

**CLEAN WATER STATE REVOLVING FUND  
LOAN PROGRAM**  
Intended Use Plan – Update #1

STATE OF OREGON  
DEPARTMENT OF ENVIRONMENTAL QUALITY

**FISCAL YEAR 2007**

Prepared by:

Clean Water State Revolving Fund Loan Program  
Water Quality Division  
Oregon Department of Environmental Quality  
811 S.W. Sixth Avenue  
Portland, Oregon 97204-1390

## TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTION.....	1
GOALS.....	1
LONG TERM PROGRAM GOALS .....	1
SHORT TERM PROGRAM GOALS .....	2
APPLICATIONS.....	2
PROJECT DESCRIPTIONS .....	3
TABLE OF PROJECT APPLICATIONS IN ALPHABETICAL ORDER .....	11
ELIGIBLE PROJECTS IN PRIORITY ORDER: PRIORITY LIST .....	13
PRIORITY RANKING CRITERIA.....	15
FUNDS AVAILABLE FOR LOANS .....	18
PROJECTED FUNDS AVAILABLE TO LOAN.....	19
CAPITALIZATION FUNDS.....	20
INVESTMENT EARNINGS .....	21
LOAN REPAYMENTS .....	21
ADMINISTRATIVE EXPENSE .....	21
LOAN ALLOCATIONS.....	22
Timely Use of Funds.....	24
Loan Award By-Pass Procedure.....	26
Program Income.....	26
ENVIRONMENTAL REVIEW .....	26
OPERATING AGREEMENT .....	26
PUBLIC INVOLVEMENT ACTIVITIES.....	27
PUBLIC NOTICE .....	27
MAILING LISTS .....	28

## INTRODUCTION

This Intended Use Plan (IUP) is a document prepared for the U.S. Environmental Protection Agency (EPA) and others interested in the DEQ Clean Water State Revolving Fund (CWSRF) Loan Program, and describes how Oregon plans to use the Clean Water State Revolving Fund during the funding year 2007. This IUP will remain in effect until the IUP for 2008 is finalized, or it is updated from time to time during the fiscal year 2007. The Oregon Clean Water State Revolving Fund (CWSRF) Loan Program continues to offer below market interest rate loans to public agencies for planning, design and construction of the following water pollution abatement projects:

- 1) wastewater collection, treatment, water reuse and disposal systems,
- 2) nonpoint source water pollution control projects, and
- 3) the development and implementation of management plans for federally designated estuaries.

All eligible projects that have submitted applications are included on the List of Eligible Projects in Priority Order ("Priority List"). However, no funds are committed or reserved for individual projects until all application requirements are met, indicating the project's readiness to proceed, and a loan agreement has been executed. Projects that are ready to proceed are funded in priority order, however please see the discussion "Loan Award By-Pass Procedure" at page 25.

It should be noted that some of the projects documented in this IUP were applied for and ranked utilizing the previous administrative rules, while most of these projects were ranked utilizing the new rules. All new program activities will be governed by the new administrative rules (OAR 340-054), which can be found on the State's web site, [www.oregon.gov](http://www.oregon.gov), or at the CWSRF program website: <http://www.deq.state.or.us/wq/loans/srflans.htm>

## Update To FY 2007 Intended Use Plan

This document is an update to the fiscal year 2007 IUP, and will be identified as Update Number One. This update adds 12 projects for which the program received applications since the previous IUP document was finalized. These new applications are included in the schedules of this updated document. This Update #1 will become effective upon the close of the public comment period, which is documented later in this IUP.

## Environmental Benefits of Projects

EPA now requires that all new CWSRF loans have a demonstrated environmental benefit. In order to document this benefit states must either 1) include specific output and outcome measures in the IUP, or 2) include a statement in the IUP that they will complete the "one-pager" for each project that enters into a binding commitment. DEQ chooses to complete the "one-pager" for each new project, and will complete this document upon execution of each new CWSRF loan. One-pager information is entered to an on-line web-based database developed and maintained by EPA.

## GOALS

### LONG TERM PROGRAM GOALS

- Goal #1: To protect public health and the waters of the state by offering financial assistance for water pollution control projects.

- Goal #2: To provide financial support for water quality improvements to all waters of the State.
- Goal #3: To administer the Clean Water State Revolving Fund to ensure its financial integrity, viability and perpetuity as a source of financial assistance.

### **SHORT TERM PROGRAM GOALS**

- Goal #1: To continue to maintain the revolving nature of the Fund and to maintain an active pace of disbursements in conjunction with the receipt of new funds and loan repayments.
- Goal #2: To provide funding to local communities to the maximum extent possible within the constraints of sound financial management, law and regulation.
- Goal #3: To increase the number of loans for both non-point source and estuary management projects.
- Goal #4: To make the CWSRF loan program more accessible to a wider range of water quality projects statewide.
- Goal #5: To continue our participation with other state and federal programs in providing financial assistance to Oregon communities.

### **APPLICATIONS**

A letter or e-mail soliciting applications for Clean Water State Revolving Fund loans was sent to all cities, service districts and sanitary districts during the winter of 2006. This communication was also sent to watershed councils, irrigation districts, National Estuary Program staff, and other groups concerned with nonpoint source pollution and estuary management. Public agencies were encouraged to return a completed application to DEQ for all eligible projects regardless of the project schedule or status.

Applications are now accepted by the CWSRF loan program at any time. The 2006 IUP was updated twice during fiscal year 2006, and all new applications incorporated into the Priority List. There are now 12 new applications received by the program for inclusion in the 2007 IUP. Those new projects can be identified in the lists below by the application number extension "-07".

The Priority List now includes 68 projects for a total of \$188,471,483 in requested funding. It should be noted that under administrative rule projects will remain on the Priority List for a period of three years, after which time the project is removed from the List. This administrative rule provision was implemented at the end of fiscal year 2006, and 77 projects were removed from the List.

Following is a brief description of each project, organized in alphabetical order. The newest applications are identified with a project number ending in "-07." Communities with populations of 5,000 or less are indicated as eligible for Small Community reserve funds.

**FISCAL YEAR 2007 PROJECT DESCRIPTIONS**

<b>10200-00</b>	<b>City of Adair Village (Benton County)</b>	<b>\$ 280,000</b>
Sec. 212	Design and Construction Project; Small Community Inflow and infiltration correction to eliminate sewage bypasses during heavy rains. Discharges to the Willamette River, which is habitat for endangered fish.	
<b>11431-03</b>	<b>Arch Cape Sanitary District (Clatsop County)</b>	<b>\$ 79,700</b>
Sec. 212	Design and Construction Project; Small Community Design and construction of system to dechlorinate treated effluent. This will be needed to comply with conditions of new permit.	
<b>11433-03</b>	<b>Arch Cape Sanitary District (Clatsop County)</b>	<b>\$ 3,344,500</b>
Sec. 212	Design and Construction Project; Small Community Per the outcome of the Facilities Plan, this project would include a phased design and construction of wastewater treatment plant improvements, including new headworks; new plant #2 and yard piping and controls; rehabilitation of plant #1; effluent filtration and disinfection; sludge treatment and drying; computers and controls; and pump station rehabilitation.	
<b>1179-97</b>	<b>City of Astoria (Clatsop County)</b>	<b>\$16,000,000</b>
Sec. 212	Design and Construction Project Combined sewer overflow control including system optimization, storage separation and treatment.	
<b>11800-07</b>	<b>City of Athena(Umatilla County)</b>	<b>\$18,000</b>
Sec. 212	Facilities Planning; Small Community Wastewater system facilities planning. The SRF loan would be partial funding for this project, with additional funding from OECDD.	
<b>11801-07</b>	<b>City of Athena(Umatilla County)</b>	<b>\$1,721,000</b>
Sec. 212	Design and Construction; Small Community Improvements will be made to the City's effluent disposal facilities, depending on the alternative selected from the facilities planning process. This may also require some upgrades to the treatment process as well.	
<b>18230-07</b>	<b>City of Brookings (Curry County)</b>	<b>\$3,870,000</b>
Sec. 212	Design and Construction Upgrades to biosolids treatment process, to the level of Class A, including a new process building, lime handling and storage, new boiler, blend tank and additional equipment.	
<b>18570-04</b>	<b>City of Brownsville (Linn County)</b>	<b>\$7,015,000</b>
Sec. 212	Design and Construction Project; Small Community The City must complete improvements to its wastewater treatment system and collection system, under an MAO with DEQ. This will include design and construction of improvements to the north and south wastewater treatment plants, a new force main from the north plant to the south plant, an additional lagoon, and inflow and infiltration improvements.	
<b>19810-07</b>	<b>Town of Butte Falls (Jackson County)</b>	<b>\$ 291,980</b>
Sec. 212	Design and Construction Project; Small Community	

Design and construction of collection and treatment system improvements, including a pump station upgrade, manhole grouting, manhole risers, suspended aeration system, clarifier, disinfection system and irrigation system. Additional funding will come from OECDD and a Dept. of Energy Bac-Gen Grant.

