

Oregon Clean Water State Revolving Fund Loan Program

Intended Use Plan

State Fiscal Year 2021, Second Edition

Feb. 18, 2021

Clean Water State Revolving Fund Loan Program

700 NE Multnomah St.
Suite 600
Portland, OR 97232
Phone: 503-229-5622
800-452-4011

Contact:
Lee Ann Lawrence
www.oregon.gov/DEQ

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



State of Oregon
Department of
Environmental
Quality

Oregon Department of Environmental Quality
700 NE Multnomah Street, Suite 600
Portland, OR 97232
1-800-452-4011
www.oregon.gov/deq

Contact:
Lee Ann Lawrence
503-229-5622

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.

Table of Contents

Introduction	3
Program goals	4
Program administration	5
<i>Administrative expenses</i>	5
<i>Financing options</i>	5
<i>Terms and conditions</i>	6
Applications	6
<i>Project descriptions</i>	8
<i>Project priority list in alphabetical order</i>	12
<i>Project priority list in rank order</i>	13
<i>Priority ranking criteria</i>	13
<i>Applicants ready to proceed</i>	13
<i>Funding award by-pass procedure</i>	13
<i>Estimated funds available for state fiscal year 2021</i>	13
<i>Sources and uses of funds</i>	14
Capitalization grant requirements	15
<i>Reporting requirements</i>	15
<i>Green project reserve</i>	16
<i>Additional subsidization</i>	16
Annual DEQ funding allocations	17
<i>Maximum loan amount</i>	17
<i>Planning reserve</i>	18
<i>Small community reserve</i>	18
State fiscal year 2021 activity	18
<i>Timely use of funds</i>	18
<i>Equivalency requirements</i>	18
Environmental review and compliance with cross-cutters	19
Operating agreement	19
Single audit act	19
Public involvement	19
<i>Rulemaking</i>	19

Intended Use Plan - State Fiscal Year 2021, Second Edition

Advisory committee 19

Public notice of an environmental determination 20

Notice and comments on the Intended Use Plan 20

Public notice **21**

What is proposed? 21

Description of proposed Intended Use Plan 21

Appendices **22**

Appendix 1: Project Priority List in Alphabetical Order 22

Appendix 2: Project Priority List in Rank Order 24

Appendix 3: Applicants Ready to Proceed 25

Appendix 4: Estimated Funds Available 25

Appendix 5: Estimated State Fiscal Year 2021 Activity 26

Appendix 6: Binding Commitments and Funds Available 28

Appendix 7: Public Notice Period 29

Introduction

The Oregon Department of Environmental Quality prepares this Intended Use Plan as required by the U.S. Environmental Protection Agency and Oregon Administrative Rules to inform Oregonians and the Clean Water State Revolving Fund loan applicants about how DEQ proposes to use the fund during state fiscal year 2021 (July 1, 2020 through June 30, 2021).

DEQ's Clean Water State Revolving Fund program offers below-market rate loans and bond purchases to public agencies for planning, design, construction and implementation of the following water quality improvement projects:

- Wastewater collection, treatment, water reuse and disposal systems
- Nonpoint source water pollution control projects
- Development and implementation of management plans for federally designated estuaries in Oregon (Tillamook Bay and Lower Columbia River)

DEQ accepts applications at any time, but sets application deadlines and application review periods three times per year in April, August and December. Loan applicants should become familiar with the CWSRF [application process and loan requirements](#) prior to applying. DEQ reviews the applications for eligibility and scores the applications based on the program's [ranking criteria](#).

Once scored and ranked, DEQ incorporates eligible applications into this plan, submits the plan to EPA for review and issues a public notice about the plan. DEQ notifies the public by announcing the public comment period in the Daily Journal of Commerce and through DEQ's [GovDelivery](#) notification system. After the public comment period, DEQ updates this plan and publishes it on the program's website: <https://www.oregon.gov/deq/wq/cwsrf/Pages/CWSRF-IUP.aspx>. Loan applicants can begin completing any remaining loan requirements after the public comment period.

EPA requires that each state's Clean Water State Revolving Fund program develop a project priority list, which is integral to the Intended Use Plan. DEQ includes applications for eligible projects on the project priority list in ranked order for financing, based on project score in [Appendix 2](#). However, DEQ does not commit or reserve funds for individual projects until an applicant meets all loan requirements. DEQ determines that the applicant is "ready to proceed" to loan agreement execution once all application requirements are satisfied.

Currently, DEQ has sufficient funds to award funding to all projects as they become ready to proceed. This ensures the fund is utilized in a timely manner. In the event the program does not have sufficient funds available to finance all projects that are ready to proceed, DEQ will award funding to projects that are ready to proceed in priority order based on project score.

This Intended Use Plan includes 24 loan applications for a total of \$152,675,656 in requested funding. Currently, the loan program has \$212,096,710 net available to lend for state fiscal year 2021. DEQ can award a maximum individual loan amount of \$31,814,506.

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

The Clean Water State Revolving Fund program rules and regulations:

- Title VI of the Clean Water Act ([33 U.S. Code §1383](#)) and CWSRF Regulations ([40 CFR Part 35.3100](#))
- Oregon Revised Statute [468.020 and ORS 468.423 – 468.440](#)
- [Oregon Administrative Rules Chapter 340, Division 54](#)

Program goals

Mission Statement:

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

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 publicly owned treatment facilities in Oregon. Develop tools to assist communities in obtaining loans.
- Promote the local community loan to support emerging markets.
- Encourage innovative and non-traditional projects, such as green infrastructure, water and/or energy efficiency, climate resilience, and environmentally and financially sustainable projects.
- Encourage communities to focus on high priority, water quality improvements projects statewide, including stormwater, nonpoint source pollution controls and estuary management projects.

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

OBJECTIVES

- 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 of the fund.
- Ensure the program processes effectively align with existing, developing and emerging markets, incorporating treatment and non-treatment solutions for all sources of water pollution.
- Ensure the program management complies with current state and federal regulations.
- Strategically market and communicate the Clean Water State Revolving Fund project and borrower eligibility and benefits to decision makers at eligible public agencies.
- Build on previous successes and increase those market shares.

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

OBJECTIVES

- Provide technical assistance to small communities using principles of effective utility management to assess planning, 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 solutions 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.
- Identify opportunities and financial solutions to address point source and nonpoint source water quality impairments.

The program's [2020 Annual Report](#) demonstrates actions taken to achieve the program's goals.

Program administration

Administrative expenses

DEQ charges an annual fee in the amount of 0.5 percent of the unpaid balance, beginning with the second repayment, as prescribed in Oregon Administrative Rule [340-054-0065\(6\)](#) to pay program administrative expenses. DEQ will continue to monitor the fee revenue account to ensure the revenue source is adequate. The fee revenue account is separate from the loan fund. As of June 30, 2020, the program had approximately \$2.28 million in the fee revenue account, also known as the administrative fund.

EPA allows states to utilize four percent of the cumulative annual capitalization grant awards minus cumulative administrative expenditures toward program administrative expenses. For state fiscal year 2021, DEQ will utilize \$718,080 of the administrative allowance in the FFY2020 capitalization grant award, in addition to using fee revenue, to support program administrative expenses.

Financing options

Oregon's CWSRF program offers two financing options:

- 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 agreements with a maximum up to 30-year repayment terms. The repayment term begins after project completion. Interest rates are 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\(4\)](#).

DEQ updates interest rates quarterly. The current interest rates are based on the average municipal bond rates during the July 1 to Sept. 30, 2020 period. New rates for the next quarter will be calculated and published on the [Clean Water State Revolving Fund website](#) in January 2021.

