



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

SFY2021

November 2021

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, 2020, through June 30, 2021. 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 new 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 SFY2021 project activities. Reference the annual (2021) 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 SFY2021 activities:

Total amount of committed and executed loans:
\$15,130,941

Total number of **new** projects funded: **24**

Total population served: **26,844**

New interest rates and terms:

Standard project loans – up to 30 years at **1.95%**
(avg. rate): **2**

Disadvantaged and non-disadvantaged community project loans – up to 30 years at 1.0%: **6**

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

Planning projects that received 100% principal forgiveness: **16**

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

Prior award amendment projects (not new projects): **6**

Additional subsidies:

Loan forgiveness: **\$1,806,968 (24 projects)**

Small systems (<10,000 people) funded: **24**

Categorical and business case Green Project Reserve (GPR) projects funded: **0**

Total GPR subsidy incentive awarded: **\$0**

Set-Aside activity disbursements:

Total amount of funds expended from all four set-asides: **\$4,638,773**

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 SDWRLF ("loan fund") continued to make loans during the reporting period, July 1, 2020 through June 30, 2021.

During this 12-month report period \$15,130,941 went to water system projects:

- A total of 24 new signed loan agreements, and
- Several changes to existing assistance agreements (see Schedule D).

In recent years, Oregon experienced record project growth. However, in SFY 2020 and 2021 combined, Oregon saw an average decrease of 34% according to recent data collected. The primary factor in reduced assistance agreements is water systems not signing financing contracts promptly. To date, Oregon has executed assistance for \$481,169,047 to 330 drinking water projects.

Since SFY2016, Oregon has maintained one combined (i.e., fundable and comprehensive) list of rated projects that seek financing in any stage of compliance with the amended 1996 Safe Drinking Water Act (SDWA). The current combined project priority list (PPL) contains 46 new and existing infrastructure (i.e., health and compliance and general and resilience) projects seeking approximately \$205,626,709 in financing to meet construction costs. It also includes one new emergency project and one new environmental justice project seeking a combined \$388,629. This current combined PPL includes new project data (i.e., SFY2022 – Quarter 1 ending) and data submitted with the 2020 and 2021 Capitalization Grants.

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

Oregon ranked drinking water system construction projects according to SDWA health risks and compliance issues. Water systems with major water quality compliance problems were given the highest rating points and placed at the top of the PPL. Oregon invited first to apply for planning, design, or construction loan funds water systems with the highest rating points. However, Oregon funded projects based on their readiness to proceed.

During SFY2021 disadvantaged communities continued to have access to interest rates as low as 1% and terms up to 30 years. Additionally, disadvantaged communities struggling with water rate affordability may qualify for up to an additional \$250,000 to \$500,000 or 50% (whichever is less) of the total award in principal forgiveness toward planning, design, or construction costs.

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 continues 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 the protection set-aside section of this report.

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 2023. OHA also has an IAA with DEQ through June 2023.

During SFY2021, Oregon's loan fund made loans with interest in the range of 1% to 2% (on average). Therefore, the loan fund has continued to grow in perpetuity to benefit Oregon's water systems. Interest rates were awarded at 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 continue to receive an interest rate of 1% with terms up to 30 years.

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. For example, since April 2013, Oregon's DWSRF program has kept a year-round Letter of Interest (LOI) process open with quarterly submittal deadlines for infrastructure-related projects to combat ULOs. 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. OHA and Business Oregon believe these additional programmatic upgrades:

- Have provided 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.

The program invites water systems at the top of the list to apply for project funds first. However, Oregon exercises a project bypass rule when necessary. Oregon may fund eligible 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.

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. Two important ways to meet this priority are through strong asset management practices and investments in drinking water infrastructure.

