



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**

Washington State Department of Health  
Office of Drinking Water

# DWSRF & the Bi-partisan Infrastructure Law (BIL)

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DWAG

June 6, 2022

# BIL Funding

Washington's anticipated allocation annual amounts

Amount in Millions	FY22	FY23	FY24	FY25	FY26	Total
<b>DWSRF Base Capitalization Grant</b>						
Grant Amount*	<del>15.6</del>	15.6-64.9	? - 70.4	? -75.8	?- 75.8	?
<b>DWSRF Supplemental Grant</b>						
Grant Amount	40.1	46.9	51.2	55.5	55.5	242.9
<b>Lead Service Line Replacement Grant</b>						
Grant Amount	63.3	63.8	63.8	63.8	63.8	318.4
<b>Emerging Contaminants Grant</b>						
Grant Amount	16.8	17.0	17.0	17.0	17.0	84.8

\*Base Capitalization Grants amounts still need authorization from Congress.

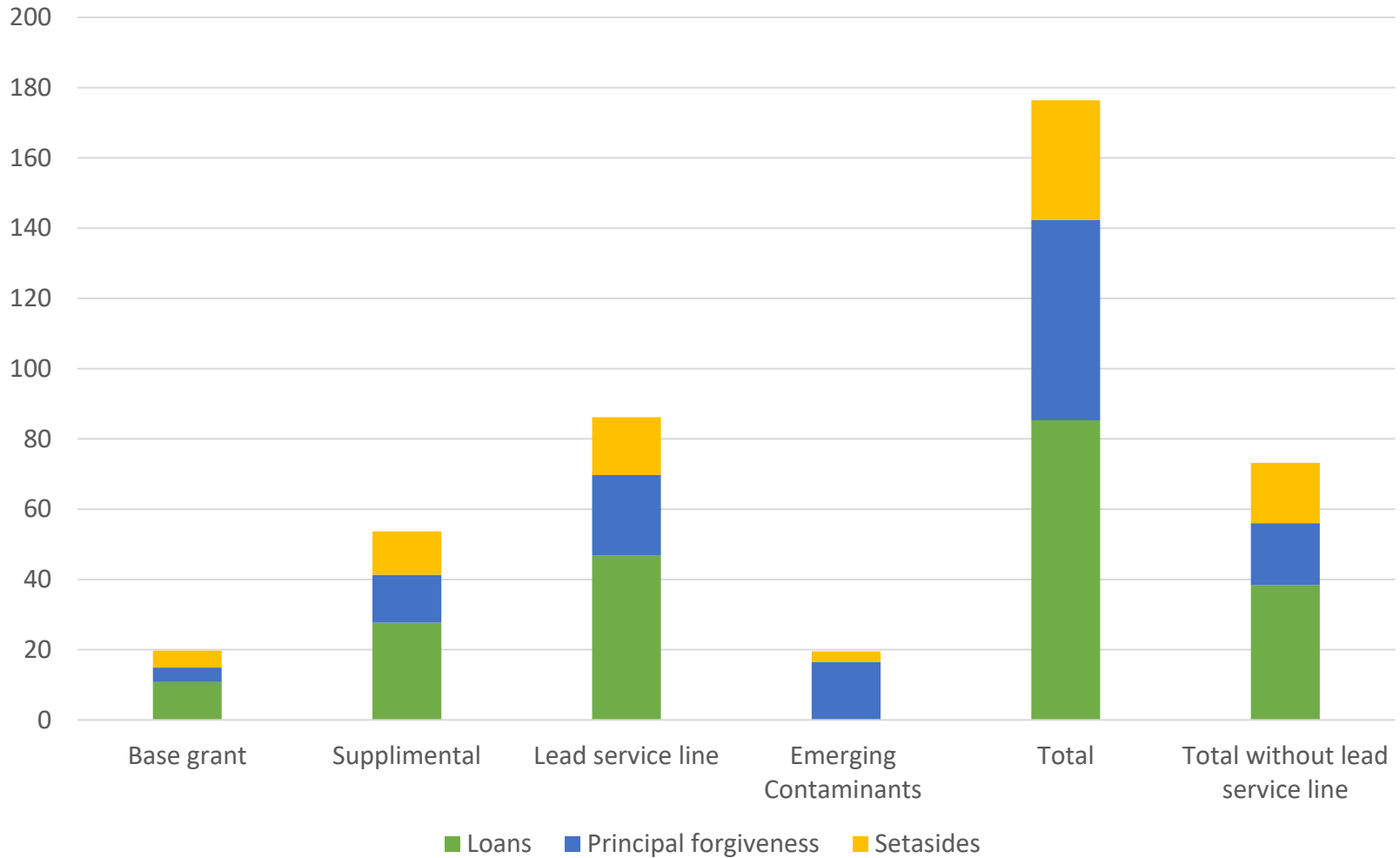
# We haven't changed, We just have more money

