



DRINKING WATER STATE REVOLVING FUND (DWSRF)

Office of Drinking Water

Lead Service Line Loan Cycle

DWAG

March 2023

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DWSRF Program

Learning Expectations

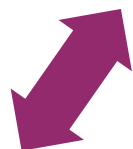
- Please ask questions during the presentation
- There will be future trainings that cover funding in more detail and funding cycle specifics.
 - Lead Service Line Cycle – March and April
- Current information about our program is located at www.doh.wa.gov/DWSRF - we regularly update the webpage.

Agenda

- Organization
- Background
- Lead Service Lines Loan Program
- Disadvantaged Community (DAC)
- Bipartisan Infrastructure Law (BIL) Requirements

DWSRF Team

DWSRF HQ
Staff



Regional
Offices

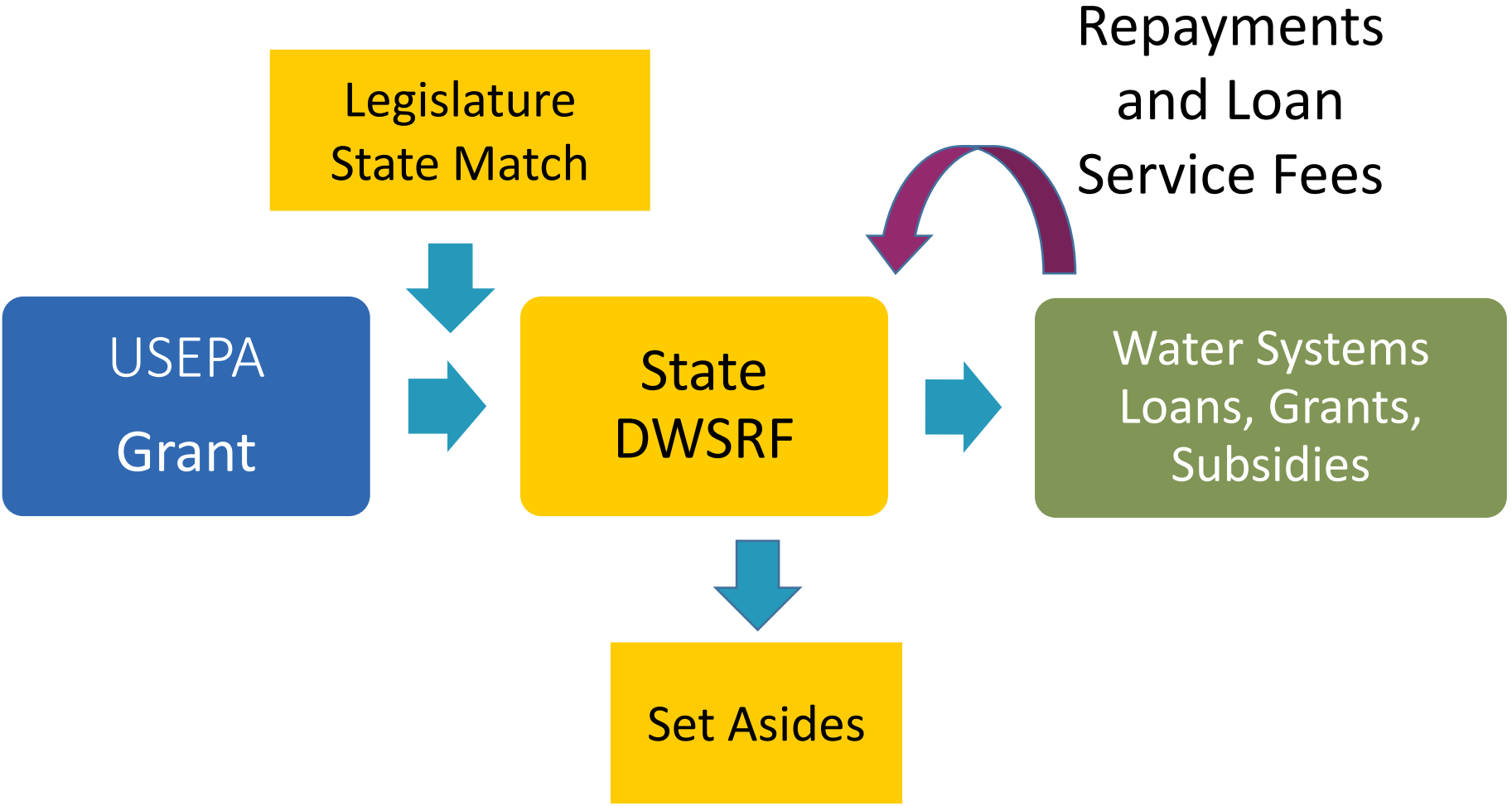


Underwriting &
Contracts Managers

Background and Purpose

- Increase public health protection and compliance with drinking water regulations.
- Remove lead from service lines.
- Reimbursements through low-interest loans.
- Funded through the U.S. Environmental Protection Agency (USEPA) grants loaned to water systems, state match, and loan repayments.

Flow of Funds



Lead Service Line Loan Funding

- Lead Service Line (LSL) Loans ~ 126 million
 - 49% for subsidy to disadvantaged communities
 - 51% as loans
- Eligible Projects:
 - Mandatory service line inventories – potholing requires cultural and historical review
 - Service line replacements for lead lines and galvanized known or unknown downstream of lead fittings.

Lead Service Line **Inventory** Loan

\$25,000 Min
Award

0%
Interest

2%
Service
Fee

10 Year
Loan
Term

BIL LSLR

Complete by
October 16, 2024

Lead Service Line Inventory Eligible Projects

- ~ 126 million dollars available in 2023
- Development of inventories due to DOH by October 16, 2024 – EPA Requirement!
- Must inventory residential, commercial, industrial, and government service lines.
- Potholing requires cultural and historical review for each site
- If you might replace eligible service lines as you find them, include replacement in your application.
- Systems required to use funding to develop or update a planning document – SWSMP or WSP.