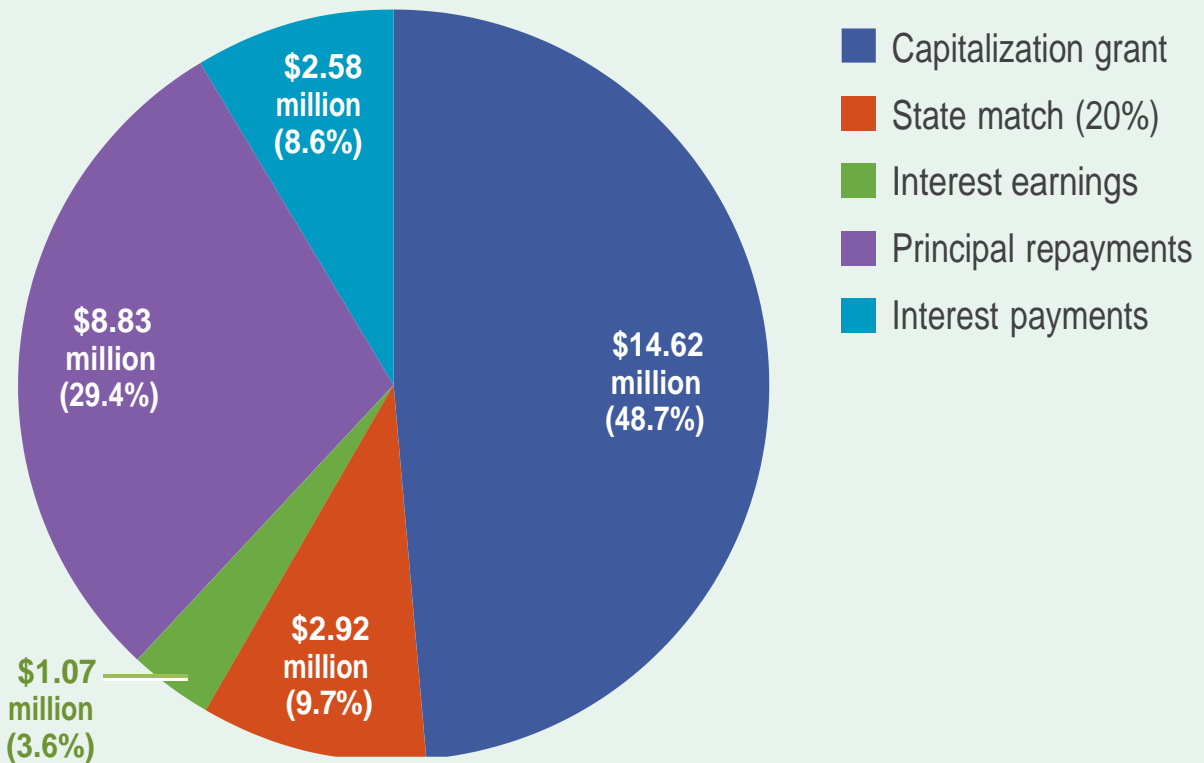
III. DWSRF loan and set-aside activities

This section of the annual report provides an overview of SFY2021 activities in the loan fund and set-asides.

A. Sources of DWSRF funding

Oregon’s loan fund continued to make project loans in SFY2021 using previous capitalization grant awards, state match, interest, and repayments.

Figure 1: New SFY2021 DWSRF Sources (\$30.02 Millions)



1. Capitalization grants

Oregon received its 2020 award and a small increase to its existing 2019 award during SFY2021. Cumulative grant awards received(SFY1998-2021) equal \$330,053,400 according to recent data collected.

2. State match

Oregon deposited the required state match (20%) of 2,923,800 during SFY2021 for the 2020 and amended 2019 capitalization grant awards totaling 14,619,000.

3. Interest earnings

Oregon received \$1,074,547 in interest earnings on investments in this reporting period. Earnings resulted from the deposit of the previous fiscal year state match.

4. Repayments and payments

Repayments received totaled \$8,828,357 in principal and \$2,583,861 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 SFY2021.