Applications

DEQ published the program's Annual Solicitation [Newsletter](#) in March 2020 to solicit loan applications. Although DEQ accepts loan applications at any time, DEQ reviews and scores applications three times per year. The next loan application deadline is Dec. 11, 2020.

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

DEQ used criteria in Oregon Administrative Rules [340-054-0026](#) and [340-054-0027](#) to rank projects. Project ranking criteria include: water quality standards, public health considerations, watershed health benefits, natural infrastructure inclusion, and other considerations. Rank order shifts as loan applications are added and removed from the project priority list. [Appendix 2](#) includes all loan applications in rank order, project scores

This Intended Use Plan includes 24 loan applications for a total of \$152,675,656 in requested funding, including six new loan applications and one loan application amendment:

Applicant	Application Number	Project Name	Amount Requested
City of Bay City	13840-21	Bay City Stormwater Master Plan Update	\$140,000
City of Cascade Locks	21310-19, Amended	City of Cascade Locks, Oregon - Wastewater System Improvements	\$4,456,600
North Unit Irrigation District	69660-21	North Unit Irrigation District: Lateral 43 and Juniper Butte Piping Project	\$8,150,000
Odell Sanitary District	70140-21	Odell Sanitary District Outfall Relocation Project	\$645,000
Rogue River Valley Irrigation District and Medford Irrigation District	78600-21	Joint System Canal Piping Project	\$24,334,500

Salishan Sanitary District	80300-21	Salishan SD MBR Install and Pump Stations Upgrade	\$6,500,000
City of Umatilla	93050-21	City of Umatilla Wastewater Facility Plan Update	\$234,000

Since the publication of the last Intended Use Plan, DEQ executed seven new loan agreements totaling \$11,395,295 with City of Cannon Beach (20570-20), Island City Sanitary District (47840-20), City of Molalla (66100-20), Ochoco Irrigation District (70100-20), Wasco County Soil and Water Conservation District (94965-18), and Water Environment Services (22500B-18).

Table 2 lists project descriptions for each loan application and includes:

- Type of loan, loan amount and application numbers with an extension that indicates the state fiscal year.
- A description of the project goals and water quality benefits.
- The section of the Clean Water Act the project qualifies for: Section 212 (treatment works), Section 319 (nonpoint source pollution control) or Section 320 (estuary management).
- 2014 Oregon Nonpoint Source Management Program Plan citations for all nonpoint source pollution control projects.
- Reference to a Comprehensive Conservation and Management Plan for estuary management projects.

Project descriptions

Table 1: Project Description List

Loan Application Number	Applicant and Project Description	Amount
12600-19	City of Baker City (Baker County)	\$8,000,000
	Sec. 212 Design and Construction, Wastewater Treatment Facility and Effluent Disposal Improvement Project. The city is under a compliance Mutual Agreement and Order for violating Biochemical Oxygen Demand limits in the water quality limited Powder River. The project will eliminate effluent discharge into the Powder River including: construction of an effluent transfer pipeline, construction of a storage lagoon for winter months, effluent land application and an irrigation system. Water quality improvement parameters include temperature, BOD, Total Suspended Solids, nutrients, and pH particularly in the low flow season when the city's discharge can be more than half of the river flow.	
13840-21	City of Bay City (Tillamook County)	\$140,000
	Sec. 319 and Sec. 320, Planning, Stormwater Master Plan Update. Bay City will update its 2003 Stormwater Master Plan. Activities will include data acquisition and field work, mapping the current stormwater collection system, hydrologic modeling and results analysis in order to evaluate, quantify and document the current system. The plan will include sustainability and long-term reliability by using natural infrastructure like swales, wetlands, rain gardens, ponds, and filter strips to contribute to the intended water quality benefits. The plan will provide results and recommendations, a ranked list of capital improvement project options to improve the current system and expand the collection system in areas not currently served. The Stormwater Master Plan Update project is consistent with the 2014 Final Oregon Nonpoint Source Management Program sections 4.6 Urban and Rural Residential and 6.1 Clean Water State Revolving Fund. The project will also lead to water quality benefits for the National Tillamook Bay Estuary and is consistent with the Tillamook Estuaries Partnership Comprehensive Conservation and Management Plan.	
14510-20	City of Bend (Deschutes County)	\$7,920,000
	Sec. 212 Design and Construction, Newport Drainage Improvements. The city will reconstruct the existing drainage collection and conveyance system along Newport and Nashville Avenues from College Way to the outfall at the Deschutes River. Project elements include collection and conveyance improvements in the surrounding tributary drainage area, flow reduction and flood mitigation measures. The project's primary water quality and public health objectives are a reduction in pollutants discharged to the Deschutes River and the prevention of unintended sewer discharges.	
14510B-20	City of Bend (Deschutes County)	\$5,845,000
	Sec. 212 Design and Construction, Southwest Sewer Basin Improvements. The City of Bend Collection System Master Plan (2014) and Public Facilities Plan (2018) identified a number of deficiencies in the city's southwest sewer basin. The proposed project includes: completion of an alternatives analysis to identify the best overall design approach to upgrade and improve the sewer collection system and construction of the collection and conveyance system improvements identified in the analysis. This project will provide overall collection system reliability, decrease risks of health hazards associated with sewer overflow events and may provide the capacity to extend sewer into areas currently on private septic systems.	
14510C-20	City of Bend (Deschutes County)	\$3,460,000
	Sec. 212 Design and Construction, Via Sandia, Orion and East Lake Sewer Project. The City of Bend will extend gravity sewer mains and laterals into three neighborhoods currently on individual septic systems ultimately discharging to the Southeast Interceptor. This project will allow 40 properties to decommission septic systems and connect to public sewer. The project will protect water quality and help eliminate potential health hazards associated with failing septic systems in the local area.	