- |  |  |                     |
|--|--|---------------------|
| <b>20591-02</b>  | <b>City of Canyonville (Douglas County)</b>                          | <b>\$ 8,500,000</b> |
| Sec. 212 design and construction project; Small Community  |  |                     |
| Treatment system, screening transfer pump station, conveyance, treatment pond, storage and wetlands, disinfection, irrigation, alum addition, filtration, and outfall.   |  |                     |
| <b>24194-04</b>  | <b>City of Coos Bay (Coos County)</b>                                | <b>\$ 5,000,000</b> |
| Sec. 212 Design and Construction Project   |  |                     |
| Upcoming changes in the City's NPDES permit will require new components to the existing systems. These upgrade requirements are not yet known, but it is reasonably certain State Revolving Fund monies will be needed to design and implement the changes. The City's facilities plan is currently under review by DEQ, after which review the nature of the upgrade will be known.   |  |                     |
| <b>24292-01</b>  | <b>City of Coquille (Coos County)</b>                                | <b>\$ 7,500,000</b> |
| Sec. 212 Design and Construction; Small Community  |  |                     |
| Design and construction of a new wastewater treatment facility to meet waste load allocations and total daily mass load limits for the Coquille River.   |  |                     |
| <b>24681-03</b>  | <b>City of Cove (Union County)</b>                                   | <b>\$ 1,370,000</b> |
| Sec. 212 Design and Construction; Small Community  |  |                     |
| Construct a new 4.3 million gallon storage lagoon cell, purchase a 30 acre effluent irrigation area, install new irrigation equipment, and make collection system improvements targeted at infiltration and inflow sources.  |  |                     |
| <b>25140-04</b>  | <b>City of Creswell (Lane County)</b>                                | <b>\$ 6,100,000</b> |
| Sec. 212 Design and Construction Project; Small Community  |  |                     |
| Phase 1 upgrade to the City's wastewater treatment plant, including new influent sewer, influent pump station, disinfection system, effluent pump station, reclaimed water pipeline, and effluent reuse site development.  |  |                     |
| <b>27611-04</b>  | <b>Deschutes Soil and Water Conservation District (Deschutes Co)</b> | <b>\$2,000,000</b>  |
| Sec. 319 Non-Point Source Project  |  |                     |
| Establishment of a regional clean water revolving fund for the Deschutes Basin, to provide timely temporary financing for water conservation projects that address stream flow restoration and reduce non-point source pollution in the Basin. The fund could also be used to provide long-term bridge funding for landowners and agencies that require additional funds above allocated grant funds to complete or improve conservation projects. See Management Program, page 2-19 and table 2-21. |  |                     |
| <b>29200-02</b>  | <b>City of Drain (Douglas County)</b>                                | <b>\$ 90,000</b>    |
| Sec. 212 Facilities Plan: Small Community  |  |                     |
| Updated wastewater systems master plan – the previous plan (from 1995/1996) was rejected by DEQ.   |  |                     |
| <b>29200-04</b>  | <b>City of Drain (Douglas County)</b>                                | <b>\$ 207,263</b>   |
| Sec. 212 Design and Construction Projects; Small Community   |  |                     |

Wastewater Headworks project, consisting of the following components: Influent pumping, influent screening, grit removal, influent sampling, and flow metering. In addition, inflow and infiltration must be reduced throughout the collection system.

<b>29650-04</b>	<b>City of Dundee (Yamhill County)</b>	<b>\$ 5,300,000</b>
Sec. 212	Design and Construction Project; Small Community	
	Wastewater facility improvements, including upgrading/repairing the influent pump station, headworks, secondary treatment process, disinfection system, effluent discharge piping, summer irrigation system, decommissioning of existing wastewater treatment lagoons, and inflow and infiltration mitigation work.	
<b>30250-07</b>	<b>City of Echo (Umatilla County)</b>	<b>\$10,000</b>
Sec. 212	Facilities Planning; Small Community	
	Wastewater facilities planning; total cost is estimated at \$30,000, with additional funding from OECD.	
<b>32140-03</b>	<b>City of Falls City (Polk County)</b>	<b>\$1,583,120</b>
Sec. 212	Design and Construction; Small Community	
	Design and construction of sewer system improvements.	
<b>35611-00</b>	<b>City of Garibaldi (Tillamook County)</b>	<b>\$ 3,750,000</b>
Sec. 212	Design and Construction Project; Small Community	
	Replacement of aging system with new treatment plant, new influent pumping facilities and an extension of the outfall line to protect Tillamook Bay, a National Estuary. See Management Program, Section 3.26	
<b>37810-07</b>	<b>City of Gold Beach (Curry County)</b>	<b>\$218,500</b>
Sec. 212	Facilities Planning; Small Community	
	Wastewater facilities planning to determine alternatives for improvements to the wastewater treatment process.	
<b>37811-07</b>	<b>City of Gold Beach (Curry County)</b>	<b>\$7,362,630</b>
Sec. 212	Design and Construction; Small Community	
	Design and construction of wastewater treatment and disposal systems, as well as replacement of 3 existing collection system pump stations. This application contemplates both an interim loan and a long-term CWSRF loan, with additional funding from the U.S.D.A.	
<b>37840-05</b>	<b>City of Gold Hill (Jackson County)</b>	<b>\$1,158,000</b>
Sec. 212	Design and Construction; Small Community	
	Design and construct wastewater system improvements identified as the preferred options in the recently completed wastewater facility plan.	
<b>40352-01</b>	<b>City of Haines (Baker County)</b>	<b>\$ 750,000</b>
Sec. 212	Design and Construction; Small Community	
	Construction of appropriate alternative as determined by facilities plan to prevent groundwater contamination and surface water runoff from the reclaimed water irrigation site.	
<b>40670-04</b>	<b>City of Halsey (Linn County)</b>	<b>\$ 200,000</b>
Sec. 212	Design and Construction; Small Community	

Work to determine source of inflow and infiltration problems, and develop specifics and costs to correct those problems. Design a plan to upgrade lift station, including the installation of new pumps and the addition of a backup generator. Design and construct a de-chlorination facility at the sewage treatment plant.

<b>47571-03</b>	<b>City of Imbler (Union County)</b>	<b>\$ 500,000</b>
Sec. 212	Design and Construction; Small Community Design and construction of a municipal wastewater collection, treatment, and disposal/reuse system to replace existing on-site septic tank/drainfield systems.	
<b>49260-03</b>	<b>City of John Day (Grant County)</b>	<b>\$ 1,600,000</b>
Sec. 212	Design and Construction; Small Community Design and construction of an extension of the sewage collection system to serve residential and industrial areas on the west side of the City, presently served by on-site systems.	
<b>52601-04</b>	<b>City of Klamath Falls (Klamath County)</b>	<b>\$ 1,655,400</b>
Sec. 212	Design and Construction Extend collection system to the Henley School, eliminating the need for on-site system.	
<b>54250-06</b>	<b>City of Lafayette (Yamhill County)</b>	<b>\$ 500,000</b>
Sec. 212	Construction Project; Small Community Installation of new sanitary sewer pipe and manholes, and construction of a new wastewater treatment facility.	
<b>55081-04</b>	<b>La Pine Special Sewer District (Deschutes County)</b>	<b>\$ 350,000</b>
Sec. 212	Design and Construction; Small Community Complete design in accordance with DEQ approved facilities plan. Construction of expanded wastewater treatment facilities.	
<b>5620A-00</b>	<b>City of Lebanon (Linn County)</b>	<b>\$ 1,384,000</b>
Sec. 212	Design and Construction Project Install a fourth clarifier at the wastewater treatment plant to reduce suspended solids and provide adequate capacity during wet weather storm events.	
<b>56201-06</b>	<b>City of Lebanon (Linn County)</b>	<b>\$ 3,232,000</b>
Sec. 212	Design and Construction Project The City wishes to add an additional step to its biosolids handling process. After the biosolids are digested in the aerobic digesters, they will be run through either a belt filter press or a centrifuge and conveyed to a storage facility until weather conditions allow field application.	
<b>59220-04</b>	<b>City of Lowell (Lane County)</b>	<b>\$ 88,000</b>
Sec. 212	Design and Construction; Small Community Re-install 900 linear feet of 8-inch sanitary sewer main on Pioneer Street, making the line deeper, so as to avoid damage from a planned road improvement project by the county.	
<b>65580-99</b>	<b>City of Milwaukie (Clackamas County)</b>	<b>\$ 7,600,000</b>
Sec. 212	Design and Construction Extension of sanitary sewer collection facilities including force main and lift stations in the unsewered areas east of City of Milwaukie.	

