

Point Source Application Instructions



State of Oregon
Department of
Environmental
Quality

These are instructions for completing the **Point Source Application** to the Clean Water State Revolving Fund loan program. The completed application should provide DEQ staff with a comprehensive understanding of the project's water quality benefits. The application contains seven sections:

1. Project Description
2. Waterbody
3. Water Quality/Public Health Benefits
4. Education, Involvement and Technology
5. Green Project
6. Program Schedule and Budgeting
7. Supporting Documents and Certification

The application form allows detailed responses to questions. If the applicant needs additional space to respond to a question, provide that information, well labeled, as a separate attachment. When required, DEQ recommends the applicant submit any additional documentation as a specific "attachment" to the application.

In addition to the application, applicants must submit all applicable exhibits required in the **Checklist of Application Requirements** found at <http://www.deq.state.or.us/wq/loans/apps.htm> under Point Source Application Process.

Applicants should work closely with their CWSRF Project Officer when completing the application. Page 18 of the application contains a listing of DEQ Project Officers. In addition, the CWSRF webpage at <http://www.deq.state.or.us/wq/loans/contacts.htm> lists CWSRF contacts.

**Clean Water State
Revolving Fund
Loan Program**
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Portland, OR 97204
Phone: (503) 229-5696
(800) 452-4011
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www.oregon.gov/DEQ

Section 1: Project Description

1. **Public Agency/Legal Applicant.** Provide complete contact information. Include the entire zip code + 4 information.
2. **Project Contact Person.** Provide specific contact information for the person coordinating the project for the applicant.
3. **Congressional District.** Indicate the congressional district for the public entity's location.
4. **Indian tribal government.** Indicate whether the applicant is a federally recognized Indian tribal government.
5. **DUNS number.** The federal government has adopted the use of DUNS numbers to track the award and disbursement of federal money. Enter your agency's nine-digit DUNS number.
6. **Project Type.** Check the appropriate box. Loans may be for design, design and construction, or construction only.
7. **CWSRF Loan Request.** Enter the total amount requested. If the project does not require the full amount indicated here, DEQ will amend the loan amount at the completion of the project.
8. **Project Description.** Provide enough detail to ensure DEQ has a clear understanding of the need, intent and scope of the proposed project.
9. **Project Location.** Complete this question if the project's location is different from the location of the public entity.
10. **Congressional District.** Indicate the congressional district(s) of the project's location (this may be different from the location of the public entity's office).
11. **National Estuary program.** Indicate if the project is located within either the Tillamook Bay or the Lower Columbia River estuary.
12. **Total Estimated Project Cost.** This figure represents the total estimated cost of the entire project.
13. **Project Categories.** Indicate the percentage of the CWSRF loan funds for each category (these are EPA defined categories and this information is for reporting purposes only).
14. **Expected project outcomes.** Indicate if the project will protect or restore any of the listed outcomes.
15. **Permit information.** Enter the system's NPDES or WPCF permit number. Attach "Schedule A" from the permit.
16. **Wastewater Volume.** Provide the design flow for both the current system and the proposed project.

17. **Conserved flow.** Indicate the change in volume of water due to the proposed project.
18. **Discharge information.** Indicate the proposed project's type of seasonal discharge. If the type of discharge remains the same or there is no discharge, indicate this by marking the last box in the columns.

Section 2: Waterbody

19. **Waterbody discharge.** Provide the name and hydrologic unit code for each water body affected by the project's discharge.
20. **Designated beneficial uses.** For each applicable beneficial use, indicate if the proposed project will protect or restore that use.
21. **Limited or impaired waters.** Explain how and to what extent this project will reduce or eliminate a pollutant limiting or impairing the waterbody.
22. **Water quality improvement or maintenance.** Answer the four questions (a-d) by checking the most accurate answer.
23. **Mitigating water quality parameters.** Describe how the project will mitigate adverse impacts of any of these water quality parameters or priority pollutants. Describe the level of mitigation of each.
24. **Special Status waterbody.** Indicate which designation, if any, in Appendix B qualifies the waterbody as a special status waterbody.

Section 3: Water Quality/Public Health Benefits

25. **Surface water related noncompliance.** If the project addresses a noncompliance issue, describe that mitigation. If available, submit documentation of the noncompliance issue.
26. **Groundwater related noncompliance.** If the project addresses a groundwater noncompliance issue, describe how the project mitigates that noncompliance. Submit documentation of the noncompliance issue if available.
27. **Noncompliance issue or enforcement action.** Indicate which enforcement/violation action(s) occurred and submit documentation.
28. **Addresses an enforcement action or noncompliance.** Describe how the proposed project satisfies the enforcement action or addresses the noncompliance issue.
29. **Ensuring compliance.** If the proposed project ensures continued compliance, explain the motivation behind this project. How does the project assure compliance? Indicate how long the proposed activity will maintain compliance.
30. **Improving or maintaining species habitat.** Indicate any federal or state threatened or endangered species habitat affected by this project. Explain how this project benefits the aquatic habitat.