21310-19, Amended	City of Cascade Locks (Hood River County) – Interim Financing	\$4,456,600
<p>Sec. 212 Design and Construction, City of Cascade Locks, Oregon - Wastewater System Improvements. Since 2014, the city has been operating under an MAO from DEQ. Currently, the city is in violation of its NPDES permit for TSS limits. The wastewater treatment facility is approximately 19 years old with components nearing the end of their expected 20-year-design life. This project will complete improvements to Industrial Way Pump Station, Plant Lift Station, modifications to the sludge management system, and elimination of the effluent pH adjustment system. The city will repay DEQ with financing through USDA - Rural Development.</p>		
26110-20	City of Dallas (Polk County)	\$9,000,000
<p>Sec. 212 Design and Construction, Dallas WWTF Recycled Water Project. The city will use treated municipal wastewater for industrial paper manufacturing and system cooling as well as irrigation of a public park landscape. This city will proactively reduce thermal loading to Rickreall Creek in anticipation of thermal load limits in the upcoming NPDES permit renewal. The project will reduce demand on the city's limited drinking water supply by an estimated 45 percent, because it will no longer need to be used for public park landscape irrigation.</p>		
26750-20	City of Dayton (Yamhill County)	\$4,266,325
<p>Sec. 212 Design and Construction, Dayton Utility Bridge with Infrastructure Improvements Project. The City of Dayton proposes to replace sewer lines supported by a wooden utility bridge across the Yamhill River. The bridge was originally built as part of the city's wastewater system expansion in 1980 funded by EPA. The city recently completed a sewer pump station project to address water quality and public health problems associated with sanitary sewer overflows and DEQ approval of the pump station was contingent upon increasing capacity of the sewer force main across the river. The city conducted an alternatives analysis of options to replace the sewer line and selected to upgrade the sewer line in conjunction with replacing the utility bridge with a prefabricated steel truss bridge. The bridge will allow utility personnel to access the sewer and water lines for maintenance. The project will help the City of Dayton improve their wastewater system in way that avoids impacts to the floodplain and Yamhill River.</p>		
29520-20	City of Dufur (Wasco County) – Interim Financing	\$4,344,000
<p>Sec. 212 Design and Construction, City of Dufur Wastewater System Improvements. The City of Dufur is in violation of its National Pollution Discharge Elimination System permit limits for ammonia and has been under a Mutual Agreement and Order with DEQ since 2007. The city has elected to modify their existing evaporative lagoon system to facilitate the addition of aeration equipment. The improvements will enable the city to meet required treatment levels as well as increase the storage and disposal capacity of the system. Other improvements include the addition of a headworks and screening system, maintenance building modifications, reconstruction of inlets and control structures at treatment lagoons, removing sludge build-up, and expansion of the city's irrigation area. These improvements will allow the city to discontinue discharge to Fifteenmile Creek. This is an interim financing loan. The city will repay DEQ with financing through USDA - Rural Development.</p>		
45760-20	City of Hood River (Hood River County) – Interim and Permanent Financing	\$4,004,488
<p>Sec. 319, Design and Construction, Waterfront Stormwater Pipeline Replacement and Outfall Relocation Project. City of Hood River will relocate a current stormwater pipeline that has deteriorated due to corrosion. The project will take place in four phases. Phase one will address a sinkhole that formed due to the current pipeline collapsing. Phase two will intercept and reroute the stormwater on the south side of Interstate-84 away from the existing Oregon Department of Transportation culverts under I-84. Phase three will relocate the stormwater pipeline. Phase four will build a new stormwater pipeline northward of the existing pipeline to a new outfall on the Columbia River. The project will reduce health and safety concerns associated with deterioration of the pipeline and improve overall water quality in the project area by increasing treatment of existing stormwater runoff, adding mechanical treatment, water quality swales or other approved vegetative treatment methods. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan section</p>		

6.1 CWSRF stormwater improvement projects, section 4 Urban and Rural Residential, section 4.4.3 State Land Use Planning Goals 6 & 11, stormwater planning in a non-MS4 community. The city requested \$1,000,000 CWSRF permanent financing and \$3,004,488 CWSRF interim financing with USDA – Rural Development.		
56200-20	City Lebanon (Linn County)	\$14,000,000
Sec. 212 Construction, Westside Interceptor Phase V. The City of Lebanon currently is not allowing new wastewater connections due to system capacity issues. This restriction affects nearly half of Lebanon’s undeveloped Residential Mixed Density Zone properties. The city has studied inflow and infiltration related to the capacity issues and made improvements to its collection system to prevent sanitary sewer overflows. This construction project will continue work to address capacity issues with their Westside Interceptor. Replacement of the Westside Interceptor will prevent sanitary sewer overflows, allow new connections and support housing development.		
58710-19	Lone Pine Irrigation District (Deschutes, Jefferson, and Crook counties)	\$2,000,000
Sec. 319, Design and Construction, LPID Irrigation Modernization Project. This project will modernize district-owned canals and laterals to conserve water, improve operational efficiency, reduce electrical and energy costs, reduce O&M for farmers through decreased pumping and improve habitat in the Deschutes River. The project will achieve these goals by piping all of the district’s open canals using HDPE and steel pipe. The existing suspension bridge over the Crooked River is in disrepair and a new structure is needed to convey the irrigation water across the river. The district will replace the bridge with a siphon under the river. The project is consistent with the 2014 Final Oregon Nonpoint Source Management Program Plan section 3.6.1 Watershed Approach Basin Reports.		
69660-21	North Unit Irrigation District (Deschutes County)	\$8,150,000
Sec. 319, Design and Construction, North Unit Irrigation District: Lateral 43 and Juniper Butte Piping Project. The North Unit Irrigation District’s System Improvement Plan (2017) proposes to pipe the district’s open canal network, including the addition of pressure reducing stations, reuse/retention reservoirs, and metered turnouts for every water user. The current project proposes to start in one portion of the district by piping laterals 31, 32, 34 and 43, which represents a total of 8.2 miles of leaky canal and serves over 9,800 acres of agricultural land. The project will improve water quality in the lower Crooked River, Lake Billy Chinook and the lower Deschutes River by removing canal seepage and minimizing and eliminating return flow from agricultural lands. Piping of the laterals will also encourage on-farm efficiency by providing pressurized water, which enables the switch from furrow (flood) irrigation to sprinkler irrigation, reducing excessive seepage and agricultural runoff from fields. The project is consistent with the 2014 Nonpoint Source Management Program Plan sections 3.6.1 Watershed Approach Basin Reports (Deschutes Basin) and 6.1 Clean Water State Revolving Fund.		
70140-21	Odell Sanitary District (Hood River County)	\$645,000
Sec. 212, Design and Construction, Odell Sanitary District Outfall Relocation Project. The project is being implemented in response to the Western Hood Subbasin temperature TMDL (2018). The TMDL established wasteload allocations for the facility, which the district is unable to meet at some times during the year with their current discharge into Odell Creek. The project will include construction of a new effluent pumping station and approximately 6,500 feet of force main between the pumping station and the Hood River and a secondary outfall from the Odell Wastewater Treatment Plant to the Hood River. The Hood River has the assimilative capacity to accept the additional thermal loads from the facility to meet the TMDL.		
76070-20	City of Redmond (Deschutes County)	\$31,000,000
Sec. 212 Design and Construction, WPCF Improvements. The City of Redmond will complete Water Pollution Control Facilities improvements to address current and projected service needs for capacity, ability to meet current and potential future regulatory requirements, reliability of unit process performance and ability to maintain the facilities over a 20-year planning horizon. The major project components include expanding the Orbal System, installing new tertiary treatment filtration and UV		

