

Water-Related Infrastructure Funding

2021-23 biennium and beyond

April 7, 2022

Environmental Quality Commission

Briefing Outline

- ❑ Overview of Funding Investment Sources
- ❑ 2021-23 and American Rescue Plan Act Funding
- ❑ Onsite Septic System Repair/Replace Programs
- ❑ Bipartisan Infrastructure Law Funding
- ❑ Clean Water State Revolving Fund Program
- ❑ Opportunities and Challenges

Sources of Water-Related Investments

Recent funding enactments:

- 2021-23 Legislatively Approved Budget
 - American Rescue Plan Act (ARPA)
 - Other 2021-23 initiatives (GF/LF/Other)
- Bipartisan Infrastructure Law (BIL)
(aka Infrastructure Investments and Jobs Act of 2021)
- Federal FY22 Congressionally Directed Spending (CDS)

American Rescue Plan Act (ARPA)

Category/Theme	Agency	\$ Amount
Local Wastewater/Drinking Water Infrastructure Projects (48 projects specified)	OBDD	275,721,722
Onsite Septic System Financial Assistance Program	DEQ	15,000,000
Legislator designated district spending (8 projects specified)	multiple	9,180,000
Umatilla County for the Ordinance regional water infrastructure project	WRD	6,000,000
Fish screening and fish passage projects	ODFW	5,000,000
Flood methodology and assessment of dams	WRD	4,000,000
Supplement fee services	WRD	3,000,000
Purchase and deployment of surface and ground water data collection equipment	WRD	3,000,000
Water Well Abandonment, Repair and Replacement Fund	WRD	2,000,000
Place-based Planning	WRD	1,000,000
Water Measurement Cost Share Program Revolving Fund	WRD	1,000,000
Assistance to local governments with meeting fish passage requirements for dam upgrade projects	WRD	500,000

Other 2021-23 Legislative Investments (non-ARPA)

Category/Theme	Agency	\$ Amount
Special Projects Works Fund	OBDD	50,000,000
Special Projects Works Fund - Capitalization	OBDD	15,000,000
Levee Grant Program Fund – Capitalization	OBDD	15,000,000
Basin-specific Dam and Irrigation Projects (Wallowa Lake; Newport Big Creek; Deschutes Basin)	OWRD	38,000,000
Water Supply Development Grants	OWRD	30,000,000
Riparian and upland restoration and protection of water quality grants	OWEB	10,000,000
Grants for floodplain restoration and reconnection	OWEB	5,000,000
Water Vision, Planning, and Equity Projects	OWRD/OWEB /ODFW	5,000,000
McKenzie riparian/floodplain property restoration/acquisition	EWEB	4,000,000
Water Rights Legal Caseload backlog	OWRD	2,200,000
Re-launch onsite system repair/replace loan program	DEQ	2,000,000
Water conservation, reuse and storage project feasibility study grants	OWRD	500,000

Onsite Septic Funding Opportunities

1. Onsite Loan Program (OLP): \$2,000,000

- Established by 2016 Legislature (*ORS 454.779*)
- General fund allocation for use during the 2023-2025 biennium
- Pass through grant to Craft3 (re-launched in November 2022)
- Affordable loans provided statewide for septic repair and replacement

2. *NEW* Onsite Septic Financial Aid Program (OSFAP):\$15,000,000

- Established by 2021 Legislature (HB 5006)
- Federal American Rescue Plan Act
- Third parties will administer financial aid programs
- Financial aid includes grants and loans

OSFAP Priorities



Recovery assistance for victims of the 2020 wildfires.

Economic hardship relief for low- and moderate-income households and property owners.

Water quality improvements for impaired waterbodies.

OSFAP Implementation

- ARPA funds will provide decentralized wastewater treatment improvements for individuals and communities experiencing economic hardship from the pandemic.
- Pass through grants from DEQ will enable counties, regional governments, and community development financial institutions to run programs to meet local needs.
- Unique opportunity to provide grants to property owners, including households or for larger onsite systems serving mobile home parks, restaurants and other businesses.

