



Oregon Department of Environmental Quality

News Release

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Making water treatment projects more accessible to Oregon communities: New financing option now available

Longer-term financing from DEQ allows repayment terms up to 30 years

Communities throughout Oregon – particularly communities operating with limited funds – now have a new option to help them finance much-needed wastewater and other water treatment improvement projects. The Oregon Environmental Quality Commission has unanimously approved amended state rules which allow for longer-term financing for projects eligible under the state’s Clean Water State Revolving Fund program.

A recent U.S. Environmental Protection Agency survey documented Oregon needing nearly \$5 billion to address water quality infrastructure needs.

The Oregon Department of Environmental Quality operates the Clean Water funding program, which allows local governments and public utilities to finance a variety of water quality improvement projects. Longer-term financing, as covered by the approved amendments, applies to “treatment works” projects only – wastewater, industrial and stormwater treatment plants, equipment and collection systems. It does not cover non-point pollution projects, such as stream restoration and irrigation projects.

For more information on longer-term financing, see DEQ’s updated Clean Water State Revolving Fund web page at <http://www.deq.state.or.us/wq/loans/loans.htm> under “Current News,” or contact Katie Foreman, program coordinator, at 503-229-5622 (email: foreman.katie@deq.state.or.us)

The approved longer-term financing option is not a loan; rather, it allows a public agency to sell DEQ a revenue bond with repayment terms up to 30 years or the operational life of the treatment works, whichever is less. Communities will continue to have the existing option of pursuing a loan agreement with DEQ, with low-interest terms up to 20 years.

“Longer-term financing makes water treatment projects more affordable and accessible for more Oregon communities,” said Katie Foreman, coordinator of Oregon’s Clean Water State Revolving Fund

program. “Communities would be paying less annually to pay off the projects, which could translate to less financial stress on ratepayers.”

Longer-term financing:

- Spreads debt for the government or utility over a longer period, creating more affordable repayment terms. This could result in utility rates that would be lower than what residents would be charged under the existing 20-year loan option.
- Makes treatment works improvements more accessible, particularly to smaller, lower-income communities.
- Is available to all new borrowers for treatment work projects.
- Allows a small group of existing borrowers to refinance their existing loans with DEQ. These are mostly lower-income, smaller communities.

DEQ is authorized under the federal Clean Water Act to operate the Clean Water State Revolving Fund. Since 1990, it has provided about \$1 billion in financing to 149 communities for projects aimed at improving and protecting water quality throughout Oregon. Monies which help augment the fund come from EPA, which oversees the state’s program.

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