<p>disinfection, rehabilitating the solids de-watering building and equipment, installing a solar biosolids drying and storage system, installing a new standby generator, and other facility improvements including a new operations building.</p>		
78600-21	Rogue River Valley Irrigation District and Medford Irrigation District (Jackson County)	\$24,334,500
<p>Sec. 319, Design and Construction, Joint System Canal Piping Project. Rogue River Valley Irrigation District and Medford Irrigation District jointly use the Joint System Canal to serve several thousand customers with crop irrigation. Seepage and evaporation are occurring along the canal, which is resulting in lost water and ultimately less water flowing through the canal downstream to other water bodies. The proposed project includes design and construction of piping up to 4.4 miles of canal and diversions, replacement of siphons, improvements to water diversion structures and fish passage. The project will address water quantity and quality for downstream streams, including South Fork Little Butte Creek, which experience low flow in some seasons. The project focuses on best management practices for irrigation to improve water quality from nonpoint sources and is consistent with the 2014 Nonpoint Source Management Program Plan sections 3.6.1 Watershed Approach Basin Reports and 6.1 Clean Water State Revolving Fund.</p>		
80300-21	Salishan Sanitary District (Lincoln County)	\$6,500,000
<p>Sec. 212, Design and Construction, Salishan SD MBR Install and Pump Stations Upgrade. Salishan Sanitary District will complete design and construction of a major wastewater facilities upgrade. The proposed project includes design and construction of upgrades to the district's sewage treatment plant that use membrane bioreactor technology, new plant headworks, replacement of five pumps and new control structures for the collection system. The project will provide new and extended life for a sewage treatment plant with aging equipment. In addition to improving the water quality of the effluent produced, the project will increase the reliability and safety of the plant.</p>		
80490-20	City of Sandy (Clackamas County)	\$6,025,000
<p>Sec. 212 Design and Construction, WWTP Condition Assessment and Collection System Improvements. The city has a Mutual Agreement and Order executed in 2014 due to challenges with meeting its NPDES permit. The city needs to update its current WWTP and develop a rainfall-derived inflow and infiltration, also known as RDII, removal program to comply with the current NPDES permit. The preferred long-term alternative identified in the city's wastewater facility plan includes a new satellite WWTP, effluent pump station and outfall to the Sandy River. This city will upgrade the current WWTP and develop a RDII removal program to comply with the current NPDES permit until a new system is built.</p>		
83810A-19, 83810B-19	City of Sheridan (Yamhill County)	\$4,577,513
<p>Sec. 212 Design and Construction, Yamhill Street and East Main Street Sewer Improvement Project. The city will replace an existing 15" – 18" trunk line with a 24" interceptor to increase capacity and eliminate sanitary sewer overflows. The project also includes another 24" pipeline parallel to the existing pipe across the Yamhill River for redundancy. The City of Sheridan discharges into the South Yamhill River, a tributary of the Yamhill River, which is listed along with its tributaries as water quality limited for bacteria. The project will improve water quality by reducing bacteria in the South Yamhill River and Yamhill watershed.</p> <p>Sec. 319 Design and Construction Sponsorship Option loan in the amount of \$689,513 will address: Bridge Street and Main Street Stormwater Manhole Retrofits, includes retrofitting existing stormwater manhole and catch basins, which provide no water quality enhancement, to perform water quality enhancement and pollution control from impervious surface. The project will mitigate pollution into the South Yamhill River and reduce the potential hazard for the new raw water intake for the city. The sponsorship option project is consistent with the 2014 Final Oregon Nonpoint Source Management</p>		

Program Plan section 4.6 Total Maximum Daily Load Implementation for Urban and Rural Residential DMAs.		
91800A-20	City of Toledo (Lincoln County)	\$600,000
Sec. 212 Construction, Sanitary Sewer Improvements and Butler Bridge Force Main Replacement. The city has a Mutual Agreement and Order executed in March 2019 due to inflow and infiltration and sanitary sewer overflows into the Yaquina River. The project will include inspecting the entire collection system, “Priority 1” collection system improvements identified in the wastewater facility plan, eliminating inflow and infiltration, replacing the Butler Bridge Sewer force main and installing flow meters to eliminate sanitary sewer overflows and achieve compliance.		
91800B-20	City of Toledo (Lincoln County)	\$750,000
Sec. 212 Planning, MAO/I&I Sanitary Sewer Improvement Evaluations and Studies. The City of Toledo has a Mutual Agreement and Order for non-compliance. The city will perform a comprehensive inflow and infiltration study including evaluation of wet weather flows to assess the capacity of the plant to treat projected flows. The city will clean, perform a CCTV inspection and smoke test the collection system. The project includes purchase of three flow meters for the treatment plant’s influent lines to collect flow data, which will be used to support future pump station improvements.		
93050-21	City of Umatilla (Umatilla County)	\$234,000
Sec. 212, Planning, City of Umatilla Wastewater Facility Plan Update. The city needs a new planning document that takes into account the residential, commercial, and industrial growth over the last 20 years and future growth that will eventually create discharge quality issues. The city will identify alternatives related to accumulation of biosolids for the system. The plan will include a description of existing sewer treatment and collection systems, capacity and compliance analysis, anticipated needs for future facilities, and description of future facilities including schedule, cost and financing.		
94580-20	City of Wallowa (Wallowa County)	\$110,000
Sec. 212 Planning, City of Wallowa Wastewater Facilities Plan. The City of Wallowa needs to complete a Wastewater Facility Plan. The city is experiencing excessive infiltration and inflow from groundwater into the collection system and the wastewater treatment system is approaching 20 years since its last major improvement project. As part of the WWFP process, a wastewater collection system evaluation will be completed that will include sewer line cleaning and closed circuit TV monitoring work performed by a contractor. Once the wastewater collection system evaluation is complete, the engineer will develop the WWFP. The WWFP will include basic planning and design criteria, evaluation of the existing wastewater system, development of improvement alternatives, estimated project costs, determination of the most appropriate alternative for a long-term solution and financial analysis of the selected alternative.		

Project priority list in alphabetical order

[Appendix 1](#) includes all loan applications, including those ready to proceed to an executed loan agreement. An applicant must complete all applicable Clean Water State Revolving Fund loan requirements before DEQ will execute a loan agreement.

The project priority list is in alphabetical order by applicant and includes the following additional information required by the EPA: application number, amount requested, EPA needs category, water quality permit number (for federal National Pollution Discharge Elimination System permits, EPA’s “OR” identification number is listed and for state Water Pollution Control Facility permits, the DEQ identification number is listed), and preliminary project schedule.

Project priority list in rank order

[Appendix 2](#) includes all loan applications in rank order, project scores, the applicable green project reserve category and dollar amount, a small community identifier as defined under Oregon Administrative Rule [340-054-0010\(28\)](#) and a facility planning identifier. Rank order shifts as loan applications are added and removed from the project priority list.

Priority ranking criteria

DEQ used criteria in Oregon Administrative Rules [340-054-0026](#) and [340-054-0027](#) to rank projects. Project ranking criteria include: water quality standards, public health considerations, watershed health benefits, natural infrastructure inclusion, and other considerations.

Applicants ready to proceed

DEQ will only finance a project that is included in the Intended Use Plan. Additionally, loan applicants must satisfy all Clean Water State Revolving Fund loan requirements prior to receiving an official loan offer from DEQ. Loan requirements include, but are not limited to: documentation of a reliable repayment source, authority to undertake the proposed project, a land use compatibility statement, an environmental review, audited financial statements, project budget and approved project planning documentation.

When an applicant satisfies all loan requirements, the applicant is considered “ready to proceed” and DEQ will begin the loan agreement execution process. [Appendix 3](#) indicates three applicants are ready to proceed: City of Baker City (12600-19), City of Hood River (45760-20), and City of Wallowa (94580-20).

Funding award by-pass procedure

Currently, DEQ has sufficient funds to finance all projects as they become ready to proceed. This ensures the fund is utilized in a timely manner. In the event the program does not have sufficient funds available to finance all projects that are ready to proceed, DEQ will award funding based on highest ranking project that is ready to proceed.

If an applicant declines funding, DEQ will go to the next highest ranking project and offer funding to that applicant, until all available funds have been committed.

Estimated funds available for state fiscal year 2021

Currently, the loan program has \$212,096,710 net available to lend for state fiscal year 2021. [Appendix 4](#) provides the calculation of funds available for state fiscal year 2021 and includes the projections for state fiscal years 2021, 2022 and 2023. This calculation includes the federal fiscal year 2020 capitalization grant in the amount of \$17,952,000.

DEQ usually only updates the estimated use of funds calculation for the Intended Use Plan used for the annual capitalization grant application and for the Intended Use Plan issued after the end of state fiscal year accounting is complete.

Sources and uses of funds

Federal capitalization grant funds and state match

To increase funds available, DEQ annually applies for and receives a capitalization grant from EPA. The grant obligates DEQ to provide a 20 percent match in new money to capitalize the fund. DEQ disburses the required match to borrowers prior to disbursing capitalization grant funds. Once DEQ disburses all match and grant funds, DEQ disburses the state revolved funds (repayment funds) to borrowers.

