



DRINKING WATER STATE REVOLVING FUND UPDATE

Office of Drinking Water

Drinking Water State Revolving Fund

Program Update

Christopher Pettit
Program Manager
DWSRF Program

Jocelyne Gray
Environmental Engineer
DWSRF Program

What do we do?

- Planning
 - Capacity Development
 - Water System Planning
 - Project Planning
- Construction
 - Single Project
 - System Upgrades and Resiliency
 - Regulatory Compliance
- Technical Assistance

The SRF program exists to help build and maintain quality water infrastructure and governance capacity to provide safe and reliable drinking water for the 8 million citizens of Washington State.

Agenda

- We Have Money!
- Updates and Changes...
- We Have Technical Assistance!
- Contacts

We Have Money (State and Federal)!



Funding Programs

- Planning and Engineering
- Construction and Lead Service Lines
- Emerging Contaminants (BIL and EC-SDC)
- Consolidation Feasibility
- Water System Rehabilitation and Consolidation
- Emergency
- Source Water Protection

Construction and LSL Applications



Construction Loan

Standard construction projects – new or replacement sources, storage, treatment, or water mains

Emerging Contaminant projects such as PFAS or manganese treatment

Standard consolidations



Lead Service Line Loan

Service line inventories

Lead and galvanized* service line replacements.

*galvanized line must be downstream of known lead component.

Applications

- Accepted year-round (WALT)
- Must submit by **11:59 p.m. November 30, 2024**, to be scored and ranked in 2024
- Submit each project separately for scoring
 - One application for treatment project
 - One application for storage project unless the storage tank is required as part of the treatment system
 - One application for source
 - One application for water mains
 - One application for lead service line replacement

Eligible Applicants



Construction Loans

Group A Community
– not-for-profit and for-profit

Group A Noncommunity
– not-for-profit

Group A Tribal community
serving residential
connections

Group B systems becoming
Group A Community



Lead Service Line Loans

Group A Community
– not-for-profit and for-profit

Group A Noncommunity
– not-for-profit

Group A Tribal community
serving residential
connections

Planning Document for Eligibility

- **Approved and current** planning document.
Contact your Regional Planner
 - Either a Water System Plan or Small Water System Management Program
 - Project in the application must be identified in the planning document.
- For LSL loan projects, include planning document in scope of work if you do not have a current and approved document.

WAC 246-296-100 (2)

DWSRF loan eligibility and applications requirements. To be eligible for a DWSRF loan, an applicant shall:

- 2) *Except when* applying for a DWSRF loan *that addresses lead service line identification or lead service line replacement, the applicant shall* have a current department-approved WSP or SWSMP that:
 - a) Includes the proposed project; and
 - b) Addresses any difficulties with system capacity

Water Rights for Eligibility

- Water Right permit or certificate is required for the area to be served – contact Regional Ecology office. Water rights are required for:
 - Source projects (point of withdrawal)
 - Consolidations and Interties (point of use)
 - Infill projects increasing capacity within the service area (point of use)
- Area to be served must match service area map in the approved planning document.

How to be Eligible for a Loan

- Dedicated water fund to pay back the loan – separate rates and assessment from other funding.
- If the water system has an audit, there should be no findings. Not all audit findings make an entity ineligible.
- Governing body must approve the submittal of the application for the specific project and loan amount – submit signed meeting minutes.
- Cash flow must be POSITIVE and show you can pay off the loan.
- Be a legal entity with the state of [Washington Secretary of State](#).

How to be Eligible for a Loan

- Have control of the property – obtain ownership, lease, or easement for the life of the infrastructure for a construction loan.
- Signed construction agreement with property owner for lead service line replacement or potholing.

Dedicated Emerging Contaminants Funding

- EPA WIIN Grant (separate from BIL EC funding)
 - Targets Small and Disadvantaged Communities
 - Flexibility with Planning Requirements
- Emerging Contaminants
 - PFAS (MCL and SAL)
 - Manganese
 - HABs (Nitrates?)
- Water Sampling and Testing
- Short Term Mitigation (tied to a long term remediation project)
- Planning updates and project design (Grants and TA)
- Long Term Remediation

