



# Drinking Water State Revolving Fund (DWSRF)

## Responses to Public Comments

April 26, 2024

The purpose of this document is to provide written, public responses to comments received during the **Intended Use Plan’s (IUP) public comment period (i.e., Monday, March 11, through Thursday, April 11, 2024)** for the **2023 Bipartisan Infrastructure Law - Emerging Contaminants IUP**. IUP public notices for comments and public responses are published here,

<https://www.oregon.gov/oha/PH/HEALTHYENVIRONMENTS/DRINKINGWATER/SRF/Pages/iup.aspx>.

Commenter	Summary of Comments Received	Response
1. Verde	Streamline Language, Explain Specialized Terms, And Standardize IUP Document Format	<p><b>Staff from Oregon Health Authority (OHA) and Business Oregon (the agencies) will continue to work on improvements with each IUP developed.</b></p> <p><b>Staff will work to identify complex language, technical jargon, and specialized terms that may pose challenges for stakeholders. The primary purpose of the IUP is an application by OHA to the U.S. Environmental Protection Agency (EPA) for funding through the Drinking Water State Revolving Fund (DWSRF) and Bipartisan Infrastructure Law (BIL). The EPA, through guidance and the Code of Federal Regulations (CFR) requires certain content be provided in the IUP and thus some specialized information must be included to obtain the funding for the state. The agencies will continue to seek out specialized terms within the IUP and use plain language as much as possible without compromising the accuracy, integrity, adequacy of the information.</b></p> <p><b>OHA and Business Oregon are working to improve the flow and readability of the IUP and continue to work to both streamline and improve the accessibility of the document, while also providing required elements to the EPA, including mandated formats. This is an iterative and ongoing process.</b></p>
	Recommend Oregon Health Authority (OHA) and/or Business	<p><b>Thank you, this comment has been acknowledged by program staff and will be considered. The agencies will continue to work on providing more opportunities for engagement as</b></p>

<p>Oregon host webinars to provide an opportunity for stakeholders to ask questions and receive updates on Oregon’s Drinking Water State Revolving Fund (DWSRF)</p>	<p><b>staff capacity allows. Please feel free to contact DWSRF contacts or regional Business Oregon staff with questions regarding the program’s operation.</b></p>
<p>Clarify IUPs are offered in languages other than English.</p>	<p><b>Clarifying language has been added to the IUP page describing that documents in other languages, large print, braille, or other alternative formats can be requested by contacting OHA at 971-673-0405 or email <a href="mailto:info.drinkingwater@dhsosha.state.or.us">info.drinkingwater@dhsosha.state.or.us</a>.</b></p>
<p>Revise the Disadvantage Communities definition, suggestion to use multiple criteria, and recommendation of public engagement.</p>	<p><b>The agencies are actively working with a third-party and the EPA to gather and compile information regarding revising the definition. The process was initiated in January 2024 and is ongoing. Multiple criteria for disadvantaged community definition are being thoroughly considered.</b></p> <p><b>The recommendations and resources provided in the public comment are received and will be considered in the process. There will be opportunities for stakeholder engagement, following the current internal process of researching and critically evaluating the definition.</b></p>
<p>Use set-asides to expand technical assistance programs to include targeted outreach, especially those on the Priority Non-Compliance List, community engagement, and project support</p>	<p><b>Current technical assistance supported by set-asides include:</b></p> <ul style="list-style-type: none"> <li>• <b>The Small System Technical Assistance Program which provides access to the Technical Assistance Circuit Rider program. This program provides free technical assistance to help water systems trouble shoot operational issues, managerial challenges, and includes assistance in completing documents needed for funding.</b></li> <li>• <b>The Capacity Development Program aids water systems in the areas of Technical, Managerial and Financial capacity.</b></li> </ul> <p><b>Systems on the priority non-compliance (PNC) list are reviewed routinely and targeted for assistance using DWSRF Technical Assistance funding.</b></p>

		<p><b>For more information about these programs contact OHA. Phone: 971-673-0405 (OHA Drinking Water Services main phone line) Email: <a href="mailto:dws.srf@odhsoha.oregon.gov">dws.srf@odhsoha.oregon.gov</a></b></p> <p><b>Rural Community Assistance Corporation (RCAC) is serving as the Environmental Finance Center (EFC) for the U.S. EPA Region 10 – Alaska, Washington, Oregon, and Idaho. RCAC’s EFC is providing technical assistance to Tribes and rural communities to increase access to and resiliency of their water and wastewater infrastructure systems, among other needs. Business Oregon and OHA coordinate with RCAC to connect communities with technical assistance that helps meet their needs. Access to EPA and RCAC’s free technical assistance can be requested via: <a href="https://www.epa.gov/water-infrastructure/water-technical-assistance-programs">https://www.epa.gov/water-infrastructure/water-technical-assistance-programs</a></b></p> <p><b>Staff from both agencies work closely with water systems to identify the best funding program to meet their needs, troubleshoot capacity to support loans, and provide assistance during project development and implementation.</b></p> <p><b>Business Oregon is examining opportunities to utilize best practices for community engagement around water systems (under development by Oregon Water Resources Department in response to HB3293) and is exploring opportunities to support water systems with increased community engagement capacity and funding. This is still in a development phase.</b></p>
	<p>Seeking information about existing technical assistance that is currently provided to meet federal requirements (e.g. Davis Bacon, Build America Buy America, etc.). Are these federal requirements barriers to determining project “readiness to proceed”.</p>	<p><b>Federal requirements can be complex and multifaceted. The program is looking to formally adopt equivalency so that a subset of the applicable federal requirements is only applicable to the projects funded with the federally awarded grant money instead of applying all criteria to all projects. Because the state revolving loan fund program is comprised of a mix of sources including the federal capitalization grant, repayment dollars, and interest, the EPA allows for states to consider only a subset of dollars going out to recipient water systems as federal dollars, with the associated projects having certain additional federal requirements such as Build America, Buy America (BABA) and Single Audit; these are called “equivalency projects”.</b></p> <p><b>Equivalency does not remove all federal requirements, such as Davis Bacon and Environmental Review, but will alleviate some additional requirements, such as Single Audit and Build America Buy America. The federally funded programs under the Infrastructure Finance Authority frequently coordinate to seek a streamlined and</b></p>

