



## **SAFE DRINKING WATER IN OREGON:**

Program Guidelines and Applicant's Handbook for the Federally Funded  
**Safe Drinking Water Revolving Loan Fund**



Partners in bringing safe drinking water to Oregonians

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# Section One—SDWRLF Program Basics

## 1.1 Purpose of this Document

The [Safe Drinking Water Revolving Loan Fund \(SDWRLF\)](#) program is a federal-state partnership to help ensure safe drinking water by providing financial support to eligible water systems. The SDWRLF is funded through the [Drinking Water State Revolving Fund](#). The purpose of this document is to provide information on program characteristics and describe how to apply.

## 1.2 Contact Information

For more information or for assistance in preparing a Letter of Interest (LOI) to initiate the application process, contact a Business Oregon [Regional Development Officer \(RDO\)](#). Additional program information including a link to submit an LOI can be found on the [funding program web page](#).

## 1.3 Program Background

The SDWRLF is jointly implemented by the Oregon Health Authority Drinking Water Services (OHA) and Business Oregon. The agencies work together to approve projects, administer the revolving loans and undertake related activities. Oregon Revised Statute [\(ORS\) 285A.213](#) authorizes Business Oregon's administration of the fund, which is further described in Oregon Administrative Rule [\(OAR\) Chapter 123, Division 049](#).

## 1.4 Eligible Applicants

A public water system is an entity that provides water for human consumption through pipes or other constructed conveyances. A community water system is a public water system that has 15 or more service connections used by year-round residents, or that regularly serves 25 or more year-round residents. The term "community" refers to the number and permanency of connections and users. Community Water Systems are eligible to apply for funding. Additionally, non-community water systems that serve at least 25 people are eligible if the system is recognized under Oregon law as a nonprofit corporation. All Oregon public water systems can be found in the [Drinking Water Data Online database](#). Applicants that are not eligible for funding include federally owned water systems, for-profit non-community water systems, and systems that lack the technical, financial and managerial capacity to ensure compliance, financial health, and loan repayment.

## 1.5 Eligible Projects

The three main types of drinking water infrastructure projects that may be funded are:

- Planning and Preliminary Engineering
- Design and Specifications
- Construction Improvements

Projects containing more than one of the above project types can be combined in a single application. For more information about eligible/ineligible activities see **Appendix A** of this handbook.

### **1.6 Technical Assistance/Circuit Rider**

The process of developing, funding and administering a SDWRLF project can be complex, especially for smaller systems with limited capacity. To address small community needs for technical assistance, OHA provides funds for up to ten hours of Circuit Rider services. The Circuit Rider is a licensed engineer who can assess the needs of a water system and identify potential solutions. This service is available as funds allow for water systems that serve a population of less than 10,000. For more information on Circuit Riders visit the [Circuit Rider Program web page](#).

### **1.7 Drinking Water Source Protection Fund**

The Drinking Water Source Protection Fund (DWSPF) provides financial assistance to drinking water systems to help implement strategies designed to minimize the risk that contaminants might enter the drinking water supply. For more information on the DWSPF including how to apply, visit OHA's [Drinking Water Source Water Protection Projects web page](#) and see **Appendix C** of this handbook.

### **1.8 Sustainable Infrastructure Planning Projects**

Sustainable Infrastructure Planning Projects (SIPP) provide up to \$20,000 in forgivable loan funding for eligible planning projects. For more information on SIPP including how to apply, visit the [SIPP web page](#) and see Appendix D of this handbook.

### **1.9 SDWRLF Infrastructure Project Process Flow**

For a visual representation of key milestones in the application and award management processes for infrastructure projects, see **Appendix E** of this handbook.

## **Section Two—Financial Details**

### **2.1 Financial Details Overview**

The SDWRLF provides below market interest rates and forgivable loan awards. Financial offerings vary based on factors including the community's median household income (MHI), current water rates, and how rates would be impacted when the project is complete. The MHI is based on the 5-Year American Community Survey (ACS) figure for the city or other more appropriate census statistical unit (e.g., census tract and/or block group) that is representative of the water system's users.

## **2.2 Affordability Rate**

Business Oregon calculates an Affordability Rate by multiplying the water system MHI by 1.25% and dividing by 12. The Affordability Rate is compared to the monthly residential water charge per equivalent dwelling unit (EDU) during a Business Oregon financial review. Those communities with both a MHI below the state average and projected rates in excess of the affordability rate at project completion are eligible for lower interest rates and the greatest amount of forgivable loan award.

## **2.3 Loan Term Length**

A loan term length may be extended to 30 years if the project results in rates in excess of the affordability rate (Section 2.2), the community is located within an [economically distressed area](#), or the community is located within a county for which the Governor has declared an emergency and the project is intended to mitigate the emergency condition. In all other cases a maximum loan term length of 20 years may be awarded. The loan term length shall not exceed the expected useful life of the improvements funded in the project.

## **2.4 Annual Interest Rate**

Loan interest rate is set when an application is received by Business Oregon. A below market interest rate ranging from eighty percent (80%) of the Business Oregon direct rate to 1% is offered depending on community MHI and monthly user rates.

## **2.5 Forgivable Loan Awards**

Forgivable loan awards are subject to annual availability and may be awarded to assist with water rate affordability, health/compliance projects, water system consolidation, labor standards compliance, and project management. If the funding recipient completes the project by the project completion date in accordance to the terms of the contract, Business Oregon forgives repayment of the forgivable loan amount and any interest accrued thereon and cancels the forgivable loan. Forgivable loan awards for water rate affordability require that by the project completion date the water rates are at or above the affordability rate (Section 2.2).

## **2.6 Loan Limits**

While there is no statutory maximum limit on the size of a funding award, Business Oregon and OHA value the ability to offer funding to diverse communities across the state and to maintain the ability to address human health and compliance related drinking water infrastructure needs. Awards of \$3 million and above are subject to review by the Infrastructure Finance Authority (IFA) Board. Awards of \$6 million and above must be approved by the Oregon Drinking Water Advisory Council (DWAC). In those cases where a community wishes to pursue a funding award in excess of \$6 million and/or the SDWRLF is limited in its ability to meet a community's funding need, exploration of state and federal co-funding opportunities is encouraged. For more information contact a Business Oregon [RDO](#).

