

2007 Drinking Water State Revolving Fund Program



WATER TAP

WASHINGTON'S DRINKING WATER NEWSLETTER

\$40 million to help water systems improve infrastructure

1.5 % basic loan interest rate for private and public entities

Are you planning to improve your water system, or is there an enforcement action or penalty against your system?

Since 1997, the Drinking Water State Revolving Fund (DWSRF) Program has provided low interest loans to community and nonprofit non-community water systems for capital improvement projects. Washington State Department of Health allocated more than \$200 million to the highest-ranking water quality projects. These projects increase public health protection and compliance with drinking water regulations.

If your publicly-owned or privately-owned water system needs financial and technical assistance for infrastructure improvements, come to one of seven application workshops in March. You will have the opportunity to meet Department of Health and Public Works Board staff and learn more about the upcoming funding cycle. To register, please complete the form on page 3.

Special Edition



Volume 22, #1 - Feb. 2007

2007 DWSRF Loan Highlights

- Approximately \$40 million available.
- 1.5 percent basic interest rate on 20-year loans.
- 1 percent interest for systems in distressed counties.
- Reduced interest rates for systems in disadvantaged communities.
- No local match required.
- 1 percent loan fee.
- \$4 million loan limit per jurisdiction.
- \$8 million loan limit for projects involving multiple systems.
- Retroactive assistance for specific high-priority municipal projects.
- Most Group A community and nonprofit non-community water systems are eligible.
- Financing available to municipal or privately owned public water systems.

Should you apply?

Eligible water systems and projects:

- Most Group A community systems, including mobile home parks.
- Most Group A nonprofit non-community systems.
- Group B systems converting to Group A.
- Retroactive financing for specific high-priority municipal projects.
- Projects that address a public health risk.
- Projects to upgrade outdated, deteriorated facilities.

Ineligible water systems and projects:

- For-profit non-community systems.
- State or federally owned systems.

- Projects already receiving assistance from the DWSRF tribal set-aside.
- Projects mainly for future growth, fire flow or dams.
- Projects for studies, assessments, operations or maintenance.
- Point-of-use treatment devices (in most cases).
- Projects that do not include a capital construction project.
- Non-community systems that are not federally recognized as nonprofit.
- Individual projects for multiple water systems submitted under one application.

For complete details, attend a workshop (see page 3). For DWSRF guidelines and application, visit http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm

Successful Project Examples

Beverly Beach Homeowners Association – Thurston County

Department of Health (DOH) issued a red operating permit to the water system because it was inadequate to serve current residents. Of 22 homes served, 10 experienced low water pressure, which allowed bacteria to grow in toilet tanks and other system components.

The system constructed a new well house building, and installed two well pumps, a source meter, a new pressure regulating station, a new hydropneumatic pressure tank, water meters and flushing assemblies at each dead-end main.

The 2002 DWSRF loan of \$196,944, Department of Ecology grant of \$4,000 and \$15,000 in local funds covered total project costs.

Pend Oreille Co P.U.D. – Pend Oreille County

The P.U.D. received two low-interest DWSRF loans to install filtration, water storage and source meters for Granite Shores. The system was under a Bilateral Compliance Agreement with DOH for using unfiltered surface water. Improvements include new wells, a pump house, monitoring equipment, meters and 300 feet of new water main.

The DWSRF loans (2002 and 2005) covered total project costs of \$106,000.

Winner of EPA's 2006 DWSRF Award for Sustainable Public Health Protection

Mud Bay Water System – Thurston County

Constructed more than 100 years ago, the system collected water from several surface springs located near Perry Creek.

Mud Bay secured a zero interest DWSRF loan and a Community Development Block Grant (CDBG) to replace an existing spring source with a well. This increased capacity, allowing it to add several new residences to the system. These residents previously relied on several individual wells damaged by a 2001 earthquake. Improvements include a new well, reservoir, booster stations, meters and replacement of 10,000 lineal feet of water main.

A 2002 DWSRF loan of \$931,770 and a CDBG Grant of \$440,000 will cover the project costs.



