



Oregon's Drinking Water State Revolving Fund (DWSRF) Annual Report

SFY2025

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Prepared by: OHA, Business Oregon and DEQ

Final Version



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I. Introduction

Oregon Health Authority, Drinking Water Services (OHA) and Business Oregon are pleased to submit the annual report on Oregon's Drinking Water State Revolving Fund (DWSRF). This report is for the state fiscal year (SFY) of July 1, 2024, through June 30, 2025. Oregon's DWSRF program capitalizes the Safe Drinking Water Revolving Loan Fund (SDWRLF) program per Oregon Administrative Rule (OAR) 123-049.

Oregon provides this annual report to the U.S. Environmental Protection Agency (EPA), Region 10, to present Oregon's DWSRF activities. With help from the EPA federal SRF data system, this annual report documents the work to achieve the goals and objectives of the set-aside activities and provides details as outlined in the Intended Use Plan (IUP) about:

- Loan fund activity
- Projects financed
- Loan interest rates, and
- Fund balances, etc.

Table 1 provides highlights of Oregon's SFY2025 project activities. Reference the annual (2025) funded project scope list in Appendix A and the program highlights pyramid in Appendix B.

Table 1: Oregon's Drinking Water State Revolving Fund

Overview of new SFY2025 activities:

Total amount of executed current & amended loan commitments: **\$30,757,718**

Total number of projects funded: **39**

Total population served: **226,920**

Disadvantaged communities who received funding: **27**

New interest rates and terms:

Standard Base & IIJA-General Supplemental project loans – up to 30 years at **2.67%** (avg. rate): **3**

Disadvantaged and non-disadvantaged community project loans – up to 30 years at **1.0%**: **5**

Consolidation projects that received 100% principal forgiveness: **0**

Planning projects that received 100% principal forgiveness: **18**

Emergency or environmental justice projects that received 100% principal forgiveness: **0**

IIJA-Emerging Contaminants projects that received 100% principal forgiveness: **13**

Small System Equipment Assistance projects that received 100% principal forgiveness: **postponed until SFY2026**

Additional subsidies:

Loan forgiveness: **\$11,323,099** (**39** projects)

Small systems (<10,000 people) that received subsidies: **35**

Set-Aside activity disbursements:

Total amount of funds expended from all four set-asides: **\$3,625,887**

II. Goals and accomplishments

A. Progress toward short-term goals

1. *Operate and manage a Safe Drinking Water Revolving Loan Fund in Oregon for eligible community and non-profit non-community water systems to construct needed improvements and meet security needs.*

Oregon's Base SDWRLF ("loan fund") continued to successfully execute assistance agreements, supplemented by Infrastructure Investment and Jobs Act (IIJA) funding, during the reporting period, July 1, 2024, through June 30, 2025.

During this 12-month report period \$30,757,718 went to water system projects:

- A total of 39 new signed project loan agreements. See Attachment B, Schedule D for a complete list of these new projects.
- A total of 27 of the 39 new signed project loan agreements were committed to disadvantaged communities (DAC).

To date, Oregon has executed assistance for \$645,079,285 to 468 drinking water projects.

Since SFY2016, Oregon has maintained one combined (i.e., fundable and comprehensive) list of rated projects that seek funding in any stage of compliance with the amended 1996 Safe Drinking Water Act (SDWA). The current combined project priority list (PPL) contains 81 new and existing infrastructure (i.e., health/compliance and general/resiliency) projects requesting approximately \$680,319,079 in funding to meet improvement costs. This current combined PPL includes project data submitted with the 2022 through 2025 Capitalization Grants.

2. *Provide loan assistance to projects that will address the greatest public health needs while accounting for project affordability, especially to help small systems and those serving disadvantaged communities.*

Oregon uses robust rating criteria to rank submitted drinking water system improvement projects according to SDWA health risks, compliance issues, and community affordability. Water systems with major water quality compliance problems, many of whom were disadvantaged communities (DACs), were given the highest rating points and placed at the top of the PPL. Oregon first invited water systems with the highest rating points to apply for planning, design, or construction loan funds. However, to meet federal grant requirements for the timely obligation of funds, Oregon funded projects based on their readiness to proceed.

During SFY2025, disadvantaged communities continued to have access to interest rates as low as 1% and terms up to 30 years. Not considering any special subsidized budget line items to assist with federal requirements, under the Base program, the maximum amount of forgivable loan per funding award is \$500,000 for those water systems with a Median Household Income (MHI) of 81-99% of the statewide average, and \$650,000 for those water systems with an MHI of 80% or less of the statewide average toward planning, design, or construction costs.

IIJA-General Supplemental requirements mandate that forgivable loan be provided only to disadvantaged communities, so the systems awarded funds from the IIJA-General Supplemental (IIJA-GS) funds were each determined to be highly ranked DAC systems to maximize forgivable loan access. Each system was awarded 50% of its total project cost up to a maximum of \$3,000,000 as a forgivable loan to meet federal grant requirements. Interest rates for the loan portion under the IIJA-GS funds were as low as 1% for those systems determined to be faced with higher water rates, either currently or based on the debt coverage from the project loan at project completion.

Like the IIJA-GS allotment, IIJA-Lead Service Line Replacement (IIJA-LSLR) funding mandates that forgivable loan be provided only to disadvantaged communities, resulting in non-disadvantaged communities that pursue lead service line replacement projects taking on 100% loan with no principal forgiveness. Oregon DWSRF recognizes the importance of removing lead service lines from water systems and seeks to maximize affordability across all water systems that pursue LSLR projects. Business Oregon will establish low interest rates on IIJA-LSLR loans including utilizing a zero percent (0%) interest rate to incentivize water systems and reduce the debt burden for recipients. Fortunately, with 97.6% of service line inventories submitted to OHA to date, water systems have identified zero lead service lines. With no eligible projects in the state, Oregon's DWSRF has not executed an LSLR assistance agreement and continues engaging with systems following the Service Line Inventory to determine funding need.

IIJA-Emerging Contaminants (IIJA-EC) funding remains available to be awarded as 100% principal forgiveness. Currently, Oregon's priorities for EC funding remain as perfluoroalkyl and polyfluoroalkyl substances (PFAS), manganese, and cyanotoxins, with the priority focus on PFAS. Twenty-five percent of EC funding must go to disadvantaged communities or eligible public water systems with fewer than 25,000 people. Oregon's funding awards have exceeded this requirement. As of the end of the SFY2025, roughly 80% of the awarded IIJA-EC funds went to DAC communities.

Oregon Health Authority (OHA) and Business Oregon partners recognized that using MHI alone to determine DAC status does not always fully reflect the true financial capacity or socioeconomic circumstances of Oregonians and their communities where they reside. Therefore, Oregon's DWSRF Program collaborated with consultants, the Cadmus Group, beginning in SFY2024 to evaluate and improve the existing DAC definition to further recognize and expand DAC status to better reflect the intent of the IIJA and DWSRF funding in the future and adopted a new DAC definition in SFY25. See Section III. DWSRF loan and set-aside activities for more information.

3. *Develop technical assistance and source water protection efforts that sustain or improve the operation, maintenance, and management of Oregon's drinking water systems.*

Technical assistance to small water systems serving fewer than 10,000 people continue to be provided through Oregon's Circuit Rider Program. For more information, see the small systems technical assistance set-aside section.

OHA continued to work with Oregon's Department of Environmental Quality (DEQ) to support local drinking water source protection projects. For more information about these activities, see the implementation of protection set-aside section of this report.

Separate from its Circuit Rider Program, OHA also incorporated three vendor contracts to provide assistance related to service line inventories for community water systems serving 10,000 or fewer people and non-profit non-community water systems. Specific activities for this work included training and outreach related to service line requirements, best practices and reporting requirements, and individual assistance to public water systems in completing their service line inventories.

Initially these services were provided to assist communities with meeting their Lead and Copper Rule Revisions (LCRR) mandates by the October 16, 2024, deadline, but are slated to continue throughout the five IIJA funding years.

4. *Evaluate and update financial offerings within the program to ensure requirements with the grant are met while also providing equitable access to needed funds.*

Forgivable loan awards in the SDWRLF program are limited based on annual availability identified in EPA's requirements for each capitalization grant allotment for the State Revolving Fund. Each capitalization grant details a specific set requirement for minimum and maximum subsidy to award. Partner agency Business Oregon is tasked with ensuring the subsidy requirements of each DWSRF capitalization grant are met by managing forgivable loan amounts awarded to eligible projects. Business Oregon closely monitors available subsidy and loan principal forgiveness awards and shall make necessary adjustments to the annual financing details document or annual award limits when needed to ensure the program adheres to EPA subsidy requirements.

Since SFY2022, under the Base program EPA generally has set the minimum amount of subsidy to award from a capitalization grant at 26%, and the maximum as 49%. Oregon's DWSRF has consistently met this goal, with the average amount of subsidy awarded from base capitalization grant at 30% per grant. Forgivable loan under the program is awarded to all infrastructure projects based on funding source (Base, IIJA-GS, IIJA-EC), ranking, system size, and disadvantaged community status. Additionally, Oregon's DWSRF supports planning projects through its Sustainable Infrastructure Planning Projects (SIPP) program, which offers small 100% forgivable loan awards for

various project types. Based on community affordability needs and higher rates of inflation, the program has raised the limit on certain SIPP project types from \$20,000 to \$50,000.

For the IIJA allotments, the program has met subsidy goals through utilizing the incentives detailed in (2) above.

B. Progress toward long-term goals

1. *Administer the Safe Drinking Water Revolving Loan Fund in Oregon in a way that protects its revolving nature in perpetuity.*

OHA has an Inter-Agency Agreement (IAA) with Business Oregon through June 2025. OHA also has an IAA with DEQ through June 2025. Both IAAs are being amended and will run through June 2027 once finalized and signed.

Out of the 39 awards made during SFY2025, Oregon's loan fund made 3 awards which included standard loans with interest in the range of 2.64% to 2.69% (2.67% on average). Additionally, Oregon's loan fund executed 5 loans to disadvantaged communities at a subsidized rate of 1%. The overall program average interest rate was 1.63% on all 8 loans made during the SFY. Therefore, the loan fund has continued to revolve and grow in perpetuity to benefit Oregon's water systems. Standard interest rates for the DWSRF were at maximum 80% of the last [20-bond index rate](#) of the previous quarter as published in The Bond Buyer. Disadvantaged systems faced with water rate affordability concerns continued to receive a subsidized interest rate of as low as 1% with terms up to 30 years. Principal forgiveness is awarded based on criteria such as funding source (IIJA-GS, IIJA-EC, Base), if the project addressed health and compliance issues, system size, and community affordability factors for each project.

EPA advised that both EPA and states were facing ever-increasing scrutiny regarding unliquidated obligations (ULO). States would be required to commit and expend DWSRF funds at a greater pace. Relevant examples included expediting the submittal of the DWSRF Capitalization Grant application. Also, awarding assistance agreements as soon as money becomes available. OHA and Business Oregon understand the significance of these concerns and continue to take measures to meet these requirements. The state is implementing several strategies to ensure the efficient allocation, obligation, and use of funds awarded. For example, the state updated its Letter of Interest and application forms in SFY2024 to streamline necessary information obtained from water system applicants.

Additionally, project bypass procedures are being updated and implemented on current project priority lists to ensure projects ready-to-proceed in the funding process are also prioritized. Due to the competitive nature of available funding and the unprecedented volume of funds to award, Business Oregon implemented a policy change to strengthen how communities are invited into the SDWRLF application process.

