

# **Bipartisan Infrastructure Law Funding and Oregon's DWSRF**

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# Overview

- Background
- Drinking Water State Revolving Fund & Safe Drinking Water Revolving Loan Fund
- Bipartisan Infrastructure Law
- Accessing Funds and Helping Communities Prepare

# Bipartisan Infrastructure Law Background

- BIL also referred to as the Infrastructure Investment and Jobs Act (IIJA) passed 11/15/2021
- BIL provides funding for drinking water and wastewater infrastructure through existing EPA funded programs [unlike ARPA].
- Drinking Water State Revolving Fund (DWSRF) – Oregon Health Authority (OHA) and Business Oregon
- DWSRF Loan Fund = Safe Drinking Water Revolving Loan Fund (**SDWRLF**)
- 5 years of enhanced DWSRF funding in addition to that typically received; three distinct funding buckets

# SDWRLF Program Characteristics

- **Eligible Entities:** Public Water Systems (over 15 connections); publicly or privately owned.
- **Eligible activities:** Drinking water infrastructure. Projects prioritized (ranked) by OHA.
- **Disadvantages:** Federal requirements, less than nimble application process
- **Advantages:** Low interest rates (80% of 20-bond index down to 1%); Forgivable Loan (subsidy)

# DWSRF/SDWRLF Subsidy

- Subsidy = Forgivable Loan (Similar to grant)
- EPA Requires set amounts (including for “Disadvantaged Communities”)
- Definition of Disadvantaged Community established by the state.

# Disadvantaged Community Definition

- SDWA section 1452(d)
- (3) DEFINITION OF DISADVANTAGED COMMUNITY.—In this subsection, the term “disadvantaged community” means **the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located.**

# Oregon DWSRF Disadvantaged Community Considerations

- A water system with a service area that has a median household income (MHI) below the state average.
- Affordability Criteria: Business Oregon analyzes the monthly water rate at project completion and compares it to the affordability rate ( $MHI * 1.25\% / 12 \text{ months}$ ).
- To ensure consistency Oregon DWSRF uses an Equivalent Dwelling Unit or a standard unit of water demand equal to one single family residence which consumes 7,500 gallons of water.
- Potential for definition refinement (in coordination with OHA)

# Contacts & Web Presence

- Drinking Water State Revolving Fund (OHA)
- Safe Drinking Water Revolving Loan Fund (Business Oregon)
- Regional Development Officers



# Potential Bipartisan Infrastructure Law Funding

# BIL Funding Breakdown (DWSRF)

- General Supplemental

<b>2022</b>	\$23,623,000
<b>2023</b>	\$28,386,006
<b>2024</b>	\$30,979,509
<b>2025</b>	\$33,560,109
<b>2026</b>	\$33,560,109
<b>Total</b>	<b>\$150,108,733</b>

- General Supplemental Sidebars

- Incentive (49% subsidy for disadvantaged communities)
- State Match (10% 2022 & 2023; 20% 2024-2026)

# BIL Funding Breakdown (DWSRF)

- Emerging Contaminant Supplemental
  - PFAS and other emerging contaminants

<b>2022</b>	\$9,920,000
<b>2023</b>	\$9,920,000
<b>2024</b>	\$9,920,000
<b>2025</b>	\$9,920,000
<b>2026</b>	\$9,920,000
<b>Total</b>	<b>\$49,600,000</b>

- Emerging Contaminants Supplemental Sidebars
  - Incentive (100% subsidy)
  - State Match (no match required)

# BIL Funding Breakdown (DWSRF)

- Lead Service Line Supplemental
  - Prevalence of lead service lines in Oregon

<b>2022</b>	\$37,201,000
<b>2023</b>	\$37,201,000
<b>2024</b>	\$37,201,000
<b>2025</b>	\$37,201,000
<b>2026</b>	\$37,201,000
<b>Total</b>	<b>\$186,005,000</b>

- Lead Service Line Supplemental Sidebars
  - Incentive (49% subsidy)
  - State Match (no match required)

# **BIL Next Steps for Business Oregon**

- Determine timing for application (OHA to apply)
- Manage initial expectations and build project pipeline for future grant years
- Adapt program to new federal requirements and guidance
- Help communities plan and identify projects

# How to Access Funds

- SDWRLF funds are currently available (BIL funding available in the future)
- Submit SDWRLF Letter of Interest (LOI)
- If lead or PFAS issues exist, contact OHA or submit an LOI
- Contact a Business Oregon Regional Development Officer
- Plan now for future funding years

# Helping Communities Prepare

- Business Oregon Regional Development Officers throughout the state
- Grants for planning
  - Water master plans
  - Feasibility studies, and more...
- Oregon Infrastructure and Community Facility Inventory
- One-Stop Financing Roundtable

# Questions?

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# Thank You

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