



State of Oregon Department of Environmental Quality

Draft Rules – Edits Highlighted

Clean Water State Revolving Fund Program 2022

Advisory Committee Meeting 3

Key to Identifying Changed Text:

~~Deleted Text~~

New/inserted text

Oregon Administrative Rules Chapter 340, Division 54 CLEAN WATER STATE REVOLVING FUND PROGRAM

340-054-0025

Clean Water State Revolving Fund Loans: Intended Use Plan (IUP) and Project Priority List

(5) Project priority list ranking. DEQ will numerically rank all eligible proposed project applications based on the point sum from the criteria specified in ~~OAR 340-054-0026 and 340-054-0027~~ [the Intended Use Plan](#).

~~(a) Except as specified in subsection (b) of this section, DEQ will evaluate each criterion in OAR 340-054-0026 and 340-054-0027 on a point scale from one to five as follows:~~

~~(A) One point = No or very low likelihood.~~

~~(B) Two points = Low or in some minor way.~~

~~(C) Three points = Moderate to significant likelihood.~~

~~(D) Four points = High likelihood.~~

~~(E) Five points = Very high likelihood.~~

~~(b) DEQ will evaluate criteria 1(c), 1(d), 2(b), 2(c), 2(d), 2(e), and 3(d) in OAR 340-054-0026 and criterion 5 in OAR 340-054-0027 by doubling the point scale specified in subsection (a) of this section.~~

340-054-0026

Clean Water State Revolving Fund Loans: CWSRF Project Ranking Criteria for ~~Non-~~**planning** Loans

(1) Category 1. Water quality standards and public health considerations.

~~(a) Does the project improve water quality by addressing water quality parameters including, but not limited to: temperature, dissolved oxygen, contaminated sediments, toxic substances, bacteria or nutrients?~~

~~(b) Does the project ensure that a facility currently in compliance, but at risk of noncompliance, remains in compliance?~~

~~(c) Does the project address noncompliance with water quality standards, public health issues or effluent limits related to surface waters, biosolids, water reuse or groundwater?~~

~~(d) If the project is not implemented, is a water quality standard likely to be exceeded or an existing exceedance likely to worsen?~~

(2) Category 2. Watershed and health benefits.

~~(a) Does the project improve or sustain aquatic habitat supporting native species or state or federally threatened or endangered species?~~

~~(b) Does the project address a water quality or public health issue within a federally designated wild and scenic river or sole source aquifer, state designated scenic waterway, the Lower Columbia River or Tillamook Bay estuary, a river designated under OAR 340-041-0350, or a significant wetland and riparian area identified and listed by a local government?~~

~~(c) Does the project support implementation of a total maximum daily load (TMDL) allocation, a department water quality status and action plan or designated groundwater management area declared under ORS 468B.180?~~

~~(d) Does the project provide performance based water quality improvements supported by monitoring and reasonable assurance that the project will continue to function over time?~~

~~(e) Does the project integrate or expand sustainability or using natural infrastructure, or use approaches including, but not limited to, water quality trading, that are not specified in subsections (f) through (i) of this section of the rule?~~

~~(f) Does the project incorporate or expand green infrastructure including, but not limited to, practices that manage wet weather and that maintain and restore natural hydrology by infiltrating, evapotranspiring, harvesting or using stormwater on a local or regional scale?~~

~~(g) Does the project incorporate or expand water efficiency including, but not limited to, using improved technologies and practices to deliver equal or better services with less water, such as conservation, reuse efforts or water loss reduction and prevention?~~

~~(h) Does the project incorporate or expand energy efficiency including, but not limited to, using improved technologies and practices to reduce energy consumption of water quality projects, use energy in a more efficient way or to produce or utilize renewable energy?~~

~~(i) Does the project incorporate or expand environmentally innovative projects including, but not limited to, demonstrating new or innovative approaches to deliver services or manage water resources in a more sustainable way?~~

(3) Category 3. Other considerations.