<b>66270-04</b>	<b>City of Monroe (Benton County)</b>	<b>\$ 5,000,000</b>
Sec. 212 Design and Construction; Small Community		
Expansion of the current wastewater treatment lagoon system as well as address the following: Elimination of overflows; upgrades to the lift station; installation of flow meter and composite samplers; other structures and evaluation components to improve the system.		
<b>68681-03</b>	<b>Netarts Oceanside Sanitary Dist. (Tillamook County)</b>	<b>\$ 10,000,000</b>
Sec. 212 Design and Construction; Small Community		
Design and construction of treatment system reconstruction and upgrades, per the above facilities plan.		
<b>6998-97</b>	<b>City of Nyssa (Malheur County)</b>	<b>\$ 1,060,000</b>
Sec. 212 Construction; Small Community		
Improvements to wastewater treatment facilities. There have been numerous violations of the NPDES permit. Improvements may include modification of the existing aeration basin, improvement of the headworks and lift stations, construction of a new secondary clarifier and construction of a new chlorine basin, or construction of new facilities.		
<b>69980-07</b>	<b>City of Nyssa (Malheur County)</b>	<b>\$4,197,500</b>
Sec. 212 Design and Construction; Small Community		
Design and construction of major improvements to the wastewater collection, treatment and disposal systems, potentially eliminating discharges to the Snake River.		
<b>70140-05</b>	<b>Odell Sanitary District (Hood River County)</b>	<b>\$ 3,500,000</b>
Sec. 212 Design and Construction; Small Community		
Final design of, and construction of wastewater facility upgrade and relocation of discharge. Upgrade would include clarification, aeration basin, headworks and office/lab building.		
<b>74164-04</b>	<b>City of Portland (Multnomah County)</b>	<b>\$ 7,246,000</b>
Sec. 319 Non-Point Source Project		
The Alsop-Brownwood Project will relocate and rehabilitate a previously channelized portion of Johnson Creek, lower the adjacent floodplain surfaces to reconnect the creek with its floodplain, and create new wetlands on the adjacent floodplain surfaces. See Management Program, Section 3.3.6.		
<b>74170-07</b>	<b>City of Portland (Multnomah County)</b>	<b>\$12,182,276</b>
Sec. 212/Sec. 319 construction		
This is a sponsorship loan application and includes construction of 7500 feet of 48 inch diameter stormwater pipe from S.W. Jefferson and Canyon Road to the Washington Park Zoo. This will divert clean stormwater and groundwater away from the City's combined sewer system, helping to prevent overflows. The non-point source project completes revegetation in the Willamette River, Johnson Creek, Tryon Creek and Columbia Slough watersheds.		
<b>74300-04</b>	<b>Powder Valley Water Control District (Union County)</b>	<b>\$ 150,000</b>
Sec. 319 Non-Point Source Project; Small Community		
Install 4,000 feet of pipe to carry irrigation water, thereby diverting water from the existing irrigation ditch, reducing soil erosion and improving irrigation water quantity. See Management Program, Section 4.2.3.		
<b>74350-07</b>	<b>City of Powers (Coos County)</b>	<b>\$ 80,000</b>

Sec. 212 Facilities Planning; Small Community		
Wastewater facilities planning to determine alternatives for improvements to the City's collection and treatment system.		
<b>75261-03</b>	<b>City of Rainier (Columbia County)</b>	<b>\$ 7,215,000</b>
Sec. 212 Design and Construction; Small Community		
Replace existing wastewater treatment plant to meet DEQ Mutual Agreement and Order.		
<b>80161-04</b>	<b>City of St. Helens (Columbia County)</b>	<b>\$ 345,000</b>
Sec. 212 Design and Construction		
Relocate an existing pump station to a better location that would allow it to serve an area with known failed and failing individual on-site septic systems.		
<b>80162-04</b>	<b>City of St. Helens (Columbia County)</b>	<b>\$ 1,640,000</b>
Sec. 212 Design and Construction		
Required upgrade to two existing pump stations and construction of a connecting pipeline to provide service to areas with a history of septic system failures.		
<b>80163-04</b>	<b>City of St. Helens (Columbia County)</b>	<b>\$ 1,200,000</b>
Sec. 212 Design and Construction		
Upsize approximately 3,000 linear feet of sanitary sewer pipeline to provide needed additional capacity for areas that are experiencing individual on-site septic system failures.		
<b>80164-04</b>	<b>City of St. Helens (Columbia County)</b>	<b>\$ 1,480,000</b>
Sec. 212 Design and Construction		
Construction of a new pump station and pipeline to provide service to an area that is experiencing individual on-site septic system failures.		
<b>80165-04</b>	<b>City of St. Helens (Columbia County)</b>	<b>\$2,000,000</b>
Sec. 212 Design and Construction		
Repair, replace and/or rehabilitate portions of the existing sanitary sewer system that have demonstrated excessive inflow and infiltration and to design and construct storm sewer facilities in these same areas.		
<b>80211-04</b>	<b>City of Salem (Marion County)</b>	<b>\$ 6,000,000</b>
Sec. 212 Design		
The name of the project is Peak Excess Flow Treatment Facility – Phase I Design. It includes the design development and final design for a Peak Excess Flow Treatment Facility located off-site from the WWTP. The facility is proposed to be a physical/chemical, high rate clarification process located in a city park.		
<b>83811-04</b>	<b>City of Sheridan (Yamhill County)</b>	<b>\$7,194,000</b>
Sec. 212 Design and Construction		
Design and construction of wastewater facility improvements, including various collection system repairs and replacements, upgrading WWTP influent sewage lift station, preliminary screening and influent monitoring/sampling, primary/secondary treatment upgrades, effluent filtration system, disinfection modifications, office/lab improvements, and acquisition and development of reclaimed water disposal sites.		
<b>84160-07</b>	<b>Shoreline Sanitary District (Clatsop County)</b>	<b>\$100,000</b>
Sec. 212 Facilities Planning; Small Community		

Wastewater facilities plan, focusing on treatment and effluent disposal.

- 87161-07 City of Stanfield (Umatilla County) \$1,269,500**  
Sec. 212 Design and Construction; Small Community  
This project will complete improvements to the Hoosier Road Pump Station, the Dunne Street Pump Station, and upgrades to the existing wastewater treatment facility. If the City can secure funding through the U.S.D.A., the SRF loan may be used as interim funding for this project. Funding will also be provided by the Or. Economic and Community Development Department.
- 89460-07 Sundown Sanitary District (Clatsop County) \$299,000**  
Sec. 212 Facilities Planning; Small Community  
This project will complete a facilities plan for the District's very old, outdated wastewater collection and treatment system.
- 89461-07 Sundown Sanitary District (Clatsop County) \$1,565,000**  
Sec. 212 Construction; Small Community  
This project would build pump stations and related force mains to connect to the existing City of Astoria sewer collection system, thereby eliminating the need for the District's treatment system, which is deemed beyond repair.
- 89600-07 Swalley Irrigation District (Deschutes County) \$6,029,464**  
Sec. 319 Design and Construction; Small Community  
This project is for design and construction of large diameter pipe which will remove irrigation water from open canals, helping to conserve water usage and keep pollutants out of the irrigation water. This project is consistent with the goals of the Oregon Nonpoint Source Control Program Plan (see Section 2.3.3 and related Table 2-21)
- 89751-04 City of Sweet Home (Linn County) \$ 3,000,000**  
Sec. 212 Design and Construction Project  
Wastewater system improvements, including an upgraded or new influent pumping station, new headworks with screening and grit removal, modifications to existing secondary clarifiers and RAS pumping, filter rehabilitation, computer control system replacement, and minor modifications to the operations building.
- 91563-01 City of Tillamook (Tillamook County) \$ 300,000**  
Sec. 212 Design and Construction; Small Community  
Extend 5,150 feet of sewer east on Third Street and North on Marolf Loop, to provide an area of failing septic systems with public sewer service.
- 95510-07 Wedderburn Sanitary District (Curry County) \$1,262,400**  
Sec. 212 Design and Construction; Small Community  
Replacement of pump stations, and treatment facility improvements including a new headworks, wetland cell and disinfection system, and expansion of the seepage pond. This is phase one of a two-phase project. The SRF loan would be an interim loan, with loan term financing to be provided by the U.S.D.A.
- 9623B-97 City of Weston (Umatilla County) \$ 500,000**  
Sec. 212 Design and Construction; Small Community  
Work on digester, headworks, trickling filter, primary clarifier and collection system which serves the entire city of Weston plus domestic sewage for two industrial plants

<p><b>96230-07 City of Weston (Umatilla County)</b>                  Sec. 212 Design and Construction; Small Community                  This project is to design and construct upgrades to the existing treatment plant, and construction of storage and final treatment ponds and a land reuse site. This would be an interim SRF loan, with loan term funding to be provided by the U.S.D.A.</p>	<p><b>\$2,464,000</b></p>
<p><b>98410-07 City of Woodburn (Marion County)</b>                  Sec. 212 Facilities Planning                  This project will complete a facilities plan to address capacity as well as turbidity, bacterial and DDT issues on the Pudding River.</p>	<p><b>\$ 450,000</b></p>
<p><b>98411-07 City of Woodburn (Marion County)</b>                  Sec. 212 Design and Construction                  This project completes design and construction of facilities to address temperature, ammonia nitrogen control, biosolids and collection system upgrades.</p>	<p><b>\$4,050,000</b></p>
<p><b>98521-04 City of Wood Village (Multnomah County)</b>                  Sec. 212 Design and Construction; Small Community                  Sewer upgrades and inflow and infiltration reduction – the project consists of upgrading approximately 9,000 linear feet of existing sewer pipe to increase system capacity and rehabilitating 2,000 linear feet of existing pipe, grouting pipe joints, grouting lateral connections, sealing manholes and rehabilitating or replacing laterals to reduce inflow and infiltration.</p>	<p><b>\$ 3,500,000</b></p>
<p><b>99340-99 City of Yoncalla (Douglas County)</b>                  Sec. 212 Construction; Small Community                  Correction of wastewater collection system to reduce inflow and infiltration, which will include line rerouting/replacement/relining. There have been permit violations.</p>	<p><b>\$ 358,250</b></p>
<p><b>99341-04 City of Yoncalla (Douglas County)</b>                  Sec. 212 Construction; Small Community                  Correction to sewer collection system based on results of final design by engineers (currently ongoing). Construction will involve replacement and repair.</p>	<p><b>\$ 490,000</b></p>

**TABLE OF PROJECT APPLICATIONS IN ALPHABETICAL ORDER**

The following table consists of all projects on the CWSRF project priority list. This includes the new projects described above plus the projects carried over from the previous project priority list. Projects identified on the FY 2006 Project Priority List which have been funded or have asked to be removed, have been deleted. In addition, those projects which are more than three years old and have not requested an extension have also been deleted. The Project Priority List is in alphabetical order by applicant, and includes the following additional information requested by EPA: (1) amount requested, (2) EPA needs category, (3) discharge limits for those with existing permits (or the permit number), (4) the preliminary project schedule, and (5) the Project Priority Ranking.

