



Drinking Water State Revolving Fund (DWSRF)

Responses to Public Comments

February 22, 2024

The purpose of this document is to provide written, public responses to comments received during the **2023 Intended Use Plan’s (IUP) public comment period (i.e., 12/18/23 to 01/18/24)** for the **DWSRF (base) and Bipartisan Infrastructure Law (BIL) - General Supplemental Programs**. 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 in the Intended Use Plan (IUP) to help improve accessibility and clarity	Staff from Oregon Health Authority (OHA) and Business Oregon (the agencies) will continue to work on improvements with each IUP developed. 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.
	Recommend Oregon Health Authority (OHA) and/or Business Oregon host webinars to provide an opportunity for	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 staff capacity allows. Please feel free to contact DWSRF contacts or regional Business Oregon staff with questions regarding the program’s operation.

<p>stakeholders to ask questions and receive updates on Oregon's Drinking Water State Revolving Fund (DWSRF)</p>	
<p>Standardize the format of all Intended Use Plan (IUP) documents to make it easier for stakeholders to navigate them.</p>	<p>The primary purpose of the IUP is an application by OHA to the U.S. Environmental Protection Agency (EPA) for funding through the DWSRF and Bipartisan Infrastructure Law (BIL). The EPA, through guidance and Code of Federal Regulations (CFR) requires certain content be provided in the plan. Because of BIL and new funding streams, some elements of the plan are expanded and modified with each IUP to address the specifics of the funding targeted in the IUP.</p> <p>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.</p>
<p>Include a brief description of each project included in the IUP or in an appendix to the IUP</p>	<p>The list of submitted Letter of Interests (LOIs) with details regarding each project is publicly available within the Infrastructure Project Priority List (PPL) located on the following webpage: https://www.oregon.gov/oha/ph/healthyenvironments/drinkingwater/srf/pages/ppl.aspx</p> <p>The downloadable PPL is intended to serve as a one-stop resource to find most project details instead of sifting through the IUP appendices. Interested parties may also contact the agencies for more information.</p>
<p>Consider offering printed IUPs</p>	<p>IUPs in alternate formats can be requested by contacting OHA at 971-673-0405 or email info.drinkingwater@dhsoha.state.or.us.</p>
<p>Offer IUPs in languages other than English to people that request it</p>	<p>Documents in other languages, large print, braille, or other alternative formats can be requested by contacting OHA at 971-673-0405 or email info.drinkingwater@dhsoha.state.or.us.</p>

	<p>Provide a map that indicates all projects' geographical scope</p>	<p>Thank you, this comment has been acknowledged by program staff and will be considered. Currently OHA does not have staff capacity for creating a map to include in the IUP.</p> <p>For projects that are funded, at this time Business Oregon (or OHA) does not have a public facing map of water system projects that have been funded under the Drinking Water State Revolving Fund. In the future and depending on resources and capacity, the agencies will consider incorporating public facing geographical resources to demonstrate the communities served across the state. Business Oregon has information on project investments that can be found at https://www.oregon.gov/biz/reports/investment-reports/Pages/default.aspx.</p>
	<p>Revise tables in the IUP to be presented in a reader-friendly format that allows for quick comprehension; describe how to read the technical tables</p>	<p>Staff from OHA and Business Oregon will continue to work on improving the format and presentation of technical tables with each IUP developed while also ensuring the agencies are providing the specific information to the EPA to fulfill the purpose of the IUP as a grant application.</p>
	<p>In the Project Priority List (PPL), include information about how many people are served by the water system</p>	<p>Currently, the population served for each water system on the PPL can be found in the spreadsheet cell in which the water system name (applicant) is identified.</p>
	<p>Provide a list of all projects that submitted a Letter of Interest (LOI), which projects are eligible, and</p>	<p>All Letters of Interest (LOI) are evaluated for eligibility. If an LOI has ineligible activities detailed, program staff communicate with the prospective applicant to identify eligible activities. If ineligible activities are identified, this is communicated directly with the prospective applicant. Opportunity to change or address project activities are offered to prospective applicants to achieve eligibility.</p>

