

# Oregon Clean Water State Revolving Fund Loan Program

## Intended Use Plan, Update #2

State Fiscal Year 2018

April 24, 2018



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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 2018 (July 1, 2017 through June 30, 2018).

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
- Nonpoint 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](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 guidance<sup>1</sup>. 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 received the federal fiscal year 2017 capitalization grant in the amount of \$14,977,000 in August 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 on May 15, 2017 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 June 30, 2017, the program had approximately \$3.18 million in the administrative fund available for administrative expenses.

DEQ uses the annual fee revenue to pay administrative expenses for program operations and chooses to bank the four percent allowed under the capitalization grant for future administrative use. The banked authority stands at about \$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). DEQ updates the total amount for capitalization grants only for the publication of each state fiscal year's initial IUP. The total amount for capitalization grants only includes the total up to the previous capitalization grant year.

**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 6/30/2017	<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 October 1 through December 31, 2017 period. New rates will be calculated and published on the [Clean Water State Revolving Fund website](#) in April 2018 for the next quarter.

# Applications

DEQ published and sent out an Annual Solicitation and Update [Newsletter](#) to interested parties in March 2018 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 final loan application deadlines for state fiscal year 2018 is April 13, 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 the applicant can request a 6 month or 12 month extension or the application will be removed from the list. DEQ also removes project applications from the list upon execution of a borrowing agreement or upon request by the applicant.

This Intended Use Plan includes 21 project applications for a total of \$166,079,756 in requested funding. The five new applications added to the plan are from the City of Bend, City of Irrigon, City of Pendleton, Wasco County Soil and Water Conservation District, and Rouge Valley Sewer Services. DEQ executed a new loan agreement with the City of Umatilla, the City of Independence, and the City of Albany since the last Intended Use Plan update.

During state fiscal year 2018 The City of Dundee, Clean Water Services, Oregon International Port of Coos Bay, City of Brookings, and City of Lincoln City withdrew their loan applications because the public agencies decided to access other financing options. DEQ removed these applications from this Intended Use Plan.

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**

<b>Application Number</b>	<b>Applicant Name and Project Description</b>	<b>Requested Amount</b>
<b>14510-18</b>	<b>City of Bend (Deschutes County)</b>	<b>\$23,000,000</b>
	Sec. 212 Design and Construction. The North Interceptor Sewer Project is a large diameter gravity sanitary sewer pipeline to extend about 10,500 ft. along the north side of Bend. The sewer pipeline will capture and convey sewer flows for the entire city. The alignment will capture existing flow from the current plant interceptor, collect flows from the future East Interceptor and future segments of the North Interceptor to the west. This will also provide a redundant transmission line to the water reclamation facility.	
<b>21640-17</b>	<b>Central Oregon Irrigation District (Deschutes County)</b>	<b>\$1,140,000</b>
	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 five cubic feet per second for instream use. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 2.3 (short-term goal) and 3.5.2 (integrated report).	
<b>21640-18</b>	<b>Central Oregon Irrigation District (Deschutes County)</b>	<b>\$20,000,000</b>
	Sec. 319 Design and Construction. Central Oregon Irrigation District will enclose approximately 4.8 miles of the 26 mile Pilot Butte Canal open canal system into a piped conveyance system. COID will also enclose approximately 2.9 miles of a 52 mile lateral irrigation canal into a piped conveyance system. Goals of the project include: habitat enhancement through allocation of water savings to in-stream water rights, reduction in risks to public safety from open irrigation canals, support for existing agricultural uses through water supply reliability, improvement to financial stability through reduced operation and maintenance costs and increased energy generation from micro-hydro, energy conservation, and a reduction of on-farm costs associated with on-farm pumping. This project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan in sections 3.5.3 (Total Maximum Daily Load Management Plan), 4.3.1 & 4.3.3 (Agricultural Memorandum of Agreement & Total Maximum Daily Load implementation), and 6.1 (utilizing Clean Water State Revolving Fund).	
<b>25140-17</b>	<b>Crescent Sanitary District (Klamath County)</b>	<b>\$5,864,700</b>
	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.	
<b>26110-15</b>	<b>City of Dallas (Polk County)</b>	<b>\$7,000,000</b>
	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 \$6M and requires a business case to qualify for green project reserve under Green Project Reserve guidance section 2.4. The sponsorship option project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 3.6.5 (Drinking Water Protection).	
<b>26900-18</b>	<b>Dee Irrigation District (Hood River County)</b>	<b>\$1,000,000</b>
	Sec. 319 Design and Construction. 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. The sponsorship option project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 4.3.3 (TMDL Implementation) and 4.3.7 (Other Programs and Partners).	
<b>47740-18</b>	<b>City of Irrigon (Morrow County)</b>	<b>\$1,395,000</b>
	Sec. 212 Design and Construction. The city is addressing conversions from Septic Tank Effluent Gravity systems to the city's regular collections system for homes located in Area 1 and Area 2 of the city's 2017 wastewater facility plan. The project will address nitrogen and nitrate-nitrogen exceedances and improve a degrading system.	