DEQ raised match bonds in June 2019 to meet the match requirement for state fiscal years 2020 and 2021. [Appendix 4](#) represents the estimated 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

The fund earns interest on cash deposited in the Oregon State Treasury, increasing funds available. DEQ forecasts investment earnings conservatively based on the market interest rates and the fund's cash balance. The long-term goal is to keep cash reserves at a level where cash is available to cover future demand and the variability in project completion schedules, ensuring funds in active use by borrowers.

Repayments

Repayment revenues are a primary source of funds DEQ uses to finance projects. Repayment revenues are projected to grow and meet future demand, indicating that the fund is adequately revolving. Borrowers begin repayment six months to one year after project completion, based on an amortization schedule provided by DEQ.

[Appendix 4](#) shows projected repayments (principal and interest) based on existing loan agreements for state fiscal years 2021, 2022 and 2023 in the amount of \$155,936,133 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 yet but are expected to be in repayment before the end of state fiscal year 2023.

The estimates for 2) and 3) are less time certain due to several factors, including:

- Repayment schedules shift when projects are delayed or completed early,
- Receipt of early loan repayments, and
- Loan agreements for short-term projects go into repayment more quickly, increasing the repayments actually received.

The net effect of these factors in recent years resulted in an increase in actual repayments received over the amount projected. The projections in Appendix 4 do not include repayments from future loan agreements not yet executed, but that could be executed and start repayment during state fiscal year 2022.

State fiscal years 2022 and 2023 are included in the projected repayments because borrowers typically request fund disbursements for approximately three years after loan execution. Future calculations of funds available may be adjusted as conditions warrant.

Administrative expenses

Prior to state fiscal year 2004, DEQ used four percent of the annual capitalization grant, as allowable, and the annual fee charged on unpaid loan balances to cover administrative expenses. From state fiscal year 2004 to state fiscal year 2020, DEQ used only the annual fee revenue to pay administrative expenses for program operations and banked the four percent of the capitalization grant for future use. For state fiscal year 2021, DEQ will utilize four percent, or \$718,080, of the 2020 capitalization grant to support program administrative expenses.

Debt service on match bonds

When the State of Oregon, through DEQ, issues bonds to generate state match for the capitalization grant, the program pays debt service on those bonds using loan interest earnings exclusively. During state fiscal year 2021, the program will pay approximately \$4,199,384 in debt service costs on bonds issued in previous years. Because debt service reduces funds available for future years, DEQ routinely calls bonds when possible. While this reduces funds available in the short term, the program will realize a reduction of debt service in the long term. By issuing 24-hour bonds to meet state match, DEQ will increase the funds available over the long term.

Capitalization grant requirements

DEQ must comply with the annual EPA capitalization grant requirements to receive the federal funding allocation. The grant provides additional funding for Oregon's Clean Water State Revolving Fund loan program, increasing DEQ's capacity to fund water quality improvement projects. This Intended Use Plan includes the federal fiscal year 2020 (Oct. 1, 2020 through Sept. 30, 2021) capitalization grant allocation, required subsidy, required green project reserve and state match allocation.

EPA awarded DEQ the federal fiscal year 2020 capitalization grant in the amount of \$17,952,000. DEQ will demonstrate \$3,590,400 in state match.

Estimated federal fiscal year 2020 capitalization grant payment schedules:

- July – September 2020: \$4,000,000
- October – December 2020: \$8,000,000
- January – March 2021: \$5,952,000

DEQ disburses 100 percent of the required state match prior to disbursing the capitalization grant funds.

Reporting requirements

Clean Water Benefits Reporting and Federal Funding Accountability and Transparency Act

DEQ reports project data, loan data and environmental benefits to EPA through the Clean Water Benefits Reporting database. As a condition of the capitalization grant, DEQ reports data no later than the end of the fiscal quarter in which the loan, amendment or binding commitment is executed.

Additionally, DEQ meets the Federal Funding Accountability and Transparency Act requirement by reporting loan award data for loans in an amount equal to the capitalization grant amount for the given state fiscal year. DEQ enters loan data into the Federal Funding Accountability and Transparency Act Subaward Reporting System database by the end of the month following the month in which the loan agreement was executed, in accordance with EPA guidance.

Green project reserve

The federal fiscal year 2020 allocations require DEQ to use at least 10 percent of the grant amount for projects that qualify under [EPA's Green Project Reserve Guidance](#), to the extent that there are sufficient eligible projects. DEQ must allocate a minimum of \$1,795,200 to the green project reserve for federal fiscal year 2020.

[Appendix 2](#) lists the projects any of the four green project reserve 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 2020 green project reserve requirement of \$1,795,200 by executing a loan agreement with Lone Pine Irrigation District (58710-19) in the amount of \$2,000,000 for water and energy efficiency. Appendix 5 only lists the minimum GPR amount to indicate the requirement is met. DEQ documents the project's green project reserve eligibility for each project and reports the GPR amount in the Clean Water Benefits Reporting database.

Additional subsidization

Oregon Administrative Rule [340-054-0065\(12\)](#) allows the maximum percentage of additional subsidization permitted by the federal allocations of each capitalization grant to be allocated to eligible applicants as principal forgiveness. The amount of principal forgiveness DEQ allocates each year is dependent on the federal allocations and what DEQ forecasts the fund can afford while maintaining the fund's perpetuity.

The federal fiscal year 2020 allocations requires states to offer a minimum of 10 percent of the capitalization grant amount as additional subsidization. Additionally, EPA allows states the option to increase the amount of additional subsidization up to 30 percent more, which would allow a maximum allocation of 40 percent of the capitalization grant as additional subsidization.

In accordance with Oregon Administrative Rule [340-054-0065\(12\)\(d\)](#), DEQ determined the maximum percentage for state fiscal year 2021 to be 31 percent of the 2020 capitalization grant amount, or \$5,512,907.

DEQ reserves 70 percent of the principal forgiveness allocation for applicants that meet DEQ's affordability criteria as a distressed community per Oregon Administrative Rule [340-054-0065\(12\)\(A\)\(c\)](#). DEQ reserves 30 percent of the annual principal forgiveness allocation for applicants with projects that meet DEQ's green/sustainability criteria per Oregon Administrative Rule [340-054-0065\(12\)\(B\)](#). Accordingly, for state fiscal year 2021, DEQ reserves \$3,859,035 for applicants that meet the affordability criteria and \$1,653,872 for applicants with green/sustainability projects.

DEQ will offer principal forgiveness to applicants that meet the criteria when they are ready to proceed to executing a loan agreement. At the close of each federal fiscal year, DEQ may reallocate any un-awarded 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.

DEQ will award up to \$500,000 in principal forgiveness per project, or 50 percent of the loan for a distressed community, or 50 percent of the eligible project costs for green/sustainability projects, whichever is less.

Table 2 lists the current applicants that are eligible for principal forgiveness when they are ready to proceed to executing a loan agreement, if principal forgiveness reserves are still available.