## **2.7 Security Pledges**

Business Oregon requires security pledges for all approved loan financing. The form and amount of security is consistent with the nature of the project and the creditworthiness of the water system. Subordination of the SDWRLF loan to other system liabilities is considered on a case-by-case basis. Loan repayment may include pledges of utility revenues or other revenue funds. A water system debt coverage ratio of 1.20 is required and must be maintained. Additional security pledges such as debt service reserves, real or personal property, personal guaranties, or other collateral also is considered. A municipal borrower must pledge its full faith and credit, unless by law, they cannot.

## **2.8 Loan Amortization and Repayment**

Repayment terms are determined when the award is made and are detailed in the Financing Contract. Loan payments are typically not required during construction, but accrue interest on actual funds disbursed. All accrued interest is due prior to or with the first principal and interest payment. Repayment must begin within one year of project completion.

Loans typically have a level annual payment due each December 1st for principal and interest. Loans may be awarded with other repayment frequencies (i.e., quarterly, monthly, semi-annually) at the sole discretion of Business Oregon. Determination of loan forgiveness occurs after a request for final disbursement has been submitted to Business Oregon.

## **2.9 Final Loan Payment and Lien Release**

Once a final loan payment has been processed, any real or personal property liens securing the loan may be released. Any cost associated with releasing such liens is the responsibility of the water system.

# **Section Three—Application Process**

## **3.1 Letter of Interest**

All water systems interested in applying for funding must first submit a Letter of Interest (LOI). An LOI should be submitted online when a project concept is expected to move forward to construction within the next 6 months to 2 years. It is *highly* recommended that a prospective applicant consult with a Business Oregon [RDO](#) prior to submitting an LOI. LOIs are accepted at any time, but quarterly review deadlines occur on March 15<sup>th</sup>, June 15<sup>th</sup>, September 15<sup>th</sup>, and December 15<sup>th</sup>. Additional information about LOIs can be found at the [Safe Drinking Water Revolving Loan Fund LOI Web Page](#).



### **3.2 OHA Rating and Ranking/Project Priority List**

After each quarterly review deadline, infrastructure LOIs are rated by OHA. Those infrastructure projects that address a risk to human health and ensure compliance with the Safe Drinking Water Act receive the highest rating. Other infrastructure rating categories include drinking water source protection, community affordability, cost effectiveness, and the consolidation of two or more water systems. LOIs are ranked along with previously submitted LOIs based on the rating outcome. Once rating and ranking of LOIs is complete, the infrastructure projects are placed on the Project Priority List (PPL) and posted on [OHA's website](#) for a 30-day public comment period.

All eligible projects that are rated and ranked by OHA are combined to form PPL. The PPL is used by Business Oregon to invite project applications. Projects on the PPL that do not move forward within two years are removed from the list. The projects ranked highest on the PPL receive funding priority with consideration given to readiness to proceed.

### **3.3 Invitation to Apply**

If a Business Oregon [RDO](#) determines that a project is ready to proceed, an invitation to apply is sent to the prospective applicant. The invitation is sent by email and includes a description of next steps. The application form as well as a project elements table form are attached to the correspondence. The project elements table form is needed to help OHA determine the level of environmental review required for the project and must be completed prior to initiating the Capacity Assessment.

### **3.4 Demonstration of Project Feasibility**

To be eligible to receive funding for final design and construction, a water system must demonstrate that the proposed project is feasible. Feasibility can be demonstrated in a Feasibility Study that is stamped and signed by the engineer responsible for the work and licensed in the State of Oregon, or in an up to date Water Master Plan and accompanying documentation. Documentation must include the following elements:

- Analysis of project feasibility (e.g. engineering, regulatory, legal etc.)
- Analysis of project alternatives and the recommended option
- Estimate of up to date project costs including materials, labor, contingency budget, and other expenses
- Design and/or construction timeline
- Operational feasibility analysis including identification of costs for operation, maintenance and long-term replacement of the water system

Business Oregon reserves the right to request additional information needed to demonstrate feasibility prior to advancing the funding application for further processing. Documentation that does not conform to the above criteria may be accepted on a case by case basis as determined by Business Oregon.

### **3.5 Capacity Assessment**

Capacity Assessment includes a review of the managerial, technical, and financial capacity of the prospective applicant (water system) and is intended to ensure that the water system is able to maintain compliance with the Safe Drinking Water Act. The Capacity Assessment must be completed prior to the awarding of funds. When a prospective applicant completes the project elements table form and the RDO determines the project has demonstrated a readiness to move forward, Business Oregon works with OHA to initiate the Capacity Assessment process. For project schedule purposes, Capacity Assessment can take up to two months to complete but could take longer depending on complexity and water system responsiveness.

As part of the Capacity Assessment OHA contacts the water system to schedule a site visit. During the site visit OHA reviews and collects information and asks additional questions as needed. After the site visit, OHA completes an assessment report, identifies any needed loan contract conditions, and forwards the report to the water system and Business Oregon. Project funding is not offered if a water system lacks adequate technical, managerial and financial capacity, unless the system agrees to undertake feasible and appropriate operational changes or restructuring to ensure adequate capacity.

#### **3.5.1 Managerial Capacity Review**

The Managerial Capacity Review is conducted by OHA. The review analyzes the institutional and administrative ability of the water system. Managerial Capacity Review includes evaluation of the following elements: operator certification; organizational structure and communication; water system policies and programs; and public communication.

#### **3.5.2 Technical Capacity Review**

The Technical Capacity Review is conducted by OHA. The review analyzes the physical and operational ability of the water system including assessing and verifying the adequacy of source water and physical infrastructure as well as the technical knowledge and ability of system personnel to properly operate and maintain the system. Technical Capacity Review includes evaluation of the following elements: water source construction and protection; water source capacity; water treatment facility construction and performance standards; distribution system construction, capacity and leakage; engineering plans and infrastructure planning; water quality and monitoring compliance; and physical security.

### **3.5.3 Financial Capacity Review**

The Financial Capacity Review is conducted by Business Oregon during the underwriting analysis of a project application. The review analyzes the ability of a water system to acquire and manage sufficient financial resources by generating sufficient revenue, maintaining credit worthiness, and managing system funds through budgeting, accounting, and other methods of fiscal control. Financial Capacity Review includes evaluation of the following elements: appropriate budgeting; accounting and financial reporting; a capital asset-financing plan; financial health ratios and ratings; adequate rates; charges and revenues to cover debt and all other expenses; and appropriate valuation of rate base (for privately owned systems).

