



We work with others to protect the health of the people of Washington State by ensuring safe and reliable drinking water.



DRINKING WATER STATE REVOLVING FUND

Washington State Department of Health
Office of Drinking Water

DWSRF Update

DWAG

September 19, 2022

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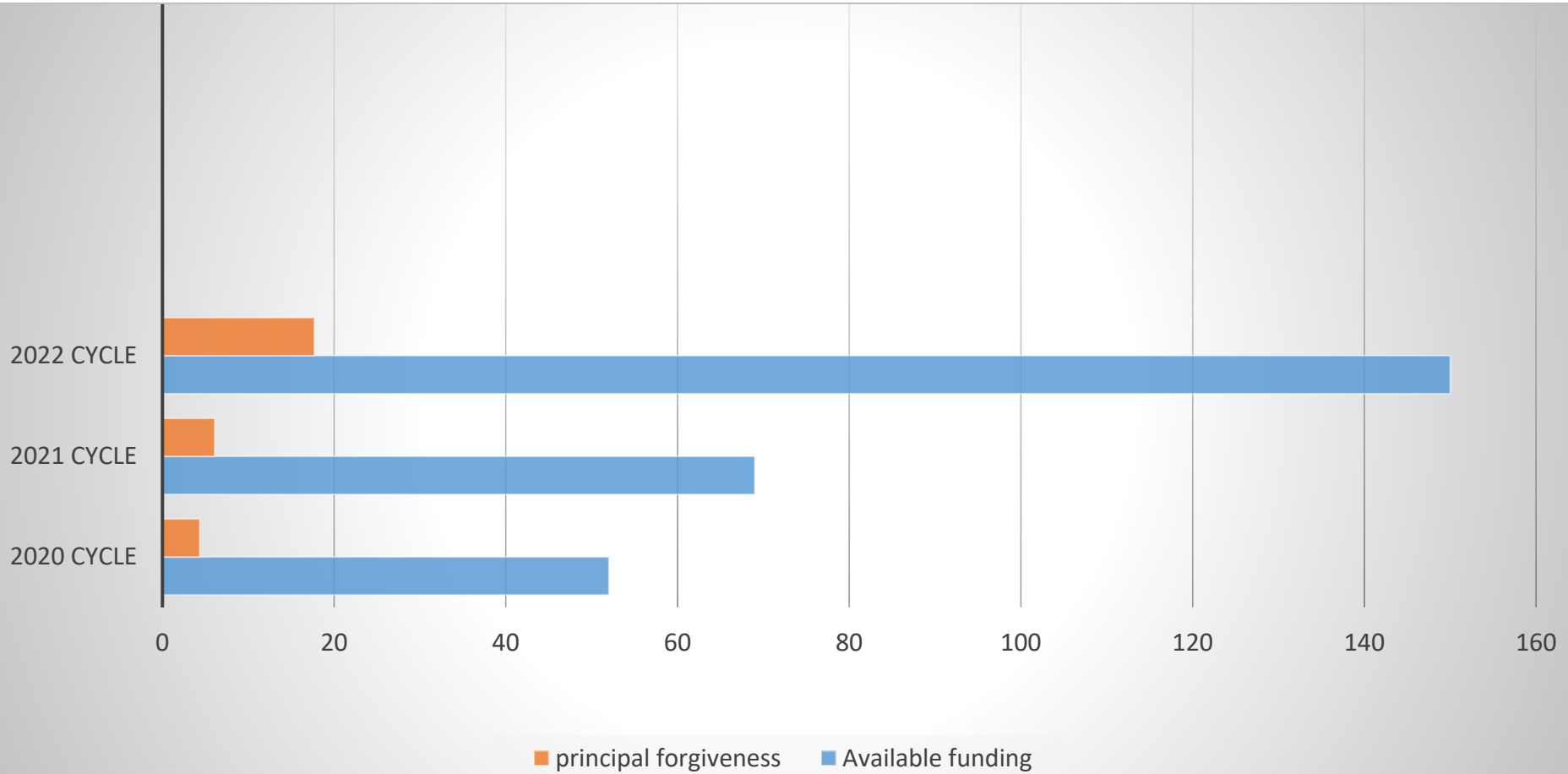
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Fall Construction cycle