1. Loan assistance status

Oregon's loan fund entered into 24 new loan agreements and several changes to existing assistance agreements totaling \$15,130,941. Loans ranged from \$11,000 to \$3,596,500.

a) Project bypass

Of the 24 new projects funded during SFY2021, several infrastructure projects bypassed other projects on the PPL. These projects passed the others due to their readiness to proceed.

b) Binding commitments

As of June 30, 2021, Oregon's overall project commitments (since inception of program in 1997) total \$481,169,047.

c) Small systems

The DWSRF requires that at least 15% of the loan fund be committed to small water systems. A small water system serves fewer than 10,000 people. All the 24 new projects funded during this reporting period were for small systems.

d) Disadvantaged community systems

Disadvantaged communities received loans at a reduced rate as low as 1% interest with an extended term of up to 30 years. A portion of a loan to a disadvantaged community may include additional principal forgiveness up to 50% of the total award, up to \$250,000 to \$500,000. There was one small loan to a disadvantaged community made during SFY2021. Approximately \$24,545 in principal forgiveness was committed.

e) Disbursements

Oregon disbursed a total of \$35,282,459 (per data system) to loan recipients in SFY2021. Oregon made loan disbursements, based on availability, in the order of:

1. State match
2. Federal Funds, and
3. 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.

2. Set-aside activity status

The following section is about set-aside activities of Oregon's DWSRF program for this reporting period. Financial statements, including set-aside funding availability and expenditures incurred during SFY2021, are in Attachment B to 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 4.80 FTE (full-time equivalent) – 1.00 in OHA and 3.80 for Business Oregon.

Key administrative activities included:

- Solicited construction projects at state-wide workshops.
- Developed, implemented and managed a year-round, web-based LOI process.
- 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:
 - Project and Benefits Reporting (PBR)
 - DWNIMS, and
 - Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS).
- 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.
- Managed Oregon’s loan fund and set-aside programs.
- Managed funded projects from inception to completion.

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 required 0.45 FTE during SFY2021.

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 99 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.

The counties that work with smaller public water systems (populations of fewer than 3,300, using only groundwater) within their jurisdictions. The Department of Agriculture works statewide with drinking water systems operated by the facilities it licenses, such as a grocery-deli, and dairy and food processing facilities. Currently, 1,951 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 follow-ups 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, 2020 – June 30, 2021)

Basic program activities	Number reported
Alert investigations	815
Water system surveys	405
Enforcement action tracking and follow up	1
Violation corrections	191

State and federal funds provide for the funding of 10.41 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.

OHA-DWS staff (SPM set-aside)

FTE	Title
55%	Environmental engineer 3
100%	Environmental engineer 3
25%	Environmental engineer 3
50%	Environmental engineer 3
100%	Natural resource specialist 3
100%	Natural resource specialist 3
25%	Natural resource specialist 4
100%	Administrative specialist 1
100%	Office specialist 2
100%	Office specialist 2
86%	Principal executive manager F
100%	Principal executive manager D
100%	Principal executive manager E
10.41	Total FTE

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 its sources.

Drinking Water Source Protection (DWSP) provides financial aid through grants and loans to purchase land, easements, rights-of-way, and 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). This set-aside supported 2.36 FTE in OHA for contracts and other related operating costs.

Oregon’s Capacity Development program focuses on four areas:

- 1. Capacity Assessment program:** OHA conducted thirteen DWSRF capacity assessments 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.

New public water systems added to the inventory were assessed during their initial plan review and approval process. OHA Drinking Water Services engineers facilitate these assessments by using a capacity assessment lens during the plan review process for each new public water system.

- 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, and
- A training opportunities webpage.

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

- Upcoming rules and deadlines, and
- Operations and maintenance issues.

