

Clean Water State Revolving Fund Loan Program Rulemaking Updates



Item O: Informational

July 22, 2022, Oregon Environmental Quality Commission meeting

Background and Purpose

DEQ will present updates on:

- Bipartisan Infrastructure Law key provisions and priorities
- CWSRF 2022 rulemaking scope
- Key rulemaking milestones and timeline
- BIL implementation – CWSRF program priorities and activities
- CWSRF program and BIL implementation key milestones and timeline

Problem Statement

Communities continue to face challenges with meeting water quality and infrastructure needs in Oregon, particularly disadvantaged and economically distressed communities that have limited capacity, access to resources and financing for projects.

Opportunities

- Oregon CWSRF Program will receive a ***significant increase in funding under the Bipartisan Infrastructure Law over the next five years.***
- Oregon CWSRF will be able to provide ***more financing for water pollution control projects.***
- Oregon CWSRF will provide ***more principal forgiveness for loans to disadvantaged and economically distressed communities.***
- Oregon CWSRF will utilize ***new resources for technical assistance*** to help communities plan, develop, finance and manage projects.

Bipartisan Infrastructure Law (BIL)

Key Provisions and Priorities

- Federal infrastructure funding package signed into law Nov. 15, 2021
- Provides EPA with funds through CWSRF programs for five years
- Requirement for CWSRF programs to provide more principal forgiveness
- Technical assistance (new under Clean Water Act)
- Emerging contaminants priority
- “Disadvantaged communities” defined by affordability criteria for CWSRFs
- Environmental justice priorities
- Build America Buy America requirements

EPA Cap Grant Federal Fiscal Year 2022 Allocations for Oregon CWSRF

Annual Base Cap Grant	BIL Supplemental Cap Grant	Emerging Contaminants Cap Grant
\$13,071,000	\$ 20,271,000	\$1,064,000

- 49% of BIL cap grant amount must be provided as principal forgiveness
- Technical assistance: **2% of each cap grant amount** is available for TA
- Emerging contaminants cap grant of \$1,064,000 available each year

Estimated BIL Funding Available for Oregon CWSRF Over Five Years

FFY2022	\$ 20,271,000
FFY2023	\$ 23,578,386
FFY2024	\$ 25,730,637
FFY2025	\$ 27,872,179
FFY2026	\$ 27,872,179
Total	\$125,324,381

Oregon CWSRF 2022 Rulemaking Scope

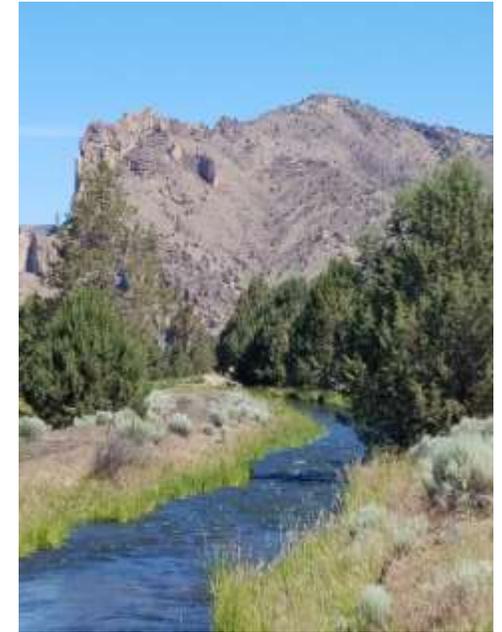
- Principal forgiveness
- Affordability criteria
- Project ranking and scoring
- Intended Use Plan
- Environmental justice metrics



Wastewater
aeration basin



Prineville's treatment
wetlands



Central Oregon Irrigation
District open canal flows by
Smith Rock

Oregon CWSRF 2022 Rulemaking Milestones and Timeline

Milestone	Target Date
Appoint Rulemaking Advisory Committee members	June 14, 2022 (done)
Schedule three RAC meetings	July 1 – Sept. 30, 2022
RAC meeting #1 scheduled	July 29, 2022
File public notice	Oct. 28, 2022
DEQ request EQC action on final proposed rules	January 2023

BIL Implementation Oregon CWSRF Priorities and Activities

- Technical Assistance
- Build America Buy America
- Emerging contaminants
- EPA requirements
- Program coordination and stakeholder engagement
- **CWSRF Rulemaking**



BIL Implementation

Oregon CWSRF Milestones and Timeline

Milestone	Target Dates
Apply for base cap grant FFY2022 to EPA	June 30, 2022 (done)
CWSRF loan application review cycles	Aug. 12 and Dec. 9, 2022
Update Intended Use Plan	Nov. 1, 2022, and April 1, 2023
Contract for technical assistance	January 1, 2023
Apply for BIL supplemental cap grant	January – March 2023
BIL implementation	April 2023

Questions?



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