Especially for Small Systems Small Communities Initiative in Action

Upgrading a small town water system can be a huge challenge. It takes time, money and ongoing coordination among multiple individuals and organizations involved in funding, planning, regulations, design and construction. It takes leadership, vision and perseverance.

The Town of Lyman accepted the challenge four years ago with help from the Small Communities Initiative, a multi-agency approach to helping small towns in Washington meet state requirements for safe drinking water.

At that time, the town's water system was under a Department of Health Bilateral Compliance Agreement requiring it to control corrosion and improve its disinfection system.

Using a \$840,238 Drinking Water State Revolving Fund loan with a 0.5 percent interest rate, and a \$500,000 Community Development Block Grant, the town resolved all issues in the compliance order, met current fire-flow standards, and gained the capacity it needs to grow.

The town:

- Built a new well house with disinfection equipment.
- Installed corrosion control.
- Constructed a new reservoir.
- Installed meters.
- Replaced 6,000 feet of distribution lines and an intertie between its two wells.

(Continued on page 6)



Lyman built a new well house with disinfection equipment.

DWSRF Workshops

2007 Application Workshops

Please indicate the session you plan to attend on the registration form.

Tacoma - March 13, 2007
 La Quinta Inn
 1425 E 27th St
 (253) 383-0146

Mount Vernon - March 14, 2007
 Skagit County PUD
 1415 Freeway Dr
 (360) 424-7104

Longview/Kelso - March 15, 2007
 Red Lion Hotel
 510 Kelso Dr
 (360) 636-4400

Spokane - March 20, 2007
 Hampton Inn
 2010 S Assembly Rd
 (509) 747-1100

Pasco - March 21, 2007
 Red Lion Inn
 2525 N 20th Ave
 (509) 547-0701

Ephrata - March 22, 2007
 Ephrata City Hall
 121 Alder SW
 (509) 754-4601

Port Townsend - March 28, 2007
 Port Townsend Yacht Club
 2503 Washington St
 (360) 385-3169

Mark Your Calendar!

- **February:** Program guidelines and application form online at http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm
- **March 13 – March 28:** Application workshops at seven locations.
- **May 7:** Drinking Water State Revolving Fund application deadline.
- **September 30:** Water System Plan, Water System Amendment or Small Water System Management Program submittal deadline.
- **January 31, 2008:** ODW plan approval deadline.
- **February 2008:** Funds available.

Seven locations and dates

Free Application Workshops

Application workshops are a good place to learn how the programs work and get answers to your project-funding questions. The workshops are free. Dates and locations are listed to the left.

WORKSHOP AGENDA

- 8:30 a.m. Public Works Trust Fund (P WTF) Construction Application Workshop
- 10:15 a.m. Break
- 10:30 a.m. Drinking Water State Revolving Fund Application Workshop
- 11:30 a.m. Lunch - on your own
- Noon P WTF Application Focus Groups
- 2 p.m. BREAK
- 2:30 p.m. 2006 Borrower's DWSRF Contract Management Workshop

Seating is limited! Register in advance online at www.pwb.wa.gov/workshop.asp or complete the form below and send it to the Public Works Board.



cut along line, follow instructions below

Please complete this form and mail or fax it to:

April Perry, Public Works Board
 PO Box 48319, Olympia, WA 98504-8319
 Fax (360) 664-3029 • Phone (360) 586-4133
 E-mail: april.perry@pwb.wa.gov

I will attend the following workshop(s):

- Public Works Trust Fund
- Drinking Water State Revolving Fund
- DWSRF Contract Management
- P WTF Application Focus Group

Name _____ Phone _____

Water System _____

Address _____

Workshop Location _____ # Persons Attending _____

Please send me:

_____ Copies of the Public Works Trust Fund guidelines and applications
 (Available online at <http://www.pwb.wa.gov/>)

_____ Copies of the Drinking Water State Revolving Fund guidelines and applications
 (Available online at http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm)