Table 2: Eligible recipients for principal forgiveness

Applicant	Application Number	Criteria	Amount
City of Baker City	12600-19	Affordability	\$500,000
City of Dayton	26750-20	Affordability	\$500,000
City of Dufur	29520-20	Affordability	\$500,000
City of Hood River	45760-20	Green/Sustainability	\$500,000
City of Lebanon	56200-20	Affordability	\$500,000
Lone Pine Irrigation District	58710-19	Green/Sustainability	\$500,000
City of Madras	62370B-20	Affordability	\$500,000
North Unit Irrigation District	69660-21	Green/Sustainability	\$500,000
Odell Sanitary District	70140-21	Affordability	\$322,500
City of Redmond	76070-20	Green/Sustainability	\$500,000
Rogue Valley Irrigation District and Medford Irrigation District	78600-21	Green/Sustainability	\$500,000
Salishan Sanitary District	80300-21	Affordability	\$500,000
City of Sandy	80490-20	Green/Sustainability	\$500,000
City of Toledo	91800A-20	Affordability	\$300,000

Annual DEQ funding allocations

Each year DEQ establishes a maximum loan amount available per project and sets aside certain amounts for the planning and small community reserves based on Oregon Administrative Rules.

Maximum loan amount

Oregon Administrative Rule [340-054-0036\(3\)\(a\)\(A\)](#) limits awarding no more than 15 percent of funds available in any given fiscal year to a single loan. For state fiscal year 2021, DEQ can award a maximum loan amount of \$31,814,506.

When a borrower requests a loan amount that exceeds the maximum amount allowable for any single loan, DEQ will award the maximum annual loan amount allowed. Subsequently, DEQ can increase the loan amount in the next fiscal years to supplement the unfunded loan request. DEQ may also award additional loan funding toward the unfunded loan request at the end of the same state fiscal year to projects in rank order, if sufficient funds are available. Loan increases for existing loans have first priority for new funding allocations.

Planning reserve

The total planning reserve allocation cannot exceed \$3,000,000 per Oregon Administrative Rule [340-054-0036\(1\)\(b\)](#). DEQ will fund planning loans through the planning reserve until the reserve is fully allocated. Planning loans that are not fully funded through the planning reserve may be funded with the general loan fund in rank order. During the final quarter of the state fiscal year, DEQ will allocate any remaining planning reserve funds to design and construction loans in rank 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 2021, DEQ allocates \$53,024,177 to the small community reserve. Loans to small communities that are not fully funded through the small community reserve may be funded with the general loan fund in rank order. During the final quarter of the state fiscal year, DEQ will allocate any remaining small community reserve funds to design and construction projects in priority order.

State fiscal year 2021 activity

[Appendix 5](#) includes the project priority list, anticipated loan increases and funding allocations from current funds available as calculated in [Appendix 4](#).

The top section of Appendix 5 lists borrowers that may receive increases to existing loan agreements. The lower section shows loan applicants that may become ready to proceed in the current state fiscal year.

Timely use of funds

DEQ intends to use funds in a timely and expeditious manner. EPA's Memorandum #SRF 99-05 requires new funds to be committed within one year of availability. [Appendix 6](#) calculates the amount of funds available in state fiscal year 2021 compared to the amount of binding commitments executed as of June 30, 2020 to demonstrate DEQ's compliance with the timely and expeditious use of funds requirement.

Equivalency requirements

Each fiscal year, DEQ identifies loans equal to the amount of the capitalization grant to meet federal equivalency reporting requirements. The requirements include meeting economic, social and environmental cross-cutting federal laws and Executive orders; conducting a Single Audit; and meeting architectural and engineering procurement regulations per 40 USC Chapter 11. DEQ's equivalency loan for reporting purposes for federal fiscal year 2020 will be City of Redmond (76070-20).

Environmental review and compliance with cross-cutters

EPA approved DEQ's current state environmental review process in February 2008. All projects deemed treatment works by DEQ are required to undergo environmental review.

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

Operating agreement

The Clean Water State Revolving Fund operating agreement between the EPA Region 10 and the DEQ includes procedures, assurances, certifications, applicable federal authorities and laws and other documentation required by EPA and is referenced here to demonstrate that DEQ meets the requirements.

Single audit act

Borrowers who have received federal funds from the annual capitalization grant may be subject to the requirements of the Single Audit Act and 2 CFR 200 (Omni Circular). DEQ monitors borrowers' compliance with those requirements for loans in an amount equal to the capitalization grants.

Public involvement

Oregon's Clean Water State Revolving Fund program provides several opportunities for public involvement. These include DEQ's rulemaking process, public notice of environmental determinations and public notice of this Intended Use Plan.

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.

Advisory committee

DEQ involves public advisory committees to assist the agency in developing policy. DEQ appoints an advisory committee to advise on program issues and provide input on rulemaking. The committee includes members representing statewide organizations with an interest in financing water quality improvement projects. Committee representation includes local governments, wastewater treatment

facilities, environmental advocacy, federal and state agencies, and local conservation districts. Committee meetings are open to the public.

Public notice of an environmental determination

The public may request information and comment on the environmental determination for projects funded by the Clean Water State Revolving Fund during the public notice period, which is generally 30 days. DEQ currently issues a public notice in a statewide publication and in a local publication for each project subject to environmental review.

Notice and comments on the Intended Use Plan

To notify the public about this Intended Use Plan, DEQ posts the draft Intended Use Plan on the program's [website](#), issues a public notice in the Daily Journal of Commerce and sends a notice through DEQ's [GovDelivery](#) notification system. The notice process includes a 30-day public comment period. Upon the completion of the public comment period, DEQ considers all comments and then finalizes the Intended Use Plan. The current Intended Use Plan is always available on the program's [website](#).

Public notice

This *Proposed Intended Use Plan, State Fiscal Year 2021, Second Edition* 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 2021, Second Edition

Notice Issued: Nov. 27, 2020
Comments Due: Dec. 28, 2020

What is proposed?

The Oregon Department of Environmental Quality has prepared a *Proposed Intended Use Plan State Fiscal Year 2021, Second Edition* 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 plan.

Description of proposed Intended Use Plan

The *Proposed Intended Use Plan State Fiscal Year 2021, Second Edition* includes 24 loan applications for a total of \$152,675,656 in requested funding for planning, design and construction of water quality improvement projects in Oregon.

To receive a copy of the proposed Intended Use Plan

The *Proposed Intended Use Plan, State Fiscal Year 2021, Second Edition* 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 plan must be submitted in writing via mail, fax or email any time prior to the comment deadline of 5 p.m. on Monday, Dec. 28, 2020 to:

Mail: Oregon Department of Environmental Quality
Water Quality 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 proposed plan to the new loan applicants for this funding cycle and to:

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

Appendices

Appendix 1: Project Priority List in Alphabetical Order

This Intended Use Plan includes 24 loan applications for a total of \$152,675,656 in requested funding for planning, design and construction of water quality improvements projects in Oregon.

