



State of Oregon
Department of
Environmental
Quality

Planning Application Instructions

These are the instructions for completing the **Planning Application** to the Clean Water State Revolving Fund Loan program. The application is comprehensive in scope. It was intentionally designed to collect the level of information needed by DEQ to rank projects for funding. The application contains twenty-four “questions” and an appendix.

The electronic application form is in PDF format and is intended to allow an applicant to print it out and complete it manually. The form should provide adequate space for detailed responses to most of the questions. When an additional document is requested, it is recommended those documents be submitted as a specific “attachment”. Also, if additional space is needed to respond to a question, feel free to submit that information, well labeled as a separate attachment.

It is expected that applicants will need some clarification when responding to these questions. **In addition to the application form, applicants must also submit all of the applicable exhibits requested in the Application Exhibits Checklist.** DEQ encourages applicants to work closely with their regional DEQ Project Officer in accurately completing this application and any other appropriate documents.

A map showing DEQ’s regions and corresponding Project Officers is available at:
<http://www.deq.state.or.us/wq/loans/docs/regionaldegcontacts.pdf>

LINE INSTRUCTIONS

1. **PUBLIC AGENCY.** The complete legal name of the entity applying for the loan, the mailing address, phone numbers, fax number and email address.
2. **CONTACT PERSON.** Provide the contact information for the staff person who will coordinate the planning project for the applicant.
3. **CONSULTING ENGINEER:** When appropriate, provide contact information for a primary consultant. Be sure to include an email address.
4. **CWSRF LOAN REQUEST.** This is the amount the applicant is requesting from the CWSRF loan program. Loan proceeds are disbursed on a reimbursement basis. If the full loan amount is not needed, the loan will be amended (i.e., decreased) at the completion of the project. No interest or fees are charged for loan proceeds not disbursed.
5. **PROJECT DESCRIPTION.** Provide enough detail to ensure a clear understanding of the need for the planning and what issues are expected to be addressed.
6. **TOTAL ESTIMATED PROJECT COST.** This figure should represent the latest information on the estimated cost of the project. This is the cost that will be financed from all funding sources. It may include staff administration time if that cost is being financed. Be sure to attach a copy of the estimate document if available.
7. Provide the name/description of the surface waterbody if one will be receiving the discharge of a future treated wastewater effluent.
8. Describe how/where a future effluent will be applied/discharged if not going to a surface waterbody.
9. Provide the name of the surface waterbody likely to be impacted if this planning effort is associated with a nonpoint source type of project.
10. Self Explanatory
11. List any/all endangered or threatened species (state or federally identified) that are provided habitat by this waterbody.
12. **Special Status waterbody.** Indicate which (if any) designation qualifies the waterbody.
13. If relevant, list all existing major wastewater facilities associated with this planning. Which facilities are likely to be involved, impacted by the results of this planning?

14. Indicate if this planning effort is intended to address a water quality, public health issue or a permitted effluent limitation. Describe the problem(s). Attach documentation.
15. Indicate if this planning effort is intended to address an exceedances of groundwater limitations in OAR 340-040 or a public health issue associated with groundwater. Describe the problem(s). Attach documentation.
16. Indicate if this planning effort is directly related to a previous compliance or enforcement activity. Indicate which activity.
17. **Planning Schedule** Provide the best estimate of these dates.
18. If relevant, describe how this planning activity supports the implementation of either a TMDL or an Action Plan for a groundwater management area.
19. These two tables are intended to show that sufficient funds will be available to cover all known planning costs. Total Costs should equal Total Funding and be the same as the Total Estimated Planning Cost in Question 6.

Table A. Planning Budget. In the Total Project Budget column, list all of the budgeted planning costs by general category. In the CWSRF Loan Funded Costs column, identify which of these costs will be covered by the CWSRF loan proceeds. This budget is an estimate and is not binding. Funds will be available in whichever category needed up to the full amount of the loan.

Table B. Funding Sources. Identify each of the funding sources with the dollar amount expected. If funding is tentative, add a note explaining the situation. If the CWSRF loan is a “back-up” funding source to cover a tentative funding source or possible cost overruns, add a note to explain this.