Priority Ranking	Applicant Project No.	Request	EPA Needs Category	Discharge Limits (BOD/TSS 30 Day)		Project Schedule		
				Summer	Winter	Sign Agmt.	Start	Complete
36	City of Adair Village 10200-00	\$280,000	IIIA	No Disch.	30/45	3/2007	3/2007	7/2008
37	Arch Cape Sanitary District 11431-03	\$79,700	I	20/20	20/20	3/2007	3/2007	9/2007
39	Arch Cape Sanitary District 11433-03	\$3,344,500	I,II,IIIA, IIIB	20/20	20/20	3/2007	3/2007	10/2010
11	City of Astoria 1179-97	\$16,000,000	V	30/50	30/50	11/2006	11/2006	12/2010
55	City of Athena 11800-07	\$18,000	I	Permit #102125 Permit #102125 Permit #101773		11/2006	11/2007	2/2007
61	City of Athena 11801-07	\$1,721,000	I		11/2006	3/2007	7/2008	
60	City of Brookings 18230-07	\$3,870,000	I,II		11/2006	11/2006	1/2008	
4	City of Brownsville 18570-04	\$7,015,000	I,IIIA,IIIB	No Disch.	30/50	3/2007	4/2007	12/2009
59	Town of Butte Falls 19810-07	\$291,980	I	Permit #101552		7/2006	7/2006	6/2007
10	City of Coos Bay 24194-04	\$5,000,000	I	20/20	30/30	3/2007	4/2007	10/2008
1	City of Coquille 24292-01	\$7,500,000	I	20/30	30/45	11/2006	11/2006	1/2008
41	City of Cove 24681-03	\$1,370,000	I,IIIA	No Disch.	No Disch.	3/2007	3/2007	10/2007
7	City of Creswell 25140-04	\$6,100,000	I,IVB	No Disch.	No Disch.	11/2006	12/2006	12/2007
28	Deschutes SWCD 27611-04	\$2,000,000	319	No Disch.	No Disch.	11/2006	11/2006	12/2007
13	City of Drain 29200-02	\$90,000	I	No Disch.	No Disch.	12/2006	6/2007	6/2008
14	City of Drain 29200-04	\$207,263	II,IIIA,V	30/30	30/30	4/2007	5/2007	12/2008
21	City of Dundee 29650-04	\$5,300,000	I,IIIA	No Disch.	No Disch.	11/2006	12/2006	12/2007
54	City of Echo 30250-07	\$10,000	I	No Disch.	No Disch.	11/2007	11/2006	5/2007
25	City of Falls City 32140-03	\$1,583,120	II	No Disch.	20/20	12/2006	3/2007	11/2007
5	City of Garibaldi 35611-00	\$3,750,000	I,IIIB	20/20	30/30	12/2006	3/2007	3/2008
66	City of Gold Beach 37810-07	\$218,500	I,IIIB	No Disch.	No Disch.	11/2006	11/2006	9/2007
55	City of Gold Beach 37811-07	\$4,362,630	I,IIIB	Permit #101622		11/2006	11/2007	1/2010
61	City of Gold Hill 37840-05	\$1,158,000	I,IVA	Permit # 102494		3/2007	6/2007	5/2009
6	City of Haines 40352-01	\$750,000	IIIA,IVB,V	No Disch.	No Disch.	12/2006	8/2007	12/2008
35	City of Halsey 40670-04	\$200,000	II,IIIA,IIIB, IVA,IVB,V	No Disch.	30/50	11/2006	1/2007	7/2007
19	City of Imbler 47571-03	\$500,000	I,IVA,IVB	No Disch.	No Disch.	11/2006	2/2007	10/2007
38	City of John Day 49260-03	\$1,600,000	IVB	30/30	30/30	12/2006	6/2007	9/2008
40	City of Klamath Falls 52601-04	\$1,655,400	IVB	Permit #100701		11/2006	11/2006	8/2007

Priority Ranking	Applicant Project No.	Request	EPA Needs Category	Discharge Limits (BOD/TSS 30 Day)		Project Schedule		
				Summer	Winter	Sign Agmt.	Start	Complete
55	City of Lafayette 54250-06	\$500,000	I,II,IIIA,IIIB	Permit #101147		7/2006	7/2006	9/2007
17	La Pine Special Sewer Dist. 55081-04	\$350,000	I	No Disch.	No Disch.	1/2007	9/2007	10/2008
33	City of Lebanon 5620A-00	\$1,384,000	I,IIIA	10/10	25/30	11/2006	1/2007	10/2007
63	City of Lebanon 56201-06	\$3,232,000	I	Permit #101770		7/2006	1/2007	10/2007
50	City of Lowell 59220-04	\$88,000	IIIB	40/40	40/40	11/2006	11/2006	6/2007
12	City of Milwaukie 65580-99	\$7,600,000	IVA,IVB	No Disch.	No Disch.	12/2006	7/2007	7/2009
16	City of Monroe 66270-04	\$5,000,000	I,IIIA,IVB	No Disch.	45/60	11/2006	1/2007	10/2008
34	Netarts Oceanside Sanitary Dist. 68681-03	\$10,000,000	I	30/30	30/30	11/2006	11/2006	12/2007
2	City of Nyssa 6998-97	\$1,060,000	I,IIIB	25/45	35/45	12/2006	4/2007	10/2008
42	City of Nyssa 69980-07	\$4,197,500	I	Permit #101943		11/2006	3/2007	9/2009
51	Odell Sanitary District 70140-05	\$3,500,000	I	10/10	30/30	11/2006	11/2006	4/2007
8	City of Portland 74164-04	\$7,246,000	319	No Disch.	No Disch.	11/2006	11/2006	6/2011
42	City of Portland 74170-07	\$12,182,276	V,VII-K	Permit #101505		7/2006	10/2006	12/2006
27	Powder Valley Water Ctrl. Dist. 74300-04	\$150,000	319	No Disch.	No Disch.	11/2006	11/2006	1/2007
65	City of Powers 74350-07	\$80,000	I	Permit #101694		11/2006	11/2006	7/2008
3	City of Rainier 75261-03	\$7,215,000	I	20/20	30/30	12/2006	3/2007	9/2008
8	City of Salem 81211-04	\$6,000,000	I,IVA	32/37	25/30	11/2006	1/2007	10/2007
29	City of St. Helens 80161-04	\$345,000	IVB	BOD-lb/day: TSS-lb/day:	12,800 26,862	11/2006	11/2006	12/2007
29	City of St. Helens 80162-04	\$1,640,000	IVB	BOD-lb/day: TSS-lb/day:	12,800 26,862	1/2007	6/2007	6/2008
29	City of St. Helens 80163-04	\$1,200,000	IIIB	BOD-lb/day: TSS-lb/day:	12,800 26,862	1/2007	1/2007	12/2007
29	City of St. Helens 80164-04	\$1,480,000	IVB	BOD-lb/day: TSS-lb/day:	12,800 26,862	11/2006	11/2006	12/2007
22	City of St. Helens 80165-04	\$2,000,000	IIIA,VI	BOD-lb/day: TSS-lb/day:	12,800 26,862	1/2007	4/2007	12/2007
20	City of Sheridan 83811-04	\$7,194,000	I,II,IIIA,IVB	No Disch.	No Disch.	11/2006	12/2006	12/2007
53	Shoreline Sanitary District 84160-07	\$100,000	I	Permit #100684		11/2006	11/2006	5/2007
55	City of Stanfield 87161-07	\$1,269,500	I	No Disch.	30/45	11/2006	12/2006	12/2007
44	Sundown Sanitary District 89460-07	\$299,000	IIIB	No Disch.	No Disch.	11/2006	11/2006	11/2007
44	Sundown Sanitary District 89461-07	\$1,565,000	IIIB	Permit #100905		11/2006	5/2007	11/2007
47	Swalley Irrigation District 89600-07	\$6,029,464	VII-A,VII-D	No Disch.	No Disch.	11/2006	11/2006	4/2008

