

Oregon's Clean Water State Revolving Fund



State of Oregon
Department of
Environmental
Quality

Clean Water SRF
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Background

The Clean Water State Revolving Fund loan program provides low-cost loans for the planning, design or construction of various projects that prevent or mitigate water pollution. The Oregon Department of Environmental Quality administers the program. Eligible agencies include Indian tribal governments, cities, counties, sanitary districts, soil and water conservation districts, irrigation districts, various special districts and certain intergovernmental entities.

DEQ partners with Oregon communities to implement projects that attain and maintain water quality standards, and are necessary to protect recreation, fish habitat, boating, irrigation, drinking water and other beneficial uses.

Loans and loan terms

Six different types of loans are available within the program including loans for planning, design, construction, emergencies, urgent repairs and local community projects. A portion of the fund is reserved for small communities, planning or green projects.

Interest rates for the loan program change quarterly based on a percentage of the national municipal bond rate. Those percentages vary from 25 percent to 65 percent of the bond rate. For example, with a quarterly bond rate of 4.1 percent, CWSRF interest rates range from 1.0 percent to 2.7 percent depending on the length of the loan repayment period.

The low-interest rates and terms inherent with these loans make this program an attractive alternative to the municipal bond market. For example, a \$4 million, 20-year loan with a CWSRF interest rate one percentage point lower than a bond would reduce the interest cost by about \$500,000 over the life of the loan.

Interest rates are found on DEQ's website (see link on the next page). Loans include an annual loan fee of 0.5 percent of the outstanding balance. Planning loans do not include this fee.

Eligible projects include:

- Wastewater system plans and studies
- Secondary or advanced wastewater treatment facilities
- Irrigation improvements
- Infiltration and inflow correction
- Major sewer replacement and rehabilitation
- Qualified stormwater control
- Onsite wastewater system repairs
- Matching funds for some U.S. Department of Agriculture conservation programs
- Estuary management efforts
- Various nonpoint source projects (stream restorations, animal waste management, conservation easements)
- Qualified brownfields projects

Applying for loans

DEQ accepts new applications year-round. Applicants must provide information on the project's water quality benefits, environmental impact and estimated cost. Applications are available by contacting DEQ's regional project officers (page 2). Applications are also available on the DEQ website.

Ranking and documenting projects

DEQ reviews and scores all projects based on information submitted in the application. Projects are scored using points associated with specific ranking criteria (these criteria are also located on the DEQ website). Scored projects are initially listed in rank order on the program's project priority list.

Applicants whose projects are on the project priority list must complete all required program documents. These documents may include environmental reviews, land-use compatibility statements and financial reports. Once DEQ approves the documentation, the project becomes ready-to-proceed. Only projects listed as ready-to-proceed are considered for a loan. The Intended Use Plan, which describes the program's plans and goals for each fiscal year, includes both the project priority list and those projects deemed ready-to-proceed.

Project funding

When sufficient funds are available, DEQ negotiates a loan agreement with those applicants who are ready-to-proceed. Projects are funded in rank order, with a maximum of 15 percent of the monies going to any one applicant. The program typically provides about \$50 million annually for funding projects.

A portion of the CWSRF funds are set aside in reserves to fund specific types of projects:

- Small communities (population of 5,000 or less) are funded from a reserve equaling 15 percent of total available monies.
- Planning projects are funded from a reserve not to exceed \$3 million.
- Emergency and urgent repair projects are funded from a \$2 million reserve.
- Green projects are funded from a reserve equaling 20 percent of the annual capitalization grant.

The balance of the program funds are allocated from the CWSRF general fund to remaining projects in rank order.

DEQ will provide increases to previous, partially funded projects first as funds become available. New projects receive any remaining funds in rank order from one of the fund reserves or from the program's general fund.

For more information

For specific information on applying for a loan, discerning the types of loans available, understanding allocation procedures or knowing how to get on the CWSRF mailing list, please contact the appropriate DEQ office:

WESTERN REGION:

Project Officers

Jaime Isaza, Eugene
541-687-7341
isaza.jaime@deq.state.or.us

Bob Haberman, Eugene
541-687-7359
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Technical Assistance

Shannon Jones, Eugene
541-687-7343
jones.shannon@deq.state.or.us

EASTERN REGION:

Project Officer

Shanna Bailey, Pendleton
541-278-8681
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Technical Assistance

Todd Hesse, Bend
541-633-2026
hesse.todd@deq.state.or.us

NORTHWEST REGION:

Project Officer

Tiffany Yelton Bram, Portland
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Technical Assistance

Shannon Jones, Eugene
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You may also call toll-free in Oregon at 1-800-452-4011, ext. 5622, or obtain information from the DEQ website at:
<http://www.deq.state.or.us/wq/loans/loans.htm>

Alternative formats

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