### **3.6 Financing Contract**

The funding award is contingent on certain items, including a financing contract signed by the water system's highest elected official or duly authorized signatory. Unless otherwise authorized by Business Oregon, the water system must return the signed financing contract to Business Oregon not later than 60 days after receipt. Letter(s) of financial commitment regarding any other matching funds needed to undertake and complete the infrastructure project are also required. Business Oregon requires water systems that receive a SDWRLF award to pass a borrowing resolution that includes a certification the borrower has met all charter and governing law requirements for providing public notice.

## **Section Four—Funded Project Management**

For funded projects, a Business Oregon [Regional Project Manager](#) (RPM) is available to answer any questions, help ensure adherence to state and federal requirements, and assist funding recipients from application through project completion and closeout.

### **4.1 Procurement of Services**

Prior to procuring services, funding recipients are required to submit copies of all solicitations to the RPM at least 10 days before advertising for bids. The RPM reviews the solicitation to ensure necessary federal clauses are included. Federal regulations require water systems that receive SDWRLF funds to follow state laws for procurement and contracting as well as the "Federal Micro-purchase threshold" further described in **Appendix B**. The water system's governing body is responsible for ensuring local procurement practices meet governing law. Business Oregon may provide consultation and non-legal advice regarding procurement and contracting.

- All construction contracts financed with awards from the SDWRLF are subject to State of Oregon Prevailing Wage Rates and federal Davis Bacon wage rates (see Appendix B)

- Any public water system receiving a SDWRLF award as well as the prime contractor must take steps (Six Good Faith Efforts) to solicit and contract with Disadvantaged Business Enterprises (DBE). It is the responsibility of the water system to ensure that files and records are maintained to document the steps taken. The RPM provides guidance on how to comply with this requirement which is further described in Appendix B. SIPP awards (Appendix D) are not subject to the DBE Six Good Faith Efforts requirement.
- The water system and any sub-recipients of SDWRLF funds must submit a Certification Regarding Lobbying that no federal funds will be paid for lobbying activities, and also must include language regarding lobbying in all bid award documents. If funds other than federal funds are used for lobbying activities, such activity must be disclosed using EPA Form SF-LLL Disclosure of Lobbying Activities. If needed, copies of necessary forms will be provided to a funding recipient.

#### **4.2 Pre-Construction Conference**

For construction projects, the RPM must be given a minimum of 10-day notice to schedule a pre-construction conference. The agenda for this conference includes a review of the project schedule and budget, process for requesting reimbursement, and review of requisite forms (including prevailing wage, AIS, and DBE requirements). The pre-construction conference also includes discussion of required pre-construction activities including Environmental Review (Section 5.1) and OHA Plan Review (Section 5.2). The funding recipient is provided a sign that must be displayed at the construction site. Attendees of a pre-construction conference usually include: a water system representative, system operator, project engineer, contract administrator, project manager, and payroll clerks of all contractors and sub-contractors (including lower-tier subcontractors).

#### **4.3 Expenditure of Funds**

Once under contract, funds may be drawn down as needed on an expense reimbursement or costs-incurred basis only for eligible project costs. To expedite disbursement of funds, direct deposit may be made by completing and submitting a [Direct Deposit Authorization Form](#).

The water system may request funds either to directly pay for incurred costs (i.e., payment goes to water system to directly pay the contractor) or to reimburse the water system for costs paid with own funds. The time between drawdown from Business Oregon and any disbursement of funds by the water system must be as brief as is administratively feasible. The RPM provides a recipient with the form needed to request funds and is available to assist with any questions a funding recipient has.

#### **4.3.1 Pre-Award Costs**

Costs incurred before an official award of funding by Business Oregon are generally not eligible for reimbursement. The exception is that a water system may be reimbursed for the cost of preconstruction activities (e.g., engineering). Pre-award costs (incurred or to be incurred) must be identified in the funding application.

To request reimbursement for pre-award costs, the water system should:

- Discuss the expenses for which the water system will seek reimbursement with an RDO or RPM, to ensure project budget eligibility; and
- Document pre-award expenses the same as for other project expenses associated with SDWRLF funding.

#### **4.4 Monitoring**

Business Oregon conducts “desk-top” or a “desk-top” and on-site project monitoring to ensure the project is implemented in accordance with contractual and legal requirements and SDWRLF program objectives. Monitoring activities may include: frequent telephone, e-mail and written communications; scheduled project site visits; interviews with the water system staff and the project team; and review of project files (e.g., certified payroll records, land acquisition notices, invoice/receipt records). Business Oregon reports any findings or concerns along with necessary corrective actions that must be undertaken, if any.

Business Oregon provides monitoring results in a letter notice to the water system. If corrective actions are necessary to address monitoring findings or concerns, the water system has 30 days from the date of monitoring letter notice to implement the necessary corrective action and avoid sanctions or further actions by Business Oregon. The Business Oregon Regional Project Manager schedules any necessary subsequent meetings with the water system and project team members to ensure all project monitoring activities are complete.

#### **4.5 Contract Amendments**

Throughout project implementation, changes may arise that necessitate execution of a contract amendment. Modifications to award amounts, loan terms or project scope are examples of changes that would require an amendment. The RPM should be contacted as early as possible should a funding recipient wish to request a contract amendment. Contract amendment requests are considered by Business Oregon on a case by case basis.

#### **4.6 Project Completion and Closeout**

Project completion typically includes: notices of substantial completion; placement of improvements into service; issuance of final engineering or planning reports; final inspection; and request for final disbursement of loan funds. Final disbursement of loan funds cannot be made until any applicable capacity assessment loan conditions have been addressed. After final disbursement of funds has been made by Business Oregon, the RPM provides a Project Completion Report template for the water system to complete. The

Project Completion Report documents the final project costs, financing, and accomplishments. Business Oregon formally finalizes the closeout process with a Contract Closeout Form and provides a Final Closeout Letter to the water system documenting that contract requirements have been satisfied and the forgivable loan amount has been forgiven.

## Section Five—Funded Project Requirements

Projects receiving SDWRLF funds must adhere to the following state and federal requirements. In cases where a project is co-funded using other local, state or federal funds, the project in its entirety must adhere to all funded project requirements. Funding awards not conforming in every respect to these funded project requirements are not normally considered. The Business Oregon Economic Development Assistant Director may waive non-federal, non-statutory requirements of the SDWRLF program, if it is demonstrated that such a waiver would serve to further the goals and objectives of the SDWRLF program and state economic and community development policies.