Summary of government grant and loan programs for drinking water projects

PLANNING

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
Community Development Block Grant Planning Only Grant Program	<ul style="list-style-type: none"> • Comprehensive plans • Infrastructure plans • Feasibility studies • Community action plans • Low-income housing assessments 	Must principally benefit low-to-moderate income people in non-entitlement cities and counties. <ul style="list-style-type: none"> • Cities or towns with fewer than 50,000 people • Counties with fewer than 200,000 people 	Grant <ul style="list-style-type: none"> • Up to \$24,000 per jurisdiction and \$40,000 for joint projects • Up to \$35,000 per jurisdiction and \$50,000 for joint projects to fund priority public health planning 	Applications accepted year-round on a fund-available basis. Contact: Sheila Lee-Johnston (360) 725-3009 sheilal@cted.wa.gov
Public Works Trust Fund Capital Facilities Planning Program	<ul style="list-style-type: none"> • Single or multiple system plans covering eligible systems • Updates to existing capital facilities plans • Environmental studies • Cultural/Historical review 	<ul style="list-style-type: none"> • Counties, cities and special-purpose districts that meet certain requirements • No school or port districts 	Loan <ul style="list-style-type: none"> • Up to \$100,000 per jurisdiction each biennium • 0 percent interest, 6-year term • No match required • Must complete plan in 18 months 	Applications accepted year-round on a fund-available basis. Call: Client Service Representative (360) 586-4122 http://www.pwb.wa.gov
Community Economic Revitalization Board Rural Project-Specific Planning Program	Project-specific feasibility and pre-development studies that advance community economic development goals for industrial sector business development.	Designated rural counties or rural natural resource areas: <ul style="list-style-type: none"> • Counties, cities, towns, port districts, special districts • Federally recognized tribes • Municipal corporations, quasi-municipal corporations with economic development purposes 	Matching Grant <ul style="list-style-type: none"> • Up to \$50,000 per application • Requires 50 percent matching funds 	Applications accepted year-round. The board meets six times a year. Contact: Kate Rothschild (360) 725-4058 kater@cted.wa.gov

PRECONSTRUCTION

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
Public Works Trust Fund Pre-Construction Program	Pre-construction activities such as preliminary engineering, design, bid-document preparation, right-of-way acquisition and environmental studies. <ul style="list-style-type: none"> • Cultural/Historical review 	<ul style="list-style-type: none"> • Counties, cities and special purpose districts that meet certain requirements • No school or port districts 	Loan <ul style="list-style-type: none"> • \$1 million per jurisdiction each biennium • .5 to 2 percent interest • 5 to 15 percent local match • 5-year term, or 20 years if construction funds in hand 	Applications accepted year-round on a fund-available basis. Call: Client Service Representative (360) 586-4122 http://www.pwb.wa.gov

EMERGENCY

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
Public Works Trust Fund Emergency Program	Projects necessary due to natural disaster or an immediate emergent threat to public health and safety. For domestic water systems, sanitary and storm sewers, solid waste, roads and bridges.	<ul style="list-style-type: none"> • Counties, cities and special purpose districts that meet requirements • No school or port districts 	Loan <ul style="list-style-type: none"> • \$500,000 per jurisdiction each biennium • 4 percent interest rate • No local match required • 20-year maximum term 	Applications accepted year-round on a fund-available basis. Call: Client Service Representative (360) 586-4122 http://www.pwb.wa.gov
Community Development Block Grant Imminent Threat Grant Program	Repair water, sewer and drainage facility damages that pose an immediate, urgent threat to public health and safety. <ul style="list-style-type: none"> • A formal disaster must be declared • Project must be ineligible for emergency funds from the Public Works Trust Fund 	<ul style="list-style-type: none"> • Non-entitlement cities or towns with fewer than 50,000 people • Non-entitlement counties with fewer than 200,000 people 	Grant <ul style="list-style-type: none"> • Average grant \$50,000 to \$75,000 • Only eligible costs incurred after an emergency is formally declared can be reimbursed 	Applications accepted year-round on a fund-available basis. Contact: Bill Prentice (360) 725-3015 billp@cted.wa.gov