<b>49800-17</b>	<b>City of Joseph (Wallowa County)</b>	<b>\$30,000</b>
<p>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.</p>		
<b>55700-17a</b>	<b>City of La Pine (Deschutes County)-Interim Financing</b>	<b>\$7,832,500</b>
<p>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. This is an interim financing loan for US Department of Agriculture, Rural Development.</p>		
<b>55700-17b</b>	<b>City of La Pine (Deschutes County)</b>	<b>\$1,000,000</b>
<p>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.</p>		
<b>65100-17</b>	<b>Middle Fork Irrigation District (Hood River County)</b>	<b>\$20,000,000</b>
<p>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. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan sections 2.3 (Short-term goal), 3.5.3 (Total Maximum Daily Load Management Plan), 4.3.1 &amp; 4.3.3 (Agricultural Memorandum of Agreement &amp; Total Maximum Daily Load implementation).</p>		
<b>70640-18</b>	<b>Oregon Watershed Enhancement Board (Statewide)</b>	<b>\$2,000,000</b>
<p>Sec. 319 Local Community Loan. This project will provide loans to residential and commercial landowners, including low-income landowners, to repair and replace failing on-site septic systems throughout the state of Oregon. OWEB will work with Craft3, a community development finance institution, to implement the local community loan project. This project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan in sections 3.6.6 (Groundwater Protection), 4.3.8 (NPS Program Agricultural Measures) and 6.1 (utilizing Clean Water State Revolving Fund).</p>		
<b>72400-18</b>	<b>City of Pendleton (Umatilla County)</b>	<b>\$9,800,000</b>
<p>Sec. 212 Design and Construction. The city will construct several capacity projects from the city's Adopted 2015 Sewer Collection Master Plan, some of which are associated with development near the airport. Project elements include gravity and force main installations, as well as lift station upgrades.</p>		
<b>73540-17</b>	<b>City of Pilot Rock (Umatilla County)-Interim Financing</b>	<b>\$4,135,000</b>
<p>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.</p>		
<b>75260-18</b>	<b>City of Rainier (Columbia County)</b>	<b>\$556,700</b>
<p>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.</p>		
<b>78500-17</b>	<b>Rogue River Valley Irrigation District (Jackson County)</b>	<b>\$3,198,944</b>



## 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 one applicant is ready to proceed: City of Pilot Rock. 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 2018

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

### Sources of Funds

#### Federal Capitalization Grant Funds

DEQ will allocate any additional federal or state funds that become available during state fiscal year 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 based on existing loan agreements (principal repayments and interest payments) for state fiscal years 2018, 2019 and 2020 in the amount of \$131,579,230 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.

State fiscal year 2019 and 2020 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 banks the four percent allowed under the capitalization grant for administrative use. [Appendix 4](#) represents the historical use of this allowance.

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

When state match bonds are sold, the program is required to pay the debt service on the bonds. It has an impact on the dollars available to fund projects this year and in future years. During state fiscal year 2018 the program will pay approximately \$2,324,000 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 2017 and 2018 capitalization grants. DEQ paid \$1,042 in interest and repaid the entire principal of \$10,000,000 in a one-day bond issuance in January 2017. This 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 \$29,879,006. 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). Planning projects will be funded through the planning reserve until the reserve is fully allocated. Planning projects that are not fully funded through the planning reserve may be funded with the remaining loan funds only by competing with all other projects in priority order. During the final quarter of the state fiscal year, DEQ will allocate any remaining planning reserve funds to design or construction projects in priority order.