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
- Pipeline articles
- Postcard mailings and GovDelivery emails
- Routine updates to the DWSRF webpage
- 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, and
- 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 provides free on-site technical services for short-term operational problems and Cryptosporidium and Microscopic Particulate Analysis (MPA) Monitoring.

- Integrating capacity building outreach into day-to-day drinking water program staff provide:
 - Direct assistance to water systems during sanitary survey activities
 - Water treatment plant inspections
 - 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 2020, a total of 332 community water systems (36% of Oregon’s community water systems) have “substantially implemented” a strategy to protect their drinking water. These 332 community water systems include many of Oregon’s larger communities and serve approximately 2,995,930 Oregonians, 85% of the estimated 3,542,543 Oregonians served by community water systems.

OHA assists water systems that rely on groundwater as their source of drinking water. OHA partner, DEQ, 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 4.72 FTE in OHA.

Protection highlights for this period include:

- Four additional community water systems achieved substantial implementation. Oregon SDWIS data suggests that the additional number of Oregonians protected by these water systems is 2,655. Nine other community water systems were identified as purchasing their primary water supply from substantially protected water systems.

- 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 SFY2021:
 - DEQ focused on maintaining GIS tools to assist OHA with groundwater Source Water Assessment updates and to provide technical assistance in the post-wildfire recovery efforts following the catastrophic wildfire season in Summer/Fall 2020.
 - OHA completed 144 Source Water Assessment update reports. To date, OHA has completed 518 Assessment updates for Community (C) and Non-Transient Non-Community (NTNC) groundwater systems, roughly 54% of those that need to be completed for C and NTNC groundwater systems.
 - In 2019, the leadership teams at DEQ, OHA and other state agencies initiated a workgroup to address per- and polyfluoroalkyl substances (PFAS) as emerging chemicals of concern in Oregon. As part of the interagency workgroup, the OHA and DEQ Drinking Water programs used Source Water Assessment data to develop and initiate a PFAS Screening and Assessment Project Plan to determine if and where PFAS may be present in Oregon's public water system drinking water sources. In conjunction with this plan, DEQ's laboratory began to develop analytical methods for testing capability.
- 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, eleven LOIs for DWSP projects were received:
 - Eight for surface water source protection projects, and
 - Three for groundwater source protection projects.
 - Of the eleven LOIs the program received; the program recommended all the projects for funding.
 - OHA also received four LOIs for Emergency Projects related to wildfire recovery efforts and one request for a special project to purchase restrictive easements in a sensitive watershed that was slated for timber harvest. OHA directed additional discretionary funds to support these projects with \$110,528 in grants and \$100,000 in partially forgivable loans.
- 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 552 water sources that have completed the monitoring requirement, 45 (8%) were 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 borrower 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 SFY2021 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 now applied to DWSRF awards for non-disadvantaged communities. No loan fee revenue was received in the reporting period or has been received to date.

V. Compliance with operating agreement and grant conditions

A. Conduct environmental reviews

OHA conducted environmental reviews of 12 projects during this reporting period. Those reviews resulted in issuing two findings of no significant impact and 10 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 thirteen reviews during this reporting period and approved all the projects.

D. Take payments based on a payment schedule

During SFY2021 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 loan
- Pay operation and maintenance costs, and
- Pay for other necessary expenses.

