



2014 Drinking Water State Revolving Fund Program



June 2014

2014 DWSRF loan highlights

- \$80 million available for loans
- 1.5 % basic interest on a 20-year loan
- Applications due September 30, 2014
- No local match required
- 1 % loan fee
- \$12 million loan limit per jurisdiction
- \$24 million loan limit for projects involving multiple jurisdictions
- Most Group A community and nonprofit noncommunity water systems are eligible

\$80 million for loans to help improve drinking water infrastructure

1.5% interest for private and public entities

Are you planning water system improvements? Is there an enforcement action or penalty against your system? The Drinking Water State Revolving Fund Program (DWSRF) can help! DWSRF provides low-interest loans to community and nonprofit noncommunity water systems for capital projects that improve water quality for your customers and compliance with drinking water rules.

Depending on your customers' median household income, your water system may be eligible for a 30 to 50 percent loan subsidy and reduced interest rates.

The DWSRF budget for 2014 is about \$80 million. Of that, the U.S. Environmental Protection Agency (EPA) appropriated \$19.7 million to the state based on our statewide needs assessment. The rest comes from interest earnings, de-obligations, and repayments from previous loans.

2014 DWSRF loan cycle

The application deadline is September 30, 2014. See [program guidelines](#) online. Applying for a loan has never been easier! We implemented online applications in 2013, and refined them for 2014. Starting September 1, 2014, you can [submit your application online](#) and attach all necessary paperwork.

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Mark Your Calendar

- June 23-27:** Application workshops
- September 1:** Applications available online
- September 30:** Plan approval deadline
- September 30:** DWSRF application deadline
- October 1:** Application review begins
- November 2014:** Draft funding list available
- January 2015:** Public Works Board approves the DWSRF loan list
- March 2015:** DWSRF funds available

What's new with cultural review?

To preserve our country's historical and cultural resources, the National Historic Preservation Act requires us to consider how a DWSRF project, or any other federally funded project, affects historically and culturally significant properties. Now, beginning in fall 2014, the cultural and historical review process will expand to include [Governor's Executive Order 05-05](#).

The order requires us to review some capital construction projects and land acquisitions not receiving review under the federal act. We will identify the affected projects and notify you about next steps.

To help applicants succeed in the loan process, we are placing added emphasis on separating the environmental and cultural review processes. We find that projects sometimes suffer delays when the applicant completes one process only to discover they still have to complete the other before funds are released. We will provide clarity to recipients on the timing of these requirements.



Should you apply?

Eligible water systems and projects

- Projects that address a public health risk.
- Most Group A community systems, including mobile home parks.
- Group A nonprofit noncommunity systems.
- Group B systems converting to Group A.
- Projects to upgrade outdated or deteriorated facilities.

Ineligible water systems and projects

- For-profit noncommunity systems.
- State or federally owned systems.
- Projects already receiving DWSRF tribal set-aside assistance.
- Projects mainly for future growth, fire flow, or dams.
- Projects for studies, assessments, operations, or maintenance.
- Point-of-use treatment devices.
- Projects that don't include a capital construction project.
- Noncommunity systems not federally recognized as nonprofit.
- Individual projects for multiple water systems submitted as one application.

For complete details, attend a workshop (see page 6).

DWSRF Facts

Loan fee

The loan limit doesn't include the nonrefundable loan fee. For example, for a project budgeted at \$6 million, you may apply for \$6,060,000 (\$6 million for the loan plus \$60,000 for the loan fee). The state incorporates the 1 percent loan fee into the loan. We collect our fee when you make your first loan draw.

Water system plan requirement

To be eligible for a loan and remain on the funding list, you must have a current approved Water System Plan, Water System Plan Amendment, or a Small Water System Management Program that includes the proposed project by September 30, 2014. We charge a fee for reviewing your plan, design, and construction documents. To meet the deadline, you must submit your planning document to your regional planner as soon as possible.

Separate vs multiple applications

You must submit separate applications for projects not directly tied together. Exceptions occur when:

- A water system requires multiple project components to comply with drinking water rules.
- Multiple components are required for functionality purposes.
- Submitting identical projects will receive identical scores.