## Small Community Reserve

The small community reserve is designated for municipalities with a population of 10,000 or less. The reserve cannot exceed 25 percent of the current funds available per Oregon Administrative Rule 340-054-0036(1)(a). For state fiscal year 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. During the final quarter of the state fiscal year, DEQ will allocate any remaining small community reserve funds to design or construction projects in priority order.

## 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 to the green project reserve for federal fiscal year 2017.

[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 (11750-13) of which \$1,300,000 is a categorically green infrastructure and Central Oregon Irrigation District (21640-17) in the amount of \$1,140,000 which is 100 percent categorically green infrastructure. DEQ will document the projects' green project reserve eligibility.

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.

The federal fiscal year 2017 capitalization grant agreement requires 10 percent of the capitalization grant amount be offered as additional subsidization. In accordance with Oregon Administrative Rule 340-054-0065(11)(d), DEQ determined the maximum annual additional subsidization percentage to be 27 percent of the 2017 capitalization grant amount, or \$4,000,718.

DEQ reserves 70 percent of the annual additional subsidization allocation to applicants that meet DEQ’s affordability criteria as a distressed community per Oregon Administrative Rule 340-054-0065(11)(A). DEQ reserves 30 percent of the annual additional subsidization allocation to applicants with projects that meet DEQ’s green/sustainability criteria per Oregon Administrative Rule 340-054-0065(11)(B).

Accordingly, DEQ plans to allocate \$2,800,503 to applicants that meet the affordability criteria and \$1,200,215 to applicants with green/sustainability projects.

Applicants who meet the requirements according Oregon Administrative Rule 340-054-065(11) will be offered principal forgiveness as they become ready to proceed. At the close of each federal fiscal year, DEQ may reallocate any unawarded allocation of principal forgiveness in one reserve to the other reserve. If reserves still remain after the reallocation, DEQ can award the remaining reserve amounts to borrowers that have an established ratepayer hardship assistance program.

Currently, DEQ plans to award \$3,500,000 of the additional subsidization reserves to the following applicants:

<b>Applicant</b>	<b>Criteria</b>	<b>Amount</b>
Crescent Sanitary District	Affordability	\$500,000
City of Umatilla	Affordability	\$500,000
City of Independence	Affordability	\$500,000
La Pine	Affordability	\$500,000
City of The Dalles	Green/Sustainability	\$500,000
Tumalo Irrigation District	Green/Sustainability	\$500,000
Rogue River Valley Irrigation District	Green/Sustainability	\$500,000
		<b>\$3,500,000</b>

# 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](#).

Oregon Administrative Rule 340-054-0036(3)(a)(A) limits awarding no more than 15 percent of available funds in any given fiscal year to a single loan. For state fiscal year 2018, DEQ can award a maximum loan amount of \$29,879,006. 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.

The top section of Appendix 5 shows projects that may receive increases to their existing agreements. The lower section shows signed agreements and loan applications that may become ready to proceed to an executed loan agreement. DEQ allocates funds as projects become ready to proceed and funds are available.

The remaining funds available in [Appendix 5](#) is an estimate only. The remaining funds indicates the remainder if entire loan amounts were disbursed for all loans and loan applications within one state fiscal year. The actual state fiscal year 2018 funding activity is dependent upon 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.

## 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 repayments.

## Federal Loan

In October 2015 DEQ established the Federal Loan as a pilot project that offers an incentive in the form of a reduced interest rate for borrowers subject to the federal equivalency requirements. DEQ finances the projects directly with the federal capitalization grant for the associated federal fiscal year. For federal fiscal year 2017, DEQ anticipates the City of Bend to be 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 June 30, 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 12 members representing statewide organizations with an interest in financing water quality improvement projects. Interests represented included local governments, wastewater treatment facilities, environmental advocacy, federal and state agencies, and local conservation districts. Committee meetings are considered public meetings and the public is welcome to attend.

## Public Notice of an Environmental Determination

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

## Notice and comments on the Intended Use Plan

DEQ completes an Intended Use Plan annually and updates the plan as DEQ receives new 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, 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 2018, Update #2**

**Notice Issued: March 23, 2018  
Comments Due: April 23, 2018**

## What is Proposed?

The Oregon Department of Environmental Quality has prepared a *Proposed Intended Use Plan State Fiscal Year 2018, Update #2* 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, Update #2*.