Other Funding Sources

- Planning and Engineering (Pre-Construction)
 - Project Design
 - WSP and SWSMP Development and Updates
 - Limited Source Exploration
 - Resiliency Planning
- Consolidation Feasibility
 - Up to \$50,000 grant
- Water System Rehabilitation and Consolidation (Invite Only)
 - To address struggling and failing systems (flexible)
- Emergency (intervening event required)
 - Urgency is not emergency
- Source Water Protection
 - Grant funding to reduce risk to source water
 - Up to \$30,000 grant

Washington Loan Tracker (WALT)



WALT

1. Applications accepted in WALT until 11:59 pm November 30, 2024.
2. Applicants must contact DWSRF@doh.wa.gov to get preregistered with WALT or you will not be able to access WALT successfully.
3. Register with [Secure Access Washington](#) (SAW) with the **same email address** as you gave for the WALT preregistration.
4. A complete application includes all attachments.
5. **Submit** the application.
6. Applicants will receive a confirmation email if the application is fully submitted. If you do not receive the e-mail within 24 hours, **contact Scott Kugel at 360-480-7617.**
7. **NEW STAFF! Jason Cammarano** Jason.Cammarano@doh.wa.gov

Washington Loan Tracking (WALT) External User Guide

Drinking Water State Revolving Fund (DWSRF)



DOH Pub #331-614 • April 2022

WALT Demonstration

Ch-Ch-Changes



Changes

- Maximum award is **\$15 million per jurisdiction.**
- Disadvantaged community (DAC) permanent rule effective September 1, 2024.
- Updated DAC criteria.
- Small Water System Management Programs must be approved **after** November 30, 2019.
- PFAS must exceed the new EPA maximum contaminant levels (MCL). Sample must be confirmed.

Risk Category Changes

Risk Category 2

- PFAS must exceed the new EPA maximum contaminant levels (MCL). Sample must be confirmed.
- Water shortages across the state are now eligible. Must include a water shortage response plan in the scope of work. And must submit aquifer measurements with the application.

Risk Category 4

- Climate change response projects included.

Readiness to Proceed Scoring Changes

- Bid Documents separate from Construction Documents.
 - For water main replacements, construction documents are typically bid documents.
 - All other projects require Project Report and Construction Documents approval and Bid Documents approval.
 - Please allow **30 days for review** and comments of bid documents. From submittal to approval can be several months.
 - Construction Documents approval is 2 points.
 - Bid Documents approval is 5 points.

Readiness to Proceed Scoring Changes

- **Four points** given for completing a previous Lead Service Line Replacement Loan to complete the service line replacement project.
- **Ten points** given for completing a Consolidation Feasibility Study Grant for consolidation/restructuring projects.
- **Two points** given for completing a Lead Service Line Inventory Loan to complete the service line replacement project.

Bonus Points Scoring Changes

- More bonus points for consolidations and restructuring. **Ten points for each water system eliminated or ownership change.**
- Asset management training must be attended between September 1, 2021, and November 30, 2024.
- [Asset inventory spreadsheet](#) updated by RCAC and up to 6 points available. Link on our webpage under Asset Management.

Disadvantaged Communities

The image shows a screenshot of the "Disadvantaged Communities Map" interface from the Washington State Department of Health. The map displays various water systems across the state, with some areas highlighted in blue. The interface includes a search bar, zoom controls, and a toolbar with various map functions. Labels with arrows point to specific UI elements:

- Select features and clear selection**: Points to the top-left toolbar.
- Zoom**: Points to the zoom in (+) and zoom out (-) buttons.
- Home**: Points to the home button.
- Find my location**: Points to the location button.
- Search for a water system by name or ID**: Points to the search bar.
- Map layers**: Points to the layers icon in the top toolbar.
- View legend**: Points to the legend icon in the top toolbar.
- Adjust basemap**: Points to the basemap icon in the top toolbar.
- Draw**: Points to the draw icon in the top toolbar.
- Print**: Points to the print icon in the top toolbar.
- Add data**: Points to the add data icon in the top toolbar.
- Menu**: Points to the menu icon in the top toolbar.
- Map Scale**: Points to the 50-mile scale bar at the bottom left.
- Number of selected features**: Points to the "Selected features: 0" indicator at the bottom right.
- Fullscreen**: Points to the fullscreen button at the bottom right.

The map shows major cities like Vancouver, Seattle, Tacoma, Olympia, and Portland, along with various national forests and parks. The interface is powered by Esri.

