



2012 Drinking Water State Revolving Fund Program



October 2011

Online application coming soon

Applying for a State Revolving Fund loan has never been easier! New for 2012, you will be able to submit your application online and attach all necessary paperwork. The Office of Drinking Water will post more details soon at http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm

\$70 million available to help water systems improve infrastructure

1.5 percent interest rate for private and public entities

Are you planning to improve your water system? Is there an enforcement action or penalty against your system? The Drinking Water State Revolving Fund Program (DWSRF) can help finance capital construction costs to improve water quality for your consumers and improve your compliance with drinking water regulations.

Since 1997, the DWSRF Program has provided low-interest loans to community and nonprofit noncommunity water systems for capital improvement projects. These projects increase public health protection and compliance with drinking water rules.

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

This year you must have an approved plan to qualify. This usually takes several months. So, if you want to participate in the 2012 DWSRF cycle, submit your Water System Plan, Water System Plan Amendment, or Small Water System Management Program to us as soon as possible. Contact your regional planner for assistance.

If your publicly or privately owned water system needs financial and technical assistance for infrastructure improvements, come to one of five application workshops. You will have the opportunity to meet staff from the Department of Health and learn more about the upcoming funding cycle. To register, please complete the form on Page 8.



2012 DWSRF Loan Highlights

- About \$70 million available.
- 1.5 percent basic interest on a 20-year loan.
- Applications due March 1, 2012.
- No local match required.
- 1 percent loan fee.
- \$6 million loan limit per jurisdiction.
- \$12 million loan limit for projects involving multiple jurisdictions.
- Retroactive assistance for specific high-priority municipal projects.
- Most Group A community and nonprofit noncommunity water systems are eligible.

DWSRF Facts

Loan fee

The loan limit does not 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 project plus the \$60,000 loan fee). The state incorporates the loan fee into the loan. We collect our fee when you make your first loan draw. 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, you must have a current approved Water System Plan, Water System Plan Amendment or Small Water System Management Program that includes the proposed project by March 1, 2012. We charge a fee for review of planning, design, and construction documents. You must submit your plan to us as soon as possible to ensure it's reviewed and approved by March 1.

Separate vs. multiple applications

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

- Multiple project components are required to help a system comply with drinking water rules.
- Multiple components are required for functionality purposes.
- 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 that address surface water issues, primary chemical contaminants, and capital construction projects related to compliance orders. Projects constructed or financed after January 1, 2010 receive a higher score.

For more information

Please call Karen Klocke, infrastructure finance lead, at (360) 236-3116 or the nearest regional office.

Eastern Region:	(509) 329-2100
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



Application Deadline

The application deadline for the 2012 DWSRF Loan Program is **March 1, 2012**.

The state Department of Health will review, score and rank applications, and publish a draft funding list in summer of 2012. The Public Works Board will approve the final funding list in fall of 2012.

Important Dates!

October 25 to November 3, 2011: Application workshops at five locations.

November 2011: Program guidelines and application forms online at http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm

March 1, 2012: DWSRF Application deadline.

March 1, 2012: Deadline for Office of Drinking Water to approve your Water System Plan, Water System Plan Amendment, or Small Water Stem Management Program.

Fall 2012: DWSRF funds available.

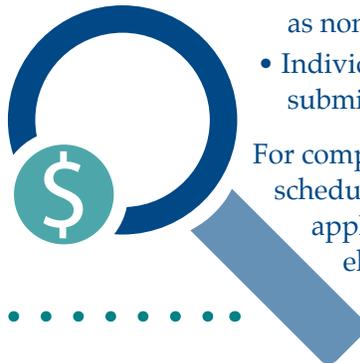
Should you apply?

Eligible water systems and projects:

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

Ineligible water systems and projects:

- For-profit noncommunity 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.
- Projects that do not include a capital construction project.
- Noncommunity systems not federally recognized as nonprofit.
- Individual projects for multiple water systems submitted under one application.

For complete details, attend a workshop. The schedule is on Page 8. For DWSRF guidelines and application, visit http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm

Required Investment Grade Efficiency Audit

A new law requires municipal recipients of state-funded water and wastewater infrastructure loans or grants to complete an Investment Grade Efficiency Audit to receive funding. The project sponsor may include the cost of the audit in its drinking water state revolving loan program.

