



DRINKING WATER STATE REVOLVING FUND

Office of Drinking Water

We Have Money
Drinking Water Advisory Group
September 11, 2023



Jocelyne Gray

DWSRF Environmental Engineer

Drinking Water State Revolving Fund (DWSRF) Program

Learning Objections

- Available DWSRF money
- Discussion
- Current information about our program is located at doh.wa.gov/DWSRF—we regularly update the webpage.

Agenda

- Contacts
- Available Funding
- Funding Specifics
- Discussion

CONTACTS



DWSRF Staff Contacts

Program Manager Chris.Pettit@doh.wa.gov or 564-233-1408

Scope of Work, Funding Cycles, and Technical Questions
Jocelyne.Gray@doh.wa.gov or 564-669-4893

WALT Application and General Questions Sara J Herrera at
DWSRF@doh.wa.gov or 360-236-3089

Cultural, Historical, and Environmental Review
Scott.Kugel@doh.wa.gov or 360-480-7617

Technical Assistance Requests Chelsea.Cannard@doh.wa.gov or
564-233-1799

DWSRF Financial Services Contacts

Underwriting and For-Profit Eligibility (Mike)

Michael.Copeland@doh.wa.gov or 360-236-3083

Contract Manager Eloise.Rudolph@doh.wa.gov or 360-236-3124

Contract Manager Dennis.Hewitt@doh.wa.gov or 360-236-3017

Contract Manager Brittany.Cody-Pinkney@doh.wa.gov or
360-236-3047

Invoicing and Payments (Steve) Stephen.Lomnicki@doh.wa.gov or
360-236-3166 or DWSRFInvoicing@doh.wa.gov

Regional Planner Contacts

Eastern Regional Office

Jamie.Clark@doh.wa.gov or 509-329-2137

Brenda.Smits@doh.wa.gov or 509-329-2122

Northwest Regional Office

Krista.Chavez@doh.wa.gov or 564-669-0757

Crystal.Nuno@doh.wa.gov or 253-395-6750

Jennifer.Kropack@doh.wa.gov or 253-395-6769

Southwest Regional Office

Meredith.Jones@doh.wa.gov or 360-236-3030

Benjamin.Majors@doh.wa.gov or 360-236-3030

AVAILABLE FUNDING



DWSRF Pots of Money

- DWSRF Standard Capitalization Grant for Loans ~ \$11.3 million
 - 12%-35% for subsidy to Disadvantaged Communities (DAC)
 - 14% as additional subsidy to any applicant
- BIL Supplemental Capitalization Grant for Loans ~ \$48.2 million
 - 49% for subsidy to DAC, 51% as loans
- Emerging Contaminants Forgivable Loan ~ \$17.5 million
 - 100% subsidy for all eligible projects
 - 25% of funding to be awarded to DAC or Small Systems serving less than 25,000 people
- Lead Service Line (LSL) Replacement Loans ~ \$28.7 million
 - 49% for subsidy to DAC, 51% as loans

DWSRF Pots of Money

- DWSRF Repayment Account ~\$70 million for construction projects
- Planning and Engineering Loans ~ \$3 million—state budget, from loan repayments, renews every July 1
 - No subsidy available
- Consolidation Feasibility Study Grants—\$800,000—state budget, from loan service fees and DWSRF set-asides
- Emergency Loans—\$1 million—state budget, from loan repayments, renews every July 1
 - No subsidy available

Online Training for Construction Loan

- Overview webinars: September 20 and October 11 at 10 am via Microsoft Team
- Q&A session November 8 at 10 am via Microsoft Team
- Link will be posted at doh.wa.gov/dwsrf under Construction
- Sessions slides will be posted online a week later

Future Pots of Money

- Drinking Water System Rehabilitation and Consolidation Grant
 - ~ \$2 million state appropriation for consolidation or rehabilitation of struggling or failing water systems
 - Available in 2024
- Water Infrastructure Improvements for the Nation (WIIN) Act Emerging Contaminants Small and Disadvantaged Communities Grant (EC-SDC)
 - ~ \$33 million to water systems serving under 25,000 people
 - Available in 2025

FUNDING SPECIFICS



How to be Eligible for a Loan

- Dedicated water fund to pay back the loan—**separate rates and assessments from other funding**
- Have control of the property—obtain ownership, lease, or easement for life of the infrastructure
- If the water system has an audit, there should be **no audit findings**
- Governing body must approve the application—submit signed minutes from the meeting
- Cash flow must be **POSITIVE** and show you can pay off the loan
- Be a **legal entity** registered with the state of [Washington Secretary of State](#)