Priority Ranking	Applicant Project No.	Request	EPA Needs Category	Discharge Limits (BOD/TSS 30 Day)		Project Schedule		
				Summer	Winter	Sign Agmt.	Start	Complete
23	City of Sweet Home 89751-04	\$3,000,000	II	10/10	15/20	12/2006	4/2007	12/2008
18	City of Tillamook 91563-01	\$300,000	IVA	20/20	30/30	11/2006	5/2007	10/2007
64	Wedderburn Sanitary District 95510-07	\$1,262,400	I,IIIA,IIIB	Permit #101556		11/2006	3/2007	10/2008
46	City of Weston 9623B-97	\$500,000	I,II,IIIA	30/30	30/30	12/2006	4/2007	4/2008
51	City of Weston 96230-07	\$2,464,000	I	Permit #101068		11/2006	11/2006	3/2008
48	City of Woodburn 98410-07	\$450,000	I,II,IIIA,IIIB	Permit #101558		11/2006	11/2006	4/2007
48	City of Woodburn 98411-07	\$4,050,000	I,II,IIIA,IIIB	Permit #101558		11/2006	4/2007	8/2009
24	City of Wood Village 98521-04	\$3,500,000	IIIA,IIIB,IVA,IVB	No Disch.	No Disch.	11/2006	11/2006	7/2010
26	City of Yoncalla 99340-99	\$358,250	IIIA	No Disch.	30/50	3/2007	3/2007	8/2008
15	City of Yoncalla 99341-04	\$490,000	IIIA,V	No Disch.	30/30	11/2006	11/2006	6/2008

**ELIGIBLE PROJECTS IN PRIORITY ORDER: PRIORITY LIST**

New projects are added to the projects carried forward on the Priority List from prior years to make up the FY 2007 List of Eligible Projects in Priority Order. When an application is approved, the project funded, and a loan agreement signed, the project is removed from this list. Other projects are removed from the list when requested by the applicant or funded by other sources. After 36 months on the list, applicants will be notified that their project will be removed from the list unless an extension is arranged. Projects scored using the new criteria will generally earn a lower score than the older projects, because of the differences in criteria emphasis, and because there are no points for affordability or population. As the older projects are removed from the Priority List, the newer projects will compare more favorably with one another. It is important at this time, however, that projects ready to proceed move to the loan agreement stage as soon as possible, while sufficient CWSRF funds are available.

Priority Ranking	Proj. No.	Applicant	Loan Request	SC	FP	POINT SCORES				
						Waterbody Sensitivity	Problem Severity	Afford-ability	Popu-lation	Total
1	24292-01	City of Coquille	\$7,500,000	SC		50	30	10	7.25	97.25
2	6998-97	City of Nyssa	\$1,060,000	SC		40	30	10	6.95	86.95
3	75261-03	City of Rainier	\$7,215,000	SC		40	30	10	6.46	86.46
4	18570-04	City of Brownsville	\$7,015,000	SC		40	30	10	6.32	86.32
5	35611-00	City of Garibaldi	\$3,750,000	SC		40	30	10	5.99	85.99
6	40352-01	City of Haines	\$750,000	SC		40	30	10	5.34	85.34

Priority Ranking	Proj. No.	Applicant	Loan Request	SC	FP	POINT SCORES				
						Waterbody Sensitivity	Problem Severity	Affordability	Population	Total
7	25140-04	City of Creswell	\$6,100,000	SC		40	30	7	7.12	84.12
8	74164-04	City of Portland	\$7,246,000			40	30	0	10.00	80.00
8	80211-04	City of Salem	\$6,000,000			40	30	0	10.00	80.00
10	24194-04	City of Coos Bay	\$5,000,000			40	30	0	8.37	78.37
11	1179-97	City of Astoria	\$16,000,000			40	30	0	8.00	78.00
12	65580-99	City of Milwaukie	\$7,600,000			40	30	0	7.57	77.57
13	29200-02	City of Drain	\$90,000	SC	FP	40	30	0	6.16	76.16
14	29200-04	City of Drain	\$207,263	SC		40	30	0	6.10	76.10
15	99341-04	City of Yoncalla	\$490,000	SC		40	20	10	6.06	76.06
16	66270-04	City of Monroe	\$5,000,000	SC		40	30	0	5.57	75.57
17	55081-04	La Pine Special Sewer District	\$350,000	SC		30	30	10	5.52	75.52
18	91563-01	City of Tillamook	\$300,000	SC		40	30	0	4.95	74.95
19	47571-03	City of Imbler	\$500,000	SC		40	30	0	4.89	74.89
20	83811-04	City of Sheridan	\$7,194,000			40	20	7	7.49	74.49
21	29650-04	City of Dundee	\$5,300,000	SC		40	20	7	6.95	73.95
22	80165-04	City of St. Helens	\$2,000,000			30	30	0	8.23	68.23
23	89751-04	City of Sweet Home	\$3,000,000			30	30	0	7.83	67.83
24	98521-04	City of Wood Village	\$3,500,000	SC		40	20	0	6.18	66.18
25	32140-03	City of Falls City	\$1,583,120	SC		20	30	10	5.97	65.97
26	99340-99	City of Yoncalla	\$358,250	SC		30	20	7	6.02	63.02
27	74300-04	Powder Valley Water Ctrl Dist.	\$150,000	SC		40	10	10	2.00	62.00
28	27611-04	Deschutes SWCD	\$2,000,000			40	10	0	10.00	60.00
29	80161-04	City of St. Helens	\$345,000			30	20	0	8.23	58.23
29	80162-04	City of St. Helens	\$1,640,000			30	20	0	8.23	58.23
29	80163-04	City of St. Helens	\$1,200,000			30	20	0	8.23	58.23
29	80164-04	City of St. Helens	\$1,480,000			30	20	0	8.23	58.23
33	5620A-00	City of Lebanon	\$1,384,000			30	20	0	8.16	58.16
34	68681-03	Netarts Oceanside Sanitary District	\$10,000,000	SC		30	20	0	6.92	56.92
35	40670-04	City of Halsey	\$200,000	SC		20	30	0	5.72	55.72
36	10200-00	City of Adair Village	\$280,000	SC		30	20	0	5.51	55.51
37	11431-03	Arch Cape Sanitary District	\$79,700	SC		30	20	0	4.91	54.91
38	49260-03	City of John Day	\$1,600,000	SC		20	20	0	6.80	46.80
39	11433-03	Arch Cape Sanitary District	\$3,344,500	SC		30	10	0	4.91	44.91
40	52601-04	City of Klamath Falls	\$1,655,400							43.00
41	24681-03	City of Cove	\$1,370,000	SC		20	10	7	5.56	42.56
42	69980-07	City of Nyssa	\$4,197,500	SC						41.00
42	74170-07	City of Portland	\$12,182,276							41.00
44	89460-07	Sundown Sanitary District	\$299,000	SC	FP					39.00
44	89461-07	Sundown Sanitary District	\$1,565,000	SC						39.00
46	9623B-97	City of Weston	\$500,000	SC		20	10	0	5.59	35.59
47	89600-07	Swalley Irrigation District	\$9,029,464	SC						35.00
48	98410-07	City of Woodburn	\$450,000		FP					31.00
48	98411-07	City of Woodburn	\$4,050,000							31.00
50	59220-04	City of Lowell	\$88,000	SC						25.87
51	70140-05	Odell Sanitary District	\$3,500,000	SC						22.00
51	96230-07	City of Weston	\$2,464,000	SC						22.00
53	84160-07	Shoreline Sanitary District	\$100,000	SC	FP					20.00
54	30250-07	City of Echo	\$10,000	SC	FP					19.00
55	11800-07	City of Athena	\$18,000	SC	FP					18.00

Priority Ranking	Proj. No.	Applicant	Loan Request	SC	FP	POINT SCORES				
						Waterbody Sensitivity	Problem Severity	Afford-ability	Popu-lation	Total
55	37811-07	City of Gold Beach	\$4,362,630	SC						18.00
55	54250-06	City of Lafayette	\$500,000	SC						18.00
55	87161-07	City of Stanfield	\$1,269,500	SC						18.00
59	19810-07	Town of Butte Falls	\$291,980	SC						15.00
60	18230-07	City of Brookings	\$3,870,000							14.00
61	11801-07	City of Athena	\$1,721,000	SC						13.00
61	37840-05	City of Gold Hill	\$1,158,000	SC						13.00
63	56201-06	City of Lebanon	\$3,232,000							12.00
64	95510-07	Wedderburn Sanitary District	\$1,262,400	SC						8.00
65	74350-07	City of Powers	\$80,000	SC	FP					6.00
66	37810-07	City of Gold Beach	\$218,500	SC	FP					4.00
<p><b>Notes: SC: Eligible for Small Communities Funds</b>  <b>FP: Eligible for Facility Planning Funds</b></p>										

**PREVIOUS PRIORITY RANKING CRITERIA**

Prior to June 1, 2003, new applications for funding were ranked based on the following criteria established by Oregon Administrative Rule 340-54-025(3). Any project applications received after June 1, 2003 are ranked using new criteria (listed below). The previous criteria are as follows:

POINT CRITERIA	POINT ASSIGNMENT	WATER QUALITY DESCRIPTION
(1) Receiving Water Body Sensitivity: (One choice only)	50	Facility discharges to waters of the state where the EQC has established Total Maximum Daily Loads (TMDL) and associated waste load allocations (WLA).
		Facility discharges to an EPA designated sole source aquifer.
	40	Facility discharges to waters of the state that are listed in the current 305(b) Report under the Beneficial Uses column as "not supporting".
		Facility discharges to ground water that has a documented increase in the concentration of a contaminant above the ground water background level and levels in Tables 1 or 2 of OAR Chapter 340, Division 40.
		Facility discharges to ground water located in a designated wellhead protection area.
	30	Facility discharges to waters of the state which are any of the following:  (1) Designated as a Wild and Scenic River by the federal government; (2) Designated as a State Scenic Waterway by ORS 390.826; (3) Designated as Outstanding Resource Waters by the EQC; (4) Referenced in OAR 340-41-470 with special restrictions; (5) Determined to be a sensitive estuarine habitat by the DEQ; (6) Listed under Fishes in the latest Endangered and Threatened Wildlife and Plants (50 CFR 17.11 & 17.12) as threatened or endangered in Oregon.
Facility discharges to ground water that has a documented increase in the concentration of a contaminant above the ground water background level but the contamination level is below the levels in Tables 1 and 2 of OAR Chapter 340, Division 40.		
Facility discharges to ground water located in a designated ground water management area.		