Basics of an Investment Grade Efficiency Audit

1. Investigate all areas of energy and water use.
2. Identify systems (processes and buildings) with sufficient consumption to make significant savings possible.
3. Use all available information to determine the theoretical energy requirement and actual energy consumption of those systems, including half-hourly data, gas and fossil fuel use, degree-day heating and cooling data, water consumption, building structure, occupancy, location, ventilation and internal dissipation, natural light, and production data.
4. Determine the energy efficiency of each system. Divide the theoretical energy requirement by the actual energy consumption.
5. Identify all significant energy and carbon reduction opportunities within the inefficient systems. This may require:
 - Checking the efficiency of all significant combustion plants.
 - Assessing standing and other losses.
 - Investigating the operation and capabilities of any Building Energy Management Systems.
 - Considering the scope for building fabric improvements and the resulting opportunities from smaller, more cost-effective plants.
 - Identifying where to direct additional management effort, measures needed to improve staff performance, additional sub-metering, and other related matters.
6. Analyze the potential of renewable energy opportunities and technologies.
7. For all of the above, provide an accurate assessment of potential energy and carbon reductions and specific measures required for implementation, illustrative costs, and payback periods.

For help, or to learn more about this requirement, call the Washington State Department of Enterprise Services:

- Roger Wigfield, P.E., Energy Program Manager, (360) 407-9371 or e-mail roger.wigfield@des.wa.gov
- Doug Kilpatrick, Energy Engineer, (360) 407-9380 or e-mail douglas.kilpatrick@des.wa.gov

Got problems? Need help? Call a circuit rider!

Evergreen Rural Water of Washington (ERWoW) has circuit riders that help water systems evaluate and eliminate potential health and environmental problems. As a primary objective of the program, circuit riders work alongside rural system officials and operators to show them how to solve their problems. The on-site system personnel must participate in the corrective actions taken during the visit.

Of the 4,300 water systems in Washington State, nearly 3,000 are eligible. Using funding from the U.S. Department of Agriculture, circuit riders can help eligible systems with operations and maintenance, treatment, compliance, construction, financial management, general management and board training.

Call Evergreen Rural Water of Washington!

In addition to circuit riders, ERWoW offers many services to help water systems, such as conferences, an equipment expo, and fee-based classroom training. For more information, visit ERWoW online at <http://www.erwow.org/>

If you'd like someone to give you a hand at your system, or answer your question, call a circuit rider:

- **Eastern Region:** Mike Pendergraft (509) 322-6474
- **Southwest Region:** Derek Zock (360) 981-5736
- **Northwest Region:** Robert Krebs (360) 870-7751

Summary of government grant and loan programs for drinking water projects

PLANNING ONLY				
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 	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 \$24,000 per jurisdiction and \$40,000 for joint projects • Up to \$35,000 for single jurisdictions that meet certain special conditions 	Applications accepted beginning May 2012 on a fund-available basis. Contact: Phyllis Cole (360) 725-4001 phyllis.cole@commerce.wa.gov
Public Works Trust Fund 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 requirements • No school or port districts 	Loan <ul style="list-style-type: none"> • Up to \$100,000 per jurisdiction each biennium • Must complete plan in 18 months • 0 percent interest, 6-year term • No match required 	Future funds depend on approval by the Governor and Legislature. Contact: Bruce Lund, Client Service Manager, (360) 725-3163 bruce.lund@commerce.wa.gov Client Service Representative at http://www.pwb.wa.gov
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.	Eligible statewide <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 	Matching Grant <ul style="list-style-type: none"> • Up to \$25,000 per application • Requires 25 percent match 	Applications accepted year-round. The Board meets six times a year. Contact: Jacki Skaught (360) 725-3161 jacki.skaught@commerce.wa.gov
U.S. Dept. of Agriculture Rural Development Rural Utilities Service – Water Direct Loans and Grants	Work needed to develop an application for infrastructure improvements.	Low-income small communities and systems serving fewer than 10,000 people.	Loans; Grants in some cases <ul style="list-style-type: none"> • Up to \$25,000 grant • Requires 25 percent match 	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
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 guaranteed by USDA Rural Development financing 	Loan <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 	Applications accepted anytime. Contact: Josh Griff (720) 898-9463 jgriff@rcac.org Applications online at http://www.rcac.org/