Lead Service Line **Replacement** Loan

\$25,000 Min
Award

2%
Service
Fee

2.25%
Interest

Complete in
2 Years

~~SERVICE
METERS~~

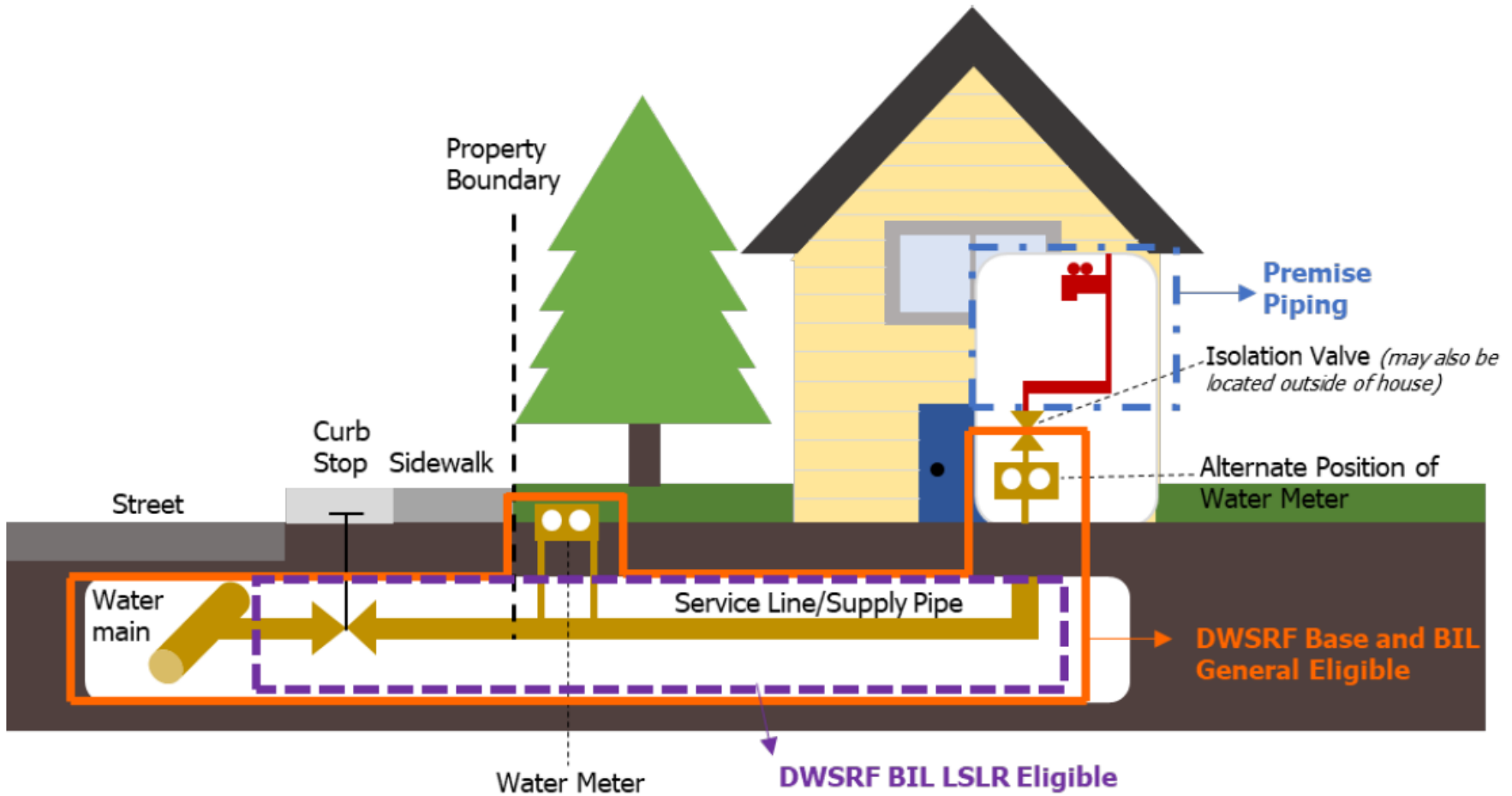
10 Year
Loan
Term

BIL LSLR

Lead Service Line Replacement Eligible Projects

- Same pot as the LSL Inventory projects
- Replace entire lead service line (both the utility and the customer-owned portions) and appurtenances – **no partial replacements.**
- Replace lead goosenecks, pigtails, or connectors.
- Replace galvanized service lines
 - If downstream of a known or unknown lead service line or connector.
- **Cannot** pay for new or replacement service meters!!!

Full Service Line Replacement



Source: United States Environmental Protection Agency

Prioritizing Disadvantaged Communities (DAC)

- Current permanent WAC 246-296 definition based on water rates and Median Household Income (MHI)
- Emergency rulemaking for definition – open for public comment
 - Serve less than 3300 people – OR –
 - Located in a county designated as rural by Office of Financial Management
 - AND –
 - Then evaluate disadvantaged status

Small Disadvantaged Communities (DAC)

Less Than 3300 People

AND

Disadvantaged on Climate and Economic Justice Screening Tool

OR

Household Burden Indicator



Poverty Prevalence Indicator



Moderate-High Burden or Greater

Climate and Economic Screening Tool

Zoom in + , search 🔍 , or locate yourself 📍 and select to see information about any census tract.

Things to know:

The tool uses census tracts 🗺️ . Census tracts are a small unit of geography. They generally have populations 👥 of between 1,200 - 8,000 people.

Communities that are disadvantaged live in tracts that experience burdens. These tracts are highlighted 🔵 on the map.

The tool ranks most of the burdens using percentiles 📊 . Percentiles show how much burden each tract experiences when

U.S. territories note

Not all the data used in the tool are available or used for all U.S. territories.