		<p>coordinated approach to implementing federal requirements. Improvements in this area are an ongoing and iterative process and are planned to be detailed in a future update to the Oregon Safe Drinking Water Revolving Loan Fund Handbook.</p> <p>Assistance for compliance with Davis Bacon and other federal requirements is provided to funding recipients by awarding additional forgivable loan (subsidy) specifically for these costs. More information is detailed in the Safe Drinking Water Revolving Loan Fund (SDWRLF) Financing Details document for the program, available on Business Oregon’s <a href="#">Safe Drinking Water Revolving Loan Fund website</a>. Third-party professionals are typically hired for this compliance role and may act as a liaison between the funding recipient and the Business Oregon Regional Project Manager to limit the administrative burden on the community. These special forgivable loan allocations are captured in the SDWRLF funding contract as special budget line items.</p> <p>Costs associated with adhering to Davis-Bacon labor standards compliance for construction projects may be awarded forgivable loan for up to 100% of actual costs, not to exceed \$15,000. Additionally, eligible costs for administration of applicable federal provisions may be awarded principal forgiveness for up to 100% of actual costs, not to exceed \$15,000. Activities eligible for this budget line items are as follows:</p> <ul style="list-style-type: none"> <li>• American Iron and Steel tracking and compliance.</li> <li>• Build America-Buy America tracking and compliance.</li> <li>• Procurement and contracting.</li> <li>• Compliance with EPA’s Disadvantaged Business Enterprise Program including following the “Six Good Faith Efforts” during procurement of construction, equipment, services, and supplies.</li> <li>• Other costs associated with federal requirement compliance as approved by Business Oregon.</li> </ul>
	<p>Seeking information about what support and technical assistance was offered for systems that are deemed not ready to proceed. &amp;</p>	<p>The Letter of Interest submission process is characterized as a no obligation way to begin to engage with the program. The value of detailing on the IUP each individual water system’s lack of desire to move forward after inviting application from that Interest Letter is uncertain and is not currently being considered. Overall, the decision not to move forward with an infrastructure project can result from a combination of financial, environmental, social, political, technical, and legal factors, as well as shifts in community priorities and economic conditions. Federal requirements are communicated up front with communities and factored into project cost and financial capacity considerations. Still,</p>

	<p>Provide Summary on Projects “Not Ready to Proceed”, Technical Assistance Provided/Offered/Type, And Reasons Deemed “Not Ready to Proceed”</p>	<p><b>they are generally not a significant determiner of “readiness to proceed” when inviting a community to apply for funding.</b></p> <p><b>Business Oregon continues to evaluate ways to highlight the support offered and provided to those water systems that may not be in the position to borrow money at this time including technical assistance resources available and guidance from Business Oregon Regional Project Managers and Public Finance Officers who are ready to help in any way to meet public water system funding needs.</b></p>
	<p>Protections Or Policies in Place to Protect Existing Community Members From Affording Utility Bills After Water Infrastructure Upgrades Are Made?</p>	<p><b>Business Oregon and OHA provide assistance to water systems to help them identify cost-saving opportunities, optimize project designs, and navigate regulatory requirements. For a water system to be considered for funding in the DWSRF, it's crucial to demonstrate the feasibility of the proposed project. This can be effectively done with a Feasibility Study, a document stamped and signed by the engineer responsible for the work and licensed in Oregon, or an up-to-date Water Master Plan with accompanying documentation. This documentation should include an estimate of the project's up-to-date costs, alternatives, materials, labor, a contingency budget, and other expenses. Moreover, the study should incorporate an operational feasibility analysis, identifying the costs for ongoing operation, maintenance, and long-term water system replacement. Feasibility studies can be funded with the DWSRF with a 100% forgivable loan in the Sustainable Infrastructure Planning Projects (SIPP) program. The study will provide the community with a resource to analyze actual costs associated with a project and is intended to additionally open conversations at the local and state levels to discuss affordability and the system's continued operation following an infrastructure project.</b></p> <p><b>Business Oregon employs skilled Finance Officers who critically evaluate the rate burden for a community during a financial capacity review of the project. The review analyzes the ability of a water system to acquire and manage sufficient financial resources by generating enough revenue, maintaining creditworthiness, and working system funds through budgeting, accounting, and other methods of fiscal control. A project could be funded in phases or adjusted in scope following an open discussion with the water system’s elected officials or decision makers when there are concerns regarding the affordability of a project. Disadvantaged communities with high water rates are awarded higher forgivable loan amounts, subsidized interest rates, and a waived loan fee to offset any rate increases expected with funding the project. The state agencies are committed to addressing and evaluating water affordability while balancing the vast needs for</b></p>

		<b>infrastructure improvements across the state and ensuring the sustainability of system operations for the long-term.</b>
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