GENERAL

Infrastructure Assistance Coordinating Council	The council is a nonprofit organization of state and federal agencies, local government associations, nonprofit technical assistance firms, tribes and universities. It helps Washington's communities identify and obtain resources needed to develop, improve and maintain public works programs.		Infrastructure funding and technical assistance is online at http://www.infrafunding.wa.gov/
---	---	--	--

CONSTRUCTION

Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
Drinking Water State Revolving Fund	Drinking water system infrastructure projects aimed at increasing public health protection.	Publicly and privately owned community and nonprofit non-community water systems	Loan <ul style="list-style-type: none"> • 1 percent loan fee • \$4 million per jurisdiction per year • \$8 million for joint projects • 0 to 1.5 percent interest rate • 20-year term; 30 for extremely disadvantaged communities • No local match required 	Applications due May 7, 2007. Funds available spring 2008. Contact: Aleceia Tilley (360) 236-3095 aleceia.tilley@doh.wa.gov http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm
Community Development Block Grant Community Investment Fund	<ul style="list-style-type: none"> • Top priority projects on Washington Community Economic Revitalization Team's county list • Federal Empowerment Zone/Enterprise Community 	Must principally benefit low-to-moderate income people in non-entitlement cities and counties. <ul style="list-style-type: none"> • Cities or towns with fewer than 50,000 people • Counties with fewer than 200,000 people 	Grant <ul style="list-style-type: none"> • \$1 million maximum • Must clearly identify need for grant • Project must be ready to go • Must be a local priority project 	Applications accepted year-round on a fund-available basis. Contact: CDBG Project Manager (360) 725-3025 http://www.cted.wa.gov/cdbg
Community Development Block Grant General Purpose Grant Program	Final design and construction of domestic wastewater, side sewer connections, drinking water, storm water, and road, street or bridge projects.	Must principally benefit low-to-moderate income people in non-entitlement cities and counties. <ul style="list-style-type: none"> • Cities or towns with fewer than 50,000 people • Counties with fewer than 200,000 people 	Grant <ul style="list-style-type: none"> • Up to \$1 million • No match required, but local contribution and gap financing preferred 	Applications due in November. Notification the following March. Contact: Bill Prentice (360) 725-3015 billp@cted.wa.gov
Public Works Trust Fund Construction Program	Construct, repair and replace infrastructure for domestic water, sanitary and storm sewers, solid waste, road or bridge projects, and reasonable growth.	<ul style="list-style-type: none"> • Counties, cities and special purpose districts that meet requirements • No school or port districts 	Loan <ul style="list-style-type: none"> • \$10 million per jurisdiction each biennium • .5 to 2 percent interest • 5 to 15 percent local match • 20-year term maximum 	Applications due May 7, 2007. Funds available spring 2008. Call: Client Service Representative (360) 586-4122 http://www.pwb.wa.gov
U.S. Dept. of Agriculture Rural Development Rural Utilities Service – Water and Waste Disposal Direct Loans and Grants	Pre-construction and construction associated with building, repairing or improving drinking water, solid waste and wastewater facilities.	<ul style="list-style-type: none"> • Cities or towns with fewer than 10,000 people • Counties, special purpose districts, nonprofit corporations or tribes unable to get funds from other sources at reasonable rates and terms 	Loans; grants in some cases <ul style="list-style-type: none"> • Interest rates vary (4.25 to 4.5 percent) • Up to 40-year loan term • No prepayment penalty • Limited predevelopment funds to help with project development 	Applications accepted year-round on a fund-available basis. Contact: Gene Dobry (360) 704-7733 eugene.dobry@wa.usda.gov http://www.rurdev.usda.gov/wa
Community Economic Revitalization Board Traditional and Rural Construction Program	Must support industrial sector business growth and job creation or retention. <ul style="list-style-type: none"> • Bridges, roads, railroad spurs, domestic and industrial water, sanitary and storm sewers • Electricity, natural gas and telecommunications • General purpose industrial buildings, port facilities 	<ul style="list-style-type: none"> • Counties, cities, towns, port districts, special districts • Federally recognized tribes • Municipal and quasi-municipal corporations with economic development purposes 	Loans; grants in unique cases <ul style="list-style-type: none"> • \$1 million maximum/project • Interest rates vary • 20-year term maximum • Minimum 25 percent match • Must demonstrate gap in public project funding and need for assistance 	Applications accepted year-round. The board meets six times a year, and approves funding. Contact: Kate Rothschild (360) 725-4058 kater@cted.wa.gov
Community Economic Revitalization Board Local Infrastructure Financing Tool Program	<ul style="list-style-type: none"> • Water and sewer system construction or improvement • Storm water and drainage systems • Parking, terminal and dock facilities • Street construction and maintenance 	<ul style="list-style-type: none"> • Cities, counties, and towns • Federally recognized tribes • Other taxing districts may participate, but cannot initiate the application 	<ul style="list-style-type: none"> • \$1 million per year, up to 25 years in taxing authority • Intended to help repay locally issued bonds • Must address economic competitiveness, mixed-use development or redevelopment, job creation, and state and local tax revenue growth. 	6/29/07 - Applications due 9/07 - Awards made 2010 - Funds available Contact: Matt Ojennus (360) 725-4047 matthewo@cted.wa.gov