Historically, the agency relied on non-standard correspondence between project managers,

resulting in inconsistent messaging and limited documentation—particularly when bypassing systems that were not ready-to-proceed.

To address these challenges and improve award and disbursement pace, Business Oregon developed a “readiness-to-proceed” checklist and a structured outreach process, which discusses topics such as financial readiness for a loan, completion of planning documentation, and federal requirements. This new approach helps communities understand their project readiness and commitment before submitting a formal application. The goals of this policy change are to support consistent and timely communication, enhance staff capacity in project development and readiness evaluation, and establish clear expectations and deadlines for water systems moving through the funding process.

Also, Oregon’s DWSRF program implemented the Sustainable Infrastructure Planning Projects (SIPP) program to help plan and propel future infrastructure projects prioritized around smaller water systems. Oregon followed that up in 2016 with the ability for eligible public water systems to apply for eligible infrastructure projects that do not have any health or compliance issues. Lastly, in 2021 Oregon developed and launched the Small System Equipment Assistance (SSEA) program to help the smallest systems get the equipment they need. However, during SFY2022 due to limited capacity, the SSEA program was sidelined so Oregon’s DWSRF program could focus priorities around the [Infrastructure Investment and Jobs Act \(IIJA\)](#) funding that was signed into law on November 15, 2021. Oregon’s DWSRF program relaunched the SSEA program in 2025, with awards made in SFY26.

OHA and Business Oregon believe these additional programmatic upgrades:

- Provide more options for eligible public water systems, and
- Assist Oregon’s DWSRF program in meeting evolving ULO requirements while increasing our fund utilization rate.

For more information about DWSRF program updates, visit the OHA website at, healthoregon.org/srf.

2. *Support the state’s goal of ensuring Oregon’s water supplies provide safe drinking water by financially contributing to needed water system improvements.*

Program guidelines require water system loans to be made in order of need. The project priorities focus on:

- System health risk
- Compliance issues, and
- Affordability on a per household basis.

As funding is available, Business Oregon contacts water systems on the PPL in the order they have been ranked to prioritize projects that have scored the highest in addressing health risks and compliance issues.

Business Oregon’s Regional Project Managers and Regional Development Officers work closely with communities to consider all options with the community when determining a

project's readiness to proceed. Business Oregon makes every effort to move a project forward and, if applicable, connect a water system with low-cost or free technical assistance (TA) resources to foster needed project development. After moving through the Health & Compliance list on the PPL, if sufficient funds are available, Oregon may fund eligible general infrastructure projects that do not mitigate health or compliance related issues.

3. *Increase water system compliance with state and federal drinking water requirements through technical assistance, capacity development and assessment of source water.*

Oregon used local assistance set-aside funds to help water systems maintain compliance and improve their water systems through the Capacity Development program and the Implementation of Protection program. The Capacity Development program:

- Evaluated water system financial, technical, and managerial capabilities, and
- Outlined actions to maintain system viability.

OHA shared the workload with DEQ and continued to:

- Conduct source delineations, contaminant identification, and source susceptibilities for all public water systems, and
- Helped communities develop local drinking water protection programs.

4. *Develop and implement equivalency into Oregon's DWSRF program so that water system projects that are selected to comply with some federal crosscutters and federal requirements is minimized to only those projects equivalent to the annual federal award amount.*

The funding available for projects under the umbrella of the SDWRLF program is comprised of annual federal grants, state matching funds provided by Oregon, repayment dollars from current and maturing loans, and interest earnings on the account. The EPA allows for states to consider only a subset of those funds going out to recipient water systems as federal dollars – the amount equal to the federal grant. Projects funded with these federal dollars have certain additional federal requirements such as the Build America, Buy America (BABA) Act, EPA's Disadvantaged Business Enterprise (DBE) Program, and Single Audit Act and are called “equivalency projects.” All other projects funded with the state match, repayment dollars, and interest are considered “non-equivalency” projects. Non-equivalency projects must still comply with all state and local requirements and many federal requirements but will not have to meet certain federal requirements such as BABA.

Starting in SFY2024 and continuing into SFY25 and beyond, Business Oregon has taken operational steps to build equivalency into its program. Completed steps include revising the program handbook to explain what equivalency is and outline which requirements are associated with equivalency projects. Contract templates have been updated to easily keep or remove equivalency clauses as needed. Internal documentation and workflows have been updated included identifying equivalency projects on staff recommendations to award and adding a custom field in the agency project database, “Portfolio” to identify equivalency projects. Work continued into SFY26 on other program templates and recipient resources such as contract clauses, and providing internal staff training and resources for

implementing equivalency.

Business Oregon established a process wherein applicants are made aware early in the funding process if they are an equivalency project. After the LOI submission and annual review date, Business Oregon assesses funding availability, water system readiness to proceed, and equivalency projects. When water systems are invited to submit full applications, they are notified if they are an equivalency project so they can plan accordingly as they develop their application.

Examples of factors Business Oregon utilized while determining which projects are equivalency and which are non-equivalency include:

- Projects that must meet the additional federal requirements due to the nature of the project activities and/or the inclusion of other sources of federal funding.
 - For example, a project that is co-funded through one or more other federal programs such as EPA's Water Infrastructure Finance and Innovation Act (WIFIA) program or the U.S. Department of Agriculture Rural Development Water and Waste Disposal funding, the project is likely already subject to the equivalency requirements.
- The technical, managerial, and financial capacity of the water system to manage the additional requirements.
 - Higher capacity communities may be more equipped to manage equivalency project than smaller, lower-capacity water systems.
- The overall project budget.
 - Business Oregon may try to target one or two large projects to meet the equivalency amount.

Business Oregon selected systems funded with the federal dollars in SFY2025 based on the above criteria. For example, under the federal FY24 Base Capitalization Grant the City of Grants Pass was the equivalency project as they were working to strategically co-fund their water treatment plant project with multiple federal sources, including SDWRLF funds. Equivalency projects are in the process of executing contracts for the FY23 & FY24 IIJA-General Supplemental Grants, FY23 & FY24 IIJA-Emerging Contaminants Grants, and the FY23 IIJA-Lead Service Line Grant. The state is progressing in obligating these funds and has ample interest for each of the grants besides the Lead Service Line funding. To date Oregon's DWSRF has not executed a LSLR assistance agreement and is engaging with systems following the Service Line Inventory to determine funding need.

5. *OHA and Business Oregon worked with EPA contractors to review the current disadvantaged community definition it uses to determine disadvantaged status.*

In January 2024, with the technical support of Cadmus Group, LLC (Cadmus), an EPA contractor, OHA and Business Oregon launched the process to review and revise Oregon's disadvantaged community (DAC) definition. Throughout SFY 2024 and the first half of SFY 2025, the workgroup held six sessions with Cadmus and met several times internally without Cadmus to define the state's goals for a new definition, review various indicators and datasets, and evaluate multiple possible scenarios for alternative DAC definitions. With the help of Cadmus, OHA and Business Oregon staff held a virtual DAC definition open house on Tuesday, October 29, 2024, to explain the importance of the DAC definition and why we were proposing the change. The public comment period to solicit input on the proposed definition change was also conducted.

After receiving no public comments, the revised DAC definition was formally adopted in December 2024. Business Oregon and OHA then completed updates to internal and external resources such as websites, program handbook, and rating criteria to reflect the new definition. The updated definition was applied to water systems who submitted new projects by the February 15, 2025, deadline.

C. The public health benefits of investment in infrastructure

Waterborne diseases continue to present challenges to public health officials and water suppliers. Chronic exposure to chemical contaminants continues to present these challenges as well. The presence of disease-causing microorganisms in tap water typically results from poor source water quality, lapses in disinfection and filtration treatment process, or compromised distribution systems.

Ensuring that all Oregonians have access to safe drinking water remains our highest priority. Three important ways to meet this priority are through strong asset management practices, investments in drinking water infrastructure, and prioritizing disadvantaged communities.

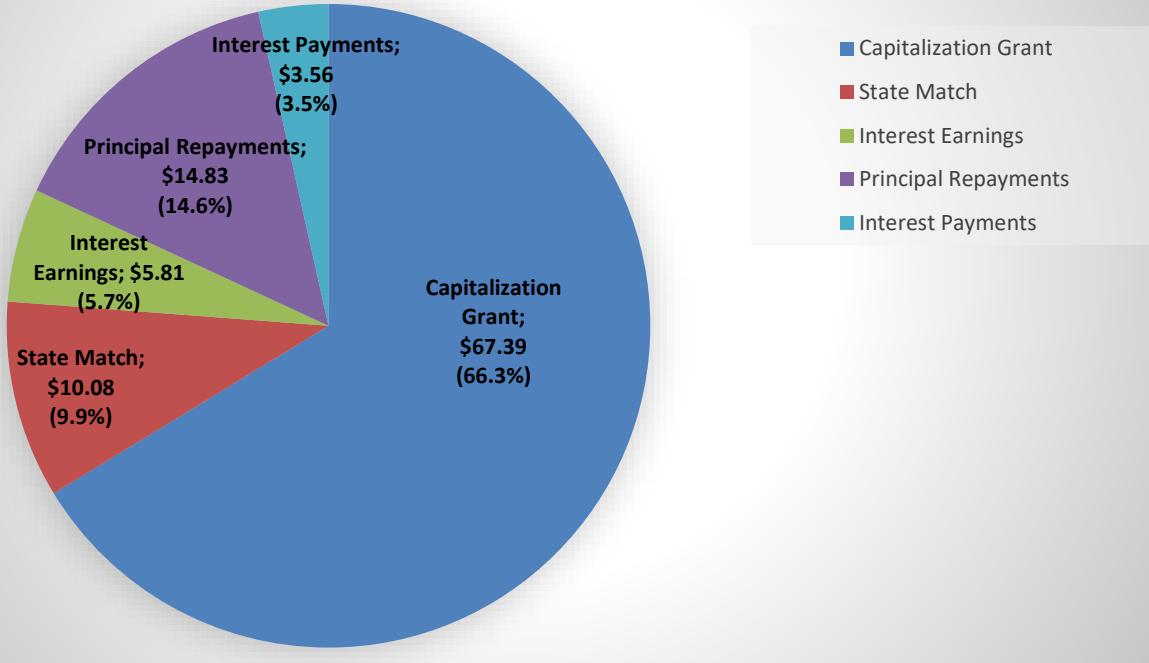
III. DWSRF loan and set-aside activities

This section of the annual report provides an overview of SFY2025 activities in the loan fund and set-asides.

A. Sources of DWSRF funding

Oregon's loan fund continued to make project loans in SFY2025 using previous capitalization grant awards, state match, interest, and repayments. See below for chart.

**Figure 1: New SFY2025 DWSRF Sources
(\$101.67 Millions)**



1. Capitalization grants

Oregon received its 2023 IIJA General Supplemental award of \$31,672,000 and its 2024 IIJA General Supplemental award of \$34,575,000 during SFY2025. Oregon also received its partial 2023 IIJA Lead Service Line Replacement award of \$1,142,900 during SFY2025. Cumulative DWSRF (base) grant awards received (SFY1998-2025) equal \$358,659,712, according to monthly EPA ULO data collected.

2. State match

Oregon deposited the required IIJA General Supplemental state match (10%) of \$3,167,200 for the 2023 grant and a state match (20%) of \$6,915,000 for the 2024 grant during SFY2025. State match is not required for IIJA Lead Service Line Replacement funding.

3. Interest earnings

Oregon received \$5,805,583 in interest earnings on investments in this reporting period.