Applicant	Application Number	Amount	EPA Needs Category	Permit Number	Application Deadline	Start	Completion
Baker City	12600-19	8,000,000	I	OR0020699	Apr-18	Jun-19	Sep-20
Bay City	13840-21	140,000	VII-O, VI-A, VI-B, XIII	N/A	Aug-20	Oct-20	Dec-22
Bend	14510-20	7,920,000	III-B, VI	NPDES-MS4 102901	Apr-19	Mar-21	Oct-22
Bend	14510B-20	5,845,000	IV-B	WPCF 101572	Apr-20	Mar-20	Oct-21
Bend	14510C-20	3,460,000	IV-A	WPCF 101572	Apr-20	Feb-20	Dec-21
Cascade Locks - Amended	21310-19	4,456,600	I, III-B	OR0041271	Dec-18	Nov-19	Dec-22
Dallas	26110-20	9,000,000	I, II, XI	OR0020737	Apr-19	Jan-20	Sep-21
Dayton	26750-20	4,266,325	III-B	OR0023639	Dec-19	Jun-20	Jun-22
Dufur	29520-20	4,344,000	I, III-A	OR0029050	Aug-19	Mar-20	Sep-20
Hood River	45760-20	4,004,487	VI-A, VI-B	N/A	Apr-20	Apr-20	Sep-23
Lebanon	56200-20	14,000,000	IV-B	OR0020818	Aug-19	Jun-20	Oct-23
Lone Pine Irrigation District	58710-19	2,000,000	VII-A	N/A	Dec-18	Nov-19	Mar-23
Madras	62370B-20	2,313,231	IV-A, IV-B	101739	Dec-19	Jun-20	Apr-21
North Unit Irrigation District	69660-21	8,150,000	VII-A, VII-B	N/A	Aug-20	Jul-21	Jul-28
Odell Sanitary District	70140-21	645,000	I	OR0022471	Aug-20	Oct-20	Aug-21
Redmond	76070-20	31,000,000	I	WPCF 101500	Aug-19	Jan-21	Jan-23
Rogue River Valley Irrigation District and Medford Irrigation District	78600-21	24,334,500	VII-A	N/A	Aug-20	Jun-21	Jun-25
Salishan Sanitary District	80300-21	6,500,000	I, III-B	OR0027201	Aug-20	Jan-21	Dec-22
Sandy	80490-20	6,025,000	I, III-A, III-B	OR0026573	Apr-19	Nov-19	Jun-22
Sheridan	83810A-19; 83810B-19	4,577,513	IV-B, VII-D	OR0020648	Dec-18	May-20	Jun-22
Toledo	91800A-20	600,000	III-A, III-B	OR0020869	Apr-19	Mar-20	Dec-20

Intended Use Plan - State Fiscal Year 2021, Second Edition

Toledo	91800B-20	750,000	XVIII	OR0020869	Aug-19	Jun-19	Dec-21
Umatilla	93050-21	234,000	XVIII	OR0022306	Aug-20	Nov-20	Jan-22
Wallowa	94580-20	110,000	I, III-A, III-B	OR0020028	Apr-20	Jan-20	Mar-21

Project category	EPA Needs Categories
I	Clean Water Treatment - Secondary Treatment Plant (includes, but is not limited to: new, expansion, improvements; effluent disposal; biosolids treatment, biosolids disposal, water reuse)
II	Clean Water Treatment - Advanced Treatment
III-A	Clean Water Treatment - Infiltration/Inflow Correction (I/I)
III-B	Clean Water Treatment - Sewer System Replacement/Rehabilitation
IV-A	Clean Water Treatment - New Collector Sewers and Appurtenances
IV-B	Clean Water Treatment - New Interceptor Sewers and Appurtenances
V	Clean Water Treatment - Combined Sewer Overflow (CSO) Correction
VI-A	Stormwater – Gray Infrastructure
VI-B	Stormwater – Green Infrastructure
VII-A	Nonpoint Source Resource Activity - Agriculture – Cropland (i.e. conservative tillage, nutrient management, irrigation improvements)
VII-B	Nonpoint Source Resource Activity - Agriculture – Animals (i.e. animal waste storage, animal waste management, composting facilities)
VII-C	Nonpoint Source Resource Activity - Silviculture (streamside buffers, revegetation)
VII-E	Nonpoint Source Resource Activity - Groundwater
VII-F	Nonpoint Source Resource Activity - Marinas
VII-F	Nonpoint Source Resource Activity - Brownfields
VII-H	Nonpoint Source Resource Activity - Storage Tanks
VII-J	Nonpoint Source Resource Activity - Sanitary Landfills
VII-K	Nonpoint Source Resource Activity - Hydromodification/Habitat restoration (i.e. conservation easements, swales, wetland development, shore erosion control)
VII-L	Nonpoint Source Resource Activity - Resource Extraction
VII-M	Nonpoint Source Resource Activity - Individual/Decentralized Systems
VII-N	Nonpoint Source Resource Activity - Land Conservation
VIII	Energy Efficiency
IX	Renewable Energy
X	Water Efficiency
XI	Recycled Water Distribution/Water Reuse
XII	Estuary (Sec. 320) Assessments
XIII	Desalination
XVIII	Planning and Assessments

Appendix 2: Project Priority List in Rank Order

Appendix 2 lists loan applications in rank order, applicable green project reserve category (Green Infrastructure – GI, Water Efficiency – WE, Energy Efficiency – EE and Environmentally Innovative Activity – EIA), whether the project will serve a small community and whether the loan will finance the development of a planning document.

Priority Ranking	Score	Applicant	Application Number	Amount	GPR Category and Amount	Small Community and Planning
1	65	North Unit Irrigation District	69660-21	8,150,000	EE - \$8,150,000	SC
2	63	Lone Pine Irrigation District	58710-19	2,000,000	WE - \$1,000,000; EE - \$1,000,000	SC
3	58	Rogue River Valley Irrigation District and Medford Irrigation District	78600-21	24,334,500	WE - \$21,604,500	SC
4	57	Sandy	80490-20	6,025,000	GI - \$1,500,000; EE - 400,000	N/A
5	55	Dufur	76070-20	4,344,000	N/A	SC
5	55	Odell Sanitary District	70140-21	645,000	N/A	SC
6	53	Salishan Sanitary District	80300-21	6,500,000	N/A	SC
7	51	Baker City	12600-19	8,000,000	N/A	SC
8	48	Sheridan	83810A-19; 83810B-19	4,577,513	N/A	SC
9	47	Toledo	91800A-20	600,000	N/A	SC
9	47	Redmond	76070-20	31,000,000	EE - \$4,450,000	N/A
10	44	Dallas	26110-20	9,000,000	WE - \$1,577,000	N/A
11	43	Hood River	45760-20	4,004,487	GI - \$1,600,000	SC
12	42	Bend	14510-20	7,920,000	N/A	N/A
13	41	Madras	62370B-20	2,313,231	N/A	SC
14	40	Dayton	26750-20	4,266,325	N/A	SC
15	35	Bend	14510C-20	3,460,000	N/A	N/A
16	33	Lebanon	56200-20	14,000,000	N/A	N/A
17	28	Bend	14510B-20	5,845,000	N/A	N/A
18	20	Umatilla	93050-21	234,000	N/A	SC & P
18	20	Cascade Locks -Amended	21310-19	4,456,600	N/A	SC
19	16	Bay City	13840-21	140,000	N/A	SC & P
20	16	Toledo	91800B-20	750,000	N/A	SC & P
21	15	Wallowa	94580-20	110,000	N/A	SC & P

Appendix 3: Applicants Ready to Proceed

The following applicants have met the loan requirements necessary to receive a loan offer for the proposed project:

Priority Ranking	Application Score	Applicant	Application Number	Amount Requested	Green Project Reserve Category and Amount	Small Community and Facility Planning
7	51	Baker City	12600-19	8,000,000	N/A	SC
11	43	Hood River	45760-20	4,004,487	GI - \$1,600,000	SC
21	15	Wallowa	94580-20	110,000	N/A	SC & P

Appendix 4: Estimated Funds Available

Appendix 4 provides the calculation of funds available for state fiscal year 2021 and includes the forecasts for state fiscal years 2021, 2022 and 2023. This calculation includes the federal fiscal year 2020 capitalization grant in the amount of \$17,952,000.