- Same schedule
- Same eligibility (for entity & most project)
- Same Application process
  
- Current information about our program is located at [www.doh.wa.gov/DWSRF](http://www.doh.wa.gov/DWSRF) - we regularly update the webpage.

# What to expect

- Our next construction funding cycle – October 1- November 30, 2022
  - 150+ Million available – 15 million max per jurisdiction (10% of available funding)
    - ◆ Includes BIL funding (stimulus, emerging contaminants, lead service line replacement projects)
    - ◆ This cycle will inform our Intended Use Plan(s)
  - 2.5% standard Interest rate
  - 2% interest rate for disadvantaged communities
  - 20-year standard loan term

# BIL funding available fall 2022





# Lead Service Line Replacement Eligible Projects

- Replace entire lead service line (both utility & customer owned portions) and appurtenances.
- Replace lead goosenecks, pigtails, or connectors.
- Replace some galvanized service lines (if downstream of a known or unknown lead service line).
- Development of Lead Service Line Inventories.

# Emerging Contaminant Eligible Projects

- Focus on PFAS, but any can be used to address any contaminant listed on any of EPA's Contaminant Candidate Lists
- Treatment Systems, pilot testing, new source
- Consolidation or development of a new public water system to address contamination of individual wells



# Prioritizing Disadvantaged Communities

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- Highest ranked projects get principal forgiveness.
- Projects where the average monthly water rate with the loan will exceed 2.0 percent of the Median Household Income (MHI) for the service area may receive principal forgiveness and a reduced interest rate.
- Project where the monthly water rate with the loan is between 1.5 and 2.0 percent of MHI may received a reduced interest rate.
- For-profit systems are not eligible.

# Buy America, Build America

- Applies to all projects receiving federal funding (BIL and standard program)
  - The new requirements are: “(A) all iron and steel used in the project are produced in the United States; (B) the manufactured products used in the project are produced in the United States; (C) the construction materials used in the project are produced in the United States.”
- EPA is working with OMB on National level waivers
  - Plans and specs
  - Materials not currently manufactured in the US
  - De minimis
- Waiting on EPA Implementation guidance

# Applications

Applicants need to apply through WALT application portal.

All applicants that are new or have changes will need to preregister

We publish a user guide for WALT

We provide a paper application to help applicants gather information

Sara Herrera can provide assistance with any WALT related questions

# Construction Loans

- Typical Timeline of funding cycle:
  - Applications received: October 1–November 30.
  - Applications reviewed: December 1–January 31.
  - Applicants notified on funding status: February.
  - Scopes developed: March to May.
  - Contracts executed and funds available: July.

# Preconstruction Loan

- Preconstruction Loans (year-round cycle)
  - Planning, studies, design, asset management, cultural and environmental review, etc.
  - Can not be used for groundbreaking activities
  - \$3M cycle annually; first come first serve until funding is exhausted (funding allocated on state fiscal year of July 1)
  - \$500,000 per jurisdiction per fiscal year
  - 2% loan fee – 0% interest
  - Must complete scope of work activities within 24 months

# Consolidation Grants

- Planning for a June – July cycle
  - \$400,000 total available
  - \$10,000 - \$50,000 per application
  - Must include:
    - Letter of commitment from each party to actively participate in study (provide documents, hold community meeting, etc.)
    - an analysis of consolidation vs not consolidation (cost benefit as a part of preliminary engineering report)

# ?Lead Service Line Inventory Loans?

- Lead Service Line Inventory Loans (year-round cycle)
  - similar to our preconstruction loans
  - Funding to complete inventory that many lead to lead service line replacement project.
  - Can not be used for groundbreaking activities
  - First come first serve until funding is exhausted (funding allocated on state fiscal year of July 1)
  - \$500,000? per jurisdiction per fiscal year – may have principal forgiveness for disadvantage communities.
  - 2% loan fee – 0% interest
  - Must complete scope of work activities within 24 months





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**Drinking Water State Revolving Fund Program**

# Questions?