Disadvantaged Community (DAC) Criteria

- See Appendix B of DRAFT Construction Guidelines for more details.
- Rates are at least 1.5% greater than area median household income (MHI)
- Community water system is owned or operated by a federally-recognized tribe serving residential connections, or
- 50 percent of a project location is within census tract(s) that **meet at least one** of the following criteria:
 - Rank 7 or more on the federal funding friendly* Environmental Health Disparities (EHD) or,
 - Ranking 7 or more for the federal funding friendly* Social Vulnerability Index (SVI) or,
 - More than 30 percent of the population is below 185 percent of the federal poverty level.

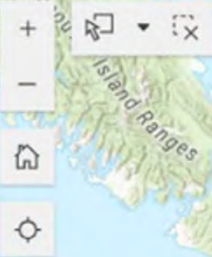
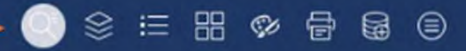
Disadvantaged Community (DAC) Criteria

- Affordability Index will also be considered during the underwriting process in awarding subsidy.
 - Affordability Index compares water rates to the median household income (MHI).
 - An affordability index of one or greater will be considered for partial to full subsidy.
 - MHI is based on county data, unless there is a rate study with a different MHI.
 - Rate studies must be approved within the past 18 months, 12 months preferably, to be valid for underwriting.

Disadvantaged Community (DAC) Map

- An external map has been published later showing which census tracts meet the DAC criteria or are community water system owned and managed by federally-recognized tribes.
- Guidance has been published with the map to walk you through how to get the information you need.
- The census tracts that are identified as DAC are blue on the map.
- [Disadvantaged Community Map Application \(arcgis.com\)](#)

Search widget



Search for a water system



Type in water system name or ID

Select the desired water system from the drop down. If you do not see your system name, try to continue typing more of the name. Or try the system ID instead.

Search Widget

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Water Service Areas

- ASOTIN WATER DEPT
- PUD #1 OF ASOTIN COUNTY

Water System Points

- ASOTIN-ANATONE SCHOOL DIST WATER
- ASOTIN COUNTY HEADGATES PARK
- ASOTIN COUNTY ROAD DEPT SHOP
- ASOTIN WATER DEPT

100 mi

Select the census tract to determine if it meets DAC

The screenshot shows the 'Disadvantaged Communities Map' interface. The top header includes the Washington State Department of Health logo and the text 'Disadvantaged Communities Map Hosted by Office of Drinking Water'. A search bar is present with the placeholder text 'Search for a water system'. The map displays a grid of census tracts, with one tract highlighted in blue. A callout box points to this highlighted tract with the text: 'Information showing in pop up will be highlighted on map when you toggle views.' Another callout box points to the pop-up window with the text: 'Pop up of current selection. Viewing census tract information'. A third callout box points to the navigation arrows at the bottom of the pop-up window with the text: 'Use arrows to toggle to other layer information.' The pop-up window contains the following information:

Disadvantaged Community:
Yes

Zoom to

This layer shows census tracts considered to be a Disadvantaged Community (DAC) under criteria outlined in the current Drinking Water State Revolving Fund Construction Loan Guidelines. DAC criteria incorporate metrics from the Washington Tracking Network (WTN), including Environmental Health Disparities (EHD), Social Vulnerability Index (SVI), and percent of population living below 185% of the Federal Poverty Level. The EHD and SVI rankings use a "Federal Funding Friendly" (FFF) calculation provided by WTN staff using the same WTN themed ranking methodology, but omitting indicators related to race/ethnicity to abide by federal funding allocation laws.

Disadvantaged Community	Yes
FFF Environmental Health Disparities Rank	6
FFF Social Vulnerability	7

Selected features: 1

Draw a boundary of the area served by the project.

The screenshot displays the 'Disadvantaged Communities Map' interface. At the top, the Washington State Department of Health logo is visible, along with the text 'Disadvantaged Communities Map' and 'Hosted by Office of Drinking Water'. A search bar is present with the placeholder text 'Search for a water system'. The map shows a geographical area with a purple-shaded boundary being drawn. A 'Draw' widget is open on the right side of the map, showing various drawing tools and a 'Preview' section with color and line style options. A scale bar at the bottom left indicates '1 mi'. The map includes labels for 'Highway 12', 'Clarkston', 'West Clarkston-Highland', 'Clarkston Heights-Vineland', 'Asotin', 'Riverstone Dr', 'Dug Creek', 'Chambers Gulch', and 'Peola Rd'. A scale bar at the bottom left indicates '1 mi'. The footer contains the text 'Esri, NASA, NGA, WA State Parks GIS, Esri, TomTom, Gar'.

