Sponsorship Option

Overview
DEQ’s Clean Water State Revolving Fund loan program allows a public agency to apply for a wastewater facility project and a nonpoint source control or estuary management project as a combined loan. This “sponsorship option” encourages communities to pursue water restoration or protection projects in conjunction with “traditional” wastewater projects by offering a financial incentive that could benefit ratepayers.

Traditional wastewater facility projects include building or improving a sewer interceptor, force main, pump station, treatment process, biosolids process, overflow control or other activities. Nonpoint source control or estuary management activities include, but are not limited to, the protection or restoration of riparian (streamside) habitat, establishing conservation easements and acquiring riparian lands or wetlands.

Sponsorship option benefits
As an incentive to encourage public agencies to pursue sponsorship projects, DEQ reduces the combined loan’s interest rate so the debt service for the combined project equals what the debt service would have been for just the traditional wastewater facility project, or one percent, whichever is highest. Loan terms can range from five to 20 years.

Implementing a sponsorship option
A public agency may either implement the sponsorship project itself or enter into a sponsorship agreement with a partner who implements the activity. An implementing partner can be a local government, non-governmental organization or private entity. The public agency (sponsoring community) remains responsible for the successful completion of the sponsorship project and for the loan repayment. The loan agreement requires the borrower to maintain the results of the sponsorship project through property restrictions such as conservation easements.

Loan application process
Applicants for the sponsorship option must:
- Complete a point source project application (for the traditional wastewater facility project) and the necessary documents identified within the associated Checklist of Application Requirements.
- Complete the sponsorship option application (for the nonpoint source control or estuary management activity) and submit this with the point source project application. Additional documents associated with the sponsorship application may also need to be completed.
- Submit both applications to the appropriate DEQ CWSRF regional project officer.
- Submit a letter confirming the applicant’s authority to implement the sponsorship project.
- Provide a copy of the sponsorship agreement if contracting with an implementing partner.

DEQ reviews, scores and ranks loan applications in January, May and September. DEQ scores proposed sponsorship projects based on the environmental benefit of both the traditional wastewater facility project and the nonpoint source control or estuary management activity.

Financing of a sponsorship project depends on the eligibility of the project, its score, its ranking among other eligible projects and availability of program funds. DEQ includes the scored applications in the Intended Use Plan where projects are ranked against other projects. Projects are not eligible for funding until all program documents and requirements are completed and DEQ determines an applicant “ready to proceed”. When funding is available, DEQ offers funding in rank order to projects deemed ready to proceed.

For more information
For specific information on applying for the sponsorship option, contact the appropriate DEQ regional project officer at http://www.deq.state.or.us/wq/loans/contacts.htm.

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