31. **Wastewater reuse or conservation.** If the project incorporates water reuse or conservation, indicate the percent increase in water reuse or conservation. If seasonal, indicate the length of the reuse season. Indicate, in years, the lifespan of the reuse or conservation activities. Will biosolids be diverted for reuse?
32. **Support for a TMDL or GWMA.** If the project supports a TMDL or GWMA, identify that water quality management plan or groundwater action plan. Explain how the activities of this project support these plans.
33. **Persistent Bioaccumulative Toxics.** Describe the level of mitigation proposed for each PBT addressed by this project.
34. **Impact to water quality without this project.** Describe any anticipated water quality exceedances if this project is delayed. Provide a best estimate (in years) when standards will be exceeded or worsen.
35. **Impact to public health without this project.** What public health problem might occur without this project? How likely is such a problem to occur and over what period?
36. **Future opportunities?** Describe any factors that justify implementing this project now rather than later.

Section 4: Education, Involvement and Technology

37. **Education/outreach aspects of project.** Describe the project's education or outreach components. Who is the intended audience? Is educational integral to this project? Provide documentation of the education/outreach component if available.
38. **Innovative technologies.** Describe the technology or approach that makes this project innovative (DEQ does not consider generally accepted practices as innovative).
39. **Transferability of innovative technologies.** Describe the conditions that would make this innovation an attractive wastewater solution with other communities.
40. **Other assistance.** Describe any other support (funding or in-kind support) provided? Describe what that support entails (dollar amounts, volunteer labor, materials, marketing). Include support from non-public sources.
41. **Monitoring and reporting.** Describe the project's level of monitoring and incorporation of adaptive management.
42. **Risk management and security measures.** How does the project incorporate risk management? Describe any security measures and equipment.

Section 5: Green Project Reserve

A percentage of CWSRF federal funding is set aside to finance qualifying "green projects." To qualify for this funding, a project must incorporate a level of water efficiency, energy efficiency, green infrastructure or an environmentally innovative technology. An applicant seeking "green funding," must provide a detailed description of the project's green components and their costs.

The definitions of the types of projects that are categorically eligible, the types of projects that do not meet the definition of green projects and the criteria for projects applying via a business case are included within EPA's "Guidance for Determining Eligibility" posted on the CWSRF website at:

<http://www.deq.state.or.us/wq/loans/docs/GPRProjEligibility.pdf>.

43. **Water efficiency improvements.** Describe any water efficiency components within the project. Review section 2.0 starting on page seven of EPA's guidance document. If you choose to develop and submit a business case, write "Business Case for water efficiency" in the description area of question 43 and reference the business case. Estimate the total cost of the water efficiency components of the project.
44. **Energy efficiency improvements.** Describe any energy efficiency components within the project. Review section 3.0 starting on page eight of EPA's guidance document. If you choose to develop and submit a business case, write "Business Case for energy efficiency" in the description area of question 44 and reference the business case. Estimate the total cost of the energy efficiency components within the project.
45. **Green infrastructure projects.** Describe any green infrastructure components of the project. Review section 1.0 starting on page five of EPA's guidance document. If you choose to develop and submit a business case, write "Business Case for green infrastructure" in the description area of question 45 and reference the business case. Estimate the total cost of the green infrastructure components of the project.
46. **Environmentally innovative technology projects.** Describe the environmentally innovative technology within the project. Review section 4.0 starting on page ten of EPA's guidance document. If you choose to develop and submit a business case, write "Business Case for environmentally innovative technology" in the description area of question 46 and reference the business case. Estimate the total cost of the environmentally innovative technology within the project.

Section 6: Program Schedule and Budgeting

47. Project Schedule.

- Estimated Design Start Date (for design projects): The date the engineer(s) begin the design.
- Estimated construction start date (for construction projects): The date the contractor receives notice to proceed.
- Estimated project completion date (for construction projects): The date the essential portions of the project are completed.
- Estimated Initiation of Operations date (for construction projects): The date the facility will be operationally complete. There may be additional costs after this date still covered by the loan

48. Project Costs and Funding.

The total project budget in table A should equal the total funding amount in table B and equal the total estimated project cost in Question 12.

- Table A. Project Budget. In the “Total Project Budget” column, list the budgeted amounts by category. In the “CWSRF Loan Funded Costs” column, identify the amount of each category covered by the CWSRF loan. This budget is a non-binding estimate. Funds will be available in whichever category needed, up to the full amount of the loan.
- Table B. Funding Sources. List the anticipated amount for each source of funding. If funding is tentative, indicate that.

49. **Estimated Loan Disbursement Schedule.** DEQ disburses funds after reviewing copies of invoices. Estimate the amount of loan funds anticipated during each quarter of the project. This is a non-binding estimate of the project schedule.

50. **Existing Sewer-Related Debt Service.** Provide details on all existing debt associated with previous wastewater projects or debt secured with sewer revenues.

51. **Loan Structure.** Check the box of the preferred loan structure.

Revenue-Secured Loan. Most CWSRF loans are direct loans secured with sewer revenues. Check the box next to “Revenue-Secured Loan” and indicate the Debt Service Coverage Factor and Loan Reserve Percentage.

