



# **DRINKING WATER STATE REVOLVING FUND**

Office of Drinking Water

# Lead Service Line Loans

## Update Webinar

January 31, 2024



**Jocelyne Gray**

*DWSRF Environmental Engineer*

Drinking Water State Revolving Fund (DWSRF) Program

# Learning Objections

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- Please ask questions during the presentation
- Available DWSRF money
- Current information about our program is located at [doh.wa.gov/DWSRF](https://doh.wa.gov/DWSRF)—we regularly update the webpage.

# Agenda

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- Organization
- Available Funding
- Washington Loan Tracker (WALT)
- Cultural, Historical, and Environmental Review
- Contacts

# ORGANIZATION



# DWSRF Organization

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**Mike Means**

*Capacity Development & Policy Manager*

**Chris Pettit**

*Program Manager*

**Jocelyne  
Gray**

*Environmental  
Engineer*

**Sara J  
Herrera**

*Program  
Assistant*

**Scott Kugel**

*Cultural and  
Environmental  
Program  
Specialist*

**Chelsea  
Cannard**

*Technical  
Assistance  
Coordinator*

**Vacant**

*Public Health  
Advisor  
Non-Perm*

# BIPARTISAN INFRASTRUCTURE LAW (BIL) LEAD SERVICE LINE (LSL) REPLACEMENT FUND

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# How to be Eligible for a Loan

- Dedicated water fund to pay back the loan—**separate rates and assessments from other funding**
- Have control of the property—obtain ownership, lease, or easement for life of the infrastructure
- If the water system has an audit, there should be **no financial or managerial audit findings**
- Governing body must approve the application—submit signed minutes from the meeting
- Cash flow must be **POSITIVE** and show you can pay off the loan
- Be a **legal entity** registered with the state of [Washington Secretary of State](#)



# LSL Replacement Fund

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## **LSL Inventory Loans**

Records reviews

Customer surveys

Meter box inspections

In-home inspections

Zero interest loan with possible subsidy for disadvantaged communities



## **LSL Replacement Loans**

Potholing service lines

Replace service lines

Low interest loan with possible subsidy for disadvantaged communities

# Lead Service Line Loan Subsidy

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Water systems that qualify as a disadvantaged community AND pass underwriting MAY receive a subsidy (or loan principal forgiveness).


- Must qualify to take out a loan.
- Loan fee waived for applicants who receive subsidy.
- Must make annual loan payments while completing the inventory or under construction.
- If you sign a loan after July 1, 2024, your first loan payment will be due October 1, 2025.
- When project is complete, a portion of the loan principal will be forgiven.


# Lead Service Line Inventory Loan


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- 1 Award**
  - \$25,000 Min Per Project
  - No Max Award
  - First Come, First Served
- 2 Availability**
  - Until 11:59 PM PDT on March 29, 2024
  - \$28 Million Total
  - From BIL Lead Service Line Funding
  - 49% Loan Principal Forgiveness for DAC
- 3 Loan Terms**
  - 0% Standard Interest
  - 2% Service Fee
  - 10-Year Loan Term
  - Complete in 2 Years

# Lead Service Line Inventory Loan – **Eligible Systems**

 **Group A Community**  
Public or Private  
Homeowner's Association (HOA) or other groups must submit articles of incorporation.

 **Group A Noncommunity**  
Public Not-For-Profit  
Transient or Nontransient  
Must submit tax-exempt documentation

 **Tribes**  
Group A not-for-profit water systems not receiving tribal set-asides.

**Service Line Inventories are due October 16, 2024**

All Group A Community Water Systems

All Group A Non-transient Non-community (NTNC)

# Lead Service Line Inventory Loan – **Eligible Projects**

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All work associated with developing the service line inventories required by EPA's Lead and Copper Rule Revision

- Staff time to review records
- Customer surveys
- Connection or Meter box inspections including using a vacuum truck to clean out meter boxes
- Inspections of customer's service lines into homes and businesses
- Online portal development for self-reporting or sharing public information about service lines

