

SDWRLF Sustainable Infrastructure Planning Projects (SIPP)

Financing For Water System Planning and Related Activities That Promote Sustainable Water Infrastructure

SIPP Overview

- Funding up to \$20,000 per project
- 100% forgivable loan to hire a third party to perform one of the eligible studies detailed below.
- A water system may be awarded SIPP funds once every three years:
 - Exception can be made if Seismic SIPP funding is needed as part of a full master planning effort in the same 3-year period but may not result in two funding awards in a single year.
 - A water system may only receive SIPP funds once for each eligible activity identified in the program overview document.
 - Exceptions may be made on a case-by-case basis if funding allows.
- Water system must complete project within 2 years

SIPP Application

- Beginning in 2022 and contingent upon funding availability, there are two deadlines to submit applications annually: **March 15 and September 15.**
- The [Business Oregon Regional Development Officer](#) for your area is available to answer questions about SIPP.
- To be considered for rating and ranking, water systems must submit an application to SIPP.DW@biz.oregon.gov.
- The most current version of the application can be found on [OHA's SIPP Webpage](#).
- After eligible projects have been reviewed, rated (i.e., scored), and ranked by Oregon Health Authority on the Project Priority List, OHA will post complete applications for a 10-day public notice period.
- Business Oregon will follow up with those systems selected for funding to complete the funding process.

SIPP Eligible Activities

- **Water System Master Plans (for systems with less than 300 connections)** – long-range planning to evaluate the needs of the water system and make recommendations for future improvements.

Intended for small systems with less than 300 connections resulting in the creation of comprehensive plan.

Note: Water Systems that have more than 300 connections may be eligible for grant funding instead through Business Oregon's [Water/Wastewater Program](#). A [Business Oregon Regional Development Officer](#) for your area is available to answer questions about which program is right for assisting with a Water Master Plan.

For more details about the requirements and elements of a master plan, visit [OAR 333-061-0060\(5\)](#).

- **Feasibility Studies** – studies to evaluate infrastructure project feasibility. Studies may also include the evaluation of resiliency measures and continuity of operations, including identification of needed infrastructure improvements.

To be eligible for future Safe Drinking Water Revolving Loan Fund financing, a feasibility study should include the following elements:

- Analysis of project feasibility (e.g., engineering, regulatory, legal etc.)
 - Analysis of project alternatives and the recommended option
 - Estimate of project costs including materials, labor, contingency budget, and other expenses adjusted for inflation depending on timeline
 - Design and/or construction timeline
 - Operational feasibility analysis including identification of costs for operation, maintenance, and long-term replacement of the improvement.
- **Asset Management Plans** – plan for managing water system infrastructure assets.

Planning activities must result in an adopted asset management plan intended to ensure planned maintenance is conducted and capital assets can be repaired, replaced, or upgraded on time and there is adequate money to pay for it. Planning activities can include inventories, tracking systems, and integration of budget and accounting systems with the asset management plan.

Asset management plans may also include creation of a geographic information system (GIS) to document locations of water system infrastructure or compile other information. Any GIS work must be accompanied by a management plan.

- **System Partnership Studies** – studies to evaluate potential for system consolidation/regionalization.

Consolidation studies can include feasibility analysis of physical consolidation of one water system into another. This often takes the form of a smaller system deciding it no longer wishes to be responsible for providing drinking water and being physically consolidated into a larger system. The larger “receiving” water system would then be responsible for providing water (typically through interconnection) to the smaller “subsumed” water system.

Regionalization studies can include several local water systems working together to form a combined public water system resulting in cost savings. Also eligible under system partnership studies engineering assessment of interties to facilitate interlocal agreements for purchasing (e.g., wholesale) or selling water (for emergencies or recurring basis). While it is expected that all impacted water systems would be involved and kept apprised throughout the study, only one \$20,000 SIPP award may be awarded for any given system partnership study. Only one of the water systems involved in the study may serve as the SIPP funding applicant.

- **Water Rate Analysis** – analysis of water system rate charges, structure, and adequacy.

The analysis should determine the full cost of doing business by calculating current and future costs and expenses, evaluate current revenues, rate structure options and design an appropriate rate.

- **Leak Detection Studies** – studies to detect water system leakage and identify possible solutions.

Studies can include completion of water audits to identify and quantify water uses and losses, leak detection activities, and identification of solutions to reduce or eliminate water losses.

- **Security Risk and Vulnerability Studies** – Studies or assessments to evaluate infrastructure and information security, including cybersecurity.

Studies must assess risk and potential impacts and include identification of needed security improvements.

Studies may also include identification of critical information technology assets, process controls, communications and personnel, and the development of security procedures and protocols.

For additional security risk and vulnerability resources: [Security Vulnerability Assessment Guides](#).

- **Seismic SIPP** – Seismic Risk Assessment and Mitigation Plans

Must result in creation of a Seismic Risk Assessment and Mitigation Plan required by OHA as part of a full master plan submittal.

- Eligibility is limited to systems that serve 300 to 3,300 connections.
- For details about Seismic planning requirements visit [OAR 333-061-0060\(5\)\(a\)\(J\)](#).
- [See details](#) for funding eligibility requirements and access to the earthquake sensitive area map.

SIPP Evaluation & Ranking Criteria (100 pts.)

- (30 pts.) System Size – priority will be given to systems with less than 300 connections.
- (20 pts.) Capital improvement history – length of time since the most recent significant improvement to the system was made.
- (20 pts.) Future project potential – reasonable expectation that activities funded will result in a future infrastructure project.
- (20 pts.) Readiness-to-proceed – project activities must be ready to begin within 90 days of award funding notification and completed within 1 year.
- (10 pts.) Priority deliverable – feasibility studies, asset management plans, and system partnership studies will be given higher priority.
- Note: Seismic SIPP projects are not to be evaluated with the above criteria and are funded on a first-come, first-serve basis.

Community Engagement

- Projects should consider activities that engage water system stakeholders such as:
 - Stakeholder consultation about customer satisfaction or utility goals, objectives, and management decisions.
 - Compare water rates with similar water system types.
 - Recruit community members.
 - Spearhead public education.
 - Open dialogue throughout a project’s lifecycle.
 - Community survey.

Why Plan for Sustainability?

- Minimize costs by optimizing investment choices, operating water systems more efficiently, and pursuing cost-effective investment and management strategies.
- Maximize results of investments to ensure continual compliance, a reliable source of water, treatment, storage, and distribution capacity, as well as financing capability.
- Garner greater support for the utility by aligning infrastructure choices with community values and sustainability priorities.
- Ensure that financial and revenue strategies are adequate to finance, operate, maintain, and replace essential infrastructure throughout its operational life for all community members.

SIPP Resources

- [Oregon Resilience Plan \(see chapter 8\)](#)
- [Sustainable Practices for Water Utilities](#)
- [Planning for Sustainable Water Infrastructure](#)
- [Sustainable & Effective Practices for Creating Your Own Water Utility Roadmap](#)
- [Asset Management Resources for States and Small Drinking Water Systems](#)
- [Plan and Budget for Public Involvement](#)
- [Setting Small Drinking Water System Rates for a Sustainable Future](#)
- [Small System Risk and Resilience Assessment Checklist](#)