4. Repayments and payments

Repayments received totaled \$14,825,976 in principal and \$3,564,470 in interest from loan payments. Both principal and interest were used to further capitalize the loan fund.

B. Uses of DWSRF funds

This section lists the loan fund and set-aside activities during SFY2025.

1. Loan assistance status

Oregon's loan fund entered into 39 new loan agreements and changes to existing assistance agreements totaling \$30,757,718. Loan agreements ranged from below \$19,750 to \$3,853,653.

a) Project bypass

Of the 39 new projects funded during SFY2025, several infrastructure projects bypassed other projects on the PPL. Water systems are bypassed due to a variety of factors including but not limited to: readiness to proceed and timing issues for funding, receiving or applying for funding from other sources such as earmarks or obtaining state and federal funding, the community's acceptance to take on loans when provided a financial scenario showing repayment and expected rate setting to cover debt, water system expectations of 100% grant, and concerns regarding the requirements of federal funding with procurement and other requirements.

b) Binding commitments

As of June 30, 2025, Oregon's overall project commitments (since inception of program in 1997) total \$645,079,285.

c) Small systems

EPA requires DWSRF programs to commit at least 15% of the loan fund to small water systems. A small water system serves fewer than 10,000 people. Thirty-five (35) of the 39 new projects funded during this reporting period were for small systems. Small water systems under 10,000 in population, depending on size, that submitted an LOI for DWSRF (base) or IIJA General Supplemental funding received an additional 1 to 5 points on their project rating score on the Project Priority List. In a competitive application environment with more demand than funds available, the ranking score is used to target funding strategically.

d) Disadvantaged community systems

Disadvantaged communities received loans at a reduced interest rate as low as 1% with a loan repayment term of up to 30 years. Under the Base program, forgivable loans in FY2025 were capped at either a maximum dollar amount or 50% of the project's total cost, whichever was lower. The maximum amount of forgivable loan per funding award is \$500,000 for those water systems with an MHI of 81-99% of the statewide average, and \$650,000 for those water systems with an MHI of 80% or less of the statewide average. The forgivable loan categories and amounts are subject to change based on annual availability and federal subsidy limitations. Twenty-seven (27) assistance agreements for disadvantaged communities were made during SFY2025. Approximately \$10,608,527 (excluding amendments) in principal forgiveness was committed to these systems. See Schedule D in Attachment B for more DAC project funding details.

There has been an increased emphasis on ensuring that significant federal funding opportunities, such as the IIJA, are made available to communities that need the most

assistance with affording infrastructure projects. States have been directed to prioritize funding awards and make investments available for assistance in small or state defined “disadvantaged” communities. Oregon’s DWSRF program revised project rating criteria to award additional points in areas that address socioeconomic factors. In a competitive application environment with more demand than funds available, ranking on the PPL is necessary to target funding strategically to communities that have affordability needs statewide. See the [Project Ranking and Disadvantaged Status webpage](#) for details on the additional efforts made to Oregon’s disadvantaged community definition with EPA consultants throughout SFY2024 and SFY2025.

Oregon’s DWSRF program’s new and improved DAC definition was applied to applicants that were rated and ranked for 2025 funding considerations.

e) Loan Disbursements or Cash Draw Proportionality

Oregon disbursed a total of \$39,277,114 to loan recipients in SFY2025. Oregon made loan disbursements, using the required state match amount first, followed by federal funds, then state program funds (repayment and interest earnings).

This disbursement order intends to:

- Prevent improper payments
- Meet ULO targets, and
- Fully utilize all sources available in the fund.

f) Additional Subsidy

From the program’s inception, the Capitalization Grants have included authority to award a subset of the fund as forgivable loan or subsidy to support drinking water projects. Starting from 2010 requirements for subsidization of project costs have adjusted depending on the grant year, which has been tracked by program staff at Business Oregon and reported into EPA’s reporting software (i.e., NIMS). Two distinct and additive subsidy authorities were included in the Base 2022 capitalization grant.

Under the “congressional additional subsidy authority” in 2022, States were required to use 14 percent of the funds made available in the Base DWSRF capitalization grant to provide additional subsidization to eligible recipients.

Additionally, as amended by the IIJA (Pub. L. 117-58), the SDWA mandated that states use at least 12 percent but no more than 35 percent of the Base capitalization grant amount for additional subsidy for state-defined disadvantaged communities.

A key priority of IIJA is to ensure that disadvantaged communities benefit equitably, therefore, federal funding requirements stipulate that a significant portion of funds be provided in the form of loan subsidy only to disadvantaged communities.

For both IIJA General Supplemental and Lead Service Line Replacement funding, 49 percent of the annual appropriation must be provided in the form of subsidy only to

disadvantaged communities.

IIJA Emerging Contaminant funding must be provided as 100 percent subsidy and requires 25 percent of funding to be targeted to disadvantaged communities or eligible public water systems serving fewer than 25,000 people.

Oregon's DWSRF program has consistently demonstrated compliance with these subsidy requirements for IIJA and currently has enough funding interest from disadvantaged communities in the funding to continue to meet these requirements for FY26.

Oregon has complied with these two subsidy requirements to support communities as detailed in Attachment B. The table provided demonstrates that Oregon is on track to be in full compliance with meeting subsidy commitments, which are expected to be well in excess of the minimum requirements with a reduction in the capitalization grant amounts. Expenditures or subsidy are being tracked and will be updated as projects progress and expend loan funds on eligible activities.

See Attachment B – Schedule F to view the subsidy award summary.

2. Set-aside activity status

The following section is about set-aside activities of Oregon's DWSRF (Base) program for this reporting period. 2023 and 2024 IIJA General Supplemental funding and 2023 IIJA Lead Service Line Replacement funding was awarded during SFY2025. Although 2023 IIJA Lead Service Line Funding was awarded, no funds were used during this reporting period, and it is anticipated that no funds will be used in future reporting periods.

According to current service line inventory data collected throughout the state, with 97.6% of systems reporting, Oregon does not have any lead service lines. Since these funds can only be used for eligible lead service line activities, in the future, Oregon's DWSRF program may be deobligating these awarded funds in close cooperation with its Business Oregon and EPA partners.

Previously awarded grant funds that covered set-aside activities during SFY2025 include:

- 2022 and 2023 DWSRF (Base) funds
- 2022 IIJA General Supplemental funds
- 2022 IIJA Emerging Contaminants funds

Business Oregon makes disbursements using its in-house revolving fund for project draws and will request reimbursement from Oregon Health Authority for the federal funding. Thus, the federal project funds shall be drawn throughout the year on a regular basis.

Financial statements, including set-aside funding availability and expenditures incurred during SFY2025, are in Attachment B of this report. And details about “banked” (i.e., reserved) set-aside authority balances are also available in Attachment B of this report.

Set-aside: Administrative expense

This set-aside covered personnel salaries and costs to administer the DWSRF program in Oregon. Oregon relies only on the federal set-aside to administer the loan fund. Managing the loan fund and set-asides required the work of up to 6.78 FTE (full-time equivalent) – 1.98 in OHA and 4.80 for Business Oregon.

Key administrative activities included:

- Developed, implemented, and managed an annual LOI process and biannual application processes for sub-programs.
- Allocated state repayment and earned interest funds to infrastructure projects.
- Evaluated public water systems for technical, managerial, and financial capacity.
- Submitted quarterly and annual reports in the following databases for EPA audits:
 - Assistance Agreements Reporting
 - EPA's SRF database (formerly known as the Drinking Water National Information Management System) and
 - Federal Funding Accountability and Transparency Act (FFATA) reporting submitted via the FFATA Subaward Reporting System (FSRS) and then through SAM.gov after FSRS was retired in March 2025.
- Attended and presented updates on the SRF program at quarterly DWAC meetings.
- Administered the state's environmental review process (SERP).
- Completed IUPs and PPLs.
- Prepared capitalization grant applications.
- Developed loan tracking and financial tracking reports.
- Developed program policies and procedures.
- Trained loan fund staff on cross cutters and program regulations.
- New program staff onboarding.
- Managed Oregon's loan fund and set-aside programs.
- Managed funded projects from inception to completion.
- Enhanced GovDelivery (listserv) announcements focused around the new IIJA funding.
- Managed [IIJA webpage](#) with funding resources and information.

All implemented goals or measurable activities suggested by this set-aside's most recent work plan have been met or performed.

Set-aside: Small systems technical assistance

Oregon uses this set-aside to contract with technical assistance providers to bring improvements to small community water systems (fewer than 10,000 people). The contracts brought technically skilled circuit rider services to significantly noncompliant water systems and water systems experiencing temporary problems. This set-aside also required 0.10 FTE during SFY2025.

During this year, our Circuit Rider program contractor continued to work with community groundwater and surface water systems.

The main work plan tasks completed by the technical assistance circuit riders statewide included:

- Preparing Resolution Plans that identify current deficiencies (if applicable) with the water system infrastructure or operation.
- Outline a detailed plan for resolving deficiencies.
- Complete a cost estimate of solutions.
- Providing on-site technical assistance troubleshooting in such areas as:
 - Bacteria detections
 - Repairing malfunctioning chlorinators or well pumps, and
 - Other water quality-related problems.
- Assistance in completing financing options and strategies for some systems.

Based on invoices paid, the contracted circuit rider made 113 technical assistance contacts during the reporting period.

All implemented goals or measurable activities suggested by this set-aside's most recent work plan have been met or performed.

Set-Aside: State program management

Funds from this set-aside augment the Public Water System Supervision Program through either a standard service contract or a statewide, multi-county Financial Aid Agreement (FAA). The OHA portion of the FAA is Program Element 50. It outlines the specific regulatory activities and related deliverables for each of the 26 participating counties and Oregon's Department of Agriculture.

Counties funded with this set-aside work with smaller public water systems (populations fewer than 3,300, using only groundwater) within their jurisdictions to do regulatory work as outlined in OHA's Program Element 50. The Department of Agriculture works statewide with drinking water systems operated by the facilities it licenses, such as a grocery-delivery, and dairy and food processing facilities. Currently, [1,913](#) public water systems (EPA regulated only) fall within the contract agreements with the counties and the Department of Agriculture.

Basic program activities

The basic program activities under the FAA intend to help drinking water systems resolve water quality monitoring, reporting and other violations. Also, to complete preventive efforts such as sanitary surveys of water systems, alert investigations and provide technical consultation. See below for specific requirements.

1. Alert investigation — Drinking Water Services issues a notice of drinking water

contaminant detection referred to as an “alert.”

- 2. Water system surveys** — Drinking Water Services performs periodic, comprehensive, on-site evaluations of public water systems to identify and recommend corrective actions to prevent adverse effects on the quality of public drinking water.
- 3. Enforcement action tracking and follow-up** — The contractor follows up with water systems under enforcement orders to verify the completion of all enforcement actions.
- 4. Violation correction** — The contractor consults with water system operators to advise and ensure timely resolution of monitoring and reporting violations.

A summary of these four basic program activities is in the table below. Also, OHA posts this information on [Oregon Public Health Drinking Water Data Online](https://yourwater.oregon.gov/reports/srf.php) at <https://yourwater.oregon.gov/reports/srf.php>. OHA automatically updates the summary for the state fiscal year every July.

Activities summary (July 1, 2024 – June 30, 2025)

Basic program activities	Number reported
Alert investigations	869
Water system surveys	425
Enforcement action tracking and follow up	6
Violation corrections	360

State and federal funds provide for the funding of 24.86 FTE who perform state regulatory activities. OHA staff work on a wide range of managerial, technical, environmental and support activities. These activities include the five program activities covered by contractual agreements with partner agencies.

