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 Overview

Washington State Department of Health Office of Drinking Water
DWAG
March 5, 2018

Janet Cherry
Program Supervisor
Drinking Water State Revolving Fund Program
DWSRF Funding Programs

- **Preconstruction and Consolidation Grants**
  - Currently suspended

- **Preconstruction Loans**
  - Currently suspended

- **Construction Loans**
  - Funded $12 million in new projects from 2017 applications

- **Emergency Loans**
  - Limited funding available
Construction Loan

Eligible Applicants

- Group A community systems
- Group A nonprofit non-community systems
- Group B systems converting to Group A
- Tribal systems not receiving SDWA set asides for the project
Construction Loan

- Available October 1 to November 30, 2018
- Must be a construction project
- Approximately $20 million available
- Trying to assess additional costs for open construction projects due to delays
Construction Loan

- Projects scored and ranked based on severity of health risk being addressed
  - Required by EPA
  - Water main replacement projects typically not funded
Construction Loan

2017 Risk Categories

- Risk Category 1: microbials, including EPA microbial HAs (cyanotoxin)
- Risk Category 2: primary inorganics (nitrate, arsenic) and lead component replacement
- Risk Category 3: other primary contaminants (VOCs, SOCs, rads), disinfection, sanitary survey sig deficiency, EPA chemical HAs (PFOS, PFOA)
2017 Risk Categories (continued)

- Risk Category 4: secondary MCLs (iron and manganese), seawater intrusion, sanitary survey sig finding, resiliency, consolidation/restructuring
- Risk Category 5: water main replacement, booster pump stations, cross connection control, new source, treatment replacement
Construction Loan

Risk Category 1
The proposed project will eliminate a documented microbial contamination

<table>
<thead>
<tr>
<th>Type of Project</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Source</td>
<td>120</td>
</tr>
<tr>
<td>Source reconstruction</td>
<td>115</td>
</tr>
<tr>
<td>Disinfection improvements</td>
<td>110</td>
</tr>
<tr>
<td>Filtration</td>
<td>110</td>
</tr>
<tr>
<td>New reservoir or reservoir improvements</td>
<td>100</td>
</tr>
<tr>
<td>Treatment replacement</td>
<td>70</td>
</tr>
</tbody>
</table>
## Construction Loan

### Risk Category 2
The proposed project eliminates primary inorganic chemical contamination or presence of lead

<table>
<thead>
<tr>
<th>Type of Project</th>
<th>Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>New source, source reconstruction or treatment for nitrate</td>
<td>110</td>
</tr>
<tr>
<td>Replacement of lead pipes and components</td>
<td>105</td>
</tr>
<tr>
<td>New source, source reconstruction or treatment for contaminants other than Nitrate</td>
<td>100</td>
</tr>
<tr>
<td>Treatment replacement</td>
<td>60</td>
</tr>
</tbody>
</table>
Construction Loan

- Guidelines provided each year on DWSRF webpage that list scoring matrix
- Also award bonus points
  - Plans and specifications approved
  - Cultural and environmental review completed
  - Asset inventory
Construction Loan

- Twenty-year repayment, but can extend to 30 years for disadvantaged communities
- Still developing maximum award amount for 2018
  - 2017 was $3 million maximum award for single projects, $6 million if consolidating two or more systems
- Considering revising interest rate
  - 2017 was 1.5 percent standard interest rate, 1.0 percent if project receiving principal forgiveness
Construction Loan

- Award principal forgiveness based on affordability index or if a consolidation project (up to 50 percent principal forgiveness)

- Water System Acquisition and Rehabilitation Program (WSARP) available through construction loan program for consolidation projects
  - Five million in approved budget
  - Will also make available for receiverships through the emergency loan program
Construction Loan

- After each funding cycle, we review process and modify guidelines to better address projects
- We are always open to receiving comments from utilities on our process and improvements
For More Information

Janet Cherry
360-236-3153
Janet.Cherry@doh.wa.gov
Questions?
Safe, reliable drinking water isn't free. Clean and consistent drinking water requires commitment, hard work, and investment. We want everyone to know how water systems provide safe, reliable drinking water to their customers. Investing in infrastructure today ensures safe and reliable drinking water for our future generations.