For more information

Please call Karen Klocke, infrastructure finance lead, at 360-236-3116 or email karen.klocke@doh.wa.gov

Call our regional office:

Eastern Region: 509-329-2100

Northwest Region: 253-395-6750

Southwest Region: 360-236-3030

Summary of government grant and loan programs for drinking water projects

PLANNING				
Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
State Community Development Block Grant Planning- Only Grant Fund	<ul style="list-style-type: none"> • Comprehensive plans • Infrastructure plans • Feasibility studies • Community action plans • Low- income housing assessments 	<p>Projects must mainly benefit low- to moderate- income people in non-entitlement:</p> <ul style="list-style-type: none"> • Cities or towns with fewer than 50,000 people • Counties with fewer than 200,000 people 	<p>Grant</p> <ul style="list-style-type: none"> • Up to \$24,000 per jurisdiction • Up to \$35,000 per jurisdiction for projects that address urgent public health and safety needs • Up to \$40,000 for multiple jurisdictions or joint applications 	<p>2014 applications accepted on a fund- available basis between October 2014 and April 2015.</p> <p>Information and forms online at http://www.commerce.wa.gov/cdbg.</p> <p>Contact: Phyllis Cole 360- 725- 4001 phyllis.cole@commerce.wa.gov</p>
Public Works Board 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 	<p>Counties, cities, and special-purpose districts that meet requirements</p> <p>No school or port districts</p>	No planning funding currently available	<p>Future funds depend on approval by the Governor and Legislature.</p> <p>Contact: Isaac Huang, Regional Service Coordinator 360- 725- 3162 isaac.huang@commerce.wa.gov</p>
Community Economic Revitalization Board Project-Specific Planning Program	Project-specific feasibility and pre-development studies that advance community economic development goals for industrial sector business development	<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 	<p>Grant</p> <ul style="list-style-type: none"> • Up to \$50,000 per application • Requires 25 percent match 	<p>Applications accepted year-round. The board meets six times a year.</p> <p>Contact: Janea Eddy 360- 725- 3151 janea.eddy@commerce.wa.gov</p>
Rural Community Assistance Corporation Feasibility and Pre-Development Loans	Work needed to develop an application for infrastructure improvements	<ul style="list-style-type: none"> • Nonprofit organizations, public agencies, tribes • Low- income rural communities with up to 50,000 people. Limit of 10,000 people if proposed permanent financing is through USDA Rural Development 	<p>Loan</p> <ul style="list-style-type: none"> • Up to \$50,000 for feasibility • Up to \$350,000 for pre-development • 1- year term • 5.5 percent interest 	<p>Applications accepted anytime.</p> <p>Contact: Josh Griff 720- 951- 2163 jgriff@rcac.org.</p> <p>Application online at http://www.rcac.org/home</p>
U.S. Dept. of Agriculture Rural Development Rural Utilities Service Pre-Development Grant (PPG)	Work needed to develop an application for infrastructure improvements	Low- income, small communities and systems serving fewer than 10,000 people	<p>Loans; Grants in some cases</p> <ul style="list-style-type: none"> • Up to \$25,000 grant • Requires 25 percent match 	<p>Applications accepted year-round, on a fund- available basis.</p> <p>Contact: Gene Dobry 360- 704- 7733 eugene.dobry@wa.usda.gov</p> <p>http://www.rurdev.usda.gov/wa</p>
U.S. Dept. of Agriculture Rural Development Rural Utilities Service Special Evaluation Assistance for Rural Communities (SEARCH) Grants	Work needed to develop an application for infrastructure improvements	Low- income, small communities and systems serving fewer than 2,500	<p>Grant</p> <ul style="list-style-type: none"> • Up to \$30,000 • No match required 	<p>Applications accepted year-round, on a fund- available basis.</p> <p>Contact: Gene Dobry 360- 704- 7733 eugene.dobry@wa.usda.gov</p> <p>http://www.rurdev.usda.gov/wa</p>