F. Federal Funding Accountability and Transparency Act (FFATA)

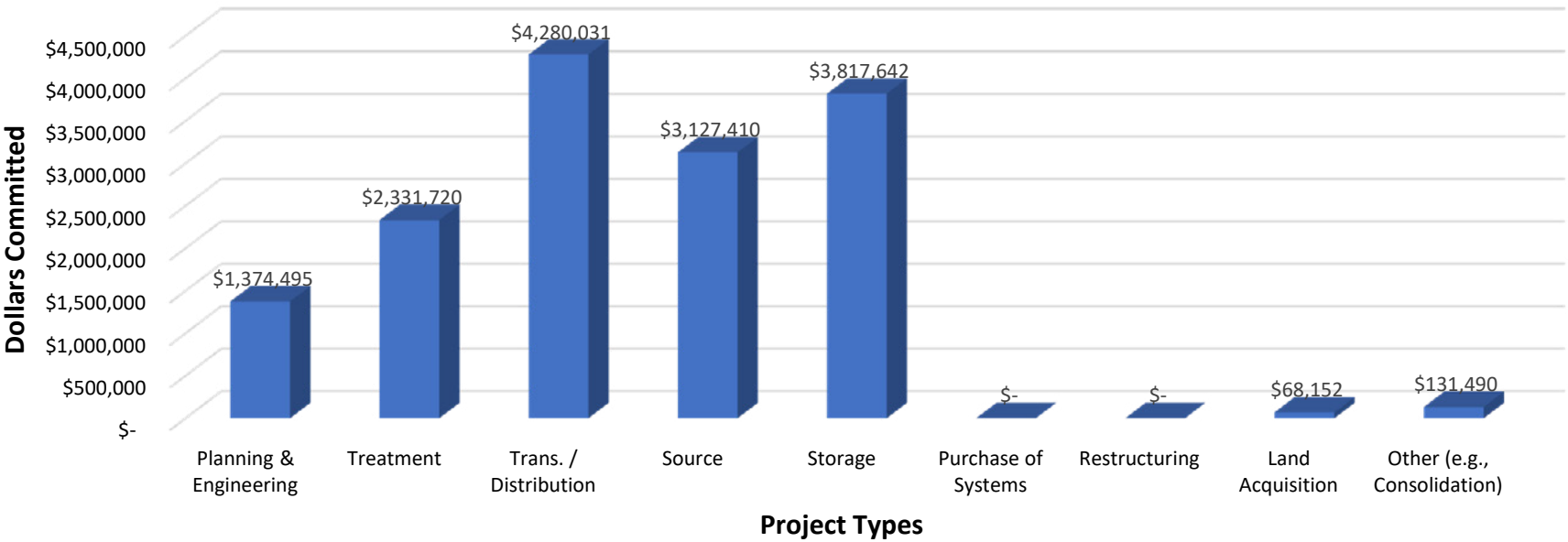
OHA and Business Oregon agree to enter relevant FFATA information into the FFATA Subaward Reporting System (FSRS) as required. FFATA reporting results will be shown in the report attachments, based on the newly issued EPA FFATA guidance. Reference Attachment B for SFY2021 FFATA results.

G. Disadvantaged Business Enterprise (DBE) – Minority Business Enterprises (MBE) and Women’s Business Enterprises (WBE)

OHA and Business Oregon agree to continue to track and report MBE and WBE disbursements and procurement activities based on our identified FFATA projects for each awarded grant phase. EPA Form 5700-52A will be submitted to our EPA partners to remain compliant with 40 Code of Federal Regulations (CFR), part 33 requirements.

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Annual DWSRF Project Type Totals (\$) (2021)
\$15,130,941



Appendix B: DWSRF Program Highlights (1997–2021) Pyramid

Oregon's DWSRF Program Highlights (SFY1997-2021)



Infrastructure Projects:

- * Executed Assistance Total Amount = **\$481 million**
- * Executed Assistance Projects = **330**
- * Total Assistance Provided to Systems with ≤10,000 in Population = **91%**

Technical Assistance (TA):

- * Number of Systems Provided TA by Circuit Rider = **2,099**

Subsidies & Disadvantaged Communities:

- * Total Amount of Subsidies Provided to Projects = **\$76 million**
- * Total Number of Projects Funded to Disadvantaged Communities = **116**
- * Total Population Served (by the project) in Disadvantaged Communities Who Received Funding = **276,123**

Non-Compliant Systems:

- * Total Assistance Provided to Non-Compliant Systems Trying to Achieve Compliance = **\$266 million**
- * Total Population Served to Non-Compliant Systems Trying to Achieve Compliance = **1,153,447**