	20	Facility discharges to waters of the state that are listed in the current 305(b) Report under the Beneficial Uses column as "partially supporting".
		Facility discharges to ground water where the contaminant in the discharge is listed in Tables 1 and 2 of OAR Chapter 340, Division 40 and is known to cause ground water contamination but there is no ground water quality data available to substantiate the problem.
		Facility discharges to ground water that has a documented increase in the concentration of a contaminant above the ground water background level and levels in Table 3 of OAR Chapter 340, Division 40.
		Facility discharges to waters of the state not referenced elsewhere in this criteria.
	10	Facility discharges to the ocean, the Columbia River or the Snake River.
		Facility discharges to ground water that has a documented increase in the concentration of a contaminant above the ground water background level but the contamination level is below the levels in Table 3 of OAR Chapter 340, Division 40.
(2) Enforcement Activities & Water Quality Violations (One choice only)	30	Environmental Quality Commission (EQC) Orders.
		Mutual Agreements and Orders.
		Department Orders or permit conditions mandating action.
		EQC rules requiring elimination of a specific water quality problem related to inadequate water pollution control facilities.
	20	Documented health hazards with associated documented water quality problem.
		Noncompliance with the Department's statutes, rules or permit requirements resulting from inadequate water pollution control facilities.
10	Documented health hazards without documented water quality problem.	
	An enforcement order of the Oregon Health Division relating to safe drinking water.	
	Existing potential water quality problem as noted by the Department but undocumented.	
(3) Affordability (10 points max.)	7	The cost per household of the wastewater treatment system (including operation, maintenance, and debt service for prior and new wastewater projects) exceeds 1.5% of the median household income of the community.
	10	The cost per household of the wastewater treatment system (including prior capital improvements outstanding and the proposed project) exceeds 1.75% of the median household income of the community.
(4) Population (10 points max.)	LOG (Current Population) <sup>2</sup>	Points calculated based upon the population directly affected by the project.

**NEW PRIORITY RANKING CRITERIA**

Any applications for new projects received after June 1, 2003 are ranked based on the program's new criteria established by Oregon Administrative Rule 340-054-0025. New criteria are as follows:

**Category 1:** Proposed Project's anticipated benefit for water quality or public health

**1A**—(0 or 8 points)—Project addresses water quality or public health issue within a “special status” water body

**1B**—(0-6 points)—Project addresses noncompliance with water quality standards, a public health issue or effluent limits related to surface waters

**1C**—(0-6 points)—Project addresses noncompliance with water quality standards or a public health issue related to groundwater

**1D**—(0-12 points)—Project ensures that a source already in compliance maintains that compliance.

**1E**—(0-8 points)—Project improves or sustains aquatic habitat supporting state or federally threatened or endangered species

**1F**—(0-12 points)—Project incorporates wastewater reuse or a water quality-related conservation process

**1G**—(0-7 points)—Project improves water quality by mitigating any of the following pollutants: temperature, dissolved oxygen, contaminated sediments, toxics on the EPA Priority Pollutants List, bacteria or nutrients

**1H**—(0-5 points)—Project supports the implementation of a Total Maximum Daily Load (TMDL) allocation or action plan for a Ground Water Management Area

**1I**—(0-6 points)—Project addresses a water quality or public health issue involving “Persistent Bioaccumulative Toxics” (PBT's)

**Category 2:** Potential water quality or public health consequences of not funding the proposed project

**2A**—(0-5 points)—If the proposed project is not implemented, water quality standards are likely to be exceeded or existing exceedances are likely to worsen

**2B**—(0-5 points)—If the proposed project is not implemented, the resulting impact is likely to cause a public health problem

**2C**—(0-5 points)—A unique opportunity to implement the proposed project currently exists due to timing, finances or other limitations that would not allow this project to be implemented in the future

**Category 3:** Other considerations

**3A**—(0-3 points)—Project has significant educational or outreach component

**3B**—(0-3 points)—Project demonstrates innovative technology which is transferable

**3C**—(0-3 points)—Project is a partnership with other group(s), incorporating self-help, financial or in-kind support

**3D**—(0-5 points)—Project incorporates monitoring, reporting or adaptive management

**3E**—(0 or 1 point)—Project addresses or includes risk management, safety or security measures

**3F**—(0-minus 5 points)—Applicant's past performance with previous Department loans or grants such as, but not limited to, failure to satisfy match requirements of a grant, failure to complete the project or failure to submit any other required deliverable in a timely manner.

## FUNDS AVAILABLE FOR LOANS

Two calculations of funds available for FY 2007 will be presented in this IUP, one assuming there will be no federal capitalization grant, and one including the grant and related State match. This is done so that DEQ can begin to provide financial assistance as soon as this IUP is effective after the public

comment period. The federal grant for FY 2007 will probably not be available until the Spring of 2007, and DEQ would like to begin funding new projects as soon as possible, so we are presenting a calculation of program funds available assuming we will receive no grant. When the federal grant is received, we will proceed on that basis.

### Funds Available With No Cap Grant

The table below identifies the funds available for new loans and amendments in FY 2007, assuming there will be no federal cap grant and related State match. Although it is highly unlikely there will be no grant during FY 2007, we present this schedule of available funds since DEQ wishes to issue loans prior to award of the federal grant.

The "Sources of Funds" section identifies the total amount of the fund and its sources of capitalization and revenue, on a cumulative basis. The "Uses of Funds" shows the amount allocated to existing loans and administration expense. Totaling the two sections yields the net amount available for new loans and amendments.

### PROJECTED FUNDS AVAILABLE TO LOAN DURING 2007 – NO FEDERAL GRANT

<b>Sources of Funds:</b>	<b>Actual Through FY 2005</b>	<b>Actual For FY 2006</b>	<b>Estimated For FY 2007</b>	<b>Total</b>
Federal Capitalization Grants	263,489,612	9,892,200	0	273,381,812
State Match	54,648,792	27,571	0	54,676,363
Investment Earnings	21,371,174	3,320,304	3,000,000	27,691,478
Loan Principal Repayments	121,132,159	19,519,002	65,047,135	205,698,296
Loan Interest Payments	57,779,301	8,599,952	35,529,584	101,908,837
Transfer From Loan Fees Account	3,000,000	0	0	3,000,000
<b>Total Sources of Cash</b>	<b>521,421,038</b>	<b>41,359,029</b>	<b>103,576,719</b>	<b>666,356,786</b>
<b>Uses of Funds:</b>				
Loans and Amendments	528,019,075	57,480,299		585,499,374
Administration Expense paid from Grant	8,863,620	0	0	8,863,620
Debt Service on Match Bonds	18,076,523	4,671,983	1,263,716	24,012,222
<b>Total Uses of Cash</b>	<b>554,959,218</b>	<b>62,152,282</b>	<b>1,263,716</b>	<b>618,375,216</b>
<b>Sources of Cash less Uses of Cash</b>	<b>-33,538,180</b>	<b>-20,793,253</b>	<b>102,313,003</b>	<b>47,981,570</b>
<b>Net Available to Loan - FY 2006</b>			<b>47,981,570</b>	<b>47,981,570</b>

**Funds Available With the Federal Grant and Related State Match**

The table below calculates the estimated amount of funds available for loans during FY 2007, including a \$8,000,000 federal grant and the related \$1,600,000 in State matching funds. The presentation is the same as in the above schedule.

**PROJECTED FUNDS AVAILABLE TO LOAN DURING 2007 – WITH FEDERAL GRANT**

<b>Sources of Funds:</b>	<b>Actual Through FY 2005</b>	<b>Estimated For FY 2006</b>	<b>Estimated For FY 2007</b>	<b>Total</b>
Federal Capitalization Grants	263,489,612	9,892,200	8,000,000	281,381,812
State Match	54,648,792	27,571	1,600,000	56,276,363
Investment Earnings	21,371,174	3,320,304	3,000,000	27,691,478
Loan Principal Repayments	121,132,159	19,519,002	65,047,135	205,698,296
Loan Interest Payments	57,779,301	8,599,952	35,529,584	101,908,837
Transfer From Loan Fees Account	3,000,000	0	0	3,000,000
<b>Total Sources of Cash</b>	<b>521,421,038</b>	<b>41,359,029</b>	<b>113,176,719</b>	<b>675,956,786</b>
<b>Uses of Funds:</b>				
Loans and Amendments	528,019,075	57,480,299		585,499,374
Administration Expense pd. w/grant	8,863,620	0	0	8,863,620
Debt Service on Match Bonds	18,076,523	4,671,983	2,879,716	25,628,222
<b>Total Uses of Cash</b>	<b>554,959,218</b>	<b>62,152,282</b>	<b>2,879,716</b>	<b>619,991,216</b>
<b>Sources of Cash less Uses of Cash</b>	<b>-33,538,180</b>	<b>-20,793,253</b>	<b>110,297,003</b>	<b>55,965,570</b>
<b>Net Available to Loan - FY 2007</b>			<b>55,965,570</b>	<b>55,965,570</b>

**CAPITALIZATION FUNDS**

This Intended Use Plan will be used to allocate any additional federal or state funds which become available during 2007. The capitalization grant application will include a proposed federal payment schedule based on loan project schedules and when the cash will be needed. We believe the FY 2007 capitalization grant will be available to DEQ by March or April, 2007.

