

Drinking Water Infrastructure Funding Assistance for Small Systems.

Using the Drinking Water State Revolving Fund

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<http://healthoregon.org/srf>

<http://Oregon.gov/bil>

Fall Drinking Water Services Partners Training –October 2024



What is the Drinking Water State Revolving Fund (DWSRF)

- The DWSRF was established in 1996 by the Safe Drinking Water Act and is a financial assistance program to help states and public water systems achieve public health objectives. The program is a partnership between EPA and the states.
- States are awarded federal capitalization grants annually by the EPA. They set aside a percentage and place the remainder of their capitalization grant with a state match into a dedicated revolving loan fund.
- This revolving fund then functions as an infrastructure bank, providing low-cost financing for eligible infrastructure projects and other authorized assistance to water systems.

Oregon DWSRF EPA Base Capitalization Grant			
BASE DWSRF allotment is based on the national DWSRF needs survey.			
Grant Year	Grant Amount	20% Match Requirement	Total
2022	\$9,220,000	\$1,844,000	\$11,064,000
2023	\$7,428,000	\$1,485,600	\$8,913,600
2024	\$7,011,000	\$1,402,200	\$8,413,200

Interagency Implementation of the DWSRF

- Oregon's DWSRF program is co-administered by Oregon Health Authority (OHA) and Business Oregon
 - **OHA manages:**
 - Capitalization Grant Applications
 - Project review, rating, and ranking
 - Program Set-Asides
 - Capacity Assessments & Environmental Review
 - **Business Oregon manages:**
 - The Loan Fund (i.e., the Safe Drinking Water Revolving Loan Fund)
 - Financial Offerings (interest rates, forgivable loans, subsidies)
 - Funded project management
 - Other funding programs at the state or federal level

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Safe Drinking Water Revolving Loan Fund (SDWRLF)

SDWRLF "base" and Bipartisan Infrastructure Law (BIL) funding (loans with potential for some principal forgiveness)

Infrastructure* & Planning Projects

SDWRLF "base"

BIL-General Supplemental (GS)
Sustainable Infrastructure Planning Projects (SIPP)

**Includes Health & Compliance & Consolidation projects and General Infrastructure projects*

Targeted BIL Programs

BIL-Emerging Contaminants (EC)

BIL-Lead Service Line Replacement (LSLR)

DWSRF set-asides

"Set-aside" funds for local assistance & other programs

Drinking Water Source Protection Fund (DWSPF)
grants & loans

Technical & Local Assistance and Program Management

Safe Drinking Water Revolving Loan Fund

- **Eligible Applicants:**

- Public or private community public water systems.
- Non-profit, non-community public water systems. Example: school or a non-profit campground.

- **Financial Offerings:**

- Depending on available funding, any water system invited to apply can receive a reduced interest rate on a loan. (Starting at 80% of the standard loan rate and can go as low as 1%)
- Based on project type, water system size, and socio-economic factors such as household income the applicant could be eligible for up to \$650,000 in forgivable loan towards their project total. (like a grant with conditions)

Eligible Projects under the SDWRLF

- **The SDWRLF may fund a wide range of drinking water infrastructure projects. Six categories of projects are eligible to receive DWSRF assistance. The below categories are general examples of projects, but this list is not all inclusive:**
 - **Treatment:** Projects to install or upgrade facilities to improve drinking water quality to comply with SDWA regulations
 - **Transmission and distribution:** Rehabilitation, replacement, or installation of pipes to improve water pressure to safe levels or to prevent contamination caused by leaky or broken pipes
 - **Source:** Rehabilitation of wells or development of eligible sources to replace contaminated sources
 - **Storage:** Installation or upgrade of finished water storage tanks to prevent microbiological contamination from entering the distribution system
 - **Consolidation:** Interconnecting two or more water systems
 - **Creation of new systems:** Construct a new system to serve homes with contaminated individual wells or consolidate existing systems into a new regional water system.