Sources of Funds	Actual through SFY 2020	Estimated SFY 2021	Estimated SFY 2022-23	Total
Federal Capitalization Grants	513,447,785	17,952,000	0	531,399,785
State Match	103,384,322	10,000,000	0	113,384,322
Investment Earnings	59,216,046	4,000,000	8,000,000	71,216,046
Loan Principal Repayments	684,013,164	48,181,481	79,750,831	811,945,476
Loan Interest Payments	21,1091,600	8,836,829	19,166,992	239,095,421
Total Sources of Cash	1,571,152,917	88,970,310	106,917,823	1,767,041,050
Uses of Funds				
Loans and Amendments	1,415,215,928	0	0	1,415,215,928
Administration Expense paid through capitalization grants	10,101,744	718,080	3,000,000	13,819,824
Debt Service on Match Bonds	119,063,455	4,199,384	2,645,750	125,908,589
Total Uses of Cash	1,544,381,127	4,917,464	5,645,750	1,554,944,341
Sources of Cash Less Uses of Cash	26,771,791	84,052,846	101,272,073	212,096,710
Net Available to Loan - SFY 2021				212,096,710

Appendix 5: Estimated State Fiscal Year 2021 Activity

Appendix 5 includes the project priority list compared to the funds available as calculated in [Appendix 4](#) and each fund reserve.

Current Funds Available		Planning	Small Comm.	GPR	Fund	FP,SC,GPR and Fund Total	PF Subsidy
		3,000,000	53,024,178	1,795,200	154,277,333	212,096,710	5,512,907
Use of Available Funds – Anticipated loan increases:							
Applicant	App. Number	Planning	Small Comm.	GPR	Fund	FP,SC,GPR and Fund Total	PF Subsidy
Coos Bay	24000D-19				346,340	346,340	
Coos Bay	24000B-19				1,423,000	1,423,000	
Coos Bay	24000A-19				13,015,156	13,015,156	
Gleneden	37440-19		3,805,000			3,805,000	415,000
<i>Subtotals</i>		-	3,805,000	-	14,784,496	18,589,496	415,000
Use of Available Funds – SFY 2021 Loan Applications:							
Applicant	App. Number	Planning	Small Comm.	GPR	Fund	FP,SC,GPR and Fund Total	PF Subsidy
Baker City	12600-19		8,000,000			8,000,000	500,000
Bay City	13840-21	140,000				140,000	
Bend	14510-20				7,920,000	7,920,000	
Bend	14510B-20				5,845,000	5,845,000	
Bend	14510C-20				3,460,000	3,460,000	
Cannon Beach †	20570-20		300,000			300,000	
Dallas	26110-20		9,000,000			9,000,000	
Dayton	26750-20		4,266,325			4,266,325	500,000
Dufur	29520-20		4,344,000			4,344,000	500,000
Hood River	45760-20		4,004,487			4,004,487	500,000
Island City Sanitary District †	47840-20		1,960,000			1,960,000	500,000
Lebanon	56200-20				14,000,000	14,000,000	500,000

Intended Use Plan - State Fiscal Year 2021, Second Edition

Lone Pine Irrigation District	58710-19			1,795,200	204,800	2,000,000	500,000
Madras	62370B-20		2,313,231			2,313,231	500,000
Molalla †	66100-20				2,705,295	27,538,499	500,000
North Unit Irrigation District	69660-21				8,150,000	8,150,000	
Ochoco Irrigation District †	70100-20		680,000			680,000	340,000
Odell Sanitary District	70140-21		645,000		645,000	1,290,000	322,500
Redmond	76070-20				31,000,000	31,000,000	500,000
Rogue River Valley ID and Medford ID	78600-21				24,334,500	24,334,500	500,000
Salishan Sanitary District	80300-21				6,500,000	6,500,000	500,000
Sandy	80490-20				6,025,000	6,025,000	500,000
Sheridan	83810A-19 83810B-19		4,577,513			4,577,513	
Toledo	91800A-20		600,000			600,000	300,000
Toledo	91800B-20		750,000			750,000	
Umatilla	93050-21		234,000			234,000	
Wallowa	94580-20	110,000				110,000	
Wasco County SWCD †	94965-18		300,000			300,000	150,000
Water Environment Services †	22500B-18				1,800,000	1,800,000	
<i>Subtotal</i>		<i>250,000</i>	<i>48,405,156</i>	<i>1,795,200</i>	<i>112,589,595</i>	<i>163,039,951</i>	<i>7,612,500</i>

† Loans or amendments already signed.

Appendix 6: Binding Commitments and Funds Available

Funds Available as of June 30, 2020:

Total Cap Grants Awarded	Total State Match	Total Principal Repayments	Total Interest Payments	Total Investment Interest	TOTAL FUNDS AVAILABLE	
513,447,785	103,384,322	684,013,164	211,091,600	59,216,046	1,571,152,917	
					Admin Allowance	-20,537,911
					Bond Debt Service	-97,453,255
					Adjusted Total of Funds Available	1,453,161,751
Total Binding Commitments as of 6/30/2020						1,415,215,928
Binding Commitments as a Percentage of Funds Available from 6/30/2020						97.39%

Prepayments:

State Fiscal Year 2019		
Borrower/Loan Number	Amount	Date
Redmond R76071	881,643	9/14/2018
MWMC R64842	2,118,873	12/1/2018
MWMC R64843	3,161,298	12/1/2018
Reedsport R8701	100,000	2/1/2019
Total	6,261,814	
State Fiscal Year 2020		
Borrower/Loan Number	Amount	Date
Vernonia R93642	349,059	7/1/2019
Shady Cove R83120	997,503	7/11/2019
MWMC R64840	5,314,777	10/1/2019
Dayton R26750	2,300,000	12/6/2019
Lakeview R54440	100,021	12/20/2019
Burns R19400	453,248	1/15/2020
Reedsport R08710	100,000	2/1/2020
Vernonia R93643	101,116	5/1/2020
Total	9,715,724	
Subtotal	15,977,538	

Appendix 7: Public Notice Period

One commenter, David Carcia from the U.S. EPA, Region 10 Office in Seattle, WA provided written comments during the public notice period for the *Proposed Intended Use Plan, State Fiscal Year 2021, Second Edition*. DEQ made the following changes to satisfy U.S. EPA’s requests:

Page	Subject	DEQ’s Changes
p. 5	Administrative allowance	Removed the following because it was not germane to program administration: <ul style="list-style-type: none"> • Reference to “banked allowance” or “banking” • Reference to “4% administrative allowance” • Table 1: Total Banked Authority
p. 7	Recently signed loan agreements	Removed the City of Bend (141510-A-19) loan application reference because the city’s loan agreement was signed in the previous state fiscal year and was erroneously included in this edition of the current state fiscal year’s IUP.
p.18	Fund utilization rate (pace)	Removed the phrase “with some exceptions” at the end of the sentence “EPA’s Memorandum #SRF 99-05 requires new funds to be committed within one year of availability.”
p. 28	Fund utilization rate (pace)	Changes in Appendix 6: <ul style="list-style-type: none"> • Added the total prepayments to the total of funds available • Corrected the total aggregated bond debt service amount
p. 25	Total funds available	Changes in Appendix 4: <ul style="list-style-type: none"> • Combined the actuals from SFY2020 with the cumulative actuals of all sources and uses into one column • Included the FFY2020 grant in the cumulative grants total in the first row
p. 26 - 27	Appendix 5 table update	Removed rows showing fund balances
p. 26 - 27	Loan amount	Corrected the loan amount for the loan agreement executed for City of Molalla (66100-20)
p. 26 - 27	Recently signed loan agreements	Removed the City of Scappoose (80930-19) loan application listed as a current loan application in Appendix 5. The city’s loan agreement was signed in the previous state fiscal year and was erroneously included in this edition of the current state fiscal year’s IUP.