## Description of Proposed Intended Use Plan

The *Proposed Intended Use Plan State Fiscal Year 2018, Update #2* includes 21 projects for a total of \$166,079,756 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, Update #2* 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 Monday, April 23, 2018. Written comments may be mailed, faxed or emailed to:

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

Fax: 503-229-6037

Email: [intendeduseplancomments@deq.state.or.us](mailto:intendeduseplancomments@deq.state.or.us)

In addition to the above notice, DEQ sent email notification of this *Proposed Intended Use Plan State Fiscal Year 2018, Update #2* to the new applicants for this funding cycle and to the following:

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

# Appendices

## Appendix 1: Project Priority List in Alphabetical Order

Applicant	Project #	Amount Requested (\$)	EPA Needs Category	Permit Number	Preliminary Project Schedule		
					Application*	Start	Completion
Bend	14510-18	23,000,000	IV-B	103035	Dec-17	May-18	Jul-21
Central Oregon Irrigation Dist.	21640-17	1,140,000	VII-A, VII-D	N/A	Aug-16	Oct-17	May-18
Central Oregon Irrigation Dist.	21640-18	20,000,000	VII-A, VII-D, VII-E	N/A	Aug-17	Oct-18	Mar-19
Crescent Sanitary District	25140-17	5,864,700	I	N/A	Dec-16	Aug-17	Mar-18
Dallas (point source application)	26110-15	7,000,000	I, II, III-A, X	101518	Jul-15	Jul-15	Aug-15
Dee Irrigation District	26900-18	1,000,000	VII-A, VII-D	N/A	Apr-17	Oct-17	Feb-17
Irrigon	47740-18	1,395,000	IV-A	101529	Dec-17	Jun-18	Sep-20
Joseph	49800-17	30,000	I, II	101602	Apr-16	Aug-16	Jun-17
La Pine	55700-17b	1,000,000	I	102069	Dec-16	Feb-17	Mar-21
La Pine-Interim	55700-17a	7,832,500	I, IV-A	102069	Dec-16	Feb-17	Mar-21
Middle Fork Irrigation Dist.	65100-17	20,000,000	V11-A	N/A	Aug-16	Jul-18	Jul-21
Oregon Watershed Enhancement Board	70640-18	2,000,000	VII-D, VII-E, VII-F, VII-H	N/A	Aug-17	Mar-18	Dec-20
Pendleton	72400-18	9,800,000	III-B, IV-A	OR100982	Dec-17	Jul-17	Sep-20
Pilot Rock	73540-17	4,135,000	I	971357	Apr-16	May-18	Dec-18
Rainier	75260-18	556,700	III-B	OR0020389	Apr-17	Jul-18	Dec-18
Rogue River Valley Irrigation District	78500-17	3,198,944	VII-A	N/A	Dec-16	Aug-17	Mar-19
Rogue Valley Sewer Services	78495-18	1,026,925	I	102854	Dec-17	Jan-18	Sep-18
Swalley Irrigation District	89600-17	16,000,000	VII-A, VII-D	N/A	Dec-16	Nov-17	Apr-21
Tumalo Irrigation District	92580-18	2,000,000	VII-A, VII-D	N/A	Apr-17	Oct-17	Aug-18
Wasco County Soil & Water Conservation District	94965-18	299,987	VII-E	N/A	Dec-17	Aug-17	Jun-18
Water Environment Services	22500-18	38,800,000	I, VII-D, VII-K	101168	Apr-17	Jul-17	Jul-17