State matching funds for the 2007 capitalization grant will be raised through the sale of a general obligation bond. The CWSRF loan program will be required to pay the debt service on this bond, and this will have some impact on the amount of funds available to make loans, both this year and in future years. This will immediately reduce the amount of funds available for loans by approximately \$1,616,000 (which includes the cost of issuing the bond). Bonds are issued for a very short term (generally one day), which reduces the overall cost of the bonds. In addition to the cost of the FY 2007 match bond, the CWSRF will also pay \$1,263,716 in debt service costs on bonds issued in previous years to provide matching funds for the program, reducing further the amount of funds available for loans.

## INVESTMENT EARNINGS

Investment earnings are projected conservatively for fiscal year 2007, as market investment rates continue to increase. The long term goal is to keep the cash reserves low – balancing the need for a cash reserve to cover the timing variances of the projects against the goal of keeping the funds in use by communities. As the program's available cash balance gradually declines, due to the disbursement of funds to borrowers, investment interest earnings will also gradually decline.

## LOAN REPAYMENTS

Projected repayments in the amount of \$100,576,719 are included in the cash available for new loans. This figure includes the following three categories of repayments (from most time certain to least time certain):

- (a) repayments on loans that are fully disbursed and already in repayment .
- (b) repayments of interim loans with long-term financing through USDA Rural Development, and
- (c) repayments on signed loans that are not fully disbursed at this time but are expected to be in repayment before the end of 2007.

The estimates for (b) and (c) are least time certain since changes to the repayment schedules as projects are completed tend to move repayments out in time. (Projects seldom finish ahead of schedule and frequently finish later than scheduled.) However, unscheduled prepayments tend to increase the actual repayments received. New loans for short-term projects also increase the repayments actually received. The net effect of these factors in recent years has been to increase actual repayments received over the amount projected. In addition, this estimate of repayments to be received does not include repayments from loans not yet executed, but which could be signed and in repayment during the period of this IUP.

The amount of repayments included above actually includes an estimate of repayments to be received in FY 2007, FY 2008, and FY 2009, based on existing loans. The reason for including FY 2008 and FY 2009 in this calculation is that demand for loan disbursement funds has historically been spread over at least three years after loan execution, and the inclusion of three years' loan repayments better matches the supply of funds to the demand for those funds. Failure to provide loans at a level that can be supported by the program means fewer water quality projects completed and higher balances of CWSRF cash remaining idle. Future calculations of funds available may, of course, be adjusted down, or even up, as conditions warrant. The CWSRF program cash balance is currently very high (greater than \$80,000,000), and we plan to issue more loan agreements in a shorter time in order to put this cash to use in the form of loan disbursements.

## ADMINISTRATIVE EXPENSE

Administrative expenses are now paid utilizing the fee income from our loans. Loan fees continue to be assessed through an annual loan fee in the amount of 0.5% of the unpaid loan balance. Administrative activity continues to be monitored to be sure that the program is scaled at a level that can be supported by the on-going fee base. We are confident that the collection of loan fees will actually be greater than the amount of administrative expense, and we will monitor the fees fund to ensure an adequate source of revenue to support the program.

## LOAN ALLOCATIONS

Each year the maximum loan per borrower is established along with the planning reserve and small community reserve. These amounts are based on the total available funds as listed in the Intended Use Plan. For 2007, the maximum loan amount per borrower (including amendments) is \$7,197,236 (\$8,394,836 assuming receipt of the federal grant). The minimum amount to be allocated to small communities (population of 5,000 or less) is \$7,197,236 (\$8,394,836 assuming receipt of the federal grant). The minimum amount to be allocated to planning projects is \$???,000 (the amount currently on the Priority List for Planning projects). If the Planning reserve is not used, any remaining funds will be allocated to design and construction projects in priority order during the final quarter of the year.

The CWSRF loan program has established one additional reserve, the Expedited Loan Reserve. This will be used to fund loans that qualify as expedited loans under the new program rules. This reserve is not to exceed \$2,000,000. If the reserve is not allocated to loans during the year, any remaining funds available from this reserve on May 31st will be transferred to the general supply of funds.

Final applications for planning loans will be accepted throughout the fiscal year and projects will be funded until such time as the reserve is fully allocated, or until any remaining reserve is re-allocated to design and construction projects.

Projects are not allocated loan funds until an application is received and approved. Each year, all unfunded (or partially funded) applications are considered and any available funds are allocated to projects in priority order – first to small communities and planning projects, and then to all remaining projects. Small community or planning projects that are not fully funded through the Small Community or Planning reserves may be funded with the remaining funds, but only by competing with all other projects in priority order.

It is not expected that any projects will be funded for more than the maximum per borrower, however this could occur if applications received during 2007 do not allocate all available funding. Should this occur, remaining available funding may be offered to existing borrowers, on a competitive basis.

By rule (OAR 340-054-0025), the Oregon CWSRF gives funding priority to loan increases for existing projects, in order to assist communities until projects are complete. The amount and timing of these loan increases varies from year to year, and can have a significant impact on the amount of funds available for new projects.

Following are two tables documenting projects to be funded with 2007 CWSRF funds, based on the above calculations of funds available, one table assuming no federal grant, and the other including a grant (with related State match) and the requests for loan increases and applications that have already been received by the program. The top section of the tables shows the projects that may receive increases to their existing loans, and the lower section shows new loans that may be executed, based on applications already received as well as the highest ranking projects that could be funded if ready to proceed. It should be noted that this table indicates there is a remaining balance in the Planning, Small Communities and Expedited Loan reserves. We will leave these unallocated balances in the reserves, to give additional communities the opportunity to submit applications during the current fiscal year and obtain financing for their projects. Applications will be accepted throughout the fiscal year, and funds will be allocated as projects become ready to proceed and funds are available.

<b>2007 Activity - No Grant</b>	<b>Facility Planning</b>	<b>Small Comm.</b>	<b>Expedited Loans</b>	<b>Other</b>	<b>FP, SC and Other Total</b>	<b>Remaining Available SRF Funds</b>
Current FY Available Funds:	<b>839,000</b>	<b>7,197,236</b>	<b>2,000,000</b>	<b>37,945,334</b>		<b>47,981,570</b>
<b>Uses of Available Funds:</b>						
<b>Increases</b>						
Albany (10512)				5,102,491	5,102,491	42,879,079
Rogue Valley (78495)				2,200,000	2,200,000	40,679,079
Warrenton (94943)				1,000,000	1,000,000	39,679,079
					0	39,679,079
					0	39,679,079
<b>Subtotals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,302,491</b>	<b>8,302,491</b>	
Balance=	839,000	7,197,236	2,000,000	29,642,843	39,679,079	39,679,079
15% of Available Funds:	7,197,236					
25% of Small Comm. Reserve:	1,799,309					
FP on Priority List:	839,000					
<b>New Loans</b>						
Applicant: (ranking)						
Salem, City of (8)				7,197,236	7,197,236	32,481,843
Portland, City of (43)				7,197,236	7,197,236	25,284,607
Gresham, City of (48)				3,623,800	3,623,800	21,660,807
Woodburn, City of (48)	450,000			1,545,191	1,995,191	19,665,616
Woodburn, City of (48)				4,050,000	4,050,000	15,615,616
Enterprise, City of (51)		1,799,309		5,397,927	7,197,236	8,418,380
Madras, City of (52)				631,453	631,453	7,786,927
Butte Falls, City of (60)		291,980			291,980	7,494,947
Sundown Sanitary Dist. (45)	299,000				299,000	7,195,947
Sundown Sanitary Dist. (45)		1,565,000			1,565,000	5,630,947
Spray, City of (44)		75,000			75,000	5,555,947
Stanfield, City of (58)		1,269,500			1,269,500	4,286,447
<b>Subtotal</b>	<b>749,000</b>	<b>5,000,789</b>	<b>0</b>	<b>29,642,843</b>	<b>35,392,632</b>	
Balance=	90,000	2,196,447	2,000,000	0	4,286,447	

The projects included in the above schedule are those that we believe are most likely to request loan agreements during fiscal year 2007. If additional applications are received, or other applicants already on the Priority List so request, we will execute loan agreements as long as funds are available, on a competitive basis, if necessary.

