

April 2020

## Drinking Water State Revolving Fund

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### Liberty Lake Sewer and Water District

#### Eastside Liberty Lake Improvement Club Consolidation Project

East Side Liberty Lake Improvement Club (ESLLIC) was incorporated in 1945 and provides water service for 327 customers. The service area of ESLLIC resides within the sewer service area boundary of Liberty Lake Sewer and Water District (LLSWD). In addition, LLSWD operates and maintains ESLLIC water system under contract, including meter reading and billing. An intertie exists between ESLLIC and LLSWD water systems as a back-up to the existing wells serving ESLLIC. In 2014, ESLLIC applied for and received a DWSRF loan for improvements to their water system. Improvements included replacement of 50-plus-year-old well pumps, booster pumps, and reservoir. The loan was awarded for \$905,465 with 1.5 percent annual interest rate.

In 2016, LLSWD general manager contacted the DWSRF program about converting the loan to a consolidation project. The proposal was to transfer ownership of ESLLIC water system to LLSWD, abandon the existing wells serving ESLLIC, utilize the existing intertie as the main water source to ESLLIC, and conduct needed improvements to ESLLIC distribution system. This proposal had merit given LLSWD's current relationship and service provided to ESLLIC. All stakeholders worked together and the ESLLIC loan was transferred to LLSWD, with the project becoming a consolidation. As a consolidation project, the loan terms were modified accordingly with 50 percent principal forgiveness granted and interest rate lowered from 1.5 percent to 1.0 percent. The loan award of \$905,465 remained the same. LLSWD received another loan for \$2,660,500 for continued improvements of ESLLIC old and undersized distribution lines with over 50 percent principal forgiveness. This project received an Aquarius Award from EPA for being an outstanding project.

#### Public health and environmental benefits

The revised project resulted in the following benefits:

- ◆ ESLLIC is out of the water business.
- ◆ ESLLIC will have updated distribution mains and a reliable water source from LLSWD.
- ◆ ESLLIC will have reduced water rates. Under ESLLIC ownership, the base water rate was
  - \$50.76, which included the surcharge for the DWSRF loan. Upon consolidation with LLSWD, ESLLIC customer's base rate was reduced to \$18.52.
- ◆ ESLLIC saved nearly \$1 million by not investing in the well and pump station upgrades.



Installation of new water main.



EPA Award.