Summary of government grant and loan programs for drinking water projects

PRECONSTRUCTION				
Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
Public Works Board Preconstruction Program	Preconstruction activities that prepare a specific project for construction	<ul style="list-style-type: none"> Counties, cities, special purpose districts, and quasi-municipal organizations that meet requirements No school or port districts 	Loan No preconstruction funding currently available	<p>Future funds depend on approval by the Governor and legislature.</p> <p>Program details and contact information online at http://www.pwb.wa.gov/pages/default.aspx.</p> <p>Regional Service Coordinator map online at http://www.pwb.wa.gov/technical-assistance/Regional-Service-Coordinators/Pages/default.aspx</p>
Rural Community Assistance Corporation Feasibility and Pre-Development Loans	Work needed to develop an application for infrastructure improvements	<ul style="list-style-type: none"> Nonprofit organizations, public agencies, tribes Low-income rural communities with up to 50,000 people. Limit of 10,000 people if proposed permanent financing is through USDA Rural Development 	Loan <ul style="list-style-type: none"> Up to \$50,000 for feasibility Up to \$350,000 for pre-development 2- year term 5.5 percent interest 	<p>Applications accepted anytime.</p> <p>Contact: Josh Griff 720- 951- 2163 jgriff@rcac.org</p> <p>Application online at http://www.rcac.org/home</p>
Rural Water Revolving Loan Fund Pre-Development Loans	Short-term costs of replacing equipment, small-scale extension of services, or other small capital projects not part of regular operations and maintenance	<ul style="list-style-type: none"> Counties, cities, towns, port districts, special districts Federally recognized tribes Municipal and quasi-municipal corporations serving up to 10,000 people and rural areas with no population limits 	Loan <ul style="list-style-type: none"> Up to \$100,000 or 75 percent of project cost, whichever is less Interest at the poverty or the USDA RD RUS-published market interest rate, whichever is lowest, with a minimum of 3 percent at the time of closing 5-year, interest only, pre-development loans will also be available 10 years or life of the project, whichever is less Additional ranking points for a shorter repayment period 	<p>Applications accepted anytime.</p> <p>Contact: Tracey Hunter Evergreen Rural Water of WA 360- 462- 9287 thunter@erwow.org</p> <p>Application online at http://www.nrwa.org/benefits/rlfapp.pdf</p>
Source Water Protection Grant Program	Priority source-protection projects identified in an approved water system, local or regional: <ul style="list-style-type: none"> Source protection plan Feasibility and hydrogeologic study 	<ul style="list-style-type: none"> Counties, cities, towns, and special purpose districts No homeowners' associations or nonmunicipal water systems 	Grants Up to \$30,000	<p>Applications accepted anytime. Grants awarded on a fund-available basis.</p> <p>Contact: Source Water Protection Program, Washington State Department of Health, Office of Drinking Water 360- 236- 3100</p>

Summary of government grant and loan programs for drinking water projects

CONSTRUCTION				
Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
State Community Development Block Grant General Purpose Grant Fund	Final design and construction of wastewater, drinking water, side connections, stormwater, streets, bridges, community facilities, economic development, and housing rehabilitation projects	Projects must benefit low- to moderate-income people in non-entitlement: <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, depending on project and need • No match required, but local contribution and gap financing preferred 	Applications due in mid June Information and forms online at http://www.commerce.wa.gov/cdbg Contact: Kaaren Roe 360- 725- 3018 kaaren.roe@commerce.wa.gov
Public Works Board Construction Program	New construction, replacement, and repair of existing infrastructure for domestic water, sanitary sewer, stormwater, solid waste, road or bridge projects, and reasonable growth	<ul style="list-style-type: none"> • Counties, cities, special purpose districts, and quasi-municipal organizations that meet requirements • No school districts or port districts 	Loan <ul style="list-style-type: none"> • 2.55 percent interest • Interest rate may be reduced for distressed communities • Loan term cannot exceed the life of the project • No match required 	Applications for 2015 cycle accepted in Spring 2014. Funding available July 2015, pending legislative approval. For information, visit http://www.pwb.wa.gov/pages/default.aspx Contact: Isaac Huang, Regional Service Coordinator 360- 725- 3162 isaac.huang@commerce.wa.gov
U.S. Dept. of Agriculture Rural Development Rural Utilities Service Water and Waste Disposal Direct Loans and Grants	Preconstruction and construction associated with building, repairing, or improving drinking water, solid waste facilities 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 • Up to 40 years • No pre-payment penalty 	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
Drinking Water State Revolving Fund	Drinking water system infrastructure projects to increase public health protection. The program has dedicated funding for subsidy There is a limited amount of principal forgiveness for communities with a high affordability index ¹ and water system restructuring or consolidation projects	<ul style="list-style-type: none"> • Privately and publicly owned community and noncommunity water systems • Federal and state systems are not eligible 	Loan <ul style="list-style-type: none"> • 1 percent loan fee (systems receiving subsidy are not subject to loan fees) • \$12 million per jurisdiction per year • \$24 million for joint- owned projects • 1 to 1.5 percent interest • 20 years or life of the project, whichever is less • No match required 	The 2014 application cycle will start September 1 and end September 30. Contact: Karen Klocke 360- 236- 3116 karen.klocke@doh.wa.gov http://www.doh.wa.gov/DWSRF.aspx
Community Economic Revitalization Board Construction Program	Projects must support significant job creation or significant private investment in the state <ul style="list-style-type: none"> • Bridges, roads and railroad spurs, domestic and industrial water, sanitary and storm sewers • Electricity, natural gas and telecommunications • General purpose industrial buildings, port facilities • Acquisition, construction, repair, reconstruction, replacement, rehabilitation 	<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 • Projects without a committed private partner allowed in rural areas • Applicants must show gap in public project funding and need for assistance 	Loans; grants in unique cases <ul style="list-style-type: none"> • Up to \$2 million per project, per policy • 3 percent interest • 2.5 percent for distressed counties • Up to 20 years • 20 percent match for committed private partners • 50 percent match for prospective partners 	Applications accepted year-round. The board meets six times a year. Contact: Janea Eddy 360- 725- 3151 janea.eddy@commerce.wa.gov
Rural Community Assistance Corporation Construction Loans	Water, wastewater, solid waste and stormwater facilities that mainly serve low- income rural communities Can include pre-development costs	<ul style="list-style-type: none"> • Nonprofit organizations, public agencies, tribes • Low- income rural communities with up to 50,000 people. Limit of 10,000 people if using Rural Development financing as the takeout 	Loan <ul style="list-style-type: none"> • Up to \$2 million with commitment letter for permanent financing • Security in permanent loan letter of conditions • 1 to 3 year term • 5.5 percent interest • 1 percent loan fee 	Applications accepted anytime. Contact: Josh Griff 720- 951- 2163 jgriff@rcac.org Application online at http://www.rcac.org/home