Summary of government grant and loan programs for drinking water projects

PRECONSTRUCTION				
Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
Public Works Trust Fund Pre-Construction Program	Preconstruction activities such as preliminary engineering, design, bid-document preparation, right-of-way acquisition, environmental studies, and cultural-historic project review.	<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"> \$1 million per jurisdiction each biennium Must complete work within 24 months 0.5 to 2 percent depending on local match 5, 10 or 15 percent local match required 5-year term 20-year term if construction funds acquired before first principal payment 	Future funds depend on approval by the Governor and Legislature. Contact: Bruce Lund, Client Service Manager, (360) 725-3163 bruce.lund@commerce.wa.gov Client Service Representative at http://www.pwb.wa.gov
		Distressed Community: 51 percent of the population with median household income (MHI) of 80 percent or less than county.	<ul style="list-style-type: none"> 0.25 to 0.5 percent interest No local match required 5-year term 30-year term if construction funds acquired before first principal payment 	
		Severely Distressed Community: 51 percent of the population with MHI of 50 percent or less than county.	<ul style="list-style-type: none"> 0.25 percent interest No local match required 30-year repayment 	
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 guaranteed by USDA Rural Development financing 	Loan <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 	Applications accepted anytime. Contact: Josh Griff (720) 898-9463 jgriff@rcac.org Applications online at http://www.rcac.org/
CONSTRUCTION				
Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
Community Development Block Grant General Purpose Grant Program	Final design and construction of domestic wastewater, drinking water, side connections, stormwater, streets, community facility, economic development, and housing rehabilitation projects.	Projects must mainly 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 March 1, 2012. Contact: Lynn Kohn (360) 725-3042 lynn.kohn@commerce.wa.gov
Public Works Trust Fund 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, 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 Must complete work within 60 months 0.5 to 2 percent interest depending on local match 5, 10 or 15 percent local match required 20-year term 	Future funds depend on approval by the Governor and Legislature. Contact: Bruce Lund, Client Service Manager, (360) 725-3163 bruce.lund@commerce.wa.gov Client Service Representative at http://www.pwb.wa.gov
		Distressed Community: 51 percent of the population with median household income (MHI) of 80 percent or less than county.	<ul style="list-style-type: none"> 0.25 to 0.5 percent interest No local match 30-year term 	
		Severely Distressed Community: 51 percent of the population with MHI of 50 percent or less than county.	<ul style="list-style-type: none"> 0.25 percent interest No local match required 30-year term 	

Summary of government grant and loan programs for drinking water projects

CONSTRUCTION continued				
Program	Eligible Projects	Eligible Applicants	Funding Available	How To Apply
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 (currently 2.875 to 4.75 percent) • Up to 40-year loan term • No prepayment 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 now has dedicated funding to offer principal forgiveness for: <ul style="list-style-type: none"> • Disadvantaged communities • Water system restructuring or consolidation projects 	<ul style="list-style-type: none"> • Privately and publicly owned community and noncommunity water systems • Federal and state owned systems are not eligible 	Loan <ul style="list-style-type: none"> • 1 percent loan fee • \$6 million per jurisdiction a year • \$12 million for joint projects • 1.5 percent interest rate • 20-year term • No local match required 	Applications due March 1, 2012. Contact: Karen Klocke (360) 236-3116 karen.klocke@doh.wa.gov http://www.doh.wa.gov/ehp/dw/our_main_pages/dwsrf.htm
Community Economic Revitalization Board Construction Program	Must support significant job creation or significant private investment in the state. <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"> • Public facility projects required by private sector expansion and job creation • Projects without a committed business allowed for rural areas • Up to \$1 million per project, per policy • Interest rates vary • Up to 20-year term • Requires 10 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: Jacki Skaught (360) 725-3161 jacki.skaught@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. Limited to 10,000 people if using Rural Development financing as the takeout 	<ul style="list-style-type: none"> • Up to \$2 million with commitment letter for permanent financing • Security in permanent loan letter of conditions • 1-3 year term: 5.5 percent interest rate • 1 percent loan fee 	Applications accepted anytime. Contact: Josh Griff (720) 898-9463 jgriff@rcac.org Applications online at http://www.rcac.org/
Rural Community Assistance Corporation Intermediate Term Loan	Water, wastewater, solid waste and stormwater facilities that mainly serve low-income rural communities.	Nonprofit organizations, public agencies, tribes, and low-income rural communities with up to 50,000 people.	<ul style="list-style-type: none"> • For smaller capital needs, normally not to exceed \$100,000 • Up to 20-year term • 5 percent interest rate • 1 percent loan fee 	Applications accepted anytime. Contact: Josh Griff (720) 898-9463 jgriff@rcac.org Applications online at http://www.rcac.org/

