



# DRINKING WATER STATE REVOLVING FUND (DWSRF) RULEMAKING LISTENING SESSION #1



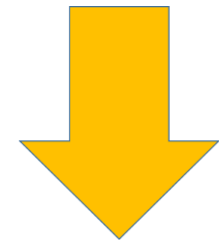
*October 4, 2023*

# INTERPRETATION / INTERPRETACIÓN

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Click on the globe shaped icon on the bottom right of your screen. It says "Interpretation" under the icon. Click on the language you would prefer to hear the webinar in. You can choose whether to mute the original audio. This is a feature you would use if you choose to listen to the webinar in a language other than English. It will mute the English speaker so that you only hear the translator speaking in the language of your choice.

Haga clic en el icono con forma de globo en la parte inferior y a la derecha de su pantalla. Dice "interpretation" debajo del icono. Haga clic en el idioma en el que prefiere escuchar el seminario. Puede elegir si silenciar el audio original. Esta es una función que usaría si elige escuchar el seminario en un idioma que no sea inglés. Silenciará al hablante de inglés para que solo escuche al traductor hablar en el idioma de su elección.



## USING ZOOM

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To mute/unmute:

- On a computer: click on the microphone icon
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Out of respect for the presenters and other attendees, please stay muted unless asking or responding to a question.



To ask a question, please use the "raise hand" function under reactions or type your question into the chat.

# AGENDA

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<b>4:30pm</b>	Welcome + staff introductions
<b>4:40pm</b>	Overview of listening sessions
<b>4:45pm</b>	STAFF PRESENTATION: Overview of Drinking Water State Revolving Fund program and rulemaking
<b>5:00pm</b>	Q&A on program and rulemaking
<b>5:20pm</b>	Break (10 minutes)
<b>5:30pm</b>	WORKSHOP: Feedback on definition of “disadvantaged communities”
<b>5:45pm</b>	WORKSHOP: Feedback on criteria for defining “disadvantaged communities”
<b>6:25pm</b>	Closing and Next Steps

# INTRODUCTIONS

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## **In the chat, please share your:**

- Name
- Pronouns
- Location
- Any affiliation you want to share
- Contact information for follow-up

# LISTENING SESSION OVERVIEW

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## **GOALS:**

- Share overview of DWSRF program and rulemaking process
- Center community perspectives and feedback on draft rule language
- Build relationships for future drinking water work

## **AS DOH STAFF, WE WILL:**

- Listen to hear – come from a place of empathy and humility
- Recognize community expertise – community members are experts in their own experience
- Be transparent in process, purpose, and outcome
- Focus on what's relevant – answer questions directly and avoid jargon and unnecessary information

# What is the Drinking Water State Revolving Fund?

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The Drinking Water State Revolving Fund is a **low-interest loan program** through the Environmental Protection Agency that can help public drinking water systems pay for improvement projects.

## **Drinking Water State Revolving Fund program provides:**

- Construction loans for drinking water system improvements that increase public health and compliance with regulations.
- Planning and engineering loans to cover preconstruction work to prepare for improvement projects.
- Funding for “consolidation and feasibility studies” to see if larger systems can adopt smaller struggling systems.



## What is this rulemaking about?

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Drinking Water State Revolving Fund must direct a percentage of funding to water system improvement projects serving “**disadvantaged communities.**” These projects may qualify for **loan forgiveness.**

We are updating the definition of disadvantaged communities to better match the experiences of **those who face the greatest barriers** in accessing safe and reliable drinking water.

**We are seeking your input** on the definition of disadvantaged communities, and what factors we should consider to determine who should qualify for loan forgiveness.



# TIMELINE

<b>May 2023</b>	Rulemaking initiated (CR 101 filed). *An emergency rule will be in place until the formal rulemaking process is complete
<b>June 2023</b>	Informal comment period initiated (closes March 1, 2024)
<b>July 2023</b>	Environmental justice assessment initiated
<b>August – March 2024</b>	Virtual community listening sessions and meetings with community partners
<b>March 2024</b>	Draft rule language
<b>May 1, 2024</b>	Publish environmental justice assessment and draft rule language (CR 102 filed)
<b>May 1– June 30 2024</b>	60-day formal comment period on draft rule language
<b>July 10, 2024</b>	Public hearing for draft rule language
<b>August 1, 2024</b>	Publish final permanent rule language (CR 103 filed)
<b>September 1, 2024</b>	Rule becomes effective



Questions?