	<p>which are not eligible. For those deemed not eligible, include what steps were taken the address the reason for ineligibility.</p>	<p>Ineligible projects are very rare. In 2023, all 42 LOIs submitted were eligible or achieved eligibility. If a project is deemed ineligible and cannot achieve eligibility, they are not included in the IUP because the IUP is outlining the intended use of the funds to be received for the DWSRF, which will not include ineligible projects.</p> <p>Staff will review the PPL and consider whether to indicate ineligible projects on the PPL in the future.</p>
	<p>Announce release of IUPs and start of the public comment period on the day of release.</p> <p>Announce upcoming public comment period in advance of the actual IUP release date.</p>	<p>OHA utilizes its List Serv messaging platform to announce each open IUP public comment period. This goes out to more than 8,000 interested parties. OHA sends this announcement ahead of the comment period start date whenever possible. To sign up to receive announcements, go to:</p> <p>https://public.govdelivery.com/accounts/ORDHS/subscriber/new?qsp=ORDHS_18</p>
	<p>Consider the timing of public comment period (e.g. avoid holiday season)</p>	<p>The agencies recognize and understand this concern; however, time is of the essence when it comes to applying for and managing annual grant applications. Unfortunately, this may mean that on occasion, the IUP is released for public comments during the holiday season.</p>
	<p>Include a summary or table of public comments, responses, and actions taken or changes made</p>	<p>The agencies are currently considering multiple options for format and process of summarizing public comments received and sharing responses. Oregon Health Authority and Business Oregon are committed to transparency in managing the DWSRF program.</p>

	<p>Revise Disadvantage Communities definition, with recommendations provided for the process</p>	<p>The agencies are currently 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.</p> <p>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.</p>
	<p>Use set-asides to expand technical assistance programs to include targeted outreach, community engagement, and project support</p>	<p>Current technical assistance supported by set-asides include:</p> <ul style="list-style-type: none"> • 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. • The Capacity Development Program aids water systems in the areas of Technical, Managerial and Financial capacity. <p>For more information about these programs contact OHA. Phone: 971-673-0405 (OHA Drinking Water Services main phone line) Email: dws.srf@odhsoha.oregon.gov</p> <p>EPA offers free technical assistance as well, requested via: https://www.epa.gov/water-infrastructure/water-technical-assistance-programs</p> <p>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.</p> <p>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.</p>
	<p>Seeking information about existing technical assistance that is</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 Safe Drinking Water Revolving Loan Fund website. Third-party professionals are typically</p>

	<p>currently provided to meet federal requirements (e.g. Davis Bacon, Build America Buy America, etc.)</p>	<p>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"> • American Iron and Steel tracking and compliance. • Build America-Buy America tracking and compliance. • Procurement and contracting. • Compliance with EPA’s Disadvantaged Business Enterprise Program including following the “Six Good Faith Efforts” during procurement of construction, equipment, services, and supplies. • Other costs associated with federal requirement compliance as approved by Business Oregon.
	<p>Seeking information about what support and technical assistance was offered for systems that are deemed not ready to proceed.</p>	<p>Prior to and throughout the application process, Business Oregon staff work with the water systems to understand their needs and determine the optimal funding and financing scenario for them. Staff coordinate to assess which state or federal programs give the best options to meet the needs of the water system and complete the proposed activities based on eligibility, affordability, and program requirements. Business Oregon staff provide “One-Stop” meetings in which the community learns about a range of grant and loan programs from the various program staff. These meetings include funders from other agencies. The most advantageous funding scenario is identified during these meetings based on applicant eligibility and program limitations.</p> <p>The DWSRF loan fund is the Safe Drinking Water Revolving Loan Fund (SDWRLF). SDWRLF Letter of Interest (LOI) submission represents a no-obligation form for water systems to signal interest in funding and does not include verification of financial capacity or willingness to borrow. The LOI is followed by a formal application form that includes a financial pro forma and requests detail about revenue the water system pledges to repay the loan.</p>