All implemented goals or measurable activities suggested by this set-aside’s most recent work plan have been met or performed.

Set-aside: Local assistance and other state programs

Oregon used funds from this set-aside for three programs:

1. Capacity Development.
2. Implementation of Protection.
3. Drinking Water Source Protection (grants and loans).

Capacity Development involves assessing the financial, technical, and managerial capabilities of communities and non-profit non-community water systems. The program then assists those systems in need.

Implementation of Protection involves several activities to help communities and non-profit non-community water systems identify vulnerabilities to sources of drinking

water. The program then recommends ways to protect their sources.

Drinking Water Source Protection (DWSP) provides financial aid through grants and loans to purchase land, easements, rights-of-way, and implement mitigation measures to protect drinking water sources.

Details about these programs for this reporting period are below.

Local assistance – Capacity Development

Oregon's Capacity Development program continues to be a fundamental part of the DWSRF program. Capacity Development program funding remains between 2% and 4% of the annual capitalization grant, the level endorsed by the Oregon Drinking Water Advisory Committee (DWAC). During the reporting period, this set-aside supported \$216,360.75 for the Circuit Rider vendor and more than 15,000 hours of technical assistance from OHA DWS staff along with other related operating costs.

Oregon's Capacity Development program focuses on four areas:

- 1. Capacity Assessment program:** OHA conducted one DWSRF capacity assessment during the reporting period. OHA Drinking Water Services Technical Services Unit provides a capacity assessment for each water system receiving a DWSRF loan, with a concurrent financial capacity assessment performed by Business Oregon so needed capacity improvements can be written into the loan contract.

OHA Drinking Water Services engineers facilitate these assessments by conducting a capacity assessment when a drinking water provider becomes a Non-Transient Non-Community or Community PWS. Beginning with SFY2024, a new, improved process for identifying and completing capacity assessments on new public water systems was implemented on July 1, 2023. This new data query and review process is in place to identify new public water systems that need a capacity assessment with or without a plan review.

- 2. Capacity Development Information Services Program:** OHA continually strives to communicate better with public water systems and managers. OHA also strives to provide the essential information water systems need to maintain compliance. OHA provides water system-related information on its website, this includes:
 - Public access to OHA's Safe Drinking Water Information System (SDWIS) database
 - A webpage specifically devoted to capacity development, that includes asset management resources.
 - A training opportunities webpage.

Oregon also issues The Pipeline newsletter three times per year which provides information about:

- Upcoming rules and deadlines,
- Operations and maintenance issues, and
- Capacity development, training opportunities, and DWSRF loan funds.

- 3. Capacity Development Training Program:** Training opportunities are available on all levels for water system operators. The following training courses are provided regularly at no charge:

- Basics for Small Water Systems
- Conventional and Direct Filtration
- Essentials of Surface Water Treatment, and
- Slow Sand Filtration.

4. Capacity Development Outreach Program: Oregon continues to have great success with the DWSRF program and associated outreach activities. DWSRF loan funds are very beneficial. They provide a funding mechanism to water systems that might not otherwise be able to afford needed modifications, upgrades, and replacements of existing drinking water system infrastructure. Oregon's outreach activities to promote this program are accomplished through a variety of methods, including:

- Industry presentations
- One-Stop meetings
- Infrastructure Regional Workshops
- Pipeline articles
- Postcard mailings and GovDelivery emails
- Routine updates to the DWSRF, capacity development, and training opportunities webpages
- Use of the Circuit Rider program to assist water systems in completing funding program LOIs
- Dissemination of the DWSRF program brochure during routine water system encounters.
- DWSRF program signage at construction sites.

OHA continues its coordinated effort between the DWSRF program and its Compliance and Enforcement program. Together these programs review water systems on the Primary Non-Complier (PNC) list to identify eligible water systems to offer financial assistance to alleviate their compliance issues.

In addition to providing outreach with the DWSRF program, OHA assists water systems directly by:

- Funding a Technical Assistance Circuit Rider program. The program is provided free with in-state vendors who performs quick response, one-on-one technical assistance that aids in solving short-term operational problems, assists with compliance-related issues, and provides technical, managerial, and planning information to system operators and administrators. Including coaching and guidance to water systems evaluating or implementing an asset management strategy or program. When needed, the vendors also conduct Cryptosporidium and Microscopic Particulate Analysis (MPA) Monitoring.
- In addition to providing outreach with the DWSRF program, OHA assists water systems directly by:
 - Integrating capacity building outreach into day-to-day drinking water program staff activities, including:
 - Direct assistance to water systems during sanitary survey activities
 - Water treatment plant inspections
 - Emergency response
 - Water quality investigations, and
 - Other associated technical consultation and outreach.

- Performing the Area-Wide Optimization Program (AWOP) activities described below.

The objective of Oregon's AWOP is to educate water system operators in optimization principles to improve public health protection. AWOP accomplishes this by:

- Imparting an understanding of the basics of water treatment and the multiple-barrier concepts
- Providing the opportunity and incentive to learn and engage in optimizing treatment beyond regulatory standards, and
- Using data to monitor performance and identify areas for improvement.

Local assistance – Implementation of Protection

Protection of a public drinking water source begins when the water system's Source Water Assessment Report (SWA Report) is used to develop local management strategies that minimize contamination risks associated with current and future land-use practices. When requested, water systems with a completed SWA Report receive assistance with:

- Development of source water protection strategies, and
- Source Water Protection Plans.

As of June 2025, a total of 397 community water systems (42% of Oregon's community water systems) has "substantially implemented" a strategy to protect their drinking water. These 397 community water systems include many of Oregon's larger communities and serve approximately 3,258,266 Oregonians, 87% of the estimated 3,724,630 Oregonians served by community water systems.

OHA assists water systems that rely on groundwater as their source of drinking water. OHA partner, DEQ, primarily assists water systems with surface water as their source of drinking water. The expertise of the two agencies allows the state to respond more capably to the differing needs of public drinking water systems based on their source of water. This set-aside supported 2.01 FTE during the reporting period.

Protection highlights for this period include:

- Fourteen additional community water systems achieved substantial implementation. Oregon SDWIS data suggests that the additional number of Oregonians protected by these water systems is 10,543.
- Continued efforts of prioritizing disadvantaged/underserved communities for technical assistance and source protection project funding.
- OHA and DEQ continued work on providing updated Source Water Assessment data to public water systems. DEQ is responsible for providing Updated Source Water Assessments to surface water systems. OHA is responsible for providing assessment updates to groundwater systems. During SFY2025:
 - DEQ, which has completed most surface water Source Water Assessment updates, is focused on maintaining and developing GIS tools that assist OHA with the remaining groundwater Source Water Assessment updates, providing technical assistance to small groundwater systems, conducting outreach and technical assistance to coastal surface water systems that may be interested in acquiring

property within their watershed for protection purposes, and making GIS data layers readily available to agency partners and others.

- OHA completed 14 Source Water Assessment update reports. To date, OHA has completed 758 Assessment updates for Community (C) and Non-Transient Non- Community (NTNC) groundwater systems, roughly 79% of those that need to be completed for C and NTNC groundwater systems.
- DEQ and OHA continue to promote the use of the DWSRF for [Drinking Water Source Protection grants and loans](#). Each year \$200,000 is set aside to fund source protection projects. During the reporting period OHA elected to draw an additional \$500,000 in IIJA funds to help promote projects focused on land acquisition planning and to expand the funds available for more traditional drinking water source protection projects. Eighteen applications for DWSP projects were received:
 - Fifteen for surface water source protection projects, and
 - Three for a groundwater source protection project.
 - Of the fifteen applications the program received; the OHA and DEQ recommended twelve projects for funding, ten of which were submitted by community water systems meeting the DWSRF program's disadvantaged community definition. Six of the recommended projects were primarily directed at land acquisition planning.
- Since January 2010, OHA has used Source Water Assessment Report data to identify groundwater sources that need to complete monthly source assessment monitoring under the EPA's Ground Water Rule (GWR). Of the 652 water sources that have completed the monitoring requirement, 47 (~7%) have been identified as *E. coli* contaminated.

IV. Additional financial information

A. Loan portfolio analysis

Loan underwriting involves a variety of analytical elements. The analysis of these elements intends to limit the risk of default by the borrow and thus assure Oregon's DWSRF program that the loan will be repaid. Due to Oregon credit standards, Oregon's DWSRF program does not foresee problems with default risk in the loan fund. To date, all loan funds are paid as borrowers agreed on their loans.

B. Financial statements

Financial statements for SFY2025 were prepared by Business Oregon and OHA Central Accounting. They comprise Schedules A, B and C in Attachment B of this report.

C. Project loan origination fees

A 1.5% loan origination fee is included as a part of the loan principal for borrowers determined to be non-disadvantaged communities. The fee is financed as part of the funding award and the transfer of fee monies occurs during the first disbursement of project funds. To make the impact of the loan fee neutral to borrowers, the project's loan interest rate is reduced to offset the impact of the fee over the loan term length. The fee is non-refundable even if not all project funds are utilized. Loan fee revenue for the SFY2025 period was \$31,215. Loan fee revenue may be utilized for necessary administrative expenses.

V. Compliance with operating agreement and grant conditions

A. Conduct environmental reviews

OHA conducted environmental reviews of 7 projects during this reporting period. Those reviews resulted in issuing 1 finding of no significant impact and 6 categorical exclusion determinations. Details are in the SERP Report, Attachment A.

B. Capacity development authority

Oregon Revised Statute (ORS) 448.131 requires OHA to ensure all new public water systems commencing operations after Oct. 1, 1999, adequately demonstrate technical, managerial, and financial capacity following section 1420 of the SDWA.

C. Review of technical, managerial, and financial capability of assistance recipients

OHA and Business Oregon evaluated the technical, managerial, and financial capability of loan fund assistance applicants using EPA-approved criteria and processes. The agencies completed one review during this reporting period and approved all the projects.

D. Take payments based on a payment schedule

During SFY2025 Oregon continued to take payments based on eligible DWSRF activities performed monthly through the EPA Automated Clearing House (ACH).

E. Assure borrowers have a dedicated source of repayment

Business Oregon conducts a credit review on all applicants being considered for loan funds. This analysis determines whether an applicant can repay a loan. For every applicant, the expected revenue stream from user fees and other revenues offered must be enough to:

- Repay the DWSRF loan at an expected 1.2 debt coverage ratio.
- Pay for ongoing operation and maintenance costs, and
- Pay for other necessary expenses.

F. Federal Funding Accountability and Transparency Act (FFATA)

OHA and Business Oregon agree to report relevant FFATA information as required. FFATA reporting results will be shown in the report attachments, based on the newly issued EPA FFATA guidance. The state will report equivalency projects as the FFATA projects and is currently still in the process of contract execution for the full FY23 & FY24 IIJA-General Supplemental Grant, FY23 & FY24 IIJA-Emerging Contaminants Grants, and the FY23 IIJA-Lead Service Line Grant. The state is in progress of obligating these funds fully and has ample interest for each of the grants besides the Lead Service Line funding. To date Oregon's DWSRF has not executed a LSLR assistance agreement because service line inventories collected are not resulting in projects that would be eligible for the LSLR funding.

Reference Attachment B for SFY2025 FFATA results.

Following the transition from FSRS to SAM.gov in March 2025, OHA and Business Oregon began reporting FFATA targeted project entries into SAM.gov based on EPA's updated general terms and conditions for federal grant awards.