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## WORKSHOP: **Previous** Definition of “disadvantaged community”

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**"Disadvantaged community"** means the service area of a proposed project within a public water system where the project will result in:

- (a) Water rates that are more than one and one-half percent of the median household income of the service area; or
- (b) Restructuring, when one or more public water systems are having financial difficulties.

*WAC 246-296-020(10)*

## WORKSHOP: **Current** Definition of “disadvantaged community”

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**“Disadvantaged community”** means a qualifying service area of a project serving residential connections within a public water system that is disproportionately impacted by economic, health, and environmental burdens.

Potential qualifying areas will be assessed by indicators established in state guidance including population served, social vulnerability, environmental health disparities, and affordability of average annual water charges”

*August 2023 Emergency Rule Language*

# WORKSHOP: **Previous** Criteria for defining “disadvantaged communities”

## Past Approach: Water Affordability

$$\boxed{\text{Average Annual Water Rate}} \div \boxed{\text{Estimated Median Household Income (MHI)}}$$

Median Household Income is a **county-wide** estimate from Office of Financial Management. This is not always representative of community income levels.

Bipartisan Infrastructure law now requires consideration of other factors beyond affordability to assess disadvantaged communities.

# WORKSHOP: Current Criteria for defining “disadvantaged communities”

## Emergency rule approach: Water affordability, Social Vulnerability, and Environmental Health Disparities

### Affordability of Water

$$\frac{\text{Annual Average Water Rates}}{\text{Estimated Median Household Income}}$$

**Median Household Income** is a county-wide estimate from Office of Financial Management. This is not always representative of community income levels. Water rates are submitted by the water system applicant.

### Social Vulnerability

Household Composition & Disability  
Housing Type & Transportation  
Socioeconomic Determinants

**Indicators included:** Age (over 65 and under 18), disability, single family households, multi-unit housing, access to private vehicles, overcrowded housing, group living quarters, median household income, education level, lack of health insurance, poverty level, and unemployment rate.

### Environmental Health Disparities

Environmental Exposures  
Environmental Effects  
Sensitive Populations

**Indicators included:** Diesel emissions, ozone, proximity to heavy traffic, toxic releases, lead exposure, hazardous waste sites, wastewater discharge, death by cardiovascular disease, and low birth weight.

Census tract where 50% or more of the proposed project is located is evaluated for Social Vulnerability and Environmental Health Disparities. Meeting 1 of 3 of these thresholds qualifies. Federal regulation restricts us from using race as an indicator to allocate federal funding. We are working under this constraint.

# WORKSHOP: Criteria for defining “disadvantaged communities”

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## **Affordability of Water:**

How should we determine water rates?

Examples: Water rates - Combined utility bills (water/sewer) - When water is included in rent?

How should we measure income to determine affordability?

Examples: MHI - Poverty Rate - Number of minimum wage jobs – Cost of Living

## **Community Considerations:**

What indicators should we use?

Examples: Housing - Age - Transportation - Education - Language - Employment - Disability - Poverty Level - Unemployment

Should indicators be prioritized?



## Next Steps

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### **DOH will...**

- Gather the feedback heard today to influence draft rule language
- Host additional listening sessions
- Publish draft rule language and environmental justice assessment on May 1, 2024

### **You are invited to...**

- Attend the next listening sessions (register at [bit.ly/DOHDrinkingWaterCall](https://bit.ly/DOHDrinkingWaterCall)):
  - Wednesday, November 1: 4:30-6:30pm
  - Wednesday, December 6: 4:30-6:30pm
- Provide feedback directly by emailing [DWSRF@doh.wa.gov](mailto:DWSRF@doh.wa.gov)
- Submit formal comment on the final rule language (May & June)

# Contact Information

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## CONTACT

- **Chelsea Cannard, DWSRF Public Health Advisor**
  - [chelsea.cannard@doh.wa.gov](mailto:chelsea.cannard@doh.wa.gov) (Translation available)
  - 564-233-1799 (English only)
- **HEAL Implementation Staff**
  - [HealAct@doh.wa.gov](mailto:HealAct@doh.wa.gov) (Translation available)

## LEARN MORE

EJ Assessments: [Environmental Justice Assessments | Washington State Department of Health](#)

DWSRF: [Drinking Water State Revolving Fund \(DWSRF\) | Washington State Department of Health](#) and [THE DRINKING WATER STATE REVOLVING FUND \(epa.gov\)](#)

Drinking water and health equity: [Drinking Water Equity — Environmental Policy Innovation Center](#)



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