

Water Project Grants and Loans Update and Discussion of Loans



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Presentation Overview

Background

2017 Review Cycle Status

Setting Up the Loan Program

Loan Application Review

Setting Loan Interest Rates

BACKGROUND



Water Resources Development Program



Water
Project
Grants
and Loans

Helping
Identify and
Address
Oregon's
Water Needs

Plan and identify
actions

Place-Based
Planning

Implement
actions

Investigate
feasibility

Feasibility
Study
Grants



Water Project Grants & Loans

Purpose: Support the development of water supply projects that help meet instream and/or out-of-stream needs and result in economic, environmental, and social/cultural benefits

Deadline: Spring each year (e.g., April 2017)

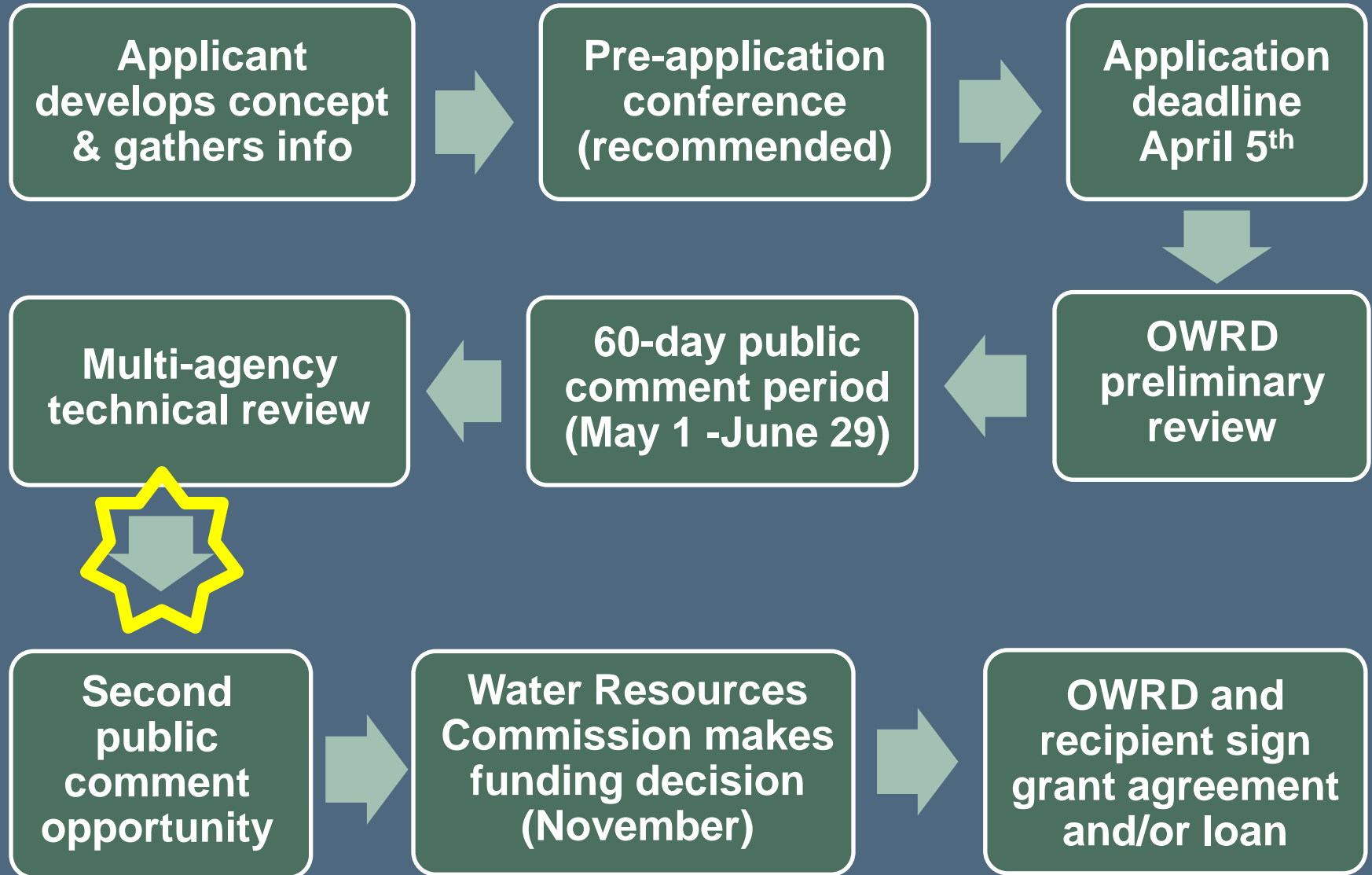
Funding Decision: Fall each year (November 2017)