Summary of government grant and loan programs for drinking water projects

CONSTRUCTION (continued)				
Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
Rural Community Assistance Corporation Intermediate Term Loan	Small capital improvement projects for water, wastewater, solid waste and stormwater facilities that mainly serve low-income rural communities	<ul style="list-style-type: none"> • Nonprofit organizations, public agencies, tribes • Low-income rural communities with up to 50,000 people 	Loan <ul style="list-style-type: none"> • Up to \$100,000. • Up to 20 years • 5 percent interest • 1 percent loan fee 	Applications accepted anytime. Contact: Josh Griff 720- 951- 2163 jgriff@rcac.org Application online at http://www.rcac.org/home
Rural Water Revolving Loan	Short-term cost of replacing equipment, small scale extension of services, or other small capital projects that are not part of regular water system operations and maintenance	Public entities, including municipalities, counties, special purpose districts, tribes, and nonprofit corporations, including cooperatives, with up to 10,000 people and rural areas with no population limits	Loan <ul style="list-style-type: none"> • Up to \$100,000 or 75 percent of project cost, whichever is less • Applicants get credit for project costs documented before receiving the loan • Interest at the poverty or the USDA RD RUS-published market interest rate, whichever is lowest, with a minimum of 3 percent at the time of closing. • 10 years or life of the project, whichever is less • Additional ranking points for a shorter repayment period 	Applications accepted anytime. Contact: Tracey Hunter Evergreen Rural Water of WA 360- 462- 9287 thunter@erwow.org Application online at http://www.nrwa.org/benefits/rlfapp.pdf
Source Water Protection Grant Program	Priority source-protection projects identified in an approved water system, local or regional: <ul style="list-style-type: none"> • Source protection plan • Feasibility and hydrogeologic plan 	<ul style="list-style-type: none"> • Counties, cities, towns, and special purpose districts • No homeowners' associations or nonmunicipal water systems 	Grant up to \$30,000	Applications accepted anytime. Grants awarded on a fund-available basis. Contact: Source Water Protection Program, State Department of Health, Office of Drinking Water 360- 236- 3100



Four locations and dates

Free Application Workshops

Attend an application workshop to learn about the Drinking Water State Revolving Fund loan and subsidy programs.

Program staff will answer your questions, present a DWSRF overview, share important information about your cultural review, and offer one-on-one assistance with your application.

Mount Vernon

1 to 3 p.m.

June 23, 2014

Skagit PUD
Aqua Room
1415 Freeway Drive

Tumwater

9 to 11 a.m.

June 24, 2014

Washington State
Department of Health
Point Plaza East, Room 151
310 Israel Road SE

Ellensburg

1 to 3 p.m.

June 26, 2014

Hal Holmes Center
(Library)
209 N. Ruby St.

Liberty Lake

10 a.m. to noon,

June 27, 2014

Liberty Lake Water
and Sewer District
22510 E. Mission Ave.