BIL General Supplemental

- The Bipartisan Infrastructure Law also referred to as BIL, passed 11/15/2021. From 2022 through 2026, the BIL is providing a time-sensitive opportunity for increased infrastructure funding through each states existing DWSRF program.
- The BIL General Supplemental Funds (BIL-GS) can be used for any project eligible under the SDWRLF program.
 - Increased Incentives (49% subsidy for disadvantaged communities)
 - Disadvantaged Communities Prioritized
 - Health & Compliance Projects Prioritized

Fiscal Year		General Supplemental
2022		\$ 23,673,000
2023		\$ 31,672,000
2024		\$ 34,575,000
2025	Forecast	\$ 34,575,000
2026		\$ 34,575,000
Total		\$ 159,070,000

Sustainable Infrastructure Planning Projects

- **Planning activities that promote sustainable water infrastructure may receive funding up to a maximum of \$20,000 per project.**
 - Can fund the necessary planning documentation needed to obtain construction funding
- **Applicants:** Water systems eligible under the DWSRF
- **Financial Details:**
 - Up to \$20,000 of 100% forgivable loan. (like a grant with conditions)
 - **Potential increased amount for certain project types in 2025, more to come.**
- **Application Process:** Applications (available on OHA's website) reviewed on 2/15 & 8/15 annually.

Eligible Projects Under SIPP

- **Feasibility Studies** - studies to evaluate infrastructure project feasibility. Studies may also include the evaluation of resiliency measures and continuity of operations, including identification of needed infrastructure improvements.
- **Asset Management Plan** - plan for managing water system infrastructure assets
- **System Partnership Studies** - studies to evaluate potential for system consolidation / regionalization
- **Water Rate Analysis** - analysis of water system rate charges, structure, and adequacy
- **Leak Detection Studies** - studies to detect water system leakage and identify possible solutions
- **Security Risk and Vulnerability Studies** - studies or assessments to evaluate infrastructure and information security, including cybersecurity.
- **Water System Master Plan for water systems with < 300 connections** - long-range plan to evaluate the needs of the water system and make recommendations for future improvements
- **Seismic Risk Assessment and Mitigation Plans** - Seismic planning requirements as outlined in OAR 333-061-0060(5)(a)(J).

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BIL- Emerging Contaminants Supplemental

- **To be considered under the BIL Emerging Contaminants (BIL-EC) funding, the project must be otherwise eligible under the DWSRF and directly address and/or mitigate people's exposure to EC in drinking water.**
 - Planning, Design & Construction Projects Eligible
 - 100% forgivable loan (subsidy)
 - State Priorities are PFAS, Cyanotoxins, and Manganese in drinking water.
 - Confirmed EC that are listed on any of EPA's Contaminant Candidate Lists (CCL1 - CCL5) are recognized as eligible.

2022	\$9,940,000	1.32% Needs Survey Rate
2023	\$11,493,000	1.50% Needs Survey Rate
2024 (anticipated)	\$11,493,000	1.50% Needs Survey Rate
2025 (anticipated)	\$11,493,000	1.50% Needs Survey Rate
2026 (anticipated)	\$11,493,000	1.50% Needs Survey Rate
TOTAL	\$55,912,000	

BIL- Emerging Contaminants Supplemental (cont.)

- **Application Form Available on Business Oregon's SDWRLF website.**
 - Additional Fund will potentially be available through the Emerging Contaminants in Small or Disadvantaged Communities Funding (EC-SDC)
 - Accepted Annually but due February 15th each year!
- **Confirmed PFAS, Cyanotoxins, and Manganese in drinking water are priorities**
 - Confirmed EC that are listed on any of EPA's Contaminant Candidate Lists (CCL1 - CCL5) are recognized as eligible.
 - To be eligible for this funding program, public water systems must provide documentation to Oregon Drinking Water Services (OHA-DWS) confirming detection of the emerging contaminant identified in the submitted funding application.
 - Water systems may submit to perform planning projects or pilot projects for treatment

BIL - Lead Service Line Supplemental

- Incentive (49% subsidy) for DAC communities
- Funding will be available to eligible water systems in the form of loans with low to 0% interest rates.
- Removal of lead or galvanized (iron or steel) services, goosenecks, pigtails, connectors, curb stops, and other appurtenances as part of full LSLR efforts
- Projects must fully replace both the public and private side up to the point of premise plumbing.
- **Service Line Inventory work eligible.**
- Letters of Interest due February 15th, 2025.

2022	\$37,300,000	1.32% Needs Survey Rate
2023	\$28,650,000	1.00% Needs Survey Rate
2024 (anticipated)	\$28,650,000	1.00% Needs Survey Rate
2025 (anticipated)	\$28,650,000	1.00% Needs Survey Rate
2026 (anticipated)	\$28,650,000	1.00% Needs Survey Rate
TOTAL	\$151,900,000	



How to Apply:

- **How to get access to funding:**

- The first step for eligible water systems to obtain financial assistance is to submit a **Letter of Interest (LOI)**.

- LOIs for infrastructure projects can be submitted at any time through Business Oregon's website but should be submitted in consultation with the BIZOR regional development officer for the area.