# Lead Service Line Inventory Loan – **Ineligible Projects**

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# Lead Service Line Inventory Resources

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- Office of Drinking Water [Lead and Copper Rule Revisions](#)
- [Lead Service Line Inventory Guidance, Publication 331-711](#)
- [EPA Service Line Inventory Template \(Excel\)](#)
- Questions about the service line inventory, call your regional office or email questions to [LCRRassistance@doh.wa.gov](mailto:LCRRassistance@doh.wa.gov)

# Lead Service Line Replacement Loan

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## FUNDING SPECIFICS



# Lead Service Line Replacement Loan

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- |  |   |  |
|--|---|--|
| <b>1 Award</b><br>\$25,000 Min<br>Per Project<br>No Max Award<br>Competitive | <b>2 Availability</b><br>Until 11:59 PM<br>PDT on March 29,<br>2029<br>\$28 Million Total<br>From BIL Lead<br>Service Line<br>Funding<br>49% Loan Principal<br>Forgiveness for<br>DAC | <b>3 Loan Terms</b><br>2.25%<br>Standard<br>Interest<br>1% Service Fee<br>20-Year Loan<br>Term<br>Complete in 4<br>Years |
|--|---|--|

# Lead Service Line Replacement Loan – **Eligible Systems**

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## **Group A Community**

Public or  
Private

Homeowner's  
Association  
(HOA) or  
other groups  
must submit  
articles of  
incorporation.



## **Group A Noncommunity**

Public Not-For-  
Profit

Transient or  
Nontransient  
Must submit  
tax-exempt  
documentation



## **Tribes**

Group A  
water  
systems not  
receiving  
tribal set-  
asides.

# Lead Service Line Replacement Loan – **Eligible Projects**

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- Potholing to identify service line materials
- Replace lead service lines or galvanized-identified-for-replacement from water main to building, unless
  - Water system side has been replaced in the past 5 years
  - Customer side has been replaced in the past 5 years
- Meter replacement if predates 1986 AND has lead components
- Surface restoration
- **Requires cultural and environmental reviews**
- Must obtain signed agreement with property owner to do construction on private property

# Lead Service Line Loans

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## PLANNING DOCUMENT

# Lead Service Line Inventory or Replacement Loan

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- If system does not have a current and approved planning document
  - Create or Update the Small Water System Management Program (SWSMP)
    - **If SWSMP is more than 6 years old**, contact your regional planner for requirements
- or
- Develop, Update, or Amend the Water System Plan (WSP)
- **Include planning document in scope of work**
  - Must get planning document approved before loan can be closed out.

# Planning Document Status

## Call Your Regional Planner

### Eastern

Jamie Clark  
509-329-2137

Brenda Smits  
509-329-2122

### Northwest

Krista Chavez  
253-395-6772

Crystal Nuno  
253-395-6750

### Southwest

Meredith Jones  
564-233-1394

Ben Majors  
360-236-3030

# WASHINGTON LOAN TRACKER (WALT)

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# WALT

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1. Pre-register for WALT by contacting **Sara J Herrera at 360-236-3089** or [DWSRF@doh.wa.gov](mailto:DWSRF@doh.wa.gov) or you will not be able to submit your application
2. Register with [Secure Access Washington](#) (SAW)
3. Login to SAW and add WALT to your account
4. Complete the online application (except for Emergency Loans) with all attachments
5. Submit the application
6. Receive a confirmation e-mail from WALT. If you do not receive the e-mail within 24 hours, **contact Sara J Herrera**



# WALT

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- The person submitting the application in WALT must be preregistered. Registration is tied to e-mail addresses
- A single water system could be connected to several e-mail addresses
- If you do not know if you are preregistered in WALT, **contact Sara J Herrera at 360-236-3089** or [DWSRF@doh.wa.gov](mailto:DWSRF@doh.wa.gov)

# Options in WALT

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- ✓ Lead Service Line Loan
- Preconstruction Loan
- Water Main Replacement Loan – not available
- Consolidation Grant
- Construction Loan

# WALT Application for DWSRF-managed Funding



Home



## Welcome to Washington State Department of Health

If you need assistance using this online application, please email [dwsrf@doh.wa.gov](mailto:dwsrf@doh.wa.gov) or call (360) 236-3089. Please see our [DWSRF Webpage](#) for information about our Loan and Grant funding.

**CONSULTANTS:** First time using WALT? Before applying for a Loan or Grant, please email [dwsrf@doh.wa.gov](mailto:dwsrf@doh.wa.gov) for registration assistance.

Please use Google Chrome as your browser for optimal performance

### Funding Opportunities

1-5 of 5

Opportunity Details

- Lead Service Line Loan  
Deadline: 04/30/2023  
**Deadline Passed**
- Preconstruction Loan  
Deadline: 12/31/2023  
[Apply Now](#)
- Water Main Replacement Loan



### My Applications

IN PROGRESS | UNDER REVIEW | ACTION NEEDED | ACTIVE | INACTIVE | ALL APPL

0 of 0

#	Application ID	Applicant Organization	Project Name	Application Type
No Results Found				

# Environmental Review

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## Complete SERP

- Complete SEPA – local entity is lead agency
  - Publish at least once
  - SEPA Register is mandatory
  - Send determination and supporting documents (affidavit of publication and any comments received) to [DWSRF@doh.wa.gov](mailto:DWSRF@doh.wa.gov)
- Publish for public comment
- Systems need to start this process early
- SEPA exempt projects must still publish

# Cultural and Historical Review

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## Section 106 of National Historic Preservation Act

- Office of Drinking Water Consults With
  - WA Department of Archeology and Historic Preservation
  - Tribes—federally recognized
  - Interested Parties—local historic groups, local hobby groups, non-federally recognized tribes
- Provide opportunity for public input and comment

# Consultations

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- Consultations take time—90 days to one year, unless for an Emergency Loan
- May lead to a cultural/historical survey which takes time
- Start the process early
- CAN NOT issue Notice to Proceed until process is complete

# Area of Potential Effect

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- Area of Potential Effect is an approved area where ground will be disturbed or work affects structures or sites
- Area of Potential Effect is approved by Scott Kugel
- Regional Engineers should consult with Scott Kugel to determine if proposed project is on the approved area
- If project changes locations, contact [Scott.Kugel@doh.wa.gov](mailto:Scott.Kugel@doh.wa.gov)

# RANKING

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# Lead Service Line Inventory Ranking

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- **First come, first served** ranking for LSL Inventory applications based on the date stamp in WALT of application submittal
- ODW identifies disadvantaged communities (DAC) based on current [emergency rule](#)
- Of the \$28 million, 49% must be used as subsidy to DAC

# Lead Service Line Replacement Ranking

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- Ranking based on **lead levels**
- ODW identifies disadvantaged communities (DAC) based on current [emergency rule](#)
- Based on rank and DAC status, award Lead Service Line Replacement funding. Of the \$28 million, 49% must be used as subsidy to DAC

Not Required for Application Submittal



# SAM.gov

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1. Register with SAM.gov and apply for your Unique Entity Identifier (UEI). It may take a month or more to get a UEI assigned.
2. If you have a UEI, **you must update your entity's SAM.gov account annually**. You must provide the UEI and expiration date prior to signing a funding contract.
3. Questions or assistance contact your Contract Manager.

# Statewide Vendor Number

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1. You must register with the state for a [Statewide Vendor Number](#) (SVN) through the Washington State Office of Financial Management
2. It might take a month, or more, to be assigned the SVN. It is required prior to signing the funding contract
3. Questions or assistance contact one of the Contract Managers

More information

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**information**

# Technical Assistance

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If you need technical assistance with:

- Developing your LSL inventory, or
- Planning document development or update, or
- Engineering design for service line replacement, then