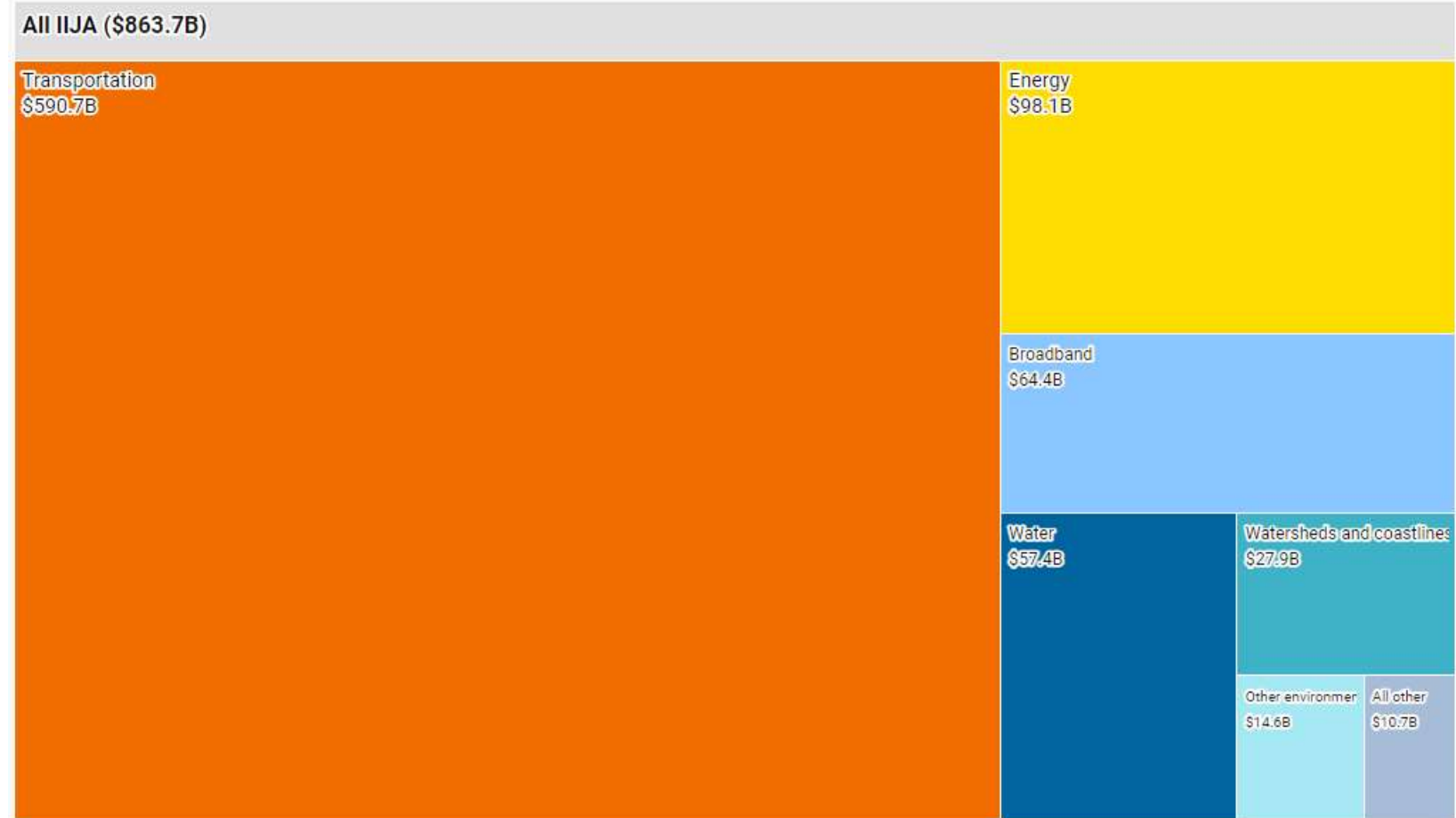
OSFAP Timeline

- July 2021 – March 2022 Preparation and Outreach Activities
- Spring-Summer 2022 Wildfire Project Proposals
- Fall-Winter 2022 Second Round of Proposals
- All funds obligated by December 2024
- All funds expended by December 2026