Summary of government grant and loan programs for drinking water projects

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 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, and special purpose districts that meet requirements No school or port districts 	Loan <ul style="list-style-type: none"> \$500,000 per jurisdiction per biennium* 12 months to complete project 3 percent interest rate No local match required Up to 20 years <i>* The loan limit may be \$1 million with 0.5 percent interest rate, if applicant is in a distressed county with a formally declared natural disaster.</i>	Future funds depend on approval by the Governor and Legislature. Applications accepted year-round. Contact: Bruce Lund, Client Service Manager, (360) 725-3163 bruce.lund@commerce.wa.gov
Community Development Block Grant Imminent Threat Grant Program	Repair unanticipated water, sewer, and public drainage facility damages that pose an immediate, urgent threat to public health and safety. Requires a formal disaster 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 	Grant; pending available funds Reimburses only eligible costs incurred after a formal disaster declaration.	Client Service Representative at http://www.pwb.wa.gov Applications accepted year-round. Contact: Lynn Kohn (360) 725-3042 lynn.kohn@commerce.wa.gov
U.S. Dept of Agriculture Rural Development Emergency Community Water Assistance Grants	Domestic water projects: <ul style="list-style-type: none"> Emergency repairs due to an incident 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.	Grant; pending available funds <ul style="list-style-type: none"> \$150,000 limit for emergency repairs to an existing water system \$500,000 limit to alleviate a decline in potable water supply due to an emergency 	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
Rural Community Assistance Corporation Intermediate Term Loan	Water, wastewater, solid waste and stormwater facilities that mainly serve low-income rural communities.	Nonprofit organizations, public agencies, tribes, and low-income rural communities with up to 50,000 people.	<ul style="list-style-type: none"> For smaller capital needs, not to exceed \$100,000 Up to 20-year term 5 percent interest rate 1 percent loan fee 	Applications accepted anytime. Contact: Josh Griff (720) 898-9463 jgriff@rcac.org Applications online at http://www.rcac.org/

Rural Community Assistance Corporation Support for rural communities



The Rural Community Assistance Corporation (RCAC) has grants and contracts with state and federal agencies that allow its Washington staff to focus on communities with the greatest need. RCAC technical assistance is free to communities that meet funders' requirements.

Communities must be rural organizations with fewer than 3,300 people. About 1,600 water systems in Washington State meet the criteria.

RCAC technical assistance is limited to resources available in Washington State. As projects are completed, RCAC may add new communities.

RCAC also works closely with Evergreen Rural Water of Washington. The differing expertise and approaches of these two technical assistance organizations combine to provide a strong base of support for rural communities.

RCAC staff bring specialized skills to a community:

- Financial and management tools
- Asset inventory
- Equipment replacement table
- Water system operation and maintenance programs
- Help completing grant applications
- Help developing income surveys for funding
- Water operator training
- Engineer selection
- Water rights permitting, transfers and purchases

If the state Department of Health hasn't referred your community, you can discuss your needs and determine whether RCAC can serve you. Call Jim Wilson at (509) 927-6748 or e-mail jwilson@rcac.org

DWSRF Workshops

2011 Application Workshops

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

Mount Vernon October 25, 2011

Mount Vernon Fire Station
1901 N. LaVenture Road
Mount Vernon, WA 98237

Olympia area October 27, 2011

Point Plaza East
Room 152/153
310 Israel Road SE
Tumwater, WA 98501

Vancouver October 28, 2011

Vancouver Community
Library
901 C Street
Vancouver, WA 98860

Spokane area November 1, 2011

Liberty Lake Water and
Sewer District
22510 E. Mission Ave
Liberty Lake, WA 99019

Moses Lake November 3, 2011

Big Bend Community
College
Harden Community Room
7662 Chanute Street NE
Moses Lake, WA 98837

Five locations and dates

Free Application Workshops

At an application workshop you will learn about the Drinking Water State Revolving Fund (DWSRF) Loan Program and get technical assistance on your loan application. The workshops are free. See dates and locations listed to the left.

WORKSHOP AGENDA

- 1:00 p.m. DWSRF overview and important application information
- 1:45 p.m. Cultural review
- 2:30 p.m. Get help with your loan application!
DWSRF Loan Program staff provide one-on-one assistance with your application and answer your questions

To Register:

Please complete the form below and send it to us. Be sure to indicate your preferred workshop location and date. Seating is limited, so register early.

 cut along line, follow instructions below

Please complete this form and mail it, fax it, or submit it online at <https://fortress.wa.gov/doh/opinio//s?s=5262>

Karen Klocke, Department of Health
PO Box 47822, Olympia, WA 98504-7822
Fax (360) 236-2252 • Phone (360) 236-3116
E-mail: karen.klocke@doh.wa.gov

I will attend the following workshop(s):

- Mount Vernon, October 25, 2011
- Olympia, October 27, 2011
- Vancouver, October 28, 2011
- Spokane, November 1, 2011
- Moses Lake, November 3, 2011

Please Print

Name _____

Phone _____

Water System _____

Water System ID _____

Address _____

Persons Attending _____