G. Disadvantaged Business Enterprise (DBE)

OHA and Business Oregon agree to continue to track and report DBE disbursements and procurement activities based on our identified FFATA projects for each awarded grant phase. EPA Form 5700-52A will be or has been collected from funding recipients to remain compliant with 40 Code of Federal Regulations (CFR), part 33 requirements.

Updates to EPA's general terms and conditions, section 27, "Utilization of DBE (updated 4/3/25) general compliance," 40 CFR, Part 33, lists seven new updates to subparts and sections of this requirement and what states and their subrecipients must do or not do to remain compliant. Oregon's DWSRF program is abiding by the contract administration provisions of 40 CFR Section 33 and these updates to the DBE Program based upon the class exception issued by EPA on March 17, 2025.

H. Davis Bacon (DB) Wage Rate, American Iron and Steel, and Build America, Buy America (BABA) Requirements

Funding recipients will be made aware of all federal programmatic requirements early on, prior to invitation. Templatized, approved financing contract language and contract clauses are provided to funding recipients to assist with administering the project and will reflect those requirements. The funding recipient (water system) is responsible for ensuring these applicable clauses are included in

applicable contracts between the water system and contractors with different curated language (applicable clauses) depending on whether the contract is for professional services (e.g., engineering) or construction activities.

Davis Bacon (DB) wage rate requirements apply to all construction, alteration and repair of treatment works carried out in whole or in part with assistance made available through the DWSRF. Templatized, approved financing contract language and contract clauses are provided to funding recipients to assist with administering the project and will reflect those requirements. Recipients of DWSRF funds are briefed on their responsibility to ensure that all relevant DB regulations are adhered to. In addition, Business Oregon Regional Project Managers periodically monitor certified payroll documents and other necessary and relevant documents for the adherence to DB regulations. Recipients of DWSRF funds are encouraged to contract with third party individuals or organizations that have demonstrated expertise in the administration of DB rules and regulations. Additional Principal Forgiveness awards are available to any eligible recipient to choose to hire such expertise under the Base funding.

American Iron and Steel (AIS) Provisions require DWSRF assistance recipients to use iron and steel products that are produced in the United States. Language regarding the requirement will be included with all DWSRF contracts to assistance recipients. Monitoring of compliance requirements will occur at appropriate intervals to ensure that any issues are addressed with immediacy.

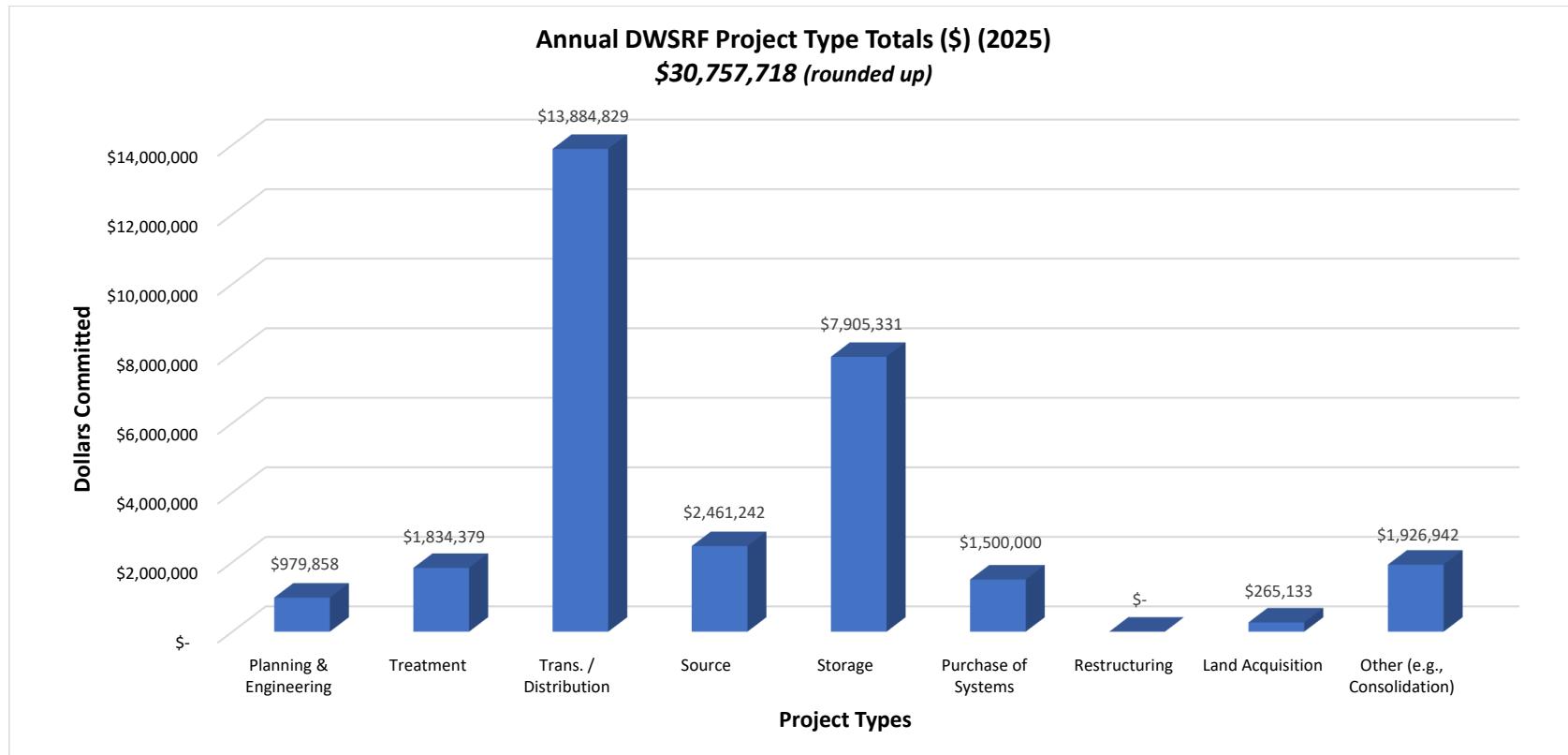
Build America, Buy America (BABA) requires all iron, steel, manufactured products, and construction materials used in a project financed with federal assistance to be produced in the United States.

In Oregon's DWSRF, BABA applies to projects that meet all three of the following criteria. The project:

- Has an award date on or after May 14, 2022.
- Is identified as an equivalency project. Recipients will be notified as early in the funding process as possible if they are identified as an equivalency project and subject to BABA, Single Audit Act, and other equivalency requirements.
- Is **not** covered by a waiver.

Business Oregon seeks applies BABA only to equivalency projects. Each equivalency project funded with IIJA funding & Base Funding will be assessed regarding whether BABA waivers are also applicable. Funding recipients are responsible for complying with BABA and for working with their suppliers and contractors to comply and secure appropriate documentation of compliance. A water system receiving a DWSRF award must include these requirements in their contracts and ensure that contractors and sub-contractors procure compliant materials. The BABA contract requirements are required to "flow down" to all subcontractors.

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Oregon's DWSRF Program Highlights (SFY1997-2025)



Infrastructure Projects:

- * Executed Assistance Total Amount = **\$645 million**
- * Executed Assistance Projects = **468**
- * Total Assistance Provided to Systems with $\leq 10,000$ in Population = **91%**

Technical Assistance (TA):

- * Number of Systems Provided TA by Circuit Rider = **2,522**

Subsidies & Disadvantaged Communities:

- * Total Amount of Subsidies Provided to Projects = **\$113 million**
- * Total Number of Projects Funded to Disadvantaged Communities = **198**
- * Total Population Served (by the project) in Disadvantaged Communities Who Received Funding = **927,100**

Non-Compliant Systems:

- * Total Assistance Provided to Non-Compliant Systems Trying to Achieve Compliance = **\$272 million**
- * Total Population Served to Non-Compliant Systems Trying to Achieve Compliance = **1,361,551**

Other DWSRF Funding Programs in Oregon:

- * Total Amount Subsidized for the Sustainable Infrastructure Planning Projects (SIPP), (SFY2015-2025) = **\$3,336,990 to 169 projects**
- * Total Amount awarded (i.e., grant & loan) for the Drinking Water Source Protection (DWSP) Program, (SFY2008-2025) = **\$3.5 million**

Attachment A

Drinking Water State Revolving Fund Program

SFY2025 Annual Report

ENVIRONMENTAL REVIEWS

State of Oregon
Oregon Health Authority
Public Health Division
Center for Health Protection
Drinking Water Services

State Environmental Review Process – SERP Environmental Review List of Projects

These SERP actions were taken on projects applying for financial assistance from the Drinking Water State Revolving Fund during this reporting period of 7/1/24 to 6/30/25.

PWS ID	Water System Name	SERP Action	Date
4100342	City of Grants Pass	CE	11/12/2024
4101072	Johnson Creek WSC	FNSI	12/5/2024
4100389	City of Hubbard	CE	12/30/2024
4100297	City of Falls City	CE	3/31/2025
4100041	City of Amity	CE	4/17/2025
4100153	City of Burns	CE	5/28/2025
4100952	City of Wheeler	CE	6/6/2025

Attachment B

Drinking Water State Revolving Fund Program

SFY2025 Annual Report

OHA Central Accounting Documents (Schedules A, B & C)
OHA & BizOR Supporting Tables (Schedules D, E, F & G)

State of Oregon
Oregon Health Authority
Public Health Division
Center for Health Protection
Drinking Water Services

SCHEDULE A
STATE OF OREGON
OBDD, OHA, DEQ
SAFE DRINKING WATER REVOLVING LOAN FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Cash Flows from Operating Activities

Payments to Employees for Services	(372,085)
Payments to Suppliers	(4,738)
Receipts from Other Funds for Services	456,175
Payments to Other Funds for Services	(58,671)
Distributions to Other Governments	(208,404)
Grant Receipts	23,440,403
Other Receipts (Payments)	(4,253,926)
Net Cash Provided (Used) in Operating Activities	<u>18,998,754</u>

Cash Flows from Noncapital Financing Activities

Principal Payments on Loans	(7,247)
Interest Paid on Loans	(48)
Transfers from Other Funds	25,777,360
Transfers to Other Funds	(21,372,152)
Net Cash Provided (Used) in Noncapital Financing Activities	<u>4,397,912</u>

Cash Flows from Investing Activities

Loan Principal Repayments	14,678,105
Loan Interest Received	3,561,937
Loans Made	(34,540,650)
Interest On Investments and Cash Balances	5,850,171
Interest Income from Security Lending	9,857
Interest Expense from Security Lending	(9,857)
Net Cash Provided (Used) in Investing Activities	<u>(10,450,437)</u>

Net Increase (Decrease) in Cash and Cash Equivalents	12,946,230
Cash and Cash Equivalents-Beginning	110,973,735
Cash and Cash Equivalents - Ending	<u>123,919,964</u>

Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities

Operating Income (Loss)	<u>28,981,084</u>
-------------------------	--------------------------

Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided
(Used) by Operating Activities

Interest Receipts Reported as Operating Revenue	(3,561,937)
Net Changes in Assets and Liabilities and Deferred Inflows and Outflows of Resources:	
Bad Debt	0
Accounts Receivable Federal	(10,245,388)
Accounts and Interest Receivable (net)	(181,426)
Loans Receivable	4,279,536
Net Pension Liability	105,275
Net OPEB Liability	(224)
Total OPEB Liability	(181)
Accounts Payable	(279,192)
Compensated Absences Payable	38,591
Due to Other Funds	(108,504)
Due to Other Governments	17,004
Deferred Outflows of Resources Related to Pensions	(52,487)
Deferred Outflows of Resources Related to OPEB	(244)
Deferred Inflows of Resources Related to Pensions	7,171
Deferred Inflows of Resources Related to OPEB	(323)
Total Adjustments	(9,982,330)
Net Cash Provided (Used) by Operating Activities	18,998,754