### 5.1 Environmental Review Process

Prior to any construction work an environmental review must be completed in accordance with the state environmental review process and in compliance with state and federal environmental laws. States are required to review projects to ensure potential environmental impacts have been identified, and if needed, mitigation measures are put into place. Compliance with the Environmental Review Process is overseen by OHA and approval of completion must occur prior to start of construction. The [Environmental Review Process Handbook](#) is the reference manual of policies and procedures for completion of the Environmental Review Process. The handbook is given to the water system when an OHA technical staff person conducts a capacity assessment (Section 3.5).

It is the water system's responsibility to review the handbook, perform the environmental review for their project, and submit the required documentation for OHA review and approval. As indicated in the handbook, if the project is eligible for a categorical exclusion in accordance with OAR 333-061-0063, the water system may formally request to be excluded from further environmental review. Regardless of the level of environmental review required, public notice is a required element of the review process and evidence of publication must be submitted before compliance with the Environmental Review Process is approved. Note that if the project involves construction of a new water source (e.g. new water well), depending on the source location and construction, the water system may be required to hire a consultant to prepare an Environmental Information Document (EID). EID requirements are described in the Environmental Review Process Handbook linked above. The preparation of an EID document may impact project cost or timing which should be planned for in advance.

## **5.2 OHA Plan Review**

Funding recipients must adhere to any OHA plan review requirements mandated by [OAR 333-061-0060](#). For more information see the OHA [Plan Review web page](#).

## **5.3 Federal and State Procurement and Labor Requirements**

Funding recipients must adhere to all federal and state requirements related to procurement standards, labor standards, and the utilization of Disadvantaged Business Enterprises. These requirements are described in detail in Appendix B. While some of the requirements are summarized below, funding recipients are required to adhere to all the procurement and labor requirements described in greater detail in Appendix B.

### ***State Procurement Regulations***

All recipients regardless of entity type must adhere to state procurement regulations found in the Oregon Public Contracting Code, ORS chapters 279A, 279B, and 279C as well as the \$3,000 “Federal Micro-purchase threshold.”

### ***State and Federal Labor Standards***

Recipients are required to adhere to state labor standards and wage rates as required in ORS chapter 279C, and federal wage provisions in accordance with the federal Davis-Bacon Act. For a given construction wage rate a worker must be paid the higher of the state prevailing wage rate or the federal Davis-Bacon wage rate.

### ***Disadvantaged Business Enterprises***

When procuring services, any public water system receiving a SDWRLF award, as well as the prime contractor must take steps (Six Good Faith Efforts) to solicit and contract with Disadvantaged Business Enterprises. Also, it is the responsibility of the water system to ensure that files and records are maintained to document the steps taken.

## **5.4 American Iron and Steel Requirement (AIS)**

The AIS provision requires SDWRLF recipients to use iron and steel products that are produced in the United States. This requirement applies to projects for the construction, alteration, maintenance, or repair of a public water system. Water systems must include language in construction contracts pertaining to this requirement. In addition, letters from iron and steel product suppliers certifying compliance with the requirement must be collected.

The national De Minimis Waiver allows a small percentage of incidental products of unknown or non-domestic origin to be used in a project but these products must be documented and may not exceed 5% of total material cost or 1% of total material cost for any single item. The RPM describes how to comply with the AIS requirement during the pre-construction conference (Section 4.2). Additional information about AIS can be found on the [EPA’s AIS web page](#).

## **5.5 Crosscutting Federal Authorities**

There are federal laws, executive orders and government policies that apply to projects receiving SDWRLF funds. These “crosscutting federal authorities” include environmental laws, as well as social and economic policies. See the [List of Federal Crosscutters](#) applicable to all SDWRLF projects, the [Cross-cutting Federal Authorities Handbook](#), and the [EPA's Drinking Water SRF website](#) for additional information.

## **5.6 D-U-N-S Number and SAM Registration**

SDWRLF funding recipients as well as entities that enter into contracts with a funding recipient (i.e. contractors) must have both a DUNS number and a SAM Registration.

### ***D-U-N-S Number***

The D-U-N-S Number is a unique nine-digit identifier for businesses. "D-U-N-S," which stands for data universal numbering system, is used to maintain up-to-date and timely information on global businesses. To get a D-U-N-S number visit the [Dun & Bradstreet website](#).

### ***SAM Registration***

The System for Award Management (SAM) is an official website where you can register to do business with the U.S. government. All entities that enter into contracts with a Safe Drinking Water Revolving Loan Fund recipient (i.e. contractors) must have both a D-U-N-S number and a SAM Registration. To register or manage your account access the [SAM.gov Website](#) using a supported browser. SAM.gov is an official website of the U.S. Government and the site is free to use. SAM registration expires annually and must be kept active until the SDWRLF project is closed.

## **5.7 Metering**

All water systems must have, or install as part of the project, source water meter(s) and service meters for all connections throughout the water system. The installation of these meters is an eligible project cost as part of a larger construction project. The water system must have an operational program and resources for reading and maintaining the meters. Exceptions to these requirements are made on a case-by-case basis. When evaluating an exception request Business Oregon considers affordability and the drinking water health and safety issues that the proposed project is intended to address.

## **5.8 Audits/Review/Single Audit Compliance**

Books, documents, papers and other records related to the project must be maintained by the water system and made available for review and audit by the state, USEPA and other federal agencies upon request or as required by the financing contract. The water system must maintain records sufficient to deliver reporting that may be required in conjunction



with the project including procurement of services, reimbursement requests and financial reporting.

If a funding recipient receives federal funds in excess of \$750,000 in the recipient's fiscal year, it is subject to audit conducted in accordance to the provisions of 2 CFR part 200, subpart F. This is known as the "Single Audit" under the "OMB Uniform Guidance." Information on this requirement can be found in the [2 CFR part 200, subpart F](#). The [OMB A-133 Compliance Supplement](#) is a tool for auditors that identifies existing important compliance requirements that the Federal Government expects to be considered as part of a Single Audit. A funding recipient is advised to carefully review the funding contract to ensure an awareness of contract conditions related to Federal Audit Requirements.

### **5.9 Disbursement Schedule**

Funding recipients are required to submit an estimated disbursement schedule that identifies the anticipated number, submission dates and amounts of disbursements, as well as a narrative of the work to be completed with each disbursement. Business Oregon provides the recipient with a blank disbursement schedule form to be filled out as soon as possible after contract execution and prior to the first request for disbursement. A disbursement schedule is not required for awards of \$20,000 or less.