2017 REVIEW CYCLE STATUS



Application Process





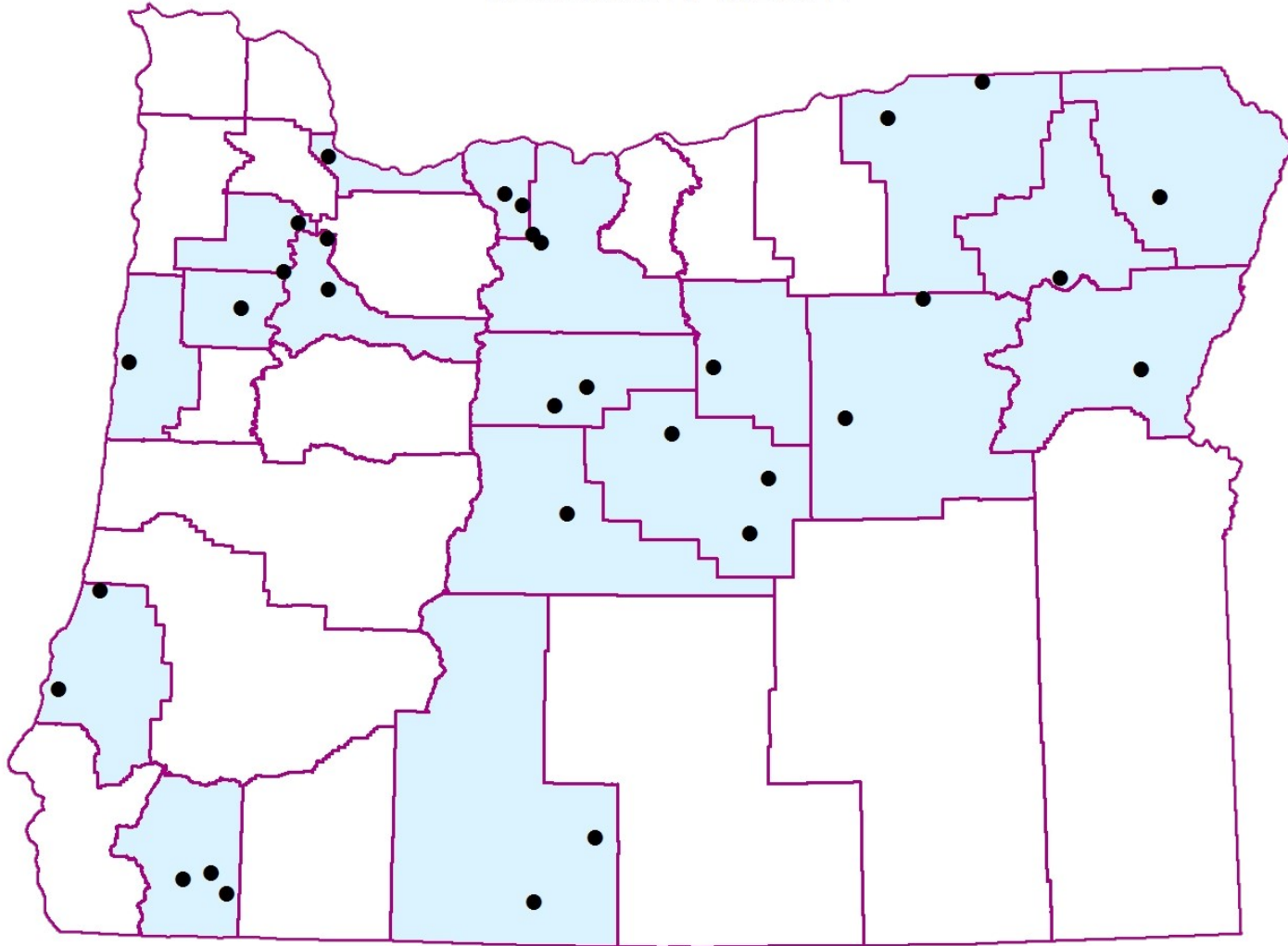
2017 Applications Received

- **2017 application deadline: April 5, 2017**
- **34 applications received**
- **32 applications deemed eligible and complete**
 - All 32 requested grant funds (\$31,551,815)
 - 3 requested loans for 25% match (\$3,415,892)
 - Total requested: \$34,967,707



2017 Applications Received

WATER PROJECT GRANTS AND LOANS APPLICATIONS
RECEIVED APRIL 2017



SETTING UP THE LOAN PROGRAM



Setting Up the Loan Program

- **Goal: Build a revolving loan fund**