Small Communities Initiative

Continued from page 2

After the system improvements, the town completed two rounds of lead and copper testing. Results for both are below the action level. The town abandoned the old flat water rate in favor of a volume-based rate structure, employees are reading water meters monthly, and water use efficiency has increased by 50 percent.

"The fact that we are actually making progress on the mandates from DOH and others has definitely improved our relationship with the various agencies..." says Mayor Chris Stormont.

For more information on the Small Communities Initiative, please call Cathi Read, program manager, at (360) 725-3016 or e-mail cathir@cted.wa.gov

Loan fee

The loan limit does not include the loan fee. For example, for a project budgeted at \$4 million, the applicant may apply for \$4,040,000 – \$4 million for the project plus the \$40,000 loan fee. The loan fee is incorporated into the loan and retained by the state when the first loan draw is made. The loan fee is non-refundable. Incorporating the loan fee into the loan increases the project cost about 1 percent.

Water system plan requirement

To be eligible for a loan and remain on the funding list, applicants must have a current approved water system plan or small water system management program that includes the proposed project by January 31, 2008. The Office of Drinking Water charges a fee for review and approval of planning, design and construction documents.

Separate vs. multiple applications

Projects not directly tied together must be submitted under separate applications. Exceptions occur when multiple project components are required to bring a system back into compliance with drinking water

rules; multiple components are required for functionality purposes; or when submitting identical projects that will receive identical scores.

Retroactive financing

Retroactive financing may be available for eligible municipal projects built after July 1, 1993. Eligible projects may include those addressing surface water issues, primary chemical contaminants, and capital construction projects related to compliance orders. Projects constructed/financed after January 1, 2006 receive a higher score.

For more information

Please call Aleceia Tilley, Program Manger, at (360) 236-3095 or the nearest ODW Regional Office.

Eastern Region – (509) 456-3115

Northwest Region – (253) 395-6750

Southwest Region – (360) 236-3030

DWSRF guidelines and application are online at http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm

printed on recycled paper



The Department of Health is an equal-opportunity agency. If you need this document in an alternative format, call (800) 525-0127 (voice) or (800) 833-6388 (TTY). This and other publications are available on the Internet at www.doh.wa.gov/ehp/dw

Special Edition

- ### What's new this year?
- September 30, 2007 is the deadline for submitting your Water System Plan, Water System Plan Amendment, or Small Water System Management Program to the Department of Health.
 - \$4 million loan limit per jurisdiction.
 - \$8 million loan limit for projects involving multiple systems.

PRESORT
FIRST CLASS
U. S. POSTAGE PAID
Washington State
Department of Printing

Department of Health
Office of Drinking Water
PO Box 47822
Olympia, WA 98504-7822
(800) 521-0323