### **5.10 Federal Uniform Relocation Act**

The [Uniform Relocation Assistance and Real Property Acquisition Policies Act](#) establishes a uniform policy for fair and equitable treatment of persons who are displaced from their homes, farms or businesses to make way for federally assisted projects. The Act provides basic guidelines for negotiating the acquisition of real property by the federal government. The Act also requires agencies to reimburse individuals for actual and reasonable expenses incident to relocation, such as moving costs, direct loss of tangible personal property associated with moving or discontinuing a business, and expenses involved in searching for a replacement home or business.

The following examples may be useful to water systems needing to acquire property:

[Example Notice to Owner—Property Acquisition with no Relocation](#)

[Example Agreement—Property Acquisition with no Relocation](#)

### **5.11 Oregon Municipal Budget Law**

Funds disbursed to municipalities are subject to the requirements of the [Oregon Municipal Budget Law](#). Accordingly, the water system must budget and account for funds through a financial management system. Financial management systems must conform to "generally accepted accounting principles" for state and municipal corporations established by the Governmental Accounting Standards Board. Private water systems must also follow "generally accepted accounting principles" applicable to private entities.

## 5.12 Water Service to Unincorporated Lands

Unless the project is inside an urban growth boundary or an “unincorporated community” boundary, no SDWRLF award is allowed if extension of the water system or the establishment of a new system would allow for higher density of residential zoning or development than what is otherwise allowable or authorized without such drinking water service, consistent with [OAR 660-011-0065](#). [Department of Land Conservation and Development](#) can provide further information on this rule and other relevant aspects of Statewide Planning Goal #11.

## 5.13 Funded Project Requirement Comparisons by Program

While the primary focus of this handbook is the SDWRLF funding opportunity, DWSP (Appendix C) and SIPP (Appendix D) are also federally funded programs that have many of the same funded project requirements. If not otherwise identified in the table below, the funded project requirements identified, referenced, or linked in this handbook apply to all three funding programs (SDWRLF, DWSP, and SIPP).

	SDWRLF	DWSP	SIPP
<b>Environmental Review Process (5.1)</b>	Yes	Depends on Activity Type	No
<b>American Iron and Steel Requirement (5.4)</b>	Yes	No	No
<b>Metering (5.7)</b>	Yes	No	No
<b>Disbursement Schedule (5.9)</b>	Yes	Yes	No
<b>Federal Micro-purchase Threshold - \$3000 (Appendix B I.)</b>	Yes	Yes	Yes
<b>State Procurement Standards (Appendix B I.)</b>	Yes	Yes	Yes
<b>Davis-Bacon Wage Rates (Appendix B II.)</b>	Yes	No	No
<b>BOLI Prevailing Wage Rates (Appendix B II.)</b>	Depends*	Depends*	No
<b>Disadvantaged Business Enterprises - Six Good Faith Efforts (Appendix B III.)</b>	Yes	Yes	No

\*Regardless of the funding program, the BOLI prevailing wage rate requirements apply to public entities for projects over \$50,000 and private entities for projects that utilize more than \$750,000 of public funds.

# Appendix A – Eligible/Ineligible Activities

## I. Eligible Project Types

### Planning and Preliminary Engineering

- Funds may be used to pay for preliminary planning and for legal, fiscal or engineering investigations to determine the feasibility of a drinking water project. SIPP funding may provide funding for planning activities as further described in Appendix D.

Examples of eligible Planning and Preliminary Engineering project activities include:

- Water system master plans
- Feasibility studies
- Engineering studies
- Problem identification studies
- Preliminary engineering work
- Water treatment pilot studies or corrosion control studies
- Preparation of a construction project Application to the SDWRLF program

The following elements may be included in the resulting report or planning document:

- Characterization of the area to be served by the eventual construction project/system improvements that are proposed and the need or problem to be resolved
- Description of existing water system facilities in the area to be served, including condition, adequacy and suitability for continued use
- Analysis of options to correct the problem
- Description of most cost-effective and environmentally sound alternative
- Cost estimate for proposed system and discussion of financing options
- Current and proposed annual operating budget and rate structure adequate for operation, maintenance and indebtedness of the proposed system and long-term capital replacement reserves
- Appropriate maps, drawings and sketches
- Discussion of all anticipated construction difficulties
- Conclusions and recommendations

## **Final Design and Specifications**

Final Design and Specifications can be combined with a construction project application or funding can be awarded separately.

The report must contain the following:

- Discussion of project feasibility
- Description of possible solutions and recommended option
- Construction time line
- Estimate of project costs
- Plan for operation, maintenance and long-term replacement of the facilities

Final design and specifications must provide the water system with all the elements necessary to proceed to a construction project, including:

- Project description, including an explanation about the rationale for the site and about the capacity of the proposed water system facility
- Pre-design reports
- Final engineering design and bid specifications
- Detailed cost estimates of everything necessary to complete project
- Identification of all permits and approvals necessary for the project with a schedule showing a realistic review and process for each
- Financial feasibility information, including information about the water system's financial situation
- Maps of the specific project location including, if applicable, tax lots or parcels served by the water system, source and service connections, water lines sizes, treatment facility, pump stations, etc.
- Environmental review of the proposed project conforming to State Environmental Review Process (SERP), other applicable federal authorities and USEPA implementing regulations

## **Construction**

Funds for construction may be used to pay for activities such as:

- Construction of improvements
- Construction management
- Construction contingencies
- Appraisal and acquisition of real property, easements or rights of way
- Project audits, inspections, and regulatory compliance related to the construction project

- Installation of water metering equipment and systems
- Acquisition and installation of water treatment equipment
- Cost to purchase property currently being leased by the water system
- Compliance with federal and state prevailing wage laws (Appendix B)
- Bid process in conformance with Oregon public procurement laws (Appendix B)
- Federal requirements of the Uniform Relocation and Acquisition Act

## II. Eligible Project Activities

The following are additional examples of eligible project activities:

