Planning Application Instructions

These are instructions for completing the Planning Application to the Clean Water State Revolving Fund loan program. The completed application should provide DEQ staff with a comprehensive understanding of the project’s water quality benefits. The application contains six sections:

1. Applicant Information
2. Project Description
3. Waterbody
4. Schedule and Budgeting
5. Supporting Documentation
6. Certification

The application form allows detailed responses to questions. If the applicant needs additional space to respond to a question, provide that information, well labeled, as a separate attachment. When required, DEQ recommends the applicant submit any additional documentation as a specific “attachment” to the application.

In addition to the application, applicants must submit all applicable exhibits required in the Checklist of Application Requirements found at http://www.deq.state.or.us/wq/loans/apps.htm under Nonpoint Source Application Process.

Applicants should work closely with their CWSRF Project Officer when completing the application. A listing of DEQ Project Officers is available on the CWSRF webpage at http://www.deq.state.or.us/wq/loans/contacts.htm.
Section 1: Applicant Information

1. **Public Agency/Legal Applicant.** Provide complete contact information for the organization requesting the loan. Include the zip code + 4 information; congressional district in which the organization is located; and the DUNS number of the organization.

2. **Project Contact.** Provide contact information for the person coordinating the project for the applicant.

3. **Water Quality Permit Information.** Enter the EPA NPDES permit number (this is the number that begins with “OR”) or the WPCF permit number, whichever applies.

4. **CWSRF Loan Request.** Enter the total amount requested. If the project does not require the full amount indicated here, DEQ will amend the loan amount at the completion of the project.

5. **Total Estimated Project Cost.** This figure represents the total estimated cost of the entire project.

Section 2: Project Description

6. **Project Description.** Provide enough detail to ensure DEQ has a clear understanding of the need, intent and scope of the proposed planning project. Include a list of the potential water quality benefits; list the possibilities or refer to a published list of the pollutants addressed; and/or include a water resource restoration effort.

7. **Sustainability.** Describe how planning effort will include sustainability, establish long term reliability and viability of a facility or water resource, based on the following definitions: Sustainability means long term reliability and viability of finance, operations, environmental performance or technology, or the use of natural infrastructure (OAR 340-054-0010(31)); Natural infrastructure means the use of natural form and ecosystem function to restore or augment the intended water quality benefits of a project (OAR 340-054-0010(18).

8. **Opportunities.** If the planning effort is setting out to take advantage of an opportunity with respect to timing, finances, partnerships or other advantageous opportunity briefly explain the timing, finances, partnerships or other opportunity with respect to the project being planned.

9. **Process Improvement.** Briefly describe the process improvement tools that will be included in the planning effort, how long they have been in use and how they will be included in this planning effort.

10. **Natural Infrastructure Solutions.** If the planning effort will integrate natural solutions, describe what issue will be solved, what solutions are being considered and why they are included over traditional infrastructure.

11. **Cost Effectiveness.** If yes, list the 3 alternatives that will be considered in the planning effort and what makes them cost effective.
Section 4: Waterbody

12. **Affected Waterbody.** Provide the name and hydrologic unit code for each water body affected by the project’s discharge; include the GPS location of the primary.

13. **Discharge information.** Indicate the type(s) of waterbody(ies) proposed project affects the discharge to. If the discharge is seasonal, indicate this by marking the last box in the column. If proposed project will remove discharge from the receiving waterbody (e.g., rerouting flow to another treatment facility) select eliminates discharge (this applies only if the new facility discharges to a different waterbody). If this section is not applicable to the project, indicate by marking no change/no discharge.

14. **Wastewater Volume.**
   - For current system: Indicate the current system’s amount of water treated/processed using the average daily flow.
   - For the project: Enter the flow that is directly affected (can be the same as current system volume).
   - Eliminated or conserved: For CSO, SSO, conservation, reuse and similar projects, flow figures will not be comparable to those for treatment facilities. Use this field to provide an estimate of the amount of overflow treatment or effluent discharge avoided.

15. **Designated beneficial uses.** Identify the uses that the proposed project will protect or restore. If the project maintains or improves water quality, or if it increases effluent loadings but meets its permit, it contributes to protection of the uses you find when matching pollutants. If the project reduces loadings of a pollutant that is impairing a designated use (303(d) list), the project contributes to restoration of that use. Not all beneficial uses will apply to this project.

   Primary and secondary uses: The affected uses that comprise a large portion of project’s financing are considered primary. In most cases, one or two uses will qualify as primary. Specify secondary for other uses. If no use qualifies as primary, specify secondary for all applicable uses. Not all uses will apply.