<b>2007 Activity - With Grant</b>	<b>Facility Planning</b>	<b>Small Comm.</b>	<b>Expedited Loans</b>	<b>Other</b>	<b>FP, SC and Other Total</b>	<b>Remaining Available SRF Funds</b>
Current FY Available Funds:	<b>839,000</b>	<b>8,394,836</b>	<b>2,000,000</b>	<b>44,731,734</b>		<b>55,965,570</b>
<b>Uses of Available Funds:</b>						
<b>Increases</b>						
Albany (10512)				5,102,491	5,102,491	50,863,079
Rogue Valley (78495)				2,200,000	2,200,000	48,663,079
Warrenton (94943)				1,000,000	1,000,000	47,663,079
<b>Subtotals</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,302,491</b>	<b>8,302,491</b>	
Balance=	<b>839,000</b>	<b>8,394,836</b>	<b>2,000,000</b>	<b>36,429,243</b>	<b>47,663,079</b>	<b>47,663,079</b>
15% of Available Funds:	8,394,836					
25% of Small Comm. Reserve:	2,098,709					
FP on Priority List:	839,000					
<b>New Loans</b>						
Applicant: (ranking)						
Salem, City of (8)				8,394,836	8,394,836	39,268,243
Portland, City of (43)				8,394,836	8,394,836	30,873,407
Gresham, City of (48)				3,623,800	3,623,800	27,249,607
Woodburn, City of (48)	450,000				450,000	26,799,607
Woodburn, City of (48)				4,050,000	4,050,000	22,749,607
Enterprise, City of (51)		2,098,709		5,647,101	7,745,810	15,003,797
Madras, City of (52)				4,632,181	4,632,181	10,371,616
Gresham, City of (54)				1,686,489		10,371,616
Butte Falls, City of (60)		291,980			291,980	10,079,636
Nyssa, City of (2)		1,060,000			1,060,000	9,019,636
Spray, City of (44)		75,000			75,000	8,944,636
Stanfield, City of (58)		1,269,500			1,269,500	7,675,136
Sundown Sanitary Dist. (45)	299,000				299,000	7,376,136
Sundown Sanitary Dist. (45)		1,565,000			1,565,000	5,811,136
<b>Subtotal</b>	<b>749,000</b>	<b>6,360,189</b>	<b>0</b>	<b>36,429,243</b>	<b>41,851,943</b>	
Balance=	<b>90,000</b>	<b>2,034,647</b>	<b>2,000,000</b>	<b>0</b>	<b>5,811,136</b>	

Any additional funds that become available to the Program during the remainder of 2007 will be allocated as applications are received throughout the fiscal year.

### Timely Use of Funds

It is the intent of the CWSRF loan program that its funds be used in a timely and expeditious manner. EPA's requirement is that funds be committed within one year of the time they become available, with some exceptions. The following table documents the Oregon CWSRF loan program compliance with that requirement. This calculation is accurate as of June 1, 2006:

**BINDING COMMITMENTS AND FUNDS AVAILABLE**

EPA requires that the program execute binding commitments at least equal to the amount of funds available in the program, within one year of that fund availability. This schedule calculates the amount of funds available as of June 30, 2005, and compares that amount to the binding commitments executed as of June 1, 2006.

**FUNDS AVAILABLE AS OF JUNE 30, 2005:**

Total Federal Cap Grants Awarded	Total State Match Contributed	Total Principal Repayments	Total Interest Repayments	Total Investment Interest	(1) Total Early Principal Repayments FY 02 - 05	Total Transfers From Fees Fund FY 02 - 05	TOTAL FUNDS AVAILABLE
263,489,612	50,263,335	121,132,159	57,779,301	21,164,698	11,480,117	3,000,000	505,348,988

**TOTAL BINDING COMMITMENTS AS OF JUNE 1, 2006:** 593,252,436

**BINDING COMMITMENTS AS A PERCENTAGE OF FUNDS AVAILABLE FROM 2005:** 117.4%

(1) We have 3 years to commit early principal payments

## **LOAN AWARD BY-PASS PROCEDURE**

Each loan application submitted to DEQ is rated and ranked by CWSRF personnel, then included in the Project Priority List. Projects can only be funded if they are on this list, which is included in this IUP. If enough projects indicate they are ready to proceed, the CWSRF loan program may not have sufficient funds available to accommodate all those requests. In this situation, DEQ will award loans to projects that are ready to proceed, in rank order, based on the Project Priority List ranking as published in this IUP. In the situation where the number of projects actually ready to proceed does not require all SRF funds available, we will award loans without regard to ranking, since available funds will accommodate all projects ready to proceed. This encourages applicants to proceed with their projects, and helps to put CWSRF funds to work in a timely manner.

## **PROGRAM INCOME**

Program income is income earned as a direct result of receiving federal capitalization grants. In the CWSRF loan program this consists of income from fees charged on loans made with grant money. During fiscal year 2007 we anticipate collecting approximately \$40,000 program income earned during the grant periods, and approximately \$650,000 program income earned after the grant periods. This program income could be from any and all federal capitalization grants from which loans have been disbursed.

## **ENVIRONMENTAL REVIEW**

Environmental Review requirements have been modified in recent years except as required by DEQ and other agencies outside of the CWSRF program. The EPA Title II equivalency requirements have been met, so the National Environmental Policy Act no longer applies to new projects. A proposed State Environmental Review Process was submitted to EPA and approved in November 1999. This State Environmental Review Process is included as part of the Oregon CWSRF Program Procedures Manual, which is available upon request.

## **OPERATING AGREEMENT**

The Operating Agreement between the U.S. Environmental Protection Agency and the State of Oregon Department of Environmental Quality for the State Revolving Fund Program includes the procedures, assurances, certifications, Title II requirements, applicable federal authorities and laws, and other on-going documentation for the program. The Operating Agreement is discussed here to incorporate the required assurances, certifications and other documentation by reference. Copies of the Operating Agreement are available upon request.

**PUBLIC INVOLVEMENT ACTIVITIES**

Invitations to submit applications were sent to all Oregon jurisdictions, sanitary districts, and other interested parties in January 2006. The following public notice inviting comments was printed in the Daily Journal of Commerce and the Business Journal October 6, 2006:

**PUBLIC NOTICE****Clean Water State Revolving Fund  
Proposed Updated Intended Use Plan  
State Fiscal Year 2007**

Notice Issued: October 6, 2006  
Comments Due: November 6, 2006

**WHAT IS PROPOSED**

The Oregon Department of Environmental Quality (DEQ) has prepared an updated *FY 2007 Intended Use Plan* for the CLEAN WATER STATE REVOLVING FUND in accordance with procedures set out in Division 54 of Chapter 340 of the Oregon Administrative Rules.

This plan is part of an application to receive federal grant funds made available for the creation of state revolving funds under authority of the Clean Water Act. These funds are to be used to provide low cost loans to public agencies for water pollution abatement projects, including eligible wastewater treatment, nonpoint source, and estuary management projects.

**DESCRIPTION OF PROPOSED INTENDED USE PLAN**

If approved, the Intended Use Plan will fund up to \$55,965,570 in loans for planning, design and construction of projects needed to correct priority water quality problems in Oregon. The Intended Use Plan includes a List of Eligible Projects in Priority Order that have applied for funding. Funding will be allocated in priority order as applicants complete the application process. Funding limitations under Oregon Administrative Rule 340-54-025 may apply.

**TO RECEIVE A COPY OF THE INTENDED USE PLAN**

A copy of the Intended Use Plan is available from the Department of Environmental Quality by contacting Kim Carlson at 503-229-6312 or Rick Watters at 503-229-6814. The I.U.P. document can also be found at DEQ's website: <http://www.deq.state.or.us/wq/loans/srloans.htm>, "2007 CWSRF Intended Use Plan Update 1" (under "Program Documents"). Comments on the I.U.P. must be submitted in writing to the Department by Monday, November 6, 2006. Send comments to Kim Carlson, DEQ CWSRF Loan Program, 811 S.W. 6<sup>th</sup> Avenue, Portland, OR 97204. Comments may also be submitted via e-mail to Kim at [carlson.kimberly.a@deq.state.or.us](mailto:carlson.kimberly.a@deq.state.or.us).

**MAILING LISTS**

In addition to all agencies submitting new applications, a number of interested organizations and individuals, listed below, were sent a letter describing the I.U.P. process and telling them how to access the draft document.

Committee Administrator  
Senate Agriculture and Natural Resources  
Committee  
354 State Capitol  
Salem, Oregon 97310

O.S.P.I.R.G.  
1536 S.E. 11th Avenue  
Portland, OR 97214

Association of Oregon Counties  
P.O. Box 12729  
Salem, OR 97309

N.W. Environmental Defense Center  
10015 S.W. Terwilliger Blvd.  
Portland, OR 97219

Oregon Economic Development  
Department  
775 Summer St. N.E.  
Salem, OR 97310

Northwest Environmental Advocates  
2866 NE Dunckley  
Portland, OR 97212

Oregon Environmental Council  
222 NW Davis Street, Suite 309  
Portland, OR 97209-3900

Oregon Insider Newsletter  
P.O. Box 11586  
Eugene, OR 97440

Oregon League of Women Voters  
2659 Commercial St. S.E., Suite 220  
Salem, OR 97302

Oregon Watershed Enhancement Board  
255 Capitol St. N.E., Third Floor  
Salem, OR 97310-0203

Oregon Rural Development Council  
Community Services Center  
1209 University of Oregon  
Eugene, OR. 97403

Association of Clean Water Agencies  
537 S.W. Ash St., Suite 12  
Portland, OR 97214-1159

Program Director  
USDA Rural Utilities Services  
1201 N.E. Lloyd Blvd.  
Portland, OR 97232

League of Oregon Cities  
P.O. Box 928  
Salem, OR 97038

Michelle Tucker  
U.S. Environmental Protection Agency  
1200 6<sup>th</sup> Avenue  
Seattle, WA 98101