SCHEDULE B
STATE OF OREGON
OBDD, OHA, DEQ
SAFE DRINKING WATER REVOLVING LOAN FUND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

	<u>OBDD</u>	<u>OHA</u>	<u>DEQ</u>	<u>TOTAL</u>
Operating Revenues:				
Grant Income	184,360	33,685,791		33,870,151
Interest Income	3,561,812	-		3,561,812
Charges for Services	453,366	-		453,366
Total Operating Revenues	4,199,538	33,685,791	-	37,885,328
 Operating Expenses:				
Personal Services	334,744	-		334,744
Services and Supplies	68,950	-		68,950
Special Payments	4,279,536	-		4,279,536
Distibutions to Other Governments	225,454	-		225,454
Administrative Expenses		1,216,209		1,216,209
Technical Assistance		329,784		329,784
State Program Management		338,151		338,151
Local Assistance/Other State Programs:				
Implementation of Protection		388,780		388,780

Implementation of Protection--DEQ Water System Capacity Program	-	781,778	781,778
	940,857		940,857
Total Operating Expenses	4,908,685	3,213,782	781,778
			8,904,244
Operating Income (Loss)	(709,147)	30,472,009	(781,778)
			28,981,084
Nonoperating Revenues (Expenses)			
Investment Income (Loss)	5,860,028	-	5,860,028
Other Interest Expense	(9,905)	-	(9,905)
Total Nonoperating Revenue (Expense)	5,850,123	-	-
			5,850,123
Income (Loss) before Transfers & Special Items	5,140,976	30,472,009	(781,778)
			34,831,207
Transfers			
Transfers In from Other Funds (State Match)	3,184,290		3,184,290
Transfers In from OHA	29,690,231	781,778	30,472,009
Transfers Out to Other Funds	(24,802)		(24,802)
Transfers Out to DEQ		(781,778)	(781,778)
Transfers Out to OBDD		(29,690,231)	(29,690,231)
Change in Net Position	37,990,695	-	-
Net Position - Beginning	351,125,968	-	-
			351,125,968

Prior Period Adjustment	(19,659)			
Adjustment for Accounting Principal Change	(9,361)	-	-	(9,361)
Net Position - Beginning - As Restated	351,096,948	-	-	351,096,948
Net Position - Ending	389,087,643	-	-	389,087,643

These statements are unaudited.

SCHEDULE C
STATE OF OREGON
OBDD, OHA, DEQ
SAFE DRINKING WATER REVOLVING LOAN FUND
STATEMENT OF NET POSITION
June 30, 2025

	<u>OBDD</u>	<u>OHA</u>	<u>DEQ</u>	<u>TOTAL</u>
ASSETS				
Current Assets:				
Cash and Cash Equivalents	126,468,581	(2,095,710)	(452,906)	123,919,964
Accounts and Interest Receivable (net)	319,262	-	-	319,262
Loans Receivable, Net	7,157,974	-	-	7,157,974
Securities Lending Collateral	-	-	-	-
Accounts Receivable Federal	-	19,645,219	-	19,645,219
Due from Other Funds/Agencies	<u>18,005,602</u>	-	525,001	<u>18,530,603</u>
Total Current Assets	<u>151,951,419</u>	<u>17,549,508</u>	<u>72,095</u>	<u>169,573,022</u>
Noncurrent Assets:				
Net OPEB Asset	3,579	-	-	3,579
Loans Receivable, Net	<u>243,159,209</u>	-	-	<u>243,159,209</u>
Total Noncurrent Assets	<u>243,162,788</u>	-	-	<u>243,162,788</u>
Total Assets	395,114,207	17,549,508	72,095	412,735,810

Deferred Outflows of Resources:

Related to Pensions	100,546	-	-	100,546
Related to OPEB	365	-	-	365
Total Deferred Outflows of Resources	100,910	-	-	100,910

LIABILITIES**Current Liabilities:**

Accounts Payable	395,573	(2,057)	45,085	438,600
Due to Other Governments	5,302,960	-	-	5,302,960
Due to Other Funds / Agencies	84,171	17,551,566	27,010	17,662,746
Compensated Absences Payable	16,511	-	-	16,511
Contracts, Mortgages, and Notes Payable	3,814	-	-	3,814
Total Current Liabilities	5,803,028	17,549,508	72,095	23,424,631

Noncurrent Liabilities:

Compensated Absences Payable	39,451	-	-	39,451
Total OPEB Liability	1,244	-	-	1,244
Contracts, Mortgages, and Notes Payable	6,229	-	-	6,229
Net Pension Liability	254,919	-	-	254,919
Total Noncurrent Liabilities	301,843	-	-	301,843

Total Liabilities	6,104,871	17,549,508	72,095	23,726,474
Deferred Inflows of Resources:				
Related to Pensions	21,494	-	-	21,494
Related to OPEB	1,110	-	-	1,110
Total Deferred Inflows of Resources	22,603	-	-	22,603
NET POSITION				
Restricted Net Position for OPEB	3,579	-	-	3,579
Unrestricted Net Position	389,019,907	0	0	389,019,907
Total Net Position	389,087,643	(0)	(0)	389,087,643

These statements are unaudited.

Schedule D: NEW FUNDED / COMMITTED PROJECTS FOR SFY2025 - Based on Current Agreement Dates & Amounts (7/1/24 to 6/30/25) - per EPA Database										
Borrower Name	Other Tracking Number	Current Agreement Date	Current Agreement Amount	DAC?	Project Description (Base & IIJA)	SIPP?	Loan Amount	Subsidy Amount	Rate / Term	Population
Sumner Water Co-Op	R24010	05/22/2025	\$19,918	No	Feasibility Study	YES	\$0	\$19,918	N/A	75
Rainbow Water District	EC2409	05/22/2025	\$317,326	YES	IIJA-EC, Remediation Alternatives Feasibility Study Phase 2. Will procure a hydrogeologic consultant as well as a well driller to perform approximately 4 soil borings which will consist of collecting soil and groundwater samples at the Chase Wellfield site. These samples will then be analyzed at a laboratory.	No	\$0	\$317,326	N/A	6,300
Langlois Water District	S25010	05/02/2025	\$93,370	YES	Water treatment plant and storage upgrades	No	\$46,685	\$46,685	1% - 10 years	220
Mt. Terrace Mobile Home Park	R24008	04/24/2025	\$19,990	YES	Feasibility Study	YES	\$0	\$19,990	N/A	60
Trailer Park Village LLC	R25006	04/21/2025	\$20,000	YES	Feasibility Study	YES	\$0	\$20,000	N/A	47
City of Grass Valley	S25008	04/14/2025	\$20,000	YES	Water Master Plan	YES	\$0	\$20,000	N/A	184
City of Molalla	EC2510	04/04/2025	\$30,000	No	IIJA-EC, PFAS Feasibility Study	No	\$0	\$30,000	N/A	10,298
Whispering Pines Mobile Lodge	EC2508	04/04/2025	\$19,908	No	IIJA-EC, PFAS Feasibility Study	No	\$0	\$19,908	N/A	90

City of Milwaukie	EC2507	03/28/2025	\$125,000	No	IJJA-EC, PFAS in Groundwater Feasibility Study	No	\$0	\$125,000	N/A	20,946
City of Milton-Freewater	EC2502	03/14/2025	\$120,000	YES	IJJA-EC, PFAS Feasibility Study	No	\$0	\$120,000	N/A	7,145
Deerhorn Community Water Association	EC2505	03/14/2025	\$65,000	No	IJJA-EC, PFAS Feasibility Study	No	\$0	\$65,000	N/A	275
Burns Water Department	EC2504	03/14/2025	\$139,000	YES	IJJA-EC, PFAS Remediation Feasibility Study	No	\$0	\$139,000	N/A	2,835
City of Dundee	EC2506	03/03/2025	\$30,000	No	IJJA-EC, PFAS Feasibility Study	No	\$0	\$30,000	N/A	3,356
Winston Dillard Water District	S25007	02/28/2025	\$20,000	YES	Water Master Plan	YES	\$0	\$20,000	N/A	8,300
Wamic Water & Sanitary Authority	S24013	02/28/2025	\$20,000	YES	Feasibility Study	YES	\$0	\$20,000	N/A	130
Deerhorn Community Water Association	R25005	02/28/2025	\$19,996	No	Storage and distribution upgrades feasibility study	YES	\$0	\$19,996	N/A	275
Elderberry Nehalem Water System	R25002	02/24/2025	\$20,000	YES	Feasibility Study	YES	\$0	\$20,000	N/A	160

Tri-City Water and Sanitary District	S25006	02/21/2025	\$20,000	YES	Seismic Risk and Mitigation Plan (SRAMP) - Water Mast Plan Update	YES		\$0	\$20,000	N/A	3,500
Marcola Water District	EC2503	02/20/2025	\$65,000	No	IIJA-EC, PFAS Remediation Feasibility Study	No		\$0	\$65,000	N/A	600
Chart Water Supply, Inc.	R25004	01/29/2025	\$20,000	YES	Feasibility Study	YES		\$0	\$20,000	N/A	125
Christmas Valley Domestic Water Supply District	S24016	01/29/2025	\$112,500	YES	Phase 3 Water Line Improvements	No		\$56,250	\$56,250	1% - 10 years	950
City of Bay City	S25005	12/20/2024	\$3,853,653	YES	IIJA-GS, Transmission line replacement and new reservoir	No		\$1,843,727	\$2,009,926	2.69% - 30 years	1,400
City of Wheeler	S25004	12/12/2024	\$1,464,420	YES	IIJA-GS, Pennsylvania Ave. Water line replacement	No		\$700,631	\$763,789	1% - 30 years	400
Rockwood PUD	EC2405	11/25/2024	\$1,500,000	YES	IIJA-EC, Cascade Groundwater Development: Manganese Filter System. Partnering with City of Gresham	No		\$0	\$1,500,000	N/A	65,443
Metolius Meadows Property Owners Association, Inc.	R25001	11/25/2024	\$19,983	YES	Leak detection study	YES		\$0	\$19,983	N/A	285
City of Rockaway Beach	S25001	11/25/2024	\$2,805,555	YES	IIJA-GS, Nedonna Beach pipe replacement	No		\$1,342,279	\$1,463,276	2.69% - 30 years	1,400

City of Boardman	S24017	11/20/2024	\$20,000	YES	Feasibility Study	YES		\$0	\$20,000	N/A	4,490
City of Gresham	EC2406	11/20/2024	\$1,500,000	YES	IIJA-EC, Cascade Groundwater Development: Manganese Filter System. Partnering with Rockwood PUD	No		\$0	\$1,500,000	N/A	73,932
Dexter Oaks Co-Op	R24007	11/15/2024	\$20,000	YES	Feasibility Study	YES		\$0	\$20,000	N/A	75
Rivergrove Water District	S24022	10/08/2024	\$2,772,980	No	Resilient backbone and AC pipe replacement program	No		\$2,492,980	\$280,000	2.64% - 30 years	4,000
Neskowin Regional Water District	R24011	09/30/2024	\$20,000	No	System partnership study	YES		\$0	\$20,000	N/A	1,200
Albany Trailer and RV Park, LLC	EC2408	09/20/2024	\$19,908	YES	IIJA-EC, PFAS Remediation Feasibility Study	No		\$0	\$19,908	N/A	130
Sunset Water Systems, Inc.	EC2501	09/20/2024	\$61,250	YES	IIJA-EC, Manganese Remediation Feasibility Study	No		\$0	\$61,250	N/A	140
City of Gold Hill	S24020	08/15/2024	\$20,000	YES	Water Rate Study	YES		\$0	\$20,000	N/A	1,220
City of Drain	S24021	08/13/2024	\$20,000	No	Seismic Risk and Mitigation Plan (SRAMP) - Water Mast Plan Update	YES		\$0	\$20,000	N/A	1,151

Nesika Beach-Ophir Water District	R24009	08/08/2024	\$19,750	No	Water Rate Study	YES	\$0	\$19,750	N/A	1,500
Otter Rock Water District	S24019	08/07/2024	\$2,450,000	YES	Water system improvements to distribution system, storage, and source.	No	\$1,920,000	\$530,000	1% - 30 years	175
City of Coquille	S24108	07/18/2024	\$3,491,700	YES	Water reservoir reconditioning and tank improvements.	No	\$1,670,556	\$1,821,144	1% - 30 years	3,953
Madrone Hill Mobile Home Park	R24006	07/09/2024	\$20,000	YES	Feasibility Study	YES	\$0	\$20,000	N/A	155
TOTALS			\$21,396,207				\$10,073,108	\$11,323,099		226,920

Amount Requested

Loan Total

Subsidy Total

* Projects and their funding data are per SFY2025 EPA's federal SRF database (formerly NIMS & PBR), OHA & Business Oregon records.