- Construction, reconstruction or modification of any drinking water facility necessary for source of supply, filtration, treatment, storage, transmission or metering
- The acquisition of real or personal property (from a willing seller) directly related to or necessary for the proposed project including land, rights-of-way, easements or equipment
- Preliminary and final engineering, geotechnical surveying, legal review and other support activities necessary for actually constructing and upgrading the water system
- Construction contingencies
- Costs necessary for environmental review services directly related to the impacts and implications of the project
- Costs associated with labor standards compliance and enforcement
- Costs associated with project management
- Development and provision of technical documentation, operations manual, computer software and similar information resources, including but not limited to customary contingency/emergency plans that are necessary or prudent for soundly and safely running plant and equipment that comprises a funded project, and for helping preserve that investment
- For an approved planning and preliminary engineering award, costs associated with the preparation and submission of an application for the final design and/or construction phase
- Expenditures associated with “security measures” pertaining to the facilities or infrastructure of the public water system
- Costs associated with an **emergency project**. An emergency is an event resulting from natural disaster, extreme weather, and related causes that represents a threat to public health. A project may be funded under the designation “Emergency

Project,” if so designated by the state, county, or local authorities or a Governors Declaration of an Emergency. Additionally, to be eligible, emergency projects must possess the following characteristics:

1. Represents a threat to public health.
  2. Entails an immediate lack of available potable drinking water from the system for a community over an extended period of time.
  3. Has arisen from a reasonably unexpected and unpreventable occurrence of disaster or catastrophe such as droughts, earthquakes, tsunamis, and floods. A situation arising from negligence such as preventable mechanical failure will not qualify.
  4. Includes assessment, design, and/or construction activities that will return the water system operations and production capacity within the shortest possible recovery timeframe.
  5. Designation by the state, county, or local authorities or a Governor’s Declaration of an Emergency has occurred within 180 days before application is submitted.
- Emergency Project designation does not exempt a project from adhering to all application and funded project requirements. Since construction costs incurred prior to contract execution cannot be reimbursed, the SDWRLF may not be the appropriate funding source for all emergency situations

### **III. Capacity Building for Future Population Growth**

In order to be eligible, projects that include any capacity building for future population growth must satisfy all of the following stipulations:

- Expected population increases are based on current and reasonable projections accepted by local and state land use-planning authorities
- Expansion to satisfy future population is not the primary purpose for constructing the facilities, as contrasted with protecting public health
- Provision of public drinking water systems to an unincorporated area does not trigger greater residential zoning density

### **IV. Ineligible Project Types (Deviation Eligible)**

The below project types are ineligible unless a deviation is granted by USEPA. For more information about requesting a deviation contact an [RDO](#).

- Construction or rehabilitation of dams
- Reservoirs, except for finished water reservoirs and those reservoirs or impoundments that are part of the drinking water treatment process

- Purchase of water rights, including groundwater, except when the water rights are already owned by a system that is being acquired through consolidation
- Projects needed primarily for fire protection or suppression

## **V. Ineligible Project Types/Activities**

In all cases the below project types and activities are ineligible.

- The project is needed mainly or intended primarily for supporting, supplying, or attracting future growth for the community (see Appendix A III above for eligibility criteria)
- The project is for a system subject to significant regulatory noncompliance, if the funding does not directly lead to compliance
- Water system management reimbursement
- Ongoing activities including: Laboratory fees for monitoring; Administrative costs; Incidental equipment (e.g. most motor vehicles); Off-site property for purposes such as wetland mitigation; Environmental assessments, such as source delineation or watershed analysis, unless directly undertaken as part of the required review of project impacts; and Operation and maintenance of new or existing facilities

# Appendix B – Procurement and Labor Requirements

## I. Federal and State Procurement Standards

For all procurements and contracts related to the project, water system owners must adhere to federal procurement policies and procedures as described in [2 CFR part 200, subpart D](#). Generally, those federal procurement standards allow water system owners to follow applicable state and local laws and regulations, so long as those laws and regulations meet the federal standards. By contract, Business Oregon requires all recipients to follow state procurement laws in [ORS 279A](#), [ORS 279B](#) and [ORS 279C](#).

An additional required federal procurement standard relates to the “Federal Micro-purchase threshold.” Federal procurement requirements allow an entity to procure non-construction goods and services up to \$3,000 without conducting competition. SDWRLF awards must follow this federal requirement which is lower than the small purchase threshold of \$10,000 in state procurement law.

Under ORS 279A, ORS 279B and ORS 279C, the Oregon Department of Justice has created model rules for procurements (“DOJ Model Rules”).

- State law requires water system owners that are public bodies authorized by law to conduct procurements to follow the DOJ Model Rules, unless they have lawfully adopted their own rules pursuant to ORS 279A.065
- By contract, Business Oregon requires all privately owned water systems (for-profit or nonprofit) to substantially follow the DOJ Model Rules:
  - Public Procurements for Goods or Services [OAR 47](#)
  - Consultant Selection: Architectural, Engineering and Land Surveying Services and Related Services Contracts [OAR 48](#)
  - General Provisions Related to Public Contracts for Construction Services [OAR 49](#)

Further information can be found in the *Attorney General’s Model Public Contract Rules Manual*, available from the state of Oregon Department of Justice by completing this [order form](#).

Business Oregon does not provide a water system receiving SDWRLF funds with legal advice regarding the application of these procurement laws and rules to specific factual situations, but can provide general explanations and further resources. Business Oregon may require water systems receiving SDWRLF funds to provide documentation of all procurement related actions, including, when necessary, an opinion of the water system’s legal counsel regarding compliance with these procurement laws and rules.



Selected general procurement standards for all water systems receiving SDWRLF funds include:

- A code or standard of conduct that governs the performance of its officers, employees or agents engaged in the awarding of contracts using federal funds, particularly controlling conflicts of interest, both actual and perceived
- Procedures that ensure all procurement transactions are conducted in a manner to provide, to the maximum extent practical, open and free competition. Minimum procedural requirements, are as follows:
  - Follow a procedure to assure the avoidance of purchasing unnecessary or duplicative items.
  - Solicitations shall be based upon a clear and accurate description of the technical requirements of the procured items.
  - Positive efforts shall be made to use women and minority owned businesses.
  - The type of procuring instrument (fixed price, cost reimbursement) is determined by the water system, but must be appropriate for the particular procurement and for promoting the best interest of the program involved.
- Contracts must be made only with contractors who possess the ability to perform successfully under the terms and conditions of the proposed procurement
- Some form of price or cost analysis should be performed in connection with every procurement action
- Procurement records and files for purchases shall include all of the following:
  - Contractor selection or rejection.
  - The basis for the cost or price.
  - Justification for lack of competitive bids if offers are not obtained.
  - Efforts to use women and minority owned businesses.
- A system for contract administration to ensure contractor conformance with terms, conditions and specifications of the contract

## **II. Federal and State Prevailing Wages**

Construction projects assisted in whole or in part by the SDWRLF Program must be carried out in compliance with the federal Davis-Bacon and related acts, which applies regardless of the water system ownership. In addition, Oregon Bureau of Labor and Industries (BOLI) prevailing wage requirements apply to public entities for projects over \$50,000 and private entities for projects that utilize more than \$750,000 of public funds. In cases where both Davis-Bacon and BOLI prevailing wage rates apply, the highest wage rate must be used. These requirements apply regardless of the water system ownership. They also apply to all contracts under the project, regardless of the source of funds for each specific contract. All

construction workers must be paid for the type of work being performed at least as much as the higher of the wage rates shown in the Oregon Prevailing Wage "[Prevailing Wage Rate for Public Works Contracts in Oregon](#)" or the applicable federal Davis-Bacon Wage Determination.

