescent Sanitary District	5,864,700		SC
3	67	89600-17	Swalley Irrigation District	16,000,000	WE - 16,000,000	
4	67	22500-18	Water Environment Services	38,800,000		
5	64	18230-15	Brookings	3,214,470	GI - \$355,000, WE - \$25,000	SC
6	60	73540-17	Pilot Rock	4,135,000		SC
7	59	21640-17	Central Oregon Irrigation District	1,140,000	WE - 1,140,000	
7	59	78500-17	Rogue River Valley Irrigation District	3,198,944	WE - 3,198,944	
8	56	55700-17b	La Pine	1,000,000		SC
9	55	55700-17a	La Pine-Interim	7,832,500		SC
9	55	57510-16	Lincoln City	260,000	GI - 260,000	SC
9	55	47600-17	Independence	5,966,930	WE - 3,580,158	SC
10	52	22700-16	Clean Water Services	35,111,614	GI - \$2,160,000	
10	52	26900-18	Dee Irrigation District	1,000,000		SC
11	49	29650-16	Dundee	950,000		SC
12	47	93050-17	Umatilla	2,342,420		SC
13	46	92580-18	Tumalo Irrigation District	2,000,000		SC
14	45	26110-15	Dallas	7,000,000	WE - \$6,000,000	
15	39	90700-17	The Dalles	2,000,000	GI - 2,000,000	
16	37	75260-18	City of Rainier	556,700		SC
17	36	23550-17	Columbia City	476,000		SC
17	36	24190-18	Oregon Intl. Port of Coos Bay	650,000		
18	20	80490-17	Sandy	250,000		SC & FP
19	19	49800-17	Joseph	30,000		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
1	90	11750-13	Ashland	11,200,000	1,300,000	N/A
9	55	57510-16	Lincoln City	260,000	260,000	SC
18	20	80490-17	Sandy	250,000	0	FP
15	39	90700-17	The Dalles	2,000,000	2,000,000	N/A
12	47	93050-17	Umatilla	2,342,420	0	SC

Appendix 4: Estimated Funds Available

Sources of Funds	Actual Through SFY 2016	Actual SFY 2017	Estimated For SFY 2018	Estimated For SFY 2019-2020	Total
Federal Capitalization Grants	447,415,785	14,974,000	14,977,000	0	477,366,785
State Match	83,425,072	9,991,500	0	0	93,416,572
Investment Earnings	38,608,171	2,178,087	1,500,000	3,000,000	45,286,258
Loan Principal Repayments	544,791,261	43,223,850	30,379,356	72,667,080	691,061,547
Loan Interest Payments	175,551,726	8,878,970	8,940,482	19,592,312	212,963,490
Total Sources of Cash	1,289,792,015	79,246,407	55,796,838	95,259,392	1,520,094,652
Uses of Funds					
Loans and Amendments	1,151,537,013	37,410,567	53,000,000	0	1,241,947,580
Administration Expense paid with Grant	10,101,744	0	0	2,500,000	12,601,744
Debt Service on Match Bonds	48,228,280	1,918,709	2,400,000	4,966,000	57,512,989
Total Uses of Cash	1,209,867,037	39,329,276	55,400,000	7,466,000	1,312,062,313
Sources of Cash less Uses of Cash	79,924,978	39,917,131	396,838	87,793,392	208,032,339
Net Available to Loan - SFY 2018			120,238,947	208,032,339	208,032,339

Appendix 5: Estimated State Fiscal Year 2018 Activity

Project	Facility Planning	Small Comm.	GPR Funding (Cap Grant Year 2017)	Other	FP,SC,GPR and Other Total	PF Subsidy	Remaining Available CWSRF Funds
Current Available Funds	3,000,000	52,008,085	1,497,700	151,526,554	208,032,339	2,695,860	208,032,339
Use of Available Funds - Anticipated Increases							
Bend *				31,204,851	31,204,851		176,827,488
Coos Bay		2,253,730			2,253,730		174,573,758
<i>Subtotals</i>	-	2,253,730	-	31,204,851	33,458,581	-	
Balance	3,000,000	49,754,354.75	1,497,700	120,321,703	174,573,758	2,695,860	174,573,758
Use of Available Funds - New Loans							
Ashland				9,900,000	9,900,000		164,673,758
Ashland - Sponsorship			1,300,000		1,300,000		163,373,758
Brookings		1,914,470			1,914,470		161,459,288
Brookings-Sponsorship		1,300,000			1,300,000		160,159,288
Water Environment Services *				31,204,851	31,204,851		128,954,437
Water Environment Services – Sponsorship				1,800,000	1,800,000		127,154,437
Central Oregon Irrigation District			1,140,000		1,140,000		126,014,437
Clean Water Services *				31,204,851	31,204,851		94,809,586
Clean Water Services - Sponsorship				2,160,000	2,160,000		92,649,586
Columbia City		476,000			476,000		92,173,586
Crescent Sanitary District				5,864,700	5,864,700	500,000	86,308,886
Dallas		7,000,000			7,000,000		79,308,886
Dee Irrigation District		1,000,000			1,000,000		78,308,886
Dundee		600,000			600,000		77,708,886
Dundee – Sponsorship		350,000			350,000		77,358,886
Independence		5,996,930			5,996,930	500,000	71,361,956
Joseph	30,000				30,000		71,331,956