Other DWSRF Funding Programs in Oregon:

- * Total Amount Subsidized for the Sustainable Infrastructure Planning Projects (SIPP), (SFY2015-2021) = **\$2,050,353 to 104 systems**
- * Total Amount awarded (i.e., grant & loan) for the Drinking Water Source Protection (DWSP) Program, (SFY2008-2021) = **\$2.7 million**



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

Phone: 971-673-040
Fax: 971-673-0694

You can get this document in other languages, large print, braille or a format you prefer. Contact Drinking Water Services at 971-673-0405 or email info.drinkingwater@dhsoha.state.or.us. We accept all relay calls or you can dial 711.

Attachment A

Drinking Water State Revolving Fund Program

SFY 2021 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 7/1/20 to 6/30/21.

PWS ID	Water System Name	SERP Action	Date
4103609	Minikahda WD	CE	8/19/2020
4100540	City of Monroe	CE	8/24/2020
4100977	Jackson Creek WA	CE	8/31/2020
4100081	City of Beaverton	Accepted FNSI	9/20/2020
4100548	Clark's Branch WA	CE	10/26/2020
4106155	Manzanita Hills HOA	CE	11/16/2020
4100520	City of Mill City	CE	11/23/2020
4100364	City of Halsey	CE	12/7/2020
4100603	Panther Creek WD	CE	12/8/2020
4101483	Angler's Cove/Shady Cove Heights	CE	3/1/2021
4100957	Winston-Dillard WD	FNSI	3/1/2021
4100731	City of Salem	CE	6/2/2021

Attachment B

Drinking Water State Revolving Fund Program

SFY 2021 Annual Report

OHA Central Accounting Documents (Schedules A, B & C)

Excluded from online publication

OHA Supporting Tables (Schedules D & E)

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

Schedule D: NEW FUNDED / COMMITTED PROJECTS FOR SFY2021								
PBR#	Water System	Dollar Amount	Primary Project Scope	Population Served	Small System (≤10,000)	Disadvantaged Community	Is this a SIPP Project?	Is this a SSEA Project?
S21011	City of Mount Vernon	\$ 20,000	Planning (feasibility)	525	Y	-	Y	-
S21002	Pine Grove Water District	\$ 360,000	Storage	180	Y	N	-	-
S21008	Heceta Water Peoples' Utility District	\$ 20,000	Planning (water rate)	4,921	Y	-	Y	-
S21009	Youngs River Lewis & Clark Water Dist.	\$ 20,000	Planning (seismic)	2,530	Y	-	Y	-
R20004	Minikahda Water District	\$ 191,360	Distribution, meters	25	Y	N	-	-
R21007	Angler's Cove Shady Cove Heights	\$ 45,090	Emergency backup generator	83	Y	Y	-	-
S20013	City of Mitchell	\$ 20,000	Planning (master plan)	127	Y	-	Y	-
S21007	City of Echo	\$ 20,000	Planning (master plan)	715	Y	-	Y	-
S21006	City of Halsey	\$ 115,500	Distribution, meters	800	Y	N	-	-
R21006	Whaleshead RV Park & Resort	\$ 20,000	Planning (feasibility)	166	Y	-	Y	-
S21005	Winston-Dillard Water District	\$ 3,596,500	Treatment (raw intake)	8,060	Y	N	-	-
S21004	City of Mill City	\$ 2,536,000	Distribution, meters	1,830	Y	N	-	-
R21005	Trollers Cove Water Association	\$ 296,311	Treatment, Distribution/Trans, Storage, Source	32	Y	N	-	-
S21003	City of Oakland	\$ 11,000	Planning (seismic)	954	Y	-	Y	-
R21002	Skyline View District	\$ 20,000	Planning (master plan)	250	Y	-	Y	-
R20002	Idleway Improvement District, Inc.	\$ 20,000	Planning (feasibility)	178	Y	-	Y	-
R21003	Manzanita Hills HOA	\$ 98,720	Treatment	27	Y	N	-	-
S20024	City of Sumpter	\$ 20,000	Planning (feasibility)	205	Y	-	Y	-
S20016	Nesika Beach-Ophir Water District	\$ 20,000	Planning (seismic)	1,500	Y	-	Y	-
S20022	Marcola Water District	\$ 20,000	Planning (master plan)	600	Y	-	Y	-
S20023	Fairview Water District	\$ 20,000	Planning (system partnership)	1,540	Y	-	Y	-
R20008	Parkdale Water Co., Inc.	\$ 20,000	Planning (feasibility)	867	Y	-	Y	-
R21001	Falcon Heights Water	\$ 20,000	Planning (feasibility)	559	Y	-	Y	-
R20009	Mt. Angel Abbey and Seminary	\$ 20,000	Planning (master plan)	170	Y	-	Y	-
**Total		\$ 7,550,481	Total	26,844				
Drinking Water Source Protection (set-aside expenses ONLY)		\$ 247,378	DWSP grant/loan program awards/expenses 2021 DWSP Project Priority List	n/a	n/a	n/a	n/a	n/a
Drinking Water Source Protection (Repayment Fund Activities ONLY) ***		\$ 158,845						

