

# Proposed Rulemaking Announcement

## Clean Water State Revolving Fund - Use of Federal Funds



State of Oregon  
Department of  
Environmental  
Quality

### Background

Congress recently included additional provisions for funding appropriated to the nation's Clean Water State Revolving Fund loan program. State CWSRF loan programs are required to offer their borrowers additional subsidization and establish a financial reserve to fund "green projects" such as green infrastructure, water or energy efficiency improvements, and other environmentally innovative activities.

### Why are the rule changes needed?

The Oregon Department of Environmental Quality must amend its Clean Water State Revolving Fund loan program administrative rules to address the latest federal requirements. Without these rule revisions, Oregon's CWSRF loan program will not be eligible for federal capitalization grants.

### What is the objective of this rulemaking?

A temporary rulemaking, adopted in April 2010, incorporated the latest federal requirements into the Clean Water State Revolving Fund loan program. This rulemaking's objective is to ensure the temporary revisions are permanent. If adopted, the rule revisions will allow DEQ's loan program to offer additional subsidization in the form of principal forgiveness to eligible borrowers and establish a funding reserve for green projects.

### Who may be affected?

Public agencies (cities, counties, Indian tribal governments, sanitary districts, soil and water conservation districts, irrigation districts, various special districts and intergovernmental entities) benefit directly if their projects are eligible for principal forgiveness or determined to qualify as green projects. Oregonians will benefit from projects providing water quality improvements to state waters. Actual loan awards depend on the availability of program funds and funding priorities as established in rule.

### How was this proposal developed?

DEQ developed this rulemaking based on provisions required by federal funding. It relied on the following principal documents to prepare this rule:

- The October 2009 Interior Appropriations Conference Summary (PDF)
- H.R.2996 – "Making appropriations for the Department of the Interior, environment, and related agencies for the fiscal year ending Sept. 30, 2010, and for other purposes"
- Oregon Administrative Rules Chapter 340, Division 54

Copies of these documents can be reviewed at DEQ's headquarters office at 811 S.W. Sixth Ave. Portland, Oregon. Contact Larry McAllister at (503) 229-6412, or call toll-free in Oregon at 1 800 452-4011 x6412 for times when documents are available for review. These documents are also available online at:

<http://www.deq.state.or.us/wq/loans/loans.htm>

DEQ convened a financial workgroup representing the Oregon Business Development Department, USDA Rural Development, special districts, and large and small communities. The workgroup discussed options for providing the additional subsidization as required by Congress. DEQ informed all applicants listed on the program's intended use plan in December 2009 of the additional subsidization and financial reserve established for green projects.

### Additional materials available

- Proposed rule changes
- Statement of need and fiscal impact
- Land-use evaluation statement
- Relationship to federal requirements

The above documents provide more information about this proposed rulemaking and can be viewed at "Proposed Rule Revisions"

[www.deq.state.or.us/regulations/rulesandlaws.htm](http://www.deq.state.or.us/regulations/rulesandlaws.htm)

### How to Comment

Comments on the proposed rulemaking may be submitted in writing via mail, fax or e-mail at any time prior to the comment deadline of 5 p.m. Aug 9, 2010. Written and oral comments can be submitted during any of the public hearings specified below. It is not necessary to attend a hearing in order to comment. Written comments

### Water Quality Division

811 SW 6<sup>th</sup> Avenue  
Portland, OR 97204  
Phone: (503) 229-6412  
(800) 452-4011  
Fax: (503) 229-6037  
Contact: Larry McAllister  
[SRFrule@deq.state.or.us](mailto:SRFrule@deq.state.or.us)  
[www.oregon.gov/DEQ/](http://www.oregon.gov/DEQ/)

The Department and the EQC have the statutory authority to address this issue under ORS 468.020; ORS 468.423 - 468.440. These rules implement ORS 468.423 - 468.440.



received prior to the deadline are treated equally with oral comments.

Written comments may be mailed to Larry McAllister, Oregon DEQ, Water Quality Division, 811 SW Sixth Ave. Portland, Oregon 97204-1390.

Comments may be faxed to Larry McAllister at (503) 229-6037 or e-mailed to:  
[SRFrule@deq.state.or.us](mailto:SRFrule@deq.state.or.us)

(E-mail comments will be acknowledged immediately. Comments and attachments are limited to 10 MB. If you do not receive an automatic response, or your comments and attachments will exceed this limit, please contact the DEQ staff listed above)

If there is a delay between servers, e-mails may not be received before the deadline for comments.

### Public hearings

Public hearings will be held at three locations throughout the state beginning Aug 2. DEQ will begin each hearing with a brief overview of the proposed rule changes, followed by the opportunity for members of the public to provide oral and written comment. DEQ will record and review all comments.

- **Portland: Monday, Aug. 2, 6 p.m.,**  
DEQ headquarters, 811 SW Sixth Ave.,  
10<sup>th</sup> floor,  
Presiding Officer - Larry McAllister,  
DEQ
- **Medford: Monday, Aug. 2, 6 p.m.,**  
Jackson County Community Center,  
1101 W. Main St., Suite 101,  
Presiding Officer – Jaime Isaza, DEQ
- **Pendleton: Tuesday, Aug. 3, 6 p.m.,**  
St. Anthony’s Hospital, 1601 SE Court  
Ave., Cascade Room,  
Presiding Officer – Larry McAllister,  
DEQ

### Comment deadline is Monday, Aug 9.

All comments are due to DEQ by 5 p.m.

Monday, Aug. 9

DEQ cannot consider comments from any party **received** after the deadline for public comment.

### How will rules be adopted?

DEQ will prepare a response to all comments received during the public hearing and comment period and may modify the proposed rules. DEQ plans to recommend that the Oregon Environmental Quality Commission adopt the rules at its October 21-22, 2010 meeting. DEQ will notify persons of the time and place for final commission action if they submit comments during a hearing or comment period or request to be placed on DEQ’s mailing list for this rulemaking.

### Accessibility information

DEQ is committed to accommodating people with disabilities. Please notify DEQ of any special physical or language accommodations or if you need information in large print, Braille or another format. To make these arrangements, contact DEQ Communications and Outreach at (503) 229-5696 or call toll-free in Oregon at (800) 452-4011; fax to (503) 229-6762; or e-mail [deqinfo@deq.state.or.us](mailto:deqinfo@deq.state.or.us).

People with hearing impairments may call 711.