Planning and Engineering Loan

- 1 Award**
 - \$500,000 Max Award Per Jurisdiction
 - First Come, First Served
- 2 Availability**
 - Year-Round
 - \$3 Million Total Every July
 - From Loan Repayments
- 3 Loan Terms**
 - 0% Interest
 - 2% Service Fee
 - 10-Year Loan Term
 - Complete in 2 Years

Planning and Engineering Loan – **Eligible Systems**



Group A Community

Public or
Private

Homeowner's
Association
(HOA) or
other groups
must submit
articles of
incorporation.



Group A Noncommunity

Public Not-For-
Profit

Transient or
Nontransient



Tribes

Group A
water
systems

Construction Loan

- 1 Award**
 - \$12 Million
 - Max Award Per Jurisdiction
 - Competitive
- 2 Availability**
 - October and November
 - \$120 Million Total
 - Standard Construction and \$17 Million For Emerging Contaminants
 - From Fees, Loan Repayments, and EPA Grants
- 3 Loan Terms**
 - 2.25%
 - Standard Interest
 - 1% Service Fee
 - 20-Year Loan Term
 - Complete in 4 Years

Construction Loan – **Eligible Systems**



Group A Community

Public or
Private

Homeowner's
Association
(HOA) or
other groups
must submit
articles of
incorporation.



Group A Noncommunity

Public Not-For-
Profit

Transient or
Nontransient
Must submit
tax-exempt
documentation



Tribes

Group A
water
systems not
receiving
tribal set-
asides.

Construction Loan – **Eligible Systems**



Single Group B System

Being restructured into a Group A water system.



Several Group B Systems

Multiple systems being consolidated into a single Group A water system.


Construction Loan – **Eligible Projects**


- All preconstruction work except required planning document
- Update planning document after consolidation
- Capacity analysis after improvements constructed
- Cultural and Historical Review
- Infrastructure replacement
 - Source, Treatment, Storage, Booster Pumps, Water Mains
- New infrastructure to meet existing customer demands
 - Source, Treatment, Storage, Booster Pumps, Water Mains
- Consolidations
 - Main connection, meter installation, control valves
- Asset management


Lead Service Line Inventory Loan

- 1 Award**
 - \$25,000 Min Per Project
 - No Max Award
 - First Come, First Served
- 2 Availability**
 - October and November
 - \$28 Million Total
 - From BIL Lead Service Line Funding
 - 49% Loan Principal Forgiveness for DAC
- 3 Loan Terms**
 - 0% Standard Interest
 - 2% Service Fee
 - 10-Year Loan Term
 - Complete in 2 Years

Lead Service Line Inventory Loan – **Eligible Systems**

 **Group A Community**
Public or Private
Homeowner's Association (HOA) or other groups must submit articles of incorporation.

 **Group A Noncommunity**
Public Not-For-Profit
Transient or Nontransient
Must submit tax-exempt documentation

 **Tribes**
Group A water systems not receiving tribal set-asides.

Service Line Inventories are due October 16, 2024

All Group A Community Water Systems

All Group A Non-transient Non-community (NTNC)

Lead Service Line Inventory Loan – **Eligible Projects**

- All work associated with developing the service line inventories required by EPA's Lead and Copper Rule Revision
 - Staff time to review records
 - Customer surveys
 - Connection or Meter box inspections including using a vacuum truck to clean out meter boxes
 - Inspections of customer's service lines into homes and businesses
 - Online portal development for self-reporting or sharing public information about service lines

Lead Service Line Inventory Loan – **Eligible Projects**

- If system does not have a current and approved planning document
 - Create or Update the Small Water System Management Program (SWSMP)
- or
- Develop, Update, or Amend the Water System Plan (WSP)
- Include planning document in scope of work

Lead Service Line Replacement Loan

- | | | |
|--|---|--|
| 1 Award
\$25,000 Min
Per Project

No Max Award

Competitive | 2 Availability
October and
November

\$28 Million Total

From BIL Lead
Service Line
Funding


49% Loan
Principal
Forgiveness for
DAC | 3 Loan Terms
2.25%
Standard
Interest

1% Service Fee


20-Year Loan
Term

Complete in 4
Years |
|--|---|--|

Lead Service Line Replacement Loan – **Eligible Systems**


 **Group A
Community**
Public or
Private

Homeowner's
Association
(HOA) or
other groups
must submit
articles of
incorporation.