Washington State Department of **HEALTH**

Disadvantaged Communities Map
Hosted by Office of Drinking Water

Search for a water system

Draw widget

Close widget

Select draw tool and format

Using your cursor, click to add points on the map and double click to stop drawing

Preview

2

100 %

Esri, NASA, NGA, WA State Parks GIS, Esri, TomTom, Gar

Disadvantaged Community (DAC) Scoring

DAC Criteria	Points
Meet 3 criteria or a federally-recognized tribal community	10
Meets 2 criteria	6
Meets 1 criteria	3

Loan Terms



WAC 246-296-050

DWSRF loan terms. (1) The department may approve a DWSRF loan for a project that will not serve a disadvantaged community:

- a) *That partially or fully forgives the principal amount of the loan; or*
- b) *At an interest rate at or below market interest rates for a maximum of 20 years from project completion.*

(2) The department may approve a DWSRF loan for a project that will serve a disadvantaged community:

- a) *That partially or fully forgives the principal amount of the loan; or*
- b) *At an interest rate at or below market interest rates for up to 30 years, as long as the DWSRF loan does not exceed the useful life of the project.*

Loan Terms

- Standard interest rate is 2.25% for 20 years plus 1% loan fee.
 - Loan fee due October 1 after signing the loan agreement.
- Reduced interest rate for those with affordability issues is 1.75% for up to 30 years, 1% loan fee.
- Loan principal forgiveness up to 100%
 - 1.75% interest rate on remaining loan portion for up to 30 years, no loan fee.
 - If you receive 100% loan principal forgiveness, you **must** make annual loan payments starting the year after signing the contract.
- Payments are due October 1.

Longer Loan Term

- To qualify for 30-year repayment period, design engineer must complete and sign the Engineering Certification in the loan contract.
- The certification form must state the infrastructure life span is 30 years or more.
- Length of the loan term CANNOT exceed the life of the infrastructure.

Loan Principal Forgiveness

- Underwriter determines who is eligible for subsidy (loan principal forgiveness)
- Applicant must pass underwriting
- If eligible for funding AND identified as DAC,
 - DWSRF leadership will determine how much, if any, subsidy is assigned to each DAC project.
- Subsidy may be
 - Up to 100 percent loan principal forgiveness OR
 - Partial loan principal forgiveness OR
 - Not offered

Loan Principal Forgiveness

- DWSRF Base Funding

- 12% to 35% as loan principal forgiveness to DAC
- 14% as loan principal forgiveness to any eligible DWSRF applicant – prioritize DAC

- BIL Stimulus Funding

- 49% as loan principal forgiveness to DAC

Loan Principal Forgiveness

- BIL Emerging Contaminant funding is 100% loan principal forgiveness.
- We have \$17 million total to give to PFAS projects.
- 25% must go to DAC **or** small communities serving less than 25,000 people.

Subsidy

Affordability Index			
	Greater than 2.5%	1.5% to 2.5%, Tribal Community ² , or Consolidation ³	0% to 1.50%
Baseline Subsidy ¹	50%	35%	25%

¹Water systems that meet several disadvantaged community criteria may be eligible for subsidy up to 75 percent of the project cost.

²Tribal Community is a federally recognized tribe that owns and operators a public water system serving residential connections. Tribal communities will receive a minimum of 35 percent subsidy. If a tribal community provides documentation supporting an affordability index greater than 2.5 percent or meets two or more of the WTN criteria, the tribal community may be eligible for additional subsidy.

³Any consolidation project is eligible for 35 percent subsidy. If the community being consolidated is a DAC, additional subsidy may apply to the project for subsidy up to 60 percent of the project cost.

Subsidy

Disadvantaged Community WTN Criteria Met	Additional Subsidy
Meets 3 WTN criteria	25%
Meets 2 WTN criteria	10%
Meets 1 WTN criteria	No additional subsidy

Rule Updates and Project Selection



WAC 246-296-130 (2)

Project priority rating and ranking criteria.