Often loan recipients choose the 105% debt service coverage and the 100% loan reserve requirement. This pair requires the least increase in sewer rates but the largest amount to be set aside in a restricted loan reserve account. After reviewing the description below, if this is your choice fill in “105%” and “100%” in the blanks below the revenue-secured loan box in the application. Otherwise, select a pair appropriate to your situation. (For guidance with the structure of the loan for your project, call DEQ’s CWSRF loan specialist at 503 229-6814).

PAIRED COVERAGE FACTORS AND RESERVE REQUIREMENTS	
Debt Service Coverage Factor (Net Sewer revenue before Debt Service as a % of Annual Debt Service Payment)	Loan Reserve Percentage Requirement (Percent of ½ of average annual debt service)
105%	100%
115%	75%
125%	50%
135%	25%

The Debt Service Coverage Factor - affects sewer system rates, since rates must generate sufficient revenue to ensure the following:

- pay for operation and maintenance of the system, debt service on prior loans and bonds, and reserves for replacement of the facilities being financed; and
- leave a balance at least equal to the coverage factor multiplied by the CWSRF loan repayment due that year.

Example of 115% debt service coverage factor:

If the project's average annual debt service is \$100,000, the rate structure must provide at least \$115,000 in annual revenue (115% of the annual debt service).

The Loan Reserve Percentage Requirement - determines the amount the loan recipient must retain in a restricted reserve account. Funding of the reserve account must equal the loan reserve requirement multiplied by one-half the average annual CWSRF loan repayment.

Example of 75% loan reserve:

If the project's average annual debt service is \$100,000, the loan recipient must agree to set aside \$37,500 (75% of 1/2 of the annual debt service) in a restricted reserve dedicated to repayment of the CWSRF loan.

The CWSRF loan proceeds may include the loan reserve amount if otherwise funding the reserve imposes an undue financial hardship on the loan recipient. DEQ adds the loan reserve amount to the loan project costs to determine the loan amount. Advise your CWSRF Project Officer if you would like to pursue this option.

If the loan recipient has or incurs other sewer system debt obligations which, in the judgment of DEQ, have inadequate reserves or may adversely affect the ability of the loan recipient to repay as scheduled, DEQ may require the loan recipient to provide additional coverage and reserves on the non-CWSRF debt.

Loan structures other than the revenue-secured direct loan.

General Obligation Bonds. The loan recipient may sell general obligation bonds to DEQ. In this case, the loan recipient must have voter approval before DEQ can sign a loan agreement. Provide the date of voter approval or the date of the scheduled election. If voters have not approved the bond, discuss funding plans with DEQ's project officer or DEQ headquarters staff.

Rated Revenue Bonds. The loan recipient may sell rated (investment grade) revenue bonds or other debt obligations to DEQ if the repayment stream is not subject to appropriation through the budget process.

Alternative Loan. If a general obligation bond, rated revenue bond, or revenue secured loan would be unduly burdensome, the loan recipient may propose an alternative financing plan which has a credit quality substantially equal to, or better than, the credit quality of a revenue-secured loan. A loan secured by sewer assessments is an example of this structure.

Discretionary Loan. A loan recipient with a population of less than 5,000, which in the judgment of DEQ, cannot practicably comply with the requirements of the types of loans described above may be eligible for a Discretionary Loan. The financial situation of the loan recipient is the basis of the discretionary loan's security structure. Because these loans include higher risk, they are limited in amount and are available only for projects that address significant water quality problems.

52. **Service Area Data.** Provide the public agency's overall population and the number of equivalent dwelling units. Also, provide the population served by the current system and the proposed project.

53. **Systems Costs, Revenues, and Residential Rates.** Provide a comparison of the estimated financial impact of this project on sewer system rates.

“Before Project Expense”

Sewer System Expense - include all annual operations and maintenance expenses currently charged to the sewer system.

Sewer System Revenues - if the total residential and non-residential sewer revenues do not exceed the sewer system expense, provide an explanation and identify what other revenue sources pay the difference.

Projected After Project Completion Expense - includes all projected annual operations and maintenance of the improved system, debt service payments, and funding for a reserve for replacement of the newly constructed system (assuming a twenty-year life for treatment plants and a forty-year life for interceptors and collectors).

Section 7: Supporting Documents and Certification

Exhibits. Submit the application with the applicable exhibits listed in the Checklist of Application Requirements.” Discuss applicable exhibits with your DEQ Project Officer.

Sponsorship Option. Provide this additional information if pursuing this type of loan.

Authorization. The person authorized to sign the application certifies the loan recipient's intended compliance with the stated requirements by signing and dating the application.

Submitting the application and exhibits. Submit both the application and all applicable exhibits directly to your CWSRF Project Officer.

Alternative formats

Alternative formats (Braille, large type) of this document may be available. Contact DEQ’s Office of Communications & Outreach, Portland, at (503) 229-5696, or toll-free in Oregon at 1-800-452-4011, ext. 5696.