Bipartisan Infrastructure Law (BIL/IIJA)

- Goes into effect May 2022
- Provides designated funding over next five years
- Distributes funding through existing and new programs



Bipartisan Infrastructure Law (BIL/IIJA)

Program/Category	Fed <u>Dept/</u> <u>Agency</u>	Nationwide <u>Funding</u> (auth/approp.)	State <u>Agency/ Nexus</u>
CWSRF - Capitalization	EPA	11.7 B	DEQ
CWSRF – Emerging Contaminants	EPA	1.0 B	DEQ
DWSRF - Capitalization	EPA	11.7 B	OHA/OBDD
DWSRF - Emerging Contaminants	EPA	4.0 B	OHA/OBDD
EPA Geographical Programs	EPA	1.7 B	CRB Program
National Estuary Programs	EPA	132 M	TEP/LCREP
Underground Injection Control Grants	EPA	50 M	DEQ
Sewer Overflow and Municipal Stormwater Grants	EPA	1.4 B	DEQ
Training, TA and Circuit Rider Grant Programs	EPA	425 M	DEQ/others
Infrastructure Resiliency and Sustainability Grants	EPA	125 M	n/a
Water and Wastewater Workforce Investment Program Grants	EPA	50 M	n/a

Bipartisan Infrastructure Law (BIL/IIJA)

Program/Category	Fed Dept/Agency	Nationwide Funding
Aquatic Ecosystem Restoration Projects	USACE	1.9 B
Ecosystem Restoration	USDA/USFS	2.1 B
Watershed Rehabilitation and Flood Prevention Programs	USDA/NRCS	618 M
Indian Water Rights Settlement Fund	DOI	2.5 B
Water Recycling/Reuse, Storage, and Conveyance Projects	BOR	2.1 B
Aquatic Protection, Watershed Management and Watershed Health Projects	BOR	450 M
Restoring Fish and Wildlife Passage	USFWS	200 M
Klamath Basin Restoration	USFWS	162 M
Various marine/coastal/ocean programs	NOAA	600 M
Fish Passage Barrier Removal	NOAA	400 M
Pacific Coast Salmon Recovery Fund	NOAA	172 M
Flood Mitigation and Management Programs	Multiple	8.6 B

Clean Water State Revolving Fund (CWSRF)

The Clean Water State Revolving Fund provides below-market interest rate loans for the planning, design and construction of water pollution control activities. Loan principal forgiveness for qualifying economically distressed borrowers is an additional subsidization.

Eligible loan borrowers as defined by [ORS 468.423](#) for water quality improvement projects that include:

- Wastewater collection, treatment, reuse and disposal systems
- Nonpoint source water pollution control projects
- Stormwater management projects
- Decentralized, or septic, system improvement projects



CWSRF *Estimated* Funding 2022-2026

Base Capitalization Grant:

Approximately **\$13,000,000 per year**

BIL SUPPLEMENTAL ALLOTMENT (per year):

\$20,271,000 increasing to \$27,872,179 in 2026

- Currently conducting modeling and strategizing how to distribute the 49% for principal forgiveness on a per loan basis.
- Through outreach with media, partners and stakeholders, CWSRF is targeting disadvantaged, economically distressed communities.
- Technical Assistance



Opportunities

- Supporting underserved communities
- Encouraging natural/green infrastructure solutions
- Developing new community-level partnerships
- Aligning projects for additive benefits
- Leveraging funding across program areas



Anticipated Challenges

- Capacity for loan readiness
- Rulemaking necessary to accommodate new loan principal forgiveness and environmental justice metrics
- Contractor availability, supply-chains and rising costs



Additional Funding?



- FY 23 Congressionally Directed Spending
- Remaining ARPA funds
- Build Back Better

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