- **As required in ORS 541.696(1), work with the Department of Administrative Services and the Office of the State Treasurer to set standards to ensure that:**
 - **Loans have a high probability of repayment and**
 - **All loans are adequately secured in the event of a default**



Assistance



LOAN APPLICATION REVIEW



Overview of Financial Review

Conduct a financial review of the loan applications (OWRD and Business Oregon)

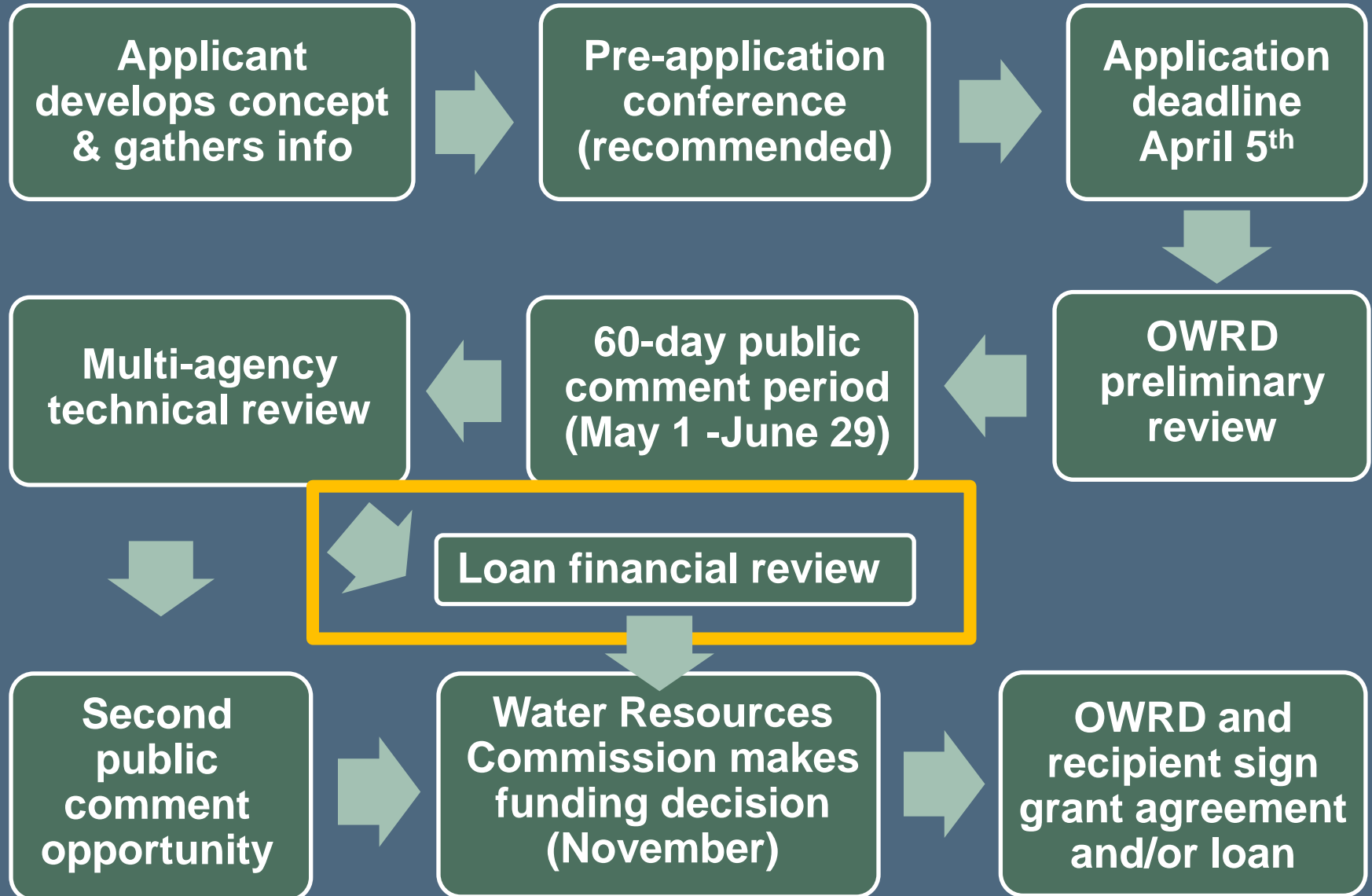
Determine a recommended loan interest rate for loan applications that pass financial review