- October 3–November 30, 2022
 - 150 Million available—15 million max per jurisdiction
 - **Includes BIL funding (stimulus, emerging contaminants, lead service line replacement projects)**
 - ◆ This cycle will inform our Intended Use Plan(s)
 - 2.25% standard Interest rate
 - 1.75% interest rate for disadvantaged communities
 - 20-year standard loan term

2022 Fall Cycle



Lead Service Line Replacement Eligible Projects

- ~ 46 million available in 2022—49% forgiveness
- Replace entire lead service line (both utility and customer owned portions) and appurtenances.
- Replace lead goosenecks, pigtails, or connectors.
- Replace some galvanized service lines
 - If downstream of a known or unknown lead service line.

Emerging Contaminant Eligible Projects

- ~16.8 million available as principal forgiveness
- Prioritizes PFAS, but any can be used to address any contaminant listed on any of EPA's Contaminant Candidate Lists
- Treatment Systems, pilot testing, new source, consolidation
- 25% must go to disadvantaged systems

Buy America, Build America

- Applies to all projects receiving federal funding (BIL and standard program)
 - The new requirements are: “(A) all iron and steel used in the project are produced in the United States; (B) the manufactured products used in the project are produced in the United States; (C) the construction materials used in the project are produced in the United States.”
- National level waivers
 - Plans and specs waiver for projects that were designed prior to May 14, 2022
 - Materials not currently manufactured in the US
 - De minimis
- Waiting on EPA Implementation guidance

Prioritizing Disadvantaged Communities

- Highest ranked projects get principal forgiveness.
- Projects where the average monthly water rate with the loan will exceed 2.0 percent of the Median Household Income (MHI) for the service area may receive principal forgiveness and a reduced interest rate.
- Project where the monthly water rate with the loan is between 1.5 and 2.0 percent of MHI may received a reduced interest rate.
- For-profit systems are not eligible, except community systems being consolidated into a not for profit.

Construction Loans Eligibility

- **Planning documents must be current and include proposed project.**
- Must have all real property, easements or right-of-ways secured or ability to do so upon application.
- If project requires water rights, must have water rights
- No outstanding audit findings.
- Must include approved meeting minutes with the application that show governing body approved submittal of the DWSRF application, proposed project, and estimated amount for funding.

Construction Loans : Scoring

- All projects are scored and ranked based on health risk being addressed.
- Category 1—Documented microbial contamination.
- Category 2—Documented primary inorganic* contaminant MCL + PFAS.
- Category 3—Primary chemical risks or sanitary survey significant deficiencies.
- Category 4—Secondary MCLs and Resiliency.
- Category 5—Projects not captured in previous risk categories: new reservoir or pipe replacement or pump station.

Applications

Applicants need to apply through WALT application portal.

All applicants that are new or have changes will need to preregister.

WALT user guide available—doh.wa.gov/DWSRF

We provide a paper application to help applicants gather information

Got questions about WALT—contact Sara Herrera

Construction Loans

- Typical Timeline of funding cycle:
 - Cycle closes: November 30.
 - Applications reviewed: December 1–January 31.
 - Applicants notified on funding status: February.
 - Scopes developed: March to May.
 - Contracts executed and funds available: July.

Need help getting started?

- Preconstruction Loans (year-round cycle)
 - We have funding available now—\$3 million cycle annually; first come first serve until funding is exhausted.
 - Funding allocated on state fiscal year of July 1.
 - Planning, studies, design, asset management, cultural and environmental review, etc.
 - Can not be used for groundbreaking activities.

Preconstruction Loan

- \$500,000 per jurisdiction per fiscal year.
- 2% loan fee—0% interest.
- Must complete scope of work activities within 24 months.
- Currently provide bonus points for the preconstruction loan, approved design documents, completed SEPA and Cultural review.

Take aways

- Record breaking dollars available.
- BIL funding authorized for five years.
- If you're not ready this year, work with the regional office to get ready for next year.
- Likely a great time for water main projects.
- Will consider refinancing of projects previously funded by RD.
- If you have question—give me a call or join us Wednesday September 21 at 10am for a webinar.

All the details

- Current information about our program is located at doh.wa.gov/DWSRF.



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Drinking Water State Revolving Fund Program

Questions?