- 2) Additional points based on the type of project being proposed, if the project:
 - a) *Is ready to proceed to construction;*
 - b) *Completes projects previously funded by DWSRF grants or loans;*
 - c) Is to *consolidate or* restructure a public water system;
 - d) Creates a sustainable regional public health benefit;
 - e) *Is a water main replacement project that coincides with other infrastructure projects;*
 - f) Qualifies as a green project; or
 - g) *Has an affordability index equal to or greater than one percent.*

Timeline

- WAC 246-296 permanent rule was published July 31, 2024.
- WAC 246-296 changes go into affect September 1, 2024.
- Guidelines located at www.doh.wa.gov/dwsrf.
- Guideline **comment period closed September 16, 2024.**
- Guidelines effective October 1, 2024.
- Construction and Lead Service Line application cycle **closes November 30, 2024.**

Timeline continued

- Applications scored – December 2024.
- Priority Project List published to webpage and sent to the Public Works Board and the Legislature by February 1, 2025.
- First offer letters with subsidy emailed out in late March 2025.
- Final offer letters with subsidy emailed out in April 2025.

Timeline continued

- Intended Use Plan (IUP) published to our webpage May 1, 2025.
- Comment period for IUP ends June 1, 2025.
- Funding agreements start going out **after July 1, 2025.**
- **Notice to Proceed** must be issued within **18 months** of signing the loan contract.
- **Complete the project** within **4 years** of signing the loan contract.

We Have Technical Assistance!

[Technical Assistance Request Form \(arctgis.com\)](https://arctgis.com/technical-assistance-request-form)



Technical Assistance Activities

- Overarching Technical Assistance (ODW/SRF)
 - *Work with Regional Staff (Contacts to follow)*
 - Three Current Contracts (SCI, RCAC, ERWOW)
 - Request assistance through the [Technical Assistance Request Form \(arcgis.com\)](https://arcgis.com)
- Topic Specific Technical Assistance
 - Planning and Engineering (General and EC)
 - Procurement Assistance (in process)
 - Lead Service Line
- Collaborative Technical Assistance Efforts
 - IACC Request for Assistance/Tech Teams
 - SYNC
- Forthcoming Efforts
 - Cybersecurity
 - Environmental Justice / Conflict Resolution

More Information



information

Online Training

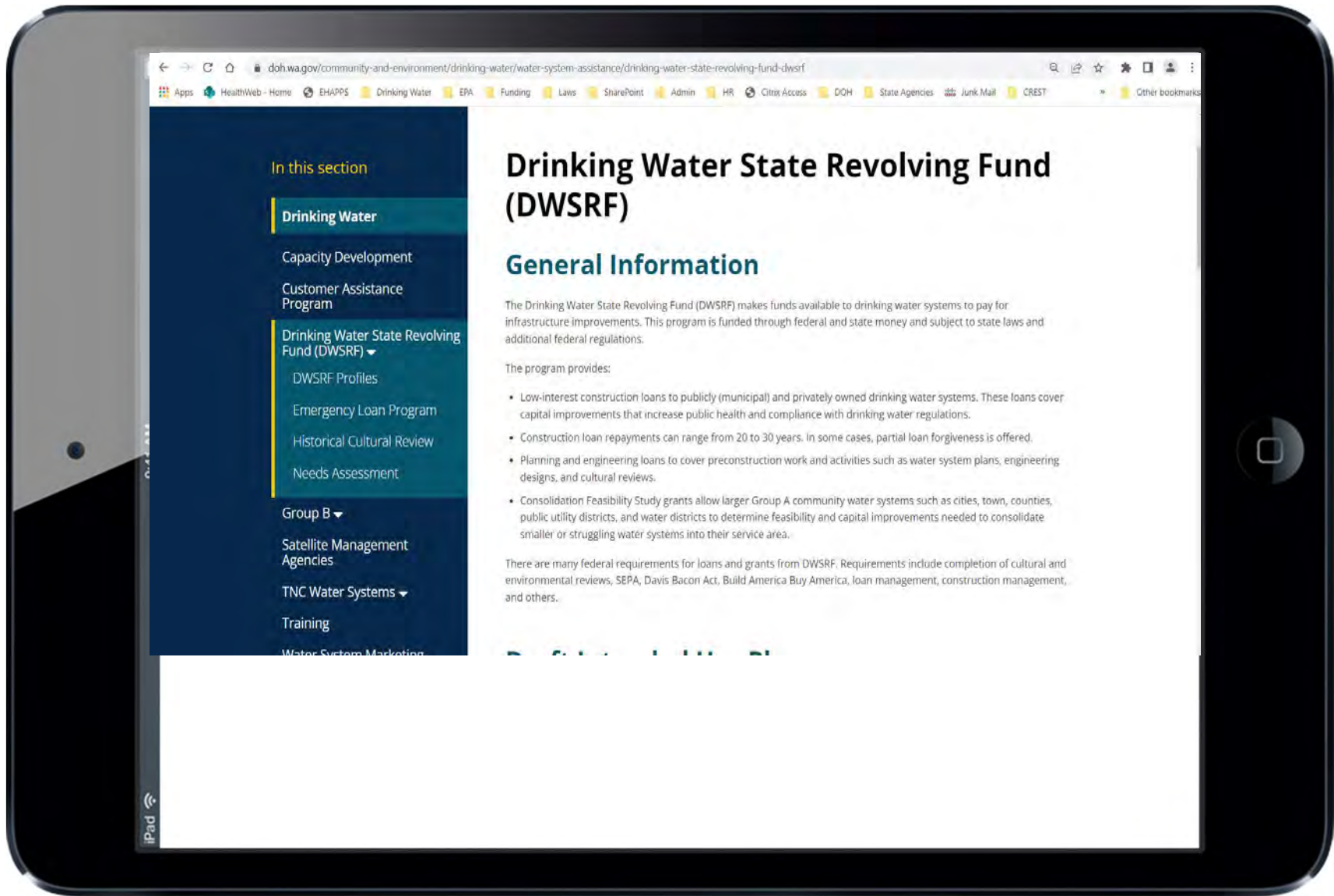
Several Webinars and a Q+A Session have been held over the past 3 months.