Intended Use Plan State Fiscal Year 2018

La Pine - Interim		7,832,500			7,832,500		63,499,456
La Pine		1,000,000			1,000,000		62,499,456
Lincoln City		260,000			260,000		62,239,456
Middle Fork Irrigation District				20,000,000	20,000,000		42,239,456
Pilot Rock		4,135,000			4,135,000		38,104,456
Oregon Intl. Port of Coos Bay		650,000			650,000		37,454,456
Rainier		556,700			556,700		36,897,756
Rogue River Valley Irrigation District		3,198,944			3,198,944		33,698,812
Sandy	250,000				250,000		33,448,812
Swalley Irrigation District				16,000,000	16,000,000		17,448,812
Tumalo		2,000,000			2,000,000		15,448,812
The Dalles				2,000,000	2,000,000	500,000	13,448,812
Umatilla		2,342,420			2,342,420	500,000	11,106,392
<i>Subtotal</i>	<i>280,000</i>	<i>40,612,964</i>	<i>2,440,000</i>	<i>118,334,402</i>	<i>161,667,366</i>	<i>2,000,000</i>	
Balance	2,720,000	9,141,390.75	(942,300)	1,987,302	11,106,392	695,860	

*Current request exceeds maximum allowed per OAR-340-054-0036(3)(a)(A). At the end of SFY 2018, DEQ may allocate any remaining funds.

Appendix 6: Binding Commitments and Funds Available

Funds Available as of May 31, 2017:

Total Federal Cap Grants Awarded	Total State Match	Total Principal Repayments	Total Interest Repayments	Total Principal Prepayments SFY 2016, 2017*	Total Cumulative Admin Allowance and Bond Debt Service	TOTAL FUNDS AVAILABLE
462,389,785	93,416,572	588,015,111	184,430,696	-25,191,283	-68,642,580	1,369,038,422
				2016	-2,845,640	Admin Allowance -18,495,591
				2017	-22,345,643	Bond Debt Service -50,146,989
				Adjusted Total		1,275,204,559
Total Binding Commitments as of May 31, 2017:						1,188,947,247
Binding Commitments as a Percentage of Funds Available From 2017:						93.2%

* DEQ has three years to commit prepayments.

PREPAYMENTS DEQ HAS RECEIVED FROM BORROWERS

Borrower/Loan Number	Amount	State Fiscal Year	Date
Tri City Water and Sanitary 92270	141,869	FY 2016	7/1/2015
Government Camp 38350	57,991	FY 2016	8/10/2015
Winston 97792	282,728	FY 2016	8/27/2015
Roseburg USA 78860	75,371	FY 2016	9/1/2015
Waldport 94341	79,837	FY 2016	9/2/2015
Athena 11850	32,204	FY 2016	10/14/2015
Monument 66390	99,951	FY 2016	11/17/2015
Sisters 85050	15,989	FY 2016	1/12/2016
Reedsport 8710	100,000	FY 2016	2/1/2016
Government Camp 38350	69,736	FY 2016	2/10/2016
Farmer's Irrigation Dist. 32244	1,500	FY 2016	5/20/2016
Hood River 45760	1,888,464	FY 2016	6/1/2016
Total	2,845,640		
Clackamas Co. SD #1 22403	6,290,582	FY2017	8/30/2016
Myrtle Point 68795	7,511,000	FY2017	10/13/2016
Myrtle Point 68796	2,588,868	FY2017	10/13/2016
Burns 19400	200,000	FY2017	10/1/2016
Vernonia 93642	2,680,377	FY2017	12/22/2016
Vernonia 93644	2,877,000	FY2017	12/22/2016
Unity 93090	3,120	FY2017	1/24/2017
Unity 93091	24,960	FY2017	1/24/2017
Reedsport 8710	100,000	FY2017	1/30/2017
Government Camp 38350	69,736	FY2017	3/2/2017
Subtotal	22,345,643		
Total	25,191,283		

Appendix 7: Public Notice Period

The public notice period for this Intended Use Plan was June 14, 2017 through July 14, 2017. One commenter, David Carcia, U.S. Environmental Protection Agency, Region 10 (Seattle, WA), submitted a comment. The comment and the agency's response are listed below.

Comment #	EPA Comment	DEQ Response
1	<p>Location: Debt Service on Match Bonds, p.14, last sentence.</p> <p>Please correct the last sentence to reflect that there was one day of debt service interest paid as part of DEQ SRF's most recent match bond issuance. As noted in the Oregon CWSRF PER, issued in June 2017, there was one day's worth of interest (or \$1,041.67) paid on the DEQ \$10 million 24 hour match bond transacted on 1/23/2017 & 1/24/2017.</p>	<p>DEQ reviewed and agreed with the comment. DEQ added the debt service amount to the Debt Service section on page 14.</p>