 **Group A
Noncommunity**
Public Not-For-
Profit

Transient or
Nontransient

Must submit
tax-exempt
documentation

 **Tribes**
Group A
water
systems not
receiving
tribal set-
asides.

**Water System Must Have a Current and
Approved Planning Document to be Eligible.**

Lead Service Line Replacement Loan – **Eligible Projects**

- Potholing to identify service line materials
- Replace lead service lines or galvanized-identified-for-replacement from water main to building, unless
 - Water system side has been replaced in the past 5 years
 - Customer side has been replaced in the past 5 years
- Meter replacement if predates 1986 AND has lead components
- Surface restoration
- Requires cultural and environmental reviews
- Must obtain signed agreement with property owner to do construction on private property

How to Apply for Emergency Loan

Declare Emergency

Contact Jocelyne.Gray@doh.wa.gov
or call 564-669-4893 to verify
situation eligibility.

Call Sara J Herrera at 360-236-3089
or E-mail DWSRF@doh.wa.gov to
register in WALT.

Download [Emergency Loan application](#)
from DWSRF webpage. Complete
application and print to or save as PDF.
E-mail completed application and
attachments to DWSRF@doh.wa.gov.

Application reviewed by DWSRF
and Underwriter. Cultural/Historical
Consultations begin, 14-day
comment period.

Emergency Loan

1

Award

\$500,000 Min
Per Jurisdiction

First Come,
First Served

Scored

Must Include
Construction
Component

2

Availability

Year Round

\$1 Million Total
Every July

From Loan
Repayments

3

Loan Terms

0% Interest

1.5% Service
Fee

10-Year Loan
Term

Complete in 2
Years

Emergency Loan — Eligible Emergencies

- Wildfire
- Drought
- Flood
- Earthquake
- Wind Damage (Tornado or Wind Storm)
- Building or Equipment Fire
- Lightning Strike (electrical damage)
- Contamination causing Do Not Drink or Do Not Use (extreme levels of PFAS)
- Installation of Disinfection for Boil Water Advisory (*E. coli* in source)
- Theft or Vandalism of Critical Equipment (includes cybersecurity breaches)

**WATER SYSTEM MUST
DECLARE AN EMERGENCY**

Emergency Loan – **Eligible Systems**

Water systems serving less than 10,000 people

- Group A Community—public or private
 - Homeowner’s Association (HOA) or other groups must submit articles of incorporation
- Group A Noncommunity—not-for-profit
 - Must submit tax-exempt documentation
- Tribally-owned not-for-profit community not receiving tribal set-asides

Emergency Loan – **Ineligible Projects**

- Trucked water
- Bottled water
- Repairs due to deferred maintenance

Discussion



Disadvantaged Community Definition

Emergency Rule

Disadvantaged community means a qualifying service area of a project serving residential connections within a public water system that is disproportionately impacted by economic, health, and environmental burdens. Potential qualifying areas will be assessed by indicators established in state guidance including population served, social vulnerability, environmental health disparities, and affordability of average annual water charges.

Disadvantaged Community Verification

Appendix B of the Construction Loan Guidelines

Affordability Index greater than 2.0 percent

Average Annual Water Rates divided by Median Household Income times 100

Average Rank of Environmental Health Disparity of 7 or more
Environmental Exposures rank plus Environmental Effects rank plus Sensitive Populations rank. Divide sum by 3.

Average Rank of Social Vulnerability Index of 7 or more
Household Composition & Disability rank plus Housing Type & Transportation rank plus Socioeconomic Determinants rank. Divide sum by 3.

Future Outlook of Bipartisan Infrastructure Law

BIL funding authorized through 2026

Congress approves allocation every year

State has up to two years to use funding – can stretch funding to 2028

Differences Between LSL and Construction Funding



Lead Service

No plan document requirement.

If plan is missing or outdated, must include in scope of work.

Lead or galvanized service lines only.

Entire service line from main to building, unless portion replaced already.



Construction

Planning document must be current, approved, and identify the project.

Infrastructure up to the point of service.



Jocelyne.Gray@doh.wa.gov

(564) 669-4893

Environmental Engineer

Drinking Water State Revolving Fund (DWSRF) Program

www.doh.wa.gov/dwsrf



@WADeptHealth



To request this document in another format, call 1-800-525-0127. Deaf or hard of hearing customers, please call 711 (Washington Relay) or email civil.rights@doh.wa.gov.