Webinar links are posted at
www.doh.wa.gov/dwsrf.

Meetings held on Microsoft Teams

Session slides are posted online

PLEASE CONTACT DWSRF STAFF WITH QUESTIONS!!



DWSRF Staff Contacts

Program Manager

Chris.Pettit@doh.wa.gov or 564-233-1408

Scope of Work, Funding Cycles, and Technical Questions

Jocelyne.Gray@doh.wa.gov or 564-669-4893

WALT Application and General Questions

at DWSRF@doh.wa.gov or

Jason.Cammarano@doh.wa.gov

Cultural, Historical, and Environmental Review

Scott.Kugel@doh.wa.gov or 360-480-7617

Technical Assistance Coordination

Chelsea.Cannard@doh.wa.gov or 564-233-1799

DWSRF Financial Services Contacts

Underwriting and For-Profit Eligibility (Mike)

Michael.Copeland@doh.wa.gov or 360-236-3083

Contract Manager Eloise.Rudolph@doh.wa.gov or 360-236-3124

Contract Manager Brittany.Cody-Pinkney@doh.wa.gov or
360-236-3047

Contract Manager Rachel.Paris@doh.wa.gov.

Invoicing and Payments (Steve) Stephen.Lomnicki@doh.wa.gov or
360-236-3166 or DWSRFInvoicing@doh.wa.gov

Regional Planner Contacts

Eastern Regional Office

Jamie.Clark@doh.wa.gov or 509-329-2137

Brenda.Smits@doh.wa.gov or 509-329-2122

Northwest Regional Office

Krista.Chavez@doh.wa.gov or 564-669-0757

Crystal.Nuno@doh.wa.gov or 253-395-6750

Southwest Regional Office

Meredith.Jones@doh.wa.gov or 360-236-3030

Benjamin.Majors@doh.wa.gov or 360-236-3030

Retirements and Hirings

- Sara Herrera retired in May – the WALT guru – Jason Cammarano started 9/16/24
- Inquiries about funding go to DWSRF@doh.wa.gov
- Dennis Hewitt retired in July – Contract Manager
- Rachel.Paris@doh.wa.gov was hired as a Contract Manager as of August 1. Copy Michael.Copeland@doh.wa.gov on emails to her for now.

Other Ongoings / Future Events

- LIHWAP Water Affordability Study and Advisory Committee
- 8th Drinking Water Infrastructure Needs Survey and Assessment
 - National EPA Assessment implemented by DWSRF
 - Survey Driven
 - Surveys to be developed and distributed early 2025
- DWSRF “road show” in at least 6 locations during calendar year 2025

Questions?



To request this document in another format, call 1-800-525-0127. Deaf or hard of hearing customers, please call 711 (Washington Relay) or email civil.rights@doh.wa.gov.