General requirements for the water system or their representative include:

- Designate an individual who is responsible for compliance
- State in the solicitation that prevailing wage rates are applicable, and include the applicable wage determination for the area where construction is to occur
- Verify eligibility of the general contractor before awarding the construction contract
- Ensure that the required labor standards provisions and applicable prevailing wage rates are included in all construction contracts
- Inform, advise and support contractor compliance
- Monitor for violations
- Investigate probable violations and complaints of underpayment
- Require weekly certified payroll reports to be submitted by contractors and review them for compliance
- Work to resolve cases of non-compliance, including immediate reports of violations of the prevailing wage requirements

Failure to comply with prevailing wage requirements may result in loss of federal and state funds.

The prime construction contractor (also referred to as the general or principal contractor) is liable for wages paid and all other labor standards provisions applicable to the project for their own employees and those of all subcontractors and any lower tier subcontractors. Because of the contractual relationship between general contractors and the subcontractors, communication with any subcontractor should generally be facilitated in writing through the general contractor.

Please see the [Oregon Safe Drinking Water Revolving Loan Fund Labor Standards Guidelines](#) for additional information. Some additional sources of information regarding the requirements and complying with the Federal Davis-Bacon and related acts are:

- [General Davis Bacon Act](#) requirements and applicability
- [Wage determinations](#)
- Selecting the appropriate [construction type](#)
- Review of certified payrolls—See [example](#)
- Recommendations for resolving wage rate violations—See [DOL employment law guide](#)

Information about Oregon’s prevailing wage rate requirements is included in the BOLI [Prevailing Wage Rate Law Handbook](#) and [Prevailing Wage Rates for Public Works Contracts in Oregon](#), along with other BOLI publications.

Water systems, or their representatives, may develop their own filing systems for documentation evidencing that all actions required for labor standards administration and enforcement were taken. The recommended minimum content for files includes:

- Documentation of contractor selection process and outreach to women- and minority-owned businesses
- Applicable wage determination, including effective modifications and additions
- Verification of contractor/subcontractors’ Oregon Construction Contractors Board registration
- Verification of contractor eligibility (federal “excluded parties” list of suspended and debarred contractors)
- Responsible Bidder Determination Form
- Evidence of \$30,000 public works bond
- Pre-construction conference documentation, including signed minutes
- Contractor/Subcontractor Agreement and Fringe Benefit Summary Form for each prime contractor and every subcontractor
- Notice of construction contract award and start of construction
- Weekly Certified Payroll Report forms and signed Statements of Compliance
- Evidence that payrolls were checked against applicable wage rates
- Documentation of registered apprentices or trainees and proper ratio to journeyman
- Record of employee interviews
- Record of contacts with contractor regarding labor standard matters
- Evidence of restitution/resolution of discrepancies, if any

### **III. Disadvantaged Business Enterprises**

When a water system uses SDWRLF funds for project activities, the USEPA places special emphasis on the utilization of Disadvantaged Business Enterprises (DBE), which includes not only minority- and women-owned businesses, but also any small business especially in rural or “labor surplus areas” or any other firm defined in 40 CFR §33.103. For more information on DBE see [EPA’s Resources for Small Businesses webpage](#). In Oregon, these requirements are organized as follows:

**Six Good Faith Efforts.** A water system awarded SDWRLF funds and the prime contractor that performs work on the project must take steps (Six Good Faith Efforts) to solicit and to

contract with Disadvantaged Business Enterprises. It is the responsibility of the water system to ensure that files and records are maintained to document the steps taken. The Six Good Faith Efforts that must be taken are as follows:

1. Ensure DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. For Indian Tribal, State and Local and Government recipients, this will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.
2. Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.
3. Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. For Indian Tribal, State and local Government recipients, this will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.
4. Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.
5. Use the services and assistance of the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA) of the Department of Commerce.
6. If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs (a) through (e) of this section.

**Reporting for Women & Minority-owned Businesses.** With every Business Oregon Disbursement Request form, the water system must identify how much of those expenditures (even if none) were to women- or minority-owned businesses.

#### **IV. Compliance with Federal and State Overtime Laws**

The federal [Contract Work Hours and Safety Standards Act](#) requires that persons performing the work of laborers or mechanics under contracts that exceed \$100,000 must be paid no less than one and one-half times the basic rate of pay for weeks in which they work more than 40 hours. The federal [Fair Labor Standards Act](#) requires weekly overtime pay for contracts under the \$100,000 threshold. State of Oregon law for overtime pay is not the same as federal law. The state's statutes (ORS 279C.520, 279C.540 and 279C.800 et seq.) do not exempt federally funded projects from the state overtime law. State overtime law requires payment of overtime to workers that are employed in excess of 8 hours per day, unless there is a prior working agreement allowing four 10 hours days per work week, or 10 hours per day or 40 hours in any one work week.

## **V. Copeland “Anti-Kickback” Act**

For all contracts and sub-grants in excess of \$100,000 for construction or repair, the [Copeland “Anti-Kickback” Act](#) provides that each contractor is prohibited from inducing, by any means, any person to give up any part of the compensation to which they are entitled. The water system receiving SDWRLF funds must report all suspected or reported violations.

## **VI. Equal Employment Opportunity**

Contractors must comply with [Executive Order 11246](#), “Equal Employment Opportunity,” as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and as supplemented by regulations at 41 CFR part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, and Department of Labor.”