~~(a) Does the project include a long term planning effort that addresses financial, managerial or technical capability, or asset planning that ensures the project will be maintained?~~

- ~~(b) Does the project include a significant on-going educational or outreach component?~~
- ~~(c) Does the project incorporate other resources including, but not limited to, in-kind support, other funding sources or a partnership with a governmental, tribal or non-governmental organization?~~
- ~~(d) Does the project address a small community's water quality improvement or restoration need?~~
- ~~(e) Does the project include a sponsorship option?~~

340-054-0027

Clean Water State Revolving Fund Loans to Public Agency Borrowers: CWSRF Project Ranking Criteria for Planning Loans

Will the scope of the planning effort:

- ~~(1) Include more than one water quality benefit, pollutant or restoration effort?~~
- ~~(2) Include sustainability?~~
- ~~(3) Take advantage of an opportunity with respect to timing, finances, partnership or other advantageous opportunity?~~
- ~~(4) Include financial, managerial or technical capability aspects of the project?~~
- ~~(5) Include integrating natural infrastructure and built systems?~~
- ~~(6) Demonstrate applicant cost effectiveness by considering three or more project alternatives such as optimizing an existing facility, regional partnership or consolidation?~~

340-054-0065

Clean Water State Revolving Fund Loans to Public Agency Borrowers: Loan Types, Terms and Interest Rates

(12) Principal forgiveness for public agency borrowers. DEQ may provide additional subsidization to public agency borrowers in the form of principal forgiveness to the maximum extent the federal capitalization grants allows and as the criteria established in this section require. A loan with principal forgiveness is subject to standard interest rates, fees, and loan terms as defined in this rule. Whenever DEQ receives a federal capitalization grant in addition to the annual base capitalization grant, DEQ may provide additional subsidization to eligible borrowers in the form of principal forgiveness to the maximum extent that the additional capitalization grant allows, and subject to its terms and the criteria established in this section.

(a) Eligibility. Except as specified in subsection (b) of this section of the rule, the following public agency borrowers are eligible for principal forgiveness:

(A) Public agency borrowers that are an eligible recipient and meet affordability criteria as specified in subsection (c) of this section of the rule;

(B) Public agency borrowers that are an eligible recipient with a project that DEQ determines implements a process, material, technique, or technology to address water-efficiency goals, energy-efficiency goals, to mitigate stormwater runoff, or to encourage sustainable project planning, design, and construction; or

(C) Public agency borrowers that are an eligible recipient and that do not meet the requirements of paragraph (a)(A) or (a)(B) in this section of the rule but have individual ratepayers who will experience financial hardship from a rate increase that financing a project causes. Applicants qualifying under this section must have an established ratepayer hardship assistance program. DEQ will review the applicant's ratepayer hardship assistance program for duration and effectiveness.

(b) Ineligible loans. The following types of loans are not eligible for principal forgiveness:

(A) Loans for projects that are not ready to proceed;

(B) Loans that have loan agreements that include incentives such as sponsorship option loans;

(C) Interim loans; ~~and~~

~~(D) Planning loans, except for planning loans for projects described in subsection (a)(B) of this section of the rule.~~

(c) Affordability Criteria. ~~DEQ will use the following criteria to determine affordability, with the most weight added to paragraph (c)(A) of this section of the rule:~~ Affordability criteria shall be based on income and unemployment data, population trends, and other data determined relevant by the State, including whether the project or activity is to be carried out in an economically distressed area.

~~(A) Distressed as calculated by the Oregon Business Development Department's Oregon Distressed Index using the methodology described in OAR 123-024-0031; and~~

~~(B) Negative population trends as calculated by the annual United States' Census Bureau's American Community Survey.~~

(f) Award Amount.

(A) Eligible public agency borrowers that are an eligible recipient may receive additional subsidization for ~~up to fifty percent of their loan but not to exceed \$500,000~~ their loan in an amount not to exceed the maximum amount determined by DEQ.

(B) For public agency borrowers that are an eligible recipient and that qualify for principal forgiveness under paragraph 12(a)(B), DEQ will limit the additional subsidization to 50 percent of the project components qualifying under paragraph 12(a)(B); ~~not to exceed 50 percent of the loan amount or \$500,000, whichever is less.~~