Summary of government grant and loan programs for drinking water projects

EMERGENCY				
Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
Public Works Board Emergency Program	<ul style="list-style-type: none"> Projects needed due to natural disaster, or an immediate threat to public health and safety For domestic water systems, sanitary sewer, stormwater, solid waste, roads, and bridges 	<ul style="list-style-type: none"> Counties, cities, special purpose districts, and quasi-municipal organizations that meet requirements No school or port districts 	No emergency funding currently available	<p>Future funds depend on approval by the Governor and legislature</p> <p>For information, visit http://www.pwb.wa.gov/pages/default.aspx</p> <p>Contact: Isaac Huang, Regional Service Coordinator 360- 725- 3162 isaac.huang@commerce.wa.gov</p>
State Community Development Block Grant Imminent Threat Grant Fund	<ul style="list-style-type: none"> Repair unanticipated water, sewer, and drainage facility damages that pose an immediate, urgent threat to public health and safety Requires a formal emergency declaration 	<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 	<p>Grant</p> <ul style="list-style-type: none"> Up to \$100,000 depending on available funding For temporary fix while securing funding for a permanent solution 	<p>Applications accepted year-round, on a fund-available basis.</p> <p>Information and forms online at http://www.commerce.wa.gov/cdbg</p> <p>Contact: Kaaren Roe 360- 725- 3018 kaaren.roe@commerce.wa.gov</p>
U.S. Dept. of Agriculture Rural Development Emergency Community Water Assistance Grants	<p>Domestic water projects:</p> <ul style="list-style-type: none"> Emergency repairs Significant decline in potable water quantity or quality due to an emergency 	Public bodies, tribes and private nonprofit corporations serving rural areas with fewer than 10,000 people	<p>Grant</p> <ul style="list-style-type: none"> Up to \$150,000 for emergency repairs to an existing water system Up to \$500,000 to alleviate a decline in potable water supply due to an emergency 	<p>Applications accepted year-round, on a fund-available basis.</p> <p>Contact: Gene Dobry 360- 704- 7733 eugene.dobry@wa.usda.gov</p> <p>http://www.rurdev.usda.gov/wa</p>
Rural Community Assistance Corporation Intermediate Term Loan	Water, wastewater, solid waste, and stormwater facilities that mainly serve low-income rural communities	<ul style="list-style-type: none"> Nonprofit organizations, public agencies, tribes Low-income rural communities with up to 50,000 people 	<p>Loan</p> <ul style="list-style-type: none"> Up to \$100,000 Up to 20-year term 5 percent interest 1 percent loan fee 	<p>Applications accepted anytime.</p> <p>Contact: Josh Griff 720- 951- 2163 jgriff@rcac.org</p> <p>Application online at http://www.rcac.org/home</p>
Rural Water Revolving Loan Fund Disaster area emergency loans	Disaster-area emergency loans with immediate turn-around	<ul style="list-style-type: none"> Nonprofit municipalities, special purpose districts, tribes, and corporations with up to 10,000 people (including cooperatives) Rural areas with no population limits 	<p>Loan</p> <ul style="list-style-type: none"> 90-day term No interest 	<p>Applications accepted anytime.</p> <p>Contact: Tracey Hunter Evergreen Rural Water of WA 360- 462- 9287 thunter@erwow.org</p> <p>Application online at http://www.nrwa.org/benefits/rlfapp.pdf</p>

^[1] Affordability Index (AI) is a measure of the consumers' financial ability to pay for utility services. Applicants that qualify for AI terms can receive lower-cost loan terms.

\$80 million... (Continued from Page 1)

To qualify in 2014, you also must submit an approved Water System Plan, Water System Plan Amendment, or Small Water System Management Program to us by September 30, 2014. The plan must include the proposed project. Your planning document review may take several months so, if you want to participate in the 2014 DWSRF cycle, submit your plan to your regional planner as soon as possible. If you need help, contact us.

If your publicly or privately owned water system needs financial or technical assistance for infrastructure improvements, come to an application workshop. See Page 7.

2013 DWSRF loan cycle

In 2013, we had two funding cycles—one in the spring and one in the fall. In total, we funded 70 projects at nearly \$123 million, and awarded nearly \$6.5 million in subsidies.

During the spring cycle, we were able to fund every qualified project submitted to us. We loaned nearly \$99.7 million to 49 projects. We also awarded about \$3.1 million in loan subsidies to systems with high affordability indexes and systems consolidating with other systems.

The fall cycle was only for the water systems on the 2013 Public Works Assistance Account (PWAA) application list, which didn't receive funding from the Legislature. Later, following a request from the Legislature, we offered every water system on the 2013 PWAA list an opportunity to apply for DWSRF funds from September 1 through September 30, 2013.

We received 49 applications totaling nearly \$123 million, but had funds only for 21 projects totaling nearly \$84.5 million. We also awarded \$3.3 million in subsidies to systems with high affordability indexes and systems consolidating with other systems.

The map below shows total loans awarded from the start of the program in 1997 through June 30, 2014.



Total DWSRF loans from 1997 through June 30, 2013
Includes \$689 million total loans approved for the 2013 spring and fall cycles