## **VII. Federal statutes relating to nondiscrimination**

These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 ([P.L. 88-352](#)), which prohibits discrimination on the basis of sex; (b) [Section 504 of the Rehabilitation Act of 1973](#), as amended (29 U.S.C. 795), which prohibits discrimination on the basis of handicaps; (c) the [Age Discrimination Act of 1975](#), as amended (42 U.S.C. 6101-6107), which prohibits discrimination on the basis of age; (d) the [Drug Abuse Office and Treatment Act of 1972](#) (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (e) the [Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970](#) (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (f) Sections 523 and 527 of the Public Health Service Act of 1912 ([42 U.S.C. 290 dd-3 and 290 ee-3](#)), as amended, relating to confidentiality of alcohol and drug abuse patient records.

ORS 279C.500 et seq. include other labor standards applicable to construction contracts.

# Appendix C – Drinking Water Source Protection Fund

## I. Program Overview

The [Drinking Water Source Protection Fund \(DWSPF\)](#) is designed for the protection of drinking water sources. This funding source allows grant awards up to \$30,000 per eligible system or loans up to \$100,000 per project.

## II. Eligible Applicants

Publicly and privately-owned community and nonprofit non-community water systems are eligible to apply for DWSPF funding, including purchasing water systems that want to conduct projects within the drinking water source area of their wholesale supplier. Water systems must have an OHA or DEQ approved drinking water source area to be eligible. Approved drinking water source areas can be found in a water system's Source Water Assessment or on the [Oregon Drinking Water Protection Program Interactive Mapper](#). For more information about Source Water Assessments visit the [DWSPF Web Page](#). To be eligible to apply for DWSPF funding, purchasing water systems must have their Wholesale water system actively involved in the project and include a letter of support from the Wholesale water system with the submitted LOI. In addition, the Wholesale water supplier would not be eligible to apply for a separate project in the same funding year that its purchasing water system submitted an LOI.

## III. Eligible Activities

Eligible activities include those that lead to risk reduction within the delineated source water area or would contribute to a reduction in contaminant concentration within the drinking water source. Projects can take either a local or regional approach. Local projects are defined as activities that concentrate on a public water system's source area(s). Regional projects are defined as activities that involve multiple communities and/or water systems attempting to address a common source water issue or group of issues.

The categories for eligible projects for DW Source Protection funding include the following: enhanced delineation; enhanced assessment; source protection planning; implementation; and security. For more information about specific eligible and ineligible activities visit the [DWSPF Web Page](#) and see the document titled "DWSPF – General Information on Funding." Pre-award costs are not eligible for reimbursement. When considering an eligible project, water systems are encouraged to review their Source Water Assessment for high- and moderate-risk potential contaminant sources (PCSs) and focus on those PCSs of greatest concern within the drinking water source area. PCSs can also be identified on the Interactive Map Viewer mentioned above.

#### **IV. Application Process**

To be considered for DWSPF funding, water systems must submit a completed Letter of Interest (LOI) specific to source protection. For information on how to apply visit the [DWSPF Web Page](#).

#### **V. Funded Project Management**

Generally, the Business Oregon funded project procedures identified in Section Four of this handbook apply to DWSP grant and loan awards. A funding recipient is advised to carefully review the funding contract to ensure there are no requirements in addition to those identified in this handbook.

#### **VI. Funded Project Requirements**

The Business Oregon funded project requirements identified in Section Five of this handbook apply to Drinking Water Source Protection Fund grant and loan awards. Notable exceptions include the AIS Requirement (Section 5.4), Metering Requirement (Section 5.6) and Davis Bacon (Appendix B. II). Please note that although Davis Bacon wage rates are not applicable, DWSP projects must adhere to any applicable Oregon BOLI wage requirements. A funding recipient is advised to carefully review the funding contract to ensure an awareness of applicable requirements. For more information about DWSP funded project requirements contact a [Business Oregon Representative](#).

# Appendix D – Sustainable Infrastructure Planning Projects

## I. Program Overview

[Sustainable Infrastructure Planning Projects \(SIPP\)](#) provide an award of up to \$20,000 in forgivable loan for planning activities that promote sustainable water infrastructure.

## II. Eligible Applicants

Eligible applicants are those water systems described in Section 1.4 of this handbook.

## III. Eligible Activities

Eligible activities include the following:

- Feasibility Studies - studies to evaluate infrastructure project feasibility
- Asset Management Plans - plans for managing water system infrastructure assets
- System Partnership Studies - studies to evaluate potential for system consolidation / regionalization
- Resilience Plans - plans for water system resiliency and to identify potential improvement projects
- Water Rate Analysis - analysis of water system rate charges, structure, and adequacy
- Leak Detection Studies - studies to detect water system leakage and identify possible solutions
- Water System Master Plans for water systems with < 300 connections - long-range plan to evaluate the needs of the water system and make recommendations for future improvements
- Seismic SIPP – funding for Seismic Risk Assessment and Mitigation Plans required by [OAR 333-061-0060 \(5\)\(a\)\(J\)](#) for those water systems located in areas identified as VII to X in the [DOGAMI Seismic Map](#). Funding is limited to systems with 300-3,300 connections

Ineligible activities include those related to construction and/or engineering/design, and activities related to ineligible project types listed under the infrastructure loan program. Pre-award costs are not eligible for reimbursement.

## IV. Application Process

An application can be found on the [SIPP web page](#). After an application is completed it is submitted to a [Regional Development Officer](#).



## **V. Funded Project Management**

Generally, the Business Oregon funded project procedures identified in Section Four of this handbook apply to SIPP awards. A funding recipient is advised to carefully review the funding contract to ensure there are no requirements in addition to those identified in this handbook.

## **VI. Funded Project Requirements**

While the Business Oregon funded project requirements identified in Section Five of this handbook apply to SIPP, due to small project size the applicability of requirements is limited. Additionally, SIPP projects are not subject to the Disadvantaged Business Enterprises “Six Good Faith Efforts” (Section 5.3), Metering (Section 5.7), or Disbursement Schedule (Section 5.9) requirements. A funding recipient is advised to carefully review the funding contract to ensure an awareness of applicable requirements. For more information about SIPP funded project requirements contact a [Regional Project Manager](#).

## Appendix E – Infrastructure Project Process Flow

The process flow shown below is intended to represent key milestones in the application and award management process for SDWRLF infrastructure projects. For more information about process flow for non-construction SDWRLF projects as well as DWSP (Appendix C) and SIPP (Appendix D) projects contact a [Regional Development Officer](#).

