



# Oregon

Kate Brown, Governor

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April 9, 2021

The Honorable Senator Fred Girod, Co-Chair  
The Honorable Paul Holvey, Co-Chair  
Joint Committee on Ways and Means Subcommittee on Capital Construction  
900 Court Street NE  
H-178 State Capitol  
Salem, OR 97301-4048

RE: SB 5505 Bonds for Department of Environmental Quality Industrial Orphan Sites and Clean Water State Revolving Fund

Dear Co-Chairpersons:

The Department of Environmental Quality seeks your support for two bonding requests: 1) \$10.3 million in general obligation bonds to replenish the state's Industrial Orphan Site Account, and 2) \$10 million in general obligation Bonds to meet the state match for federal capitalization grants to maintain Oregon's Clean Water State Revolving Fund.

### **Industrial Orphan Bonds**

DEQ requests \$10.3 million in general obligation bonds to support the Industrial Orphan Site Account in order to fund ongoing investigation and cleanup of contaminated sites where uncontrolled hazardous substance releases pose a risk to human health and the environment, and where no other source of funding is available to address the risk.

DEQ's Industrial Orphan Sites program protects public health and the environment by investigating and cleaning up highly contaminated properties when the parties responsible for the contamination are either unknown, or are unwilling or unable to do so. DEQ designates sites as orphans only if they are high priorities for cleanup. Although cleanup activities at some industrial orphans can continue for years, 42 sites have received DEQ's "No Further State Action Required" designation. These sites are safe for designated uses and many now support expanded uses and economic redevelopment.

Industrial orphans include a range of contaminated sites from small service stations to large former industrial operations, abandoned mines, and area wide sites where hazardous substances have affected sources of drinking water. The work funded by the bonds includes investigations to determine the scope of the problem, active remediation and ongoing operations and maintenance.

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The bond sales would allow DEQ to start or continue work on 20 sites in each of 2021-23 and 23-25. This includes existing high-priority sites as well as new sites. Existing high-priority investigations/cleanups include: the Willamette River Upriver Reach Sediment Investigation, Portland Harbor Superfund Site Oversight, Keizer Area-Wide Drinking Water Contamination, Red Boy Mine (Grant County), Astoria Marine Construction, and Elmira Family Store.

DEQ currently anticipates that \$10.3 million would be adequate to fund investigation and cleanup activities at orphan sites through June 2025.

### **Clean Water State Revolving Fund**

DEQ is seeking support for \$10 million in General Obligation Bonds to meet the state match for federal capitalization grants to maintain Oregon's Clean Water State Revolving Fund.

The Clean Water SRF provides below-market interest rate loans to public agencies, including counties and municipalities, for three kinds of water pollution abatement projects:

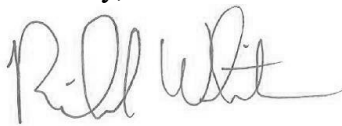
- wastewater collection, treatment, and disposal systems;
- nonpoint source water pollution control measures; and
- implementation of management plans for federally designated estuaries.

The federal Water Quality Act of 1987 created the state wastewater treatment revolving loan fund program. The primary source of funds for this program is repayments of loan principal and interest and federal capitalization grants. The federal act requires the state to match federal dollars with state funds in an amount at least equal to twenty percent of the federal capital grant.

Approval of this request ensures DEQ continues to provide communities with affordable financing options for wastewater treatment and other clean water projects. Adequate wastewater treatment capacity is needed for support community economic development.

Thank you for consideration. For additional information, please contact Nancy Bennett at the Department of Environmental Quality at (503) 509-6704.

Sincerely,



Richard Whitman  
Director