* Including all annual assistance activity reported (per NIMS line 125) over the SFY2025 reporting period (\$30,757,718) and amendments to existing projects account for a difference of approximately \$9,361,511 from the Current Agreement Amount column total (\$21,396,207) referenced above.

** SIPP stands for, Sustainable Infrastructure Planning Projects - there were eighteen (18) new SIPP projects that had funds committed to them during SFY2025.

*** DAC stands for, Disadvantaged Communities - there were twenty-seven (27) of the thirty-nine water systems that had funding committed to their projects during SFY2025 considered to be DAC systems. Total subsidies awarded to these DAC systems equaled \$10,608,527

SFY2025 - Drinking Water Source Protection (DWSP) Grant/Loan Project Expenses = \$67,781

Schedule E

Oregon's Safe Drinking Water Revolving Loan Fund FFATA Reportable List

FFATA Reportable Project List (including Set-Asides)

List includes each open capitalization grant that has not been fully reported in a prior Annual Report

2022 IIJA-EC:

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA report submitted
Garibaldi Water System EC2402	SD-23-E03	5/8/2024	\$ 54,867	6/19/2024 & updated 9/17/2025
Albany Trailer and RV Park EC2508	SD-23-E04	9/20/2024	\$ 19,908	N/A (less than \$30,000)
Lakewood Utilities EC2403	SD-23-E05	3/13/2024	\$ 19,908	N/A (less than \$30,000)
Rainbow Water District EC2409	SD-23-E07	7/31/2024	\$ 317,326	8/26/2024 & updated 9/17/2025
Springfield Utility Board EC2407	SD-23-E08	6/9/2024	\$ 3,100,000	10/11/2024
Sunset Water System Inc EC2501	SD-23-E09	9/20/2024	\$ 61,250	10/18/2024
Rockwood PUD EC2405	SD-23-E10	11/25/2024	\$ 1,500,000	12/13/2024
Gresham, City of EC2406	SD-23-E11	11/20/2024	\$ 1,500,000	12/13/2024
Tri-City JW&SA EC2401	SD-23-E12	2/21/2024	\$ 50,000	3/14/2024
Josephine County Parks – Lake Selmac 1 EC2404	SD-23-E15	4/8/2024	\$ 20,000	N/A (less than \$30,000)
Marcola Water District EC2503	SD-23-E31	2/20/2025	\$ 65,000	5/14/2025
Milton-Freewater, City of EC2502	SD-23-E26	3/14/2025	\$ 120,000	5/15/2025
Burns Water Department EC2504	SD-23-E32	3/14/2025	\$ 139,000	5/15/2025
Deerhorn CWA EC2505	SD-24-E01	3/14/2025	\$ 65,000	5/16/2025
Dundee, City of EC2506	SD-23-E30	3/25/2025	\$ 30,000	5/15/2025
Milwaukie, City of EC2507	SD-24-E02	3/28/2025	\$ 125,000	5/16/2025
Molalla, City of EC2510	SD-23-E24	4/4/2025	\$ 30,000	5/13/2025
Whispering Pines Mobile Lodge EC2508	SD-23-E21	4/4/2025	\$ 19,908	N/A (less than \$30,000)
Cottage Grove, City of EC2509	SD-23-E13	8/4/2025	\$ 125,000	9/17/2025
Lakewood Utilities EC2511	SD-25-E02	8/18/2025	\$ 711,800	9/17/2025
Junction City Water Utilities EC2512 (split with 2023 IIJA-EC)	SD-25-E03	8/19/2025	\$ 770,233	9/17/2025
Set-asides	n/a	n/a	\$ 1,095,800	
FFATA Reportable Total:				\$ 9,940,000
FFY-2022 (IIJA-EC) Appropriation:				\$ 9,940,000

2023 Base:

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA report submitted
Grants Pass S23004	SD-22-338	6/14/2023	\$ 5,050,000	11/10/2023
Burlington Water District S23003	SD-22-339	2/8/2023	\$ 81,200	11/10/2023
Set-Asides	n/a	n/a	\$ 2,302,680	
FFATA Reportable Total:				\$ 7,433,880
FFY-2023 (Base) Appropriation:				\$ 7,428,000

DWSP Tied to 2023 Base Set-asides

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA report submitted
Medford Water Commission U25001	SWP-24-011	10/16/2024	\$ 50,000	12/13/2024
City of Boardman U25004	SWP-24-004	11/25/2024	\$ 50,000	12/13/2024
City of Newport U24002	SWP-24-005	3/4/2025	\$ 50,000	5/16/2025
FFATA Reportable Total:			\$ 150,000	
FFY-2023 (Base) Set-aside Allocation for DWSPF:			\$ 179,889	

2023 IIJA-GS:

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA report submitted
City of Coquille S24018	SD-23-407	7/18/2024	\$ 3,491,700	10/18/2024
City of Wheeler S25004	SD-23-387	12/12/2024	\$ 1,464,420	1/16/2025
City of Rockaway Beach S25001	SD-23-399	11/25/2024	\$ 2,805,555	12/9/2024
Bay City Water System S25005	SD-23-388	12/20/2024	\$ 3,853,653	1/16/2025
City of Elkton S24014	SD-23-367	6/9/2024	\$ 3,100,000	10/18/2024
City of Ontario S25003	SD-23-372	7/2/2025	\$ 6,000,000	8/11/2025
Grants Pass S26003 (split with 2024 IIJA-GS)	SD-22-338	10/22/2025	\$ 2,289,855	11/18/2025
TBD	TBD	TBD		TBD
Set-Asides	n/a		\$ 5,083,920	
FFATA Reportable Total:			\$ 28,089,103	
FFY-2023 (IIJA) Appropriation:			\$ 31,672,000	

DWSP Tied to 2023 IIJA-GS Set-asides

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA report submitted
City of Oakland U25003	SWP-24-003	12/3/2024	\$ 50,000	3/6/2025
City of Lincoln City U25002	SWP-24-002	11/8/2024	\$ 70,000	12/13/2024
City of Rockaway Beach U25006	SWP-24-013	4/17/2025	\$ 70,000	5/14/2025
Neskowin Regional Water District U25007	SWP-24-012	11/25/2024	\$ 70,000	12/13/2024
City of Toledo U25009	SWP-24-007	6/4/2025	\$ 70,000	7/10/2025
City of Yoncalla U25010	SWP-24-009	11/20/2024	\$ 50,000	12/13/2024
City of Sheridan U25011	SWP-24-008	8/15/2025	\$ 50,000	9/17/2025
City of Depoe Bay U25012	SWP-24-014	4/4/2025	\$ 70,000	5/13/2025
FFATA Reportable Total:			\$ 500,000	
FFY-2023 (IIJA-GS) Set-aside Allocation for DWSPF:			\$ 500,000	

2023 IIJA-EC FFATA:

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA report submitted
Junction City Water Utilities EC2512 (split with 2022 IIJA-EC)	SD-25-E03	8/19/2025	\$ 228,948	9/17/2025
TBD Projects	TBD	TBD		TBD
Set-asides	n/a	n/a	\$ 1,271,600	

FFATA Reportable Total:	\$ 1,500,548	
FFY-2023 (IIJA-EC) Appropriation:	\$ 11,560,000	

2023 IIJA-LSL FFATA:

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA report submitted
TBD Projects	TBD	TBD		TBD
Set-asides	n/a		\$ 354,299	
			FFATA Reportable Total: \$ 354,299	
			FFY-2023 (IIJA-LSL) Partial Grant: \$ 1,142,900	

2024 Base:

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA report submitted
Grants Pass S25002	SD-22-338	9/11/2025	\$ 4,837,590	10/23/2025
Set-Asides	n/a	n/a	\$ 2,173,410	
			FFATA Reportable Total: \$ 7,011,000	
			FFY-2024 (Base) Appropriation: \$ 7,011,000	

2024 IIJA-GS:

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA Report Submitted
Grants Pass S26003 (split with 2023 IIJA-GS)	SD-22-338	10/22/2025	\$ 7,710,145	11/18/2025
TBD Projects	TBD	TBD		TBD
Set-Asides	n/a		\$ 7,260,750	
			FFATA Reportable Total: \$ 14,970,895	
			FFY-2024 (IIJA) Appropriation: \$ 34,575,000	

DWSP Tied to 2024 IIJA-GS Set-asides

Applicant & Project Number	Applicant Number	Contract Date	Amount	Date FFATA report submitted
Reedsport U26001	SWP-25-015	10/9/2025	\$ 70,000	11/18/2025
TBD Projects	TBD	TBD		TBD
			FFATA Reportable Total: \$ 70,000	
			FFY-2024 (IIJA-GS) Set-aside Allocation for DWSPF: \$ 1,681,955	

SFY-2025 DWSRF FFATA Reportable *Set-Aside* Contracts $\geq \$30,000$ ONLY

Contracts		Contract # (if avail.)	Fiscal Yr. - not to exceed Contract Amount	FSRS Req?	Reason if not Req?
Circuit Rider (Civil West)		174190-1	\$ 975,000	No	Vendor Contracts are N/A
Counties* <i>7 of 26 contracts</i> (Annual)	Clackamas	TBD	\$ 60,416	Yes	
	Deschutes	TBD	\$ 36,693	Yes	
	Jackson	TBD	\$ 43,290	Yes	
	Josephine	TBD	\$ 33,038	Yes	
	Lane	TBD	\$ 51,410	Yes	
	Linn	TBD	\$ 37,636	Yes	
	Marion	TBD	\$ 44,710	Yes	
Dept. of Agriculture		181025	\$ 27,657	No	Federal entities are N/A
OAWU (\$5,965/class)		183302	\$ 660,000	No	Vendor Contracts are N/A
Needs Survey (HBH)		TBD	\$ 233,558	No	Vendor Contracts are N/A
DWSP (Grants)	<i>Business Oregon to Manage (grants $\geq \\$30,000$)</i>			Yes	
Only County Set-Aside FFATA TOTALS:		\$ 307,193			

PHD-PE50 Disclaimer:

All FSRS reported *Set-Aside* contracts shown above are to be associated to CFDA: 66.468 and FAIN:
FS-02J58701 ('23 Base) & 4D-02J27501 ('22 IIJA-GS).