   For more information on the beneficial uses of Oregon's waters:
   [http://www.deq.state.or.us/wq/standards/uses.htm](http://www.deq.state.or.us/wq/standards/uses.htm)

   To view Oregon’s Integrated Report and 303(d) listing select the most recent report at:
   [http://www.deq.state.or.us/wq/assessment/assessment.htm](http://www.deq.state.or.us/wq/assessment/assessment.htm)

16. **Other uses and outcomes.** Indicate additional project outcomes that may not affect pollutant discharge into a waterbody with designated uses. The “protection” and “restoration” labels may not apply as well to this category, so use your best judgment.
17. **Special Status waterbody.** Indicate if project will address water quality or public health issues in one of the following:

- **Federally Designated Wild and Scenic Rivers.** There are a number of Oregon Rivers or portions of rivers designated as Wild and Scenic. A description of those rivers and details of the specific, designated portions of those rivers is listed at: [http://www.rivers.gov/](http://www.rivers.gov/)

- **State Scenic Waterways.** The link below connects to Chapter 390 of the Oregon Revised Statutes and provides information related to Oregon’s scenic waterways. [http://www.leg.state.or.us/ors/390.html](http://www.leg.state.or.us/ors/390.html)

- **Federally designated Sole Source Aquifers (Oregon Administrative Rule 340-071-0400(2))** Oregon has only one designated sole source aquifer—the [North Florence Dunal Aquifer](http://www.oregon.gov/OPRD/RULES/waterways.shtml).

- **Lower Columbia River Estuary Partnership (National Estuary Program)** Additional information at the [Lower Columbia River Estuary Partnership](http://www.oregon.gov/OPRD/RULES/waterways.shtml) website.

- **Tillamook Estuaries Partnership (National Estuary Program)** Additional information at the [Tillamook Bay National Estuaries Partnership](http://www.oregon.gov/OPRD/RULES/waterways.shtml) website. To determine if a proposed project is located within, or will substantially affect the estuary, refer to this GIS graphic.

- **The Three Basin Rule: Clackamas, McKenzie (above river mile 15) and the North Santiam river subbasins.** The Three Basin Rule can be reviewed at the Oregon State Archives website ([OAR 340-041-0350](http://www.oregon.gov/OPRD/RULES/waterways.shtml)).

- **Significant Wetlands and Riparian Areas identified and listed by local governments these include:**
  
  i. All significant wetlands adopted through a “Local Wetlands Inventory” and
  
  ii. Any significant riparian corridors designated for protection as defined within local comprehensive plans. For more information, see [OAR 660-023-0000 through 660-023-0100](http://www.oregon.gov/OPRD/RULES/waterways.shtml)

Attach a map with the location of the project and proximity to indicated waterbody(ies) clearly marked.

18. **TMDL or GWMA implementation.** If the project supports the implementation of a Total Maximum Daily Load allocation, department water quality status and action plan or designated groundwater management area (ORS 468B.180) indicate here. Reference the specific TMDL, plan or GWMA this project will support.

**Section 7: Schedule and Budgeting**

19. **Project Schedule.**

- Estimated Design Start Date (for design projects): Project the date engineer(s) will begin the design.

- Estimated construction start date (for construction projects): Anticipate the date the contractor will receive notice to proceed.

- Estimated project completion date (for construction projects): Expected date the essential portions of the project are to be complete.
20. **Project Costs and Funding.**

The total project budget in table A should equal the total funding amount in table B and equal the total estimated project cost in Question 12.

- **Table A. Project Budget.** In the “Total Project Budget” column, list the budgeted amounts by category. In the “CWSRF Loan Funded Costs” column, identify the amount of each category covered by the CWSRF loan. This budget is a non-binding estimate. Funds will be available in whichever category needed, up to the full amount of the loan.

- **Table B. Funding Sources.** List the anticipated amount for each source of funding. If funding is tentative, indicate that. The “Total Funding” in this list must be equal to the “Total Costs” in Table A.

21. **Existing Sewer-Related Debt Service.** Provide details on all existing debt associated with previous wastewater projects or debt secured with sewer revenues.

22. **Loan Structure.** Check the box of the preferred loan structure.

**Revenue-Secured Loan.** Most CWSRF loans are direct loans secured with sewer revenues. Check the box next to “Revenue-Secured Loan” and indicate the Debt Service Coverage Factor and Loan Reserve Percentage.