- **LOIs are reviewed annually on 2/15**, are rated and ranked by Oregon Health Authority (OHA) with criteria based on risks to human health, compliance, and affordability.

- Full application is completed after receiving an invitation from Business Oregon if there are funds available in the program. Projects are prioritized for invitation based on readiness to proceed and health/compliance priorities.

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Drinking Water Source Protection Grants

- The Drinking Water Source Protection Fund (DWSPF) is designed for the protection of drinking water sources.
- Oregon provides direct assistance or technical support for drinking water source area delineation, potential contaminant source inventory and risk assessment, development of DWSP plans, and implementation of protection strategies. Examples of eligible activities include the development of local DWSP ordinances, implementation of pollution prevention strategies, and development of public education programs highlighting the importance of drinking water source protection.
- **Low interest loans up to a maximum of \$100,000**
- **Source protection grant up to \$50,000 per water system**
- **Land acquisition (conservation) planning grants up to \$70,000 per project**
 - **New for 2024**, funding for eligible public water systems to apply for land acquisition (conservation) planning grants (up to a maximum of \$70,000) that will be funded with Bipartisan Infrastructure Law (BIL) funds. Land acquisition for conservation purposes refers to the preservation of land to protect, restore, or enhance sources of drinking water serving eligible public water systems.
- **Letters of Interest anticipated to be accepted from February through May in 2025, Check OHA's Source Water Protection Webpage Page!**

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Technical Assistance & The Circuit Riders

Provides **FREE** on-site technical assistance for eligible community and non-profit non-community public water systems serving populations under 10,000

- Jar Testing
- Coagulant Dosage Optimization
- Corrosion Control Implementation
- Turbidimeter Calibration
- CT Tracer Studies
- Chemical Feed Pump Calibration
- Filter Troubleshooting
- Reporting & Record Keeping
- Sampling Requirements
- **Funding Application Assistance**
- **Financing Options & Strategies**
- Pumping Sizing
- Cross-Connection Assistance
- Storage & Supply Issues
- Etc...

EPA Technical Assistance Program

- EPA Water TA provides a variety of services in order to address water and wastewater challenges. These services include:
 - Identifying water infrastructure or water quality improvement needs,
 - Planning for capital improvements,
 - Building technical, managerial, and financial capacity, and
 - Preparing for and developing applications materials for financing a project through the State Revolving Funds (SRF) and other EPA-supported funding opportunities.

<https://www.epa.gov/water-infrastructure/water-technical-assistance>

BIZOR: Water/Wastewater Financing Program

- **State funding for Drinking Water and Wastewater Infrastructure (planning & design/construction).**
 - Project must be needed to maintain compliance with SDWA or CWA or otherwise represent an urgent water supply issue.
- **Eligible Applicants:** Municipalities
- **Financial Details Overview:** Loan & grant. Interest rates as low as 1%. Grants up to \$750,000 or 50% of project cost.
- **Application Process:** Apply anytime, contact Business Oregon Regional Development Officer.
- **\$50,000 technical assistance grants available for feasibility studies, wastewater facility plans, water master plans, & more.**

6 Key Takeaways

- 1) **Reach out to your Business Oregon Regional Development Officer (RDO) - <https://www.oregon.gov/biz/aboutus/regions/Pages/default.aspx>**
 - **Great place to start!**
 - And know where to locate the Letter of Interest (LOI)
- 2) **Free Circuit Rider assistance is available**
- 3) **Be clear and detailed with project descriptions**
- 4) **There is one general LOI submission deadline**
- 5) **BIL has 5 years of funding available (2022 – 2026)**
- 6) **Funding is competitive**
 - Priority is on health/compliance related projects
 - Current Project Priority List (PPL) includes approximately:
 - 86 projects, requesting almost \$600 million in funding



Thank You!

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(971) 719-6862

<http://healthoregon.org/srf>

<http://Oregon.gov/bil>

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Health
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Resources:

- 1) BIZOR's SDWRLF Page:
<https://www.oregon.gov/biz/programs/sdwrlf/pages/default.aspx>
- 2) OHA's DWSRF Page:
<https://www.oregon.gov/oha/PH/HEALTHYENVIRONMENTS/DRINKINGWATER/SRF/Pages/index.aspx>
- 3) OHA's BIL Funding Page:
<https://www.oregon.gov/oha/PH/HEALTHYENVIRONMENTS/DRINKINGWATER/SRF/Pages/bil.aspx>
- 4) EPA WaterTA: <https://www.epa.gov/water-infrastructure/water-technical-assistance>