Help improv

Climate and Economic Screening Tool

The screenshot displays the 'Climate and Economic Screening Tool' interface. The browser address bar shows the URL: screeningtool.geoplatform.gov/en/#8.62/47.0617/-119.567. The top navigation bar includes links for 'EHAPPS', 'Drinking Water', 'EPA', 'Funding', 'Laws', 'Admin', 'HR', 'Citrix Access', 'DOH', 'SharePoint', 'State Agencies', 'Junk Mail', and 'CREST'. The main map area shows a highlighted tract in Grant County, Washington, with a blue outline. The sidebar on the right provides the following information:

- County: Grant County
- State: Washington
- Population: 2,984
- Tract demographics**
- Race / Ethnicity ([show](#) ▾)
- Age ([show](#) ▾)
- Identified as disadvantaged?**
- YES**
- This tract is considered disadvantaged because it meets burden threshold **AND** the associated socioeconomic threshold.
- [Send feedback](#) ↗
- Climate change** +
- Energy** +
- Health** +

AWWA Household Burden and Poverty Prevalence

Household Burden Indicator	Poverty Prevalence Indicator		
	Greater Than 35 Percent	Between 20 and 35 Percent	Less Than 20 Percent
Greater Than 10 Percent	Very High Burden	High Burden	Moderate-High Burden
Between 7 and 10 Percent	High Burden	Moderate-High Burden	Moderate-Low Burden
Less Than 7 Percent	Moderate-High Burden	Moderate-Low Burden	Low Burden

Rural Disadvantaged Communities (DAC)

In a Rural County Per
Office of Financial Management

AND

Disadvantaged on Climate and
Economic Justice Screening Tool

OR

Household
Burden
Indicator



Poverty
Prevalence
Indicator



Moderate-High
Burden or
Greater

Office of Financial Management

Counties with a population density less than 100 persons per square mile or counties smaller than 225 square miles as of April 1, 2022

Adams (10.96)	Grays Harbor (40.18)	San Juan (104.36)
Asotin (35.53)	Island (420.68)	Skagit (75.86)
Chelan (27.61)	Jefferson (18.49)	Skamania (7.18)
Clallam (44.64)	Kittitas (20.55)	Stevens (18.99)
Columbia (4.55)	Klickitat (12.37)	Wahkiakum (17.21)
Cowlitz (98.45)	Lewis (34.71)	Walla Walla (49.31)
Douglas (24.19)	Lincoln (4.78)	Whitman (22.14)
Ferry (3.31)	Mason (68.99)	Yakima (60.53)
Franklin (80.34)	Okanogan (8.11)	
Garfield (3.24)	Pacific (25.28)	
Grant (37.99)	Pend Oreille (9.73)	

Planning and Engineering Loan Eligible Projects

CALL YOUR REGIONAL PLANNER!

Eastern

Jamie
Clark

Brenda
Smits

Northwest

Jennifer
Kropack

Richard
Rodriguez

Southwest

Fern
Schultz

Deborah
Johnson

BIL Requirements for LSL Replacement Loan

- [Build America Buy America \(BABA\) Act](#)
- Expands on existing American Iron and Steel (AIS) provisions
- Davis Bacon Act – prevailing wages
- DWSRF Rules apply – **MUST** have a current and approved planning document for LSL Replacement projects.
- Cultural and environmental reviews required for any ground disturbance, including potholing for inventories.
- Project report and construction documents required for LSL Replacements – where are you replacing the service lines, provide specifications contractor will use.

Trainings

- March 23 at 10 am – Microsoft Teams
Lead Service Line Loan Webinar
- April 4 at 10 am – Microsoft Teams
Lead Service Line Loan Q&A
- Information on our webpage at doh.wa.gov/dwsrf

Take Aways

- Record breaking dollars available for the next four years
- Inventories to include planning document
- Must replace entire service line
- Is your plan up to date? CALL your Regional Planner

Questions?