Often loan recipients choose the 105% debt service coverage and the 100% loan reserve requirement. This pair requires the least increase in sewer rates but the largest amount to be set aside in a restricted loan reserve account. After reviewing the description below, if this is your choice fill in “105%” and “100%” in the blanks below the revenue-secured loan box in the application. Otherwise, select a pair appropriate to your situation. (For guidance with the structure of the loan for your project, call DEQ’s CWSRF loan specialist at (503) 229-6814).

<table>
<thead>
<tr>
<th>PAIRED COVERAGE FACTORS AND RESERVE REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service Coverage Factor</td>
</tr>
<tr>
<td>(Net Sewer revenue before Debt Service as a % of Annual Debt Service Payment)</td>
</tr>
<tr>
<td>105%</td>
</tr>
<tr>
<td>115%</td>
</tr>
<tr>
<td>125%</td>
</tr>
<tr>
<td>135%</td>
</tr>
</tbody>
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The Debt Service Coverage Factor - affects sewer system rates, since rates must generate sufficient revenue to ensure the following:

- pay for operation and maintenance of the system, debt service on prior loans and bonds, and reserves for replacement of the facilities being financed; and
- leave a balance at least equal to the coverage factor multiplied by the CWSRF loan repayment due that year.

Example of 115% debt service coverage factor:
If the project’s average annual debt service is $100,000, the rate structure must provide at least $115,000 in annual revenue (115% of the annual debt service).

The Loan Reserve Percentage Requirement - determines the amount the loan recipient must retain in a restricted reserve account. Funding of the reserve account must equal the loan reserve requirement multiplied by one-half the average annual CWSRF loan repayment.

Example of 75% loan reserve:
If the project’s average annual debt service is $100,000, the loan recipient must agree to set aside $37,500 (75% of 1/2 of the annual debt service) in a restricted reserve dedicated to repayment of the CWSRF loan.

The CWSRF loan proceeds may include the loan reserve amount if otherwise funding the reserve imposes an undue financial hardship on the loan recipient. DEQ adds the loan reserve amount to the loan project costs to determine the loan amount. Advise your CWSRF Project Officer if you would like to pursue this option.

If the loan recipient has or incurs other sewer system debt obligations which, in the judgment of DEQ, have inadequate reserves or may adversely affect the ability of the loan recipient to repay as scheduled, DEQ may require the loan recipient to provide additional coverage and reserves on the non-CWSRF debt.

Loan structures other than the revenue-secured direct loan.

**General Obligation Bonds.** The loan recipient may sell general obligation bonds to DEQ. In this case, the loan recipient must have voter approval before DEQ can sign a loan agreement. Provide the date of voter approval or the date of the scheduled election. If voters have not approved the bond, discuss funding plans with DEQ’s project officer or DEQ headquarters staff.

**Rated Revenue Bonds.** The loan recipient may sell rated (investment grade) revenue bonds or other debt obligations to DEQ if the repayment stream is not subject to appropriation through the budget process.

**Alternative Loan.** If a general obligation bond, rated revenue bond, or revenue secured loan would be unduly burdensome, the loan recipient may propose an alternative financing plan which has a credit quality substantially equal to, or better than, the credit quality of a revenue-secured loan. A loan secured by sewer assessments is an example of this structure.

23. **Service Area Data.** Provide the public agency’s overall population and the number of equivalent dwelling units. Also, provide the population served by the current system and the proposed project.

24. **Systems Costs, Revenues, and Residential Rates.** Provide a comparison of the estimated financial impact of this project on sewer system rates.

   “Before Project Expense”
   Sewer System Expense - include all annual operations and maintenance expenses currently charged to the sewer system.
Sewer System Revenues - if the total residential and non-residential sewer revenues do not exceed the sewer system expense, provide an explanation and identify what other revenue sources pay the difference.

Projected After Project Completion Expense - includes all projected annual operations and maintenance of the improved system, debt service payments, and funding for a reserve for replacement of the newly constructed system (assuming a twenty-year life for treatment plants and a forty-year life for interceptors and collectors).

Section 8: Supporting Documentation

Exhibits. Submit the application with all applicable exhibits listed in the Checklist of Application Requirements. Discuss applicable exhibits with your DEQ Project Officer.

Section 9: Certification

Authorization. The person authorized to sign the application certifies the loan recipient's intended compliance with the stated requirements by signing and dating the application.

Submitting the application and exhibits. Submit both the application and all applicable exhibits directly to your CWSRF Project Officer.

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