Check with loan applicant to see if they would accept the recommended loan package (loan term and interest rate)

Present funding recommendation and proposed loan package



Application Process – with Loan Review





Loan Financial Review

	Loan 1	Loan 2	Loan 3	Loan 4
Technical Review Team Funding Recommendation				
Financial Review				
Acceptance of Loan Interest Rate and Terms				
Recommended to Commission?	No	No	No	Yes



Passed this part of review



Did not pass this part of review



Review not conducted

SETTING LOAN INTEREST RATES



Setting Loan Interest Rates

OAR 690-093-0170(1)

The Commission sets “reasonable interest rates” for loans it awards

Loan Best Practices

The Department will recommend a loan interest rate based on the following:

- Credit worthiness of the applicant
- Cost of borrowing

OAR 690-093-0170(2)

Loan term may not exceed life of project



Thank You

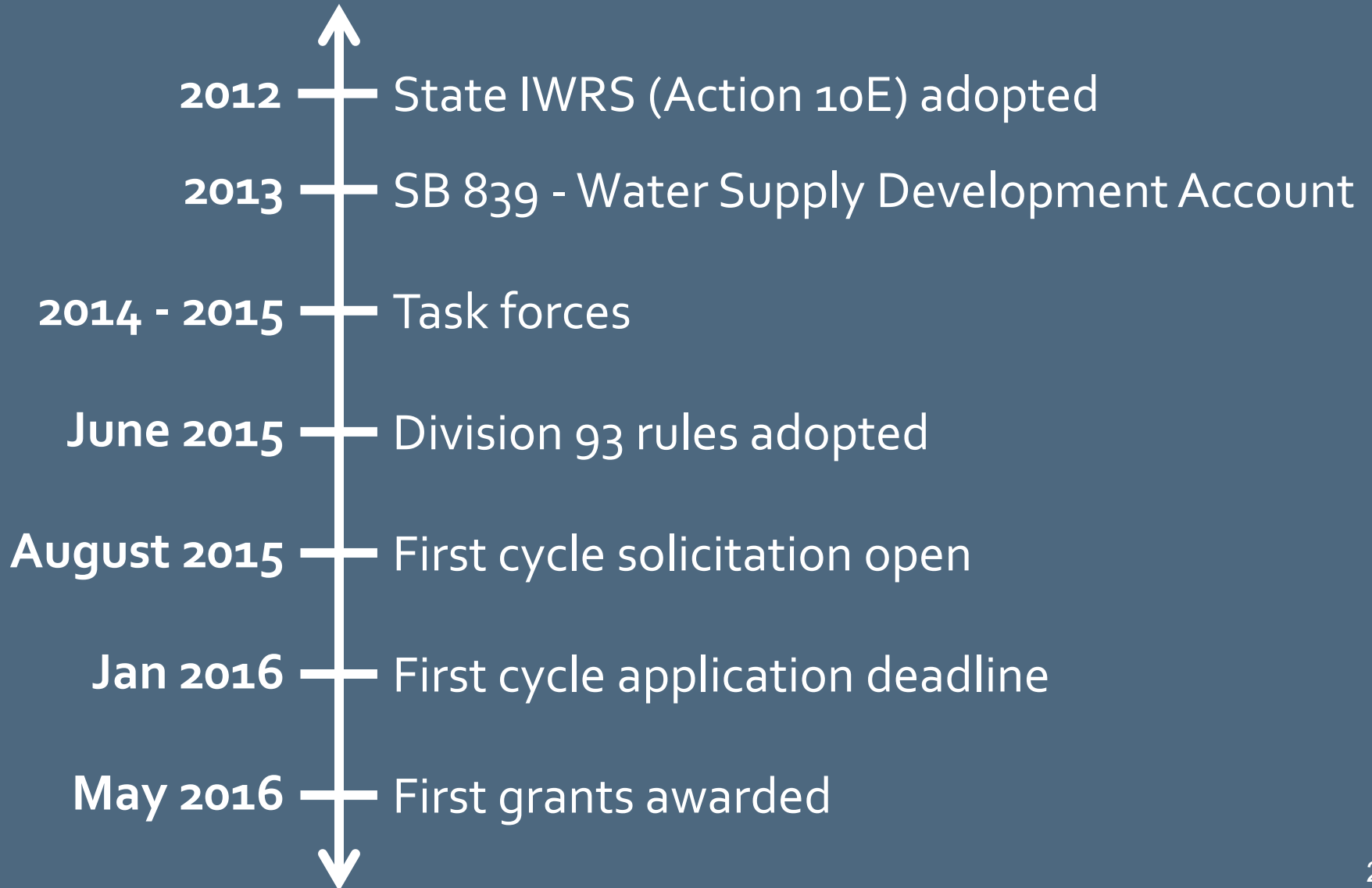
Thank You.

Questions?

EXTRA SLIDES



History





2016 Funded Projects

Rank and Project Name	Project Type	Recommend Full Funding
1 Lostine River Conservation Project	Conservation	\$1,488,718
2 Tumalo Feed Canal Conservation Phase 5	Conservation	\$1,299,968
3 Highline Canal Pipeline	Conservation	\$566,299
4 Willow Creek Piping Irrigation Laterals	Conservation	\$500,355
5 Mosier Deep Water Supply Well	New Groundwater Supply	\$917,238
6 Beaver Creek Dam Fish Passage and Flow Restoration	Municipal Water Supply	\$600,000
7 Sun Creek Restoration And Irrigation Efficiency	Flow Restoration	\$249,867
8 Klamath East Side Water Recycling Project	Drainage Water Reuse	\$268,673
9 Kingsley Reservoir Expansion and Lowline Pipeline Project	Storage/ Conservation	\$3,000,000
	Total	\$8,891,118