20. **ESTIMATED CWSRF LOAN DISBURSEMENT SCHEDULE.** Loan proceeds are disbursed when copies of the invoices or other documentation of costs are submitted. List the estimated amount of loan funds to be requested each three months. This can be based on a rough estimate of the planning schedule and is not binding. The quarterly disbursement requests should add up to the CWSRF Loan Request amount in question 4.
21. **EXISTING SEWER-RELATED DEBT SERVICE.** List the details on all existing debt that was used to finance wastewater projects or is secured with sewer revenues.
22. **LOAN STRUCTURE:** Check the box of the preferred loan structure. The most common is the Revenue-Secured Direct Loan with a 105% rate coverage and a 100% loan reserve. Read the description below to see if this is your preference. If not, continue reading the other options to find the appropriate structure.

REVENUE SECURED DIRECT LOAN. Most CWSRF loans are direct loans secured with sewer revenues. If that is your preference, check the box next to “Revenue-

Secured Direct Loan” and fill in the Debt Service Coverage Factor and Loan Reserve Percentage, as described below. Most borrowers choose the 105% 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 reading the description below, if this is your choice, fill in “105%” and “100%” in the blanks below revenue-secured loan. Otherwise, select a pair appropriate to your situation. (For on additional information on loan financial details, call Rick Watters at (503) 229-6814, or 800 452-4011 x6814)

PAIRED COVERAGE FACTORS AND RESERVE REQUIREMENTS	
COVERAGE FACTOR (Net Sewer Revenues before Debt Service as a % of Annual Debt Service Payment)	LOAN RESERVE REQUIREMENT (% of ½ of average annual debt service)
105%	100%
115%	75%
125%	50%
135%	25%

The selection of the Coverage Factor will affect the borrower's sewer system rates, since rates must be maintained which generate sufficient revenue to:

- 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.

The Loan Reserve Requirement determines the amount that the borrower 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.

The Loan Reserve may be funded with CWSRF loan proceeds if funding the reserve imposes an undue financial hardship on the borrower. In this case, the loan reserve amount would be added to the loan-funded project costs to determine the loan amount. Advise your project officer if you would like to pursue this option.

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

There are several other types of loan structures available other than the revenue-secured direct loan, as described below.

GENERAL OBLIGATION (G.O.) BONDS. The borrower may sell general obligation bonds to the DEQ. In order to do this, the local jurisdiction must have voter approval before DEQ can sign a loan agreement. Indicate the election date of voter

approval (or when an election is scheduled). If voter approval has not yet been received, discuss funding plans with the DEQ project officer or the Headquarters staff.

RATED REVENUE BONDS. The borrower may sell rated (investment grade) revenue bonds or other debt obligations to the 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 borrower 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. An example of this structure is a loan secured by sewer assessments.

DISCRETIONARY LOAN. A borrower with a population of less than 5,000 which, in the judgment of the DEQ, cannot practicably comply with the requirements of the types of loans described above is eligible for a Discretionary Loan. The security structure of this loan would be based upon the financial situation of the borrower. Due to the fact that Discretionary Loans are higher risk, they are limited in amount and are available only for projects which address significant water quality problems.

23. **SERVICE AREA DATA.** Provide the total population, the population served by this planning effort and number of equivalent dwelling units for the area being served by this effort.
24. **SEWER SYSTEMS COSTS, REVENUES, AND RESIDENTIAL RATES.** Provide information on the estimated impact of this planning project on the sewer system rates. Before Project Expense includes all operations and maintenance expense currently charged to the sewer system. If the total Residential and Non-Residential Sewer Revenues do not exceed the Sewer System Expense, provide an explanation of the situation and identify what other revenue sources pay the difference.

EXHIBITS. Submit the application with the applicable exhibits listed on the Application Exhibits Checklist. Talk with your DEQ Project Officer about which exhibits are applicable. If an exhibit has already been submitted to DEQ through another DEQ program, discuss this with the DEQ project officer so that a copy of the exhibit can be obtained.

AUTHORIZATION. The person authorized to sign for the borrower certifies the borrower's intended compliance with the stated requirements by signing and dating the application.

SEND APPLICATION AND EXHIBITS TO YOUR DEQ PROJECT OFFICER at the appropriate DEQ office listed.