* Per SFY2021 EPA's federal database (formerly NIMS & PBR), OHA & Business Oregon Records

** Project totals equal \$7,550,481 (per SRF data system). Of the \$15,130,941 reported (data system line 125) for SFY2021, \$7,580,460 was incorporated from changes to existing assistance agreements.

*** DWSP Repayment Fund Activities total, \$158,845 includes activities that OHA partners, Business Oregon, reimbursed project expenses using the DWSP project repayment fund. The repayment fund will be reimbursed by the 2021 DWSRF Grant Agreement/Award per our Local Assistance - DWSP set-aside activity work plan.

Schedule E

2020 FFATA Reportable Project List (including Set-Asides) for SFY2021

Applicant	Applicant Number	Amount
City of Sutherlin	S19026	\$ 3,937,773
City of Gold Beach	S21001	\$ 4,000,000
Winston Dillard Water Company	S21005	\$ 1,358,257
Set-Asides	n/a	\$ 5,190,970
FFATA Reportable Total:		\$ 14,487,000

SFY-2021 DWSRF FFATA Reportable *Set-Aside* Contracts ≥\$30,000 ONLY

Contracts		Contract # (if avail.)	Fiscal Yr. - not to exceed Contract Amount	FSRS Req?	Reason if not Req?
Circuit Rider (Civil West)		152746	\$ 975,000	No	Vendor Contracts are N/A
Counties* 7 of 26 contracts (Annual)	Clackamas	159803	\$ 53,091	Yes	
	Deschutes	159809	\$ 33,791	Yes	
	Jackson	159814	\$ 37,809	Yes	
	Josephine	159816	\$ 33,781	Yes	
	Lane	159819	\$ 50,325	Yes	
	Linn	159821	\$ 36,229	Yes	
	Marion	159823	\$ 42,797	Yes	
Dept. of Agriculture		159853	\$ 25,386	No	Federal entities are N/A
OAWU (\$5,965/class)		158366	\$ 596,500	No	Vendor Contracts are N/A
Needs Survey - TBD		TBD	\$ -	No	Vendor Contracts are N/A
DWSP (Grants)	<i>Business Oregon to Manage (grants ≥\$25,000)</i>			Yes	
Only County Set-Aside FFATA TOTALS:			\$ 287,823		

PHD-PE50 Disclaimer:

All FSRS reported *Set-Aside* contracts shown above are to be associated to CFDA: 66.468 and FAIN: 98009019 & 98009020.

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, remains at \$25,000).

End of Report

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