		<p>SDWRLF loan repayment may include pledges of utility revenues or other revenue funds. A water system debt coverage ratio of 1.20 is required and must be maintained. Additional security pledges such as debt service reserves, real or personal property, personal guaranties, or other collateral also are considered. A municipal borrower must pledge its full faith and credit, unless by law, they cannot.</p> <p>A not ready to proceed determination generally is a result of a water system not demonstrating a willingness to take on a loan from the SDWRLF that must be repaid.</p> <p>The U.S. Environmental Protection Agency (EPA) requires states to expeditiously use funding awards provided and loan repayment dollars received. EPA requires the state to assess the financial capacity of each borrower. If a water system is unwilling to take on a loan or does not follow up on steps needed to perform loan underwriting and assess financial capacity, the water system is bypassed on the PPL and deemed not yet ready to proceed. During the next opportunity to allocate available funds to projects, the water system deemed not ready to proceed will be contacted and provided another opportunity to apply. LOIs stay on the PPL for two years but water systems can reapply. Business Oregon has Public Finance Officers available to answer any questions and modest forgivable loan awards are available if a water system needs to perform user rate studies that would put them in the position to be able to demonstrate the ability to repay a loan.</p> <p>In the rare instance a water system lacks the necessary feasibility documentation completed by a licensed engineer that is required to apply for funding, Business Oregon provides a forgivable loans or grant award to conduct a feasibility analysis.</p>
	<p>In the IUP, provide an appendix with a list of projects deemed “not ready”, with information about why they are not ready, what support was offered for their project</p>	<p>See response above. Funding through the Drinking Water State Revolving (DWSRF) is primarily loan funding. A not ready to proceed determination generally is a result of a water system not demonstrating a willingness to take on a loan from the SDWRLF that must be repaid. Business Oregon has Public Finance Officers available to answer any questions and modest forgivable loan awards are available if a water system needs to perform user rate studies that would put them in the position to be able to demonstrate the ability to repay a loan. Business Oregon’s infrastructure Regional Project Managers and Regional Development Officers support and assist communities to build infrastructure capacity, and systems are offered time to decide on their willingness to take on a loan.</p>

		<p>In the rare instance a water system lacks the necessary feasibility documentation completed by a licensed engineer that is required to apply for funding, Business Oregon provides a forgivable loans or grant award to conduct feasibility analysis.</p> <p>Since the Letter of Interest process is characterized as a no obligation way to signal a funding need, the value of detailing in the IUP individual water system’s lack of desire to borrow money and move forward with financial capacity assessment is uncertain. Business Oregon would like to find 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.</p>
	<p>Evaluate and update program goals for the DWSRF. Comment encourages explicit inclusion of goals related to projects on the priority non-compliance list, water affordability, community benefits, and/or disadvantaged communities. Seeks more specific goals.</p>	<p>Thank you, this comment has been acknowledged by program staff and agencies will continue to work on defining program goals in accordance with federal funding requirements.</p> <p>In addition, the program continues to focus on how to best assist priority communities with health / non-compliance issues and small and disadvantaged communities. Program delivery, increased use of subsidies, reducing the burden of federal compliance to the extent possible (through subsidy assistance and/or implementation of “equivalency”) are examples of these efforts.</p>
	<p>Include water projects that address climate change and natural disaster mitigation and/or</p>	<p>Current funding programs already address projects related to climate change and natural disaster mitigation.</p> <p>Emergency project criteria currently address reasonably unexpected and unpreventable occurrence of disaster or catastrophes such as wildfires, droughts, earthquakes, tsunamis,</p>

	<p>adaptation as an eligible “emergency project” or as another funding program of the DWSRF program</p>	<p>and floods that have been declared an emergency by the state, county, local authorities, or the Governor’s Office.</p> <p>Separate from the DWSRF program, Business Oregon also manages the state-funded Water/Wastewater financing program. This program finances drinking water projects that address an urgent community drinking water health risk or water supply concern, wastewater projects that address an urgent surface water or groundwater quality concern, and urgent stormwater projects that reduce community vulnerability to flooding. Eligible entities are “Municipalities,” which include cities, counties, tribal councils, county service districts and special districts defined in ORS 198.010 and can provide loan funding and potential grant.</p>
--	---	--