FFATA reporting threshold from March 1, 2011 through September 30, 2015 was \$25,000. Since October 1, 2015, the threshold became \$30,000 (Per OMB Guidance issued on 08/27/10; Prime Grant Recipient FFATA reporting threshold, is at \$30,000).

Schedule F

***Awarded obligated subsidy in the program may currently meet minimum grant requirements but must be expended to fully comply.**

Summary of Oregon DWSRF Subsidy Awards

SRF/SFY	Cap Grant Amount	Base Subsidy Req.	Additional Subsidy Requirement	Subsidy Requirements Met?*	Subsidy Awarded (\$)	Subsidy Awarded (% of Grant)	Subsidy Expended (\$)	Subsidy Expended (% of grant)	SDWA Disadvantaged (\$)	SDWA Disadvantaged (%)	Mandatory Congressionally Authorized (\$)	Mandatory Congressionally Authorized (%)	Notes		
2010	\$13,572,999	30-100%	N/A	Yes	\$ 9,789,350	72%	\$ 9,789,350	72%						20 projects, all closed	
2011	\$9,418,000	30-100%	N/A	Yes	\$ 7,484,754	79%	\$ 7,484,754	79%						22 projects, all closed	
2012	\$9,863,460	20-30%	N/A	Yes	\$ 2,315,531	23%	\$ 2,315,531	23%						15 projects, all closed	
2013	\$8,421,000	20-30%	N/A	Yes	\$ 2,526,300	30%	\$ 2,241,399	27%						17 projects, 16 closed	
2014	\$12,563,000	20-30%	N/A	Yes	\$ 3,668,384	29%	\$ 2,631,521	21%						28 projects, 26 closed	
2015	\$12,480,000	20-30%	N/A	Yes	\$ 3,507,678	28%	\$ 3,507,678	28%						4 projects, all closed	
2016	\$11,806,000	20-50%	0-30% Disadvan.	Yes	\$ 5,749,701	49%	\$ 4,880,248	41%	\$ 3,388,501	29%	\$ 2,361,200	20%		16 projects, 15 closed	
2017	\$11,705,000	20-50%	0-30% Disadvan.	Yes	\$ 4,765,943	41%	\$ 4,754,379	41%	\$ 2,424,943	21%	\$ 2,341,000	20%		16 projects, 15 closed	
2018	\$14,654,360	20-50%	0-30% Disadvan.	Yes	\$ 5,688,892	39%	\$ 5,643,448	39%	\$ 2,758,020	19%	\$ 2,930,872	20%		34 projects, 31 closed	
2019	\$14,478,000	26-55%	6-35% Disadvan.	Yes	\$ 5,592,643	39%	\$ 4,747,752	33%	\$ 2,697,043	19%	\$ 2,895,600	20%		44 projects, 39 closed	
2020	\$14,487,000	20-49%	6-35% Disadvan.	Yes	\$ 3,681,706	25%	\$ 3,611,897	25%	\$ 1,653,526	11%	\$ 2,028,180	14%		30 projects, 25 closed	
2021	\$14,474,000	20-49%	6-35% Disadvan.	Yes	\$ 3,897,448	27%	\$ 2,823,234	20%	\$ 1,871,088	13%	\$ 2,026,360	14%		48 projects, 12 closed	
2022	\$9,220,000	26-49%	12-35% Disadvan.	No	\$ 2,785,875	30%	\$ 1,856,952	20%	\$ 1,495,075	16%	\$ 1,290,800	14%		24 projects, 14 closed	
2023	\$7,428,000	26-49%	12-35% Disadvan.	No	\$ 2,040,318	27%	\$ 608,368	8%	\$ 1,000,398	13%	\$ 1,039,920	14%		17 projects, 3 closed	
2024	\$7,011,000	26-49%	12-35% Disadvan.	No	\$ 50,000	1%	\$ -	0%	\$ -	0%	\$ 50,000	1%		1 project, obligating these funds now	

Oregon IIJA-General Supplemental Subsidy Awards

SRF/SFY	Gen-Supple. Grant Amount	IIJA-GEN Subsidy Req.	Additional Subsidy Requirement	Subsidy Requirements Met?*	Subsidy Awarded (\$)	Subsidy Awarded (% of Grant)	Subsidy Expended (\$)	Subsidy Expended (% of grant)	Notes
2022	\$23,673,000	49%	Only DAC	No	\$ 11,599,770	49%	\$ 2,298,550	10%	100% obligated. 4 active projects, drawing down.
2023	\$31,672,000	49%	Only DAC	No	\$ 13,650,569	43%	\$ 323,037	1%	7 active projects, 2 contracts pending for full obligation
2024	\$34,575,000	49%	Only DAC	No	\$ 153,797	0%	\$ -	0%	1 active project, obligating these funds now.
2025	TBD	49%	Only DAC						
2026	TBD	49%	Only DAC						

Oregon IJIA-Emerging Contaminants Subsidy Awards

SRF/SFY	EC Grant Amount	Minus set-asides Req.	Additional Subsidy Requirement	Subsidy Requirements Met?*	Subsidy Awarded (\$)	Subsidy Awarded (% of Grant)	Subsidy Expended (\$)	Subsidy Expended (% of grant)	Disadvantaged (\$)	Disadvantaged (%)	Notes	
2022	\$9,940,000	89%	25% disadvantaged	No	\$ 8,844,200	89%	\$ 3,228,429	32%	\$ 7,797,492	78%	100% obligated project funding.	
2023	\$11,560,000	89%	25% disadvantaged	No	\$ 228,118	2%	\$ -	0%	\$ 228,118	2%	Currently obligating.	
2024	\$11,836,000	87%	25% disadvantaged	No	\$ -	-	\$ -	-	\$ -	-	Obligating FY2023 first	
2025	TBD	TBD	25% disadvantaged									
2026	TBD	TBD	25% disadvantaged									

Oregon IIJA-Lead Service Line Subsidy Awards

Schedule G: Banked DWSRF Set-Aside Authority Balances Summary (SFY2025)

Banked DWSRF & IIJA Set-Aside Authority Balances Table

Capitalization Grants	Administrative Expense	Small Systems Technical Assistance	State Program Management	Local Assistance & Other State Programs**
Base DWSRF	\$649,983	\$1,840,073	\$9,355,822	\$12,338,993
IIJA-General Supplemental ('22-'24)	\$0	\$0	\$3,312,350	\$7,430,500
IIJA-Emerging Contaminants ('22-'24)	\$473,440	\$236,720	\$1,666,800	\$4,058,426
IIJA-Lead Service Line Replacement ('22-'24)	\$0	\$0	\$0	\$0
Combined Totals:	\$1,123,423.00	\$2,076,793.00	\$14,334,972.00	\$23,827,919.00

- Banked set-aside totals are approximates based on internal tracking and EPA figures provided over the years.

- IIJA funding runs from FFY2022-2026.

**Using any reserved Local Assistance set-aside funds is prohibited.

According to EPA's 40 CFR Part 35 DWSRF; Interim Final Rule, Section 35.3540(d) *Reserving Set-Aside Funds*, and EPA's DWSRF Eligibility Handbook (2017), Section 6.1.4 *Reserving Set-Aside Funds*, State DWSRF programs may reserve (i.e., bank) set-aside funding "authority" from their DWSRF capitalization grants for future use. State DWSRF programs must identify and explain this in each Intended Use Plan (IUP), including set-aside work plans, where reserved set-aside funding "authority" is being exercised.

It's important to highlight that the use of the word "authority" means that state DWSRF programs have "authority" to request additional set-aside funds in future capitalization grant applications. This request of funds is limited to the reserved set-aside authority balance (per table above) based on the maximum authorized amount(s) not taken in each previous annual capitalization grant for each respective set-aside. Reserved (i.e., banked) set-aside "authority" is not actual funding saved in an account. It is the "authority" to request a greater percentage of a particular set-aside knowing that this will reduce funding to the project Loan Fund.

For example, DWSRF set-asides may take up to 31% from each annual DWSRF capitalization grant allotment for staffing, program use, partner activities, 3rd party vendors, etc. The other 69% is allocated to the project Loan Fund. If for any reason the state DWSRF program does not take the full 31% it has been authorized to take, it may reserve (i.e., bank) the amount for each set-aside it did not take the full amount for, for the program's future use. The maximum allotments each set-aside may take for each DWSRF grant includes:

- 4% - Administrative Expense
- 2% - Small Systems Technical Assistance

- 10% - State Program Management
- 15% - Local Assistance and Other State Programs

When one or more of these set-asides do not take its maximum amount (as shown above), the state is reserving “authority” to be able to take it in future DWSRF capitalization grants – assuming there are future DWSRF capitalization grants. When utilizing the reserved set-aside authority in future DWSRF capitalization grant applications, the project Loan Fund will be impacted. If the DWSRF program requires the use of its reserved set-aside funding authority, set-aside funds will be higher than the maximum allotments as shown above. When that occurs, the project Loan Fund is reduced to balance out the allocated funds from the EPA.

When reserved set-aside funding authority is being taken, it does not increase the amount that has been allocated from EPA for that year’s annual allotment. In other words, if \$1,000,000 is allocated to Oregon’s DWSRF program for that Federal Fiscal Year, Oregon’s DWSRF program cannot apply for more than \$1,000,000 even if it is taking some of its reserved set-aside funds. The allocated amount is the very maximum the state can apply for. But the amounts being allocated between the set-asides and the project Loan Fund within that \$1,000,000 is impacted. If more set-asides are taken, than the project Loan Fund will be less and vice versa.

The benefits in reserving set-aside funding “authority” are that the DWSRF program may utilize the reserved portion from each set-aside to fill any funding gaps that cannot be filled with state funds. Important to note that with the exception of the Local Assistance and Other State Programs set-aside, the other three set-asides may reserve set-aside funding “authority” for future use. While Local Assistance is not allowed to take its reserved set-aside funds, Oregon’s DWSRF program is tracking the amount of its set-aside funding authority in the event that EPA-HQ does change this provision to allow it.

Taking any IIJA reserved set-aside authority (per table above) post IIJA funding years (2022-2026) must be used for the intended purposes of those funds. While General Supplemental is an extension of the Base DWSRF and can be used for anything the Base DWSRF program funding can, Emerging Contaminants reserved set-aside authority can only be used for the intended purposes of its funding – which is to mitigate emerging contaminants, such as PFAS, manganese, or cyanotoxins in Oregon. Same thing for Lead Service Line Replacement funding. But as lead service line inventories collected indicate, Oregon does not have lead throughout the state that would be eligible for these funds, so it is anticipated that Oregon’s DWSRF program will not use any of the existing awarded Lead Service Line Replacement funding and therefore will not be reserving any set-aside authority for future use.

Specific language from EPA’s CFR and its DWSRF Eligibility Handbook (2017) can be see here,

- EPA’s DWSRF Eligibility Handbook (2017), https://www.epa.gov/sites/default/files/2017-06/documents/dwsrf_eligibility_handbook_june_13_2017_updated_508_version.pdf
- EPA’s 40 CFR Part 35 DWSRF; Interim Final Rule, Requirements for Funding Set-Aside Activities, <https://www.govinfo.gov/content/pkg/CFR-2014-title40-vol1/xml/CFR-2014-title40-vol1-sec35-3540.xml>

End of Report

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PUBLIC HEALTH DIVISION (PHD)
Center for Health Protection (CHP)
Drinking Water Services (DWS)

Phone: 971-673-0405
Fax: 971-673-0694

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