\*The application date is DEQ's application deadline and when DEQ received the application. The start and completion dates listed the dates detailed in the loan 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	71	65100-17	Middle Fork Irrigation District	20,000,000	WE - 2,515,200, EE - 40,000, EIA - 2,000,000	
2	67	25140-17	Crescent Sanitary District	5,864,700	N/A	SC
2	67	89600-17	Swalley Irrigation District	16,000,000	WE - 16,000,000	
2	67	22500-18	Water Environment Services	38,800,000	EE - 6,500,000, GI - 1,800,000	
3	60	73540-17	Pilot Rock	4,135,000	N/A	SC
4	59	21640-17	Central Oregon Irrigation District	1,140,000	WE - 1,140,000	
4	59	78500-17	Rogue River Valley Irrigation District	3,198,944	WE - 3,198,944	
5	56	55700-17b	La Pine	1,000,000	WE - 750,000, EE - 75,000	SC
6	55	55700-17a	La Pine-Interim	7,832,500	WE - 750,000, EE - 75,000	SC
7	54	70640-18	Oregon Watershed Enhancement Board	2,000,000	EIA - 2,000,000	SC
8	52	26900-18	Dee Irrigation District	1,000,000	WE - 850,000, EE - 150,000	SC
9	50	21640-18	Central Oregon Irrigation District	20,000,000	WE - \$20,000,000	
9	50	47740-18	Irrigon	1,395,000	N/A	SC
10	46	92580-18	Tumalo Irrigation District	2,000,000	WE - \$2,000,000	SC
11	45	26110-15	Dallas	7,000,000	WE - \$6,000,000	
12	44	94965-18	Wasco County Soil & Water Conservation District	299,987	EE - \$16,000	SC
13	37	75260-18	Rainier	556,700	N/A	SC
14	32	78495-18	Rogue Valley Sewer Services	1,026,925	EE - \$107,500	SC
15	30	72400-18	Pendleton	9,800,000	N/A	
16	29	14510-18	Bend	23,000,000	N/A	
17	19	49800-17	Joseph	30,000	N/A	SC & FP

## Appendix 3: Applicants Ready to Proceed

<b>Priority Ranking</b>	<b>Scoring</b>	<b>Project Number</b>	<b>Applicant</b>	<b>Amount Requested</b>	<b>Green Project Reserve Category and Amount</b>	<b>Small Community &amp; Facility Planning</b>
3	60	73540-17	Pilot Rock	\$4,135,000	N/A	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	10,000,000	0	0	93,425,072
Investment Earnings	38,608,171	2,772,126	2,000,000	3,500,000	46,880,297
Loan Principal Repayments	544,791,261	43,751,735	30,379,356	72,667,080	691,589,432
Loan Interest Payments	175,551,726	9,026,676	8,940,482	19,592,312	213,111,196
<b>Total Sources of Cash</b>	<b>1,289,792,015</b>	<b>80,524,537</b>	<b>56,296,838</b>	<b>95,759,392</b>	<b>1,522,372,782</b>
<b>Uses of Funds</b>					
Loans and Amendments	1,151,537,013	37,256,625	53,000,000	0	1,241,793,638
Administration Expense paid with Grant	10,101,744	0	0	2,500,000	12,601,744
Debt Service on Match Bonds	48,228,280	13,265,748	2,324,000	4,966,000	68,784,028
<b>Total Uses of Cash</b>	<b>1,209,867,037</b>	<b>50,522,373</b>	<b>55,324,000</b>	<b>7,466,000</b>	<b>1,323,179,410</b>
<b>Sources of Cash Less Uses of Cash</b>	<b>79,924,978</b>	<b>30,002,164</b>	<b>972,838</b>	<b>88,293,392</b>	<b>199,193,372</b>
<b>Net Available to Loan - SFY 2018</b>					<b>199,193,372</b>

## 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	49,798,343	1,497,700	144,897,329	199,193,372	2,695,860	<b>199,193,372</b>
<b>Use of Available Funds - Anticipated Increases:</b>							
Bend * †				31,204,851	31,204,851		167,988,521
Coos Bay		4,894,944			4,894,944		163,093,577
Dayton		677,600			677,600		162,415,977
<i>Subtotals</i>	-	4,894,944	-	31,204,851	36,099,795	-	
<b>Balance</b>	<b>3,000,000</b>	<b>44,903,399.00</b>	<b>1,497,700</b>	<b>113,692,478</b>	<b>163,093,577</b>	<b>2,695,860</b>	<b>163,093,577</b>
<b>Use of Available Funds – SFY 2018 New Loan Applications:</b>							
Albany †				13,000,000	13,000,000		150,093,577
Ashland †				9,900,000	9,900,000		140,193,577
Ashland - Sponsorship †			1,300,000		1,300,000		138,893,577
Bend				23,000,000	23,000,000		115,893,577
<i>Brookings **</i>					-		115,893,577
<i>Brookings - Sponsorship **</i>					-		115,893,577
Water Environment Services *				29,879,006	29,879,006		86,014,571
Water Environment Services - Sponsorship				1,800,000	1,800,000		84,214,571
Central Oregon Irrigation District			1,140,000		1,140,000		83,074,571
Central Oregon Irrigation District				20,000,000	20,000,000		63,074,571
<i>Clean Water Services **</i>					-		63,074,571
<i>Clean Water Services - Sponsorship **</i>					-		63,074,571
Columbia City †		476,000			476,000		62,598,571
Crescent Sanitary District				5,864,700	5,864,700	500,000	56,733,871
Dallas		7,000,000			7,000,000		49,733,871
Dee Irrigation District		1,000,000			1,000,000		48,733,871

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<i>Dundee</i> **					-		48,733,871
Independence†		5,996,930			5,996,930	500,000	42,736,941
Irrigon		1,395,000			1,395,000		41,341,941
Joseph	30,000				30,000		41,311,941
La Pine - Interim		7,832,500			7,832,500		33,479,441
La Pine		1,000,000			1,000,000	500,000	32,479,441
<i>Lincoln City</i> **					-		32,479,441
Middle Fork Irrigation District				20,000,000	20,000,000		12,479,441
Pendleton				9,800,000	9,800,000		2,679,441
Pilot Rock		4,135,000			4,135,000		(1,455,559)
Oregon Water Enhancement Board				2,000,000	2,000,000		(3,455,559)
<i>Oregon Intl. Port of Coos Bay</i> **					-		(3,455,559)
Rainier		556,700			556,700		(4,012,259)
Rogue River Valley Irrigation District		3,198,944			3,198,944	500,000	(7,211,203)
Rogue Valley Sewer Service		1,026,925			1,026,925		(8,238,128)
Sandy †	250,000				250,000		(8,488,128)
Swalley Irrigation District				16,000,000	16,000,000	-	(24,488,128)
Tumalo Irrigation District		2,000,000			2,000,000	500,000	(26,488,128)
The Dalles †				2,000,000	2,000,000	500,000	(28,488,128)
Umatilla†		2,342,420			2,342,420	500,000	(30,830,548)
Wasco County SWCD				599,974	599,974		(31,430,522)
<i>Subtotal</i>	<i>280,000</i>	<i>37,960,419</i>	<i>2,440,000</i>	<i>153,243,706</i>	<i>194,524,099</i>	<i>3,500,000</i>	
<b>Balance</b>	<b>2,720,000</b>	<b>6,942,980.00</b>	<b>(942,300)</b>	<b>(39,551,228)</b>	<b>(31,430,522)</b>	<b>(804,140)</b>	

\*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.  
† denotes signed loan  
\*\*denotes a canceled application

## Appendix 6: Binding Commitments and Funds Available

### Funds Available as of July 1, 2017:

Total Federal Cap Grants Awarded	Total State Match	Total Principal Repayments	Total Interest Payments	Total Investment Interest	Total Principal Prepayments SFY 2016, 2017*	Total Cumulative Admin Allowance and Bond Debt Service	TOTAL FUNDS AVAILABLE	
462,389,785	93,416,572	588,542,996	184,578,402	41,380,297	-25,191,283	-79,989,619	1,370,316,552	
					<b>2016</b>	-2,845,640	Admin Allowance -18,495,591	
					<b>2017</b>	-22,345,643	Bond Debt Service -61,494,028	
<b>Adjusted Total of Funds Available</b>							1,265,135,650	
<b>Total Binding Commitments as of March 22, 2018</b>							1,260,142,353	
<b>Binding Commitments as a Percentage of Funds Available From SFY 2017:</b>							<b>99.6%</b>	

\* DEQ has three years to commit prepayments.

### Prepayments:

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
<b>Subtotal</b>	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
<b>Subtotal</b>	22,345,643		
<b>Total</b>	<b>25,191,283</b>		

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

DEQ did not receive any comments during the Mar. 23, 2018 to Apr. 23, 2018 public comment period for the *Proposed Intended Use Plan State Fiscal Year 2018, Update #2*. The content of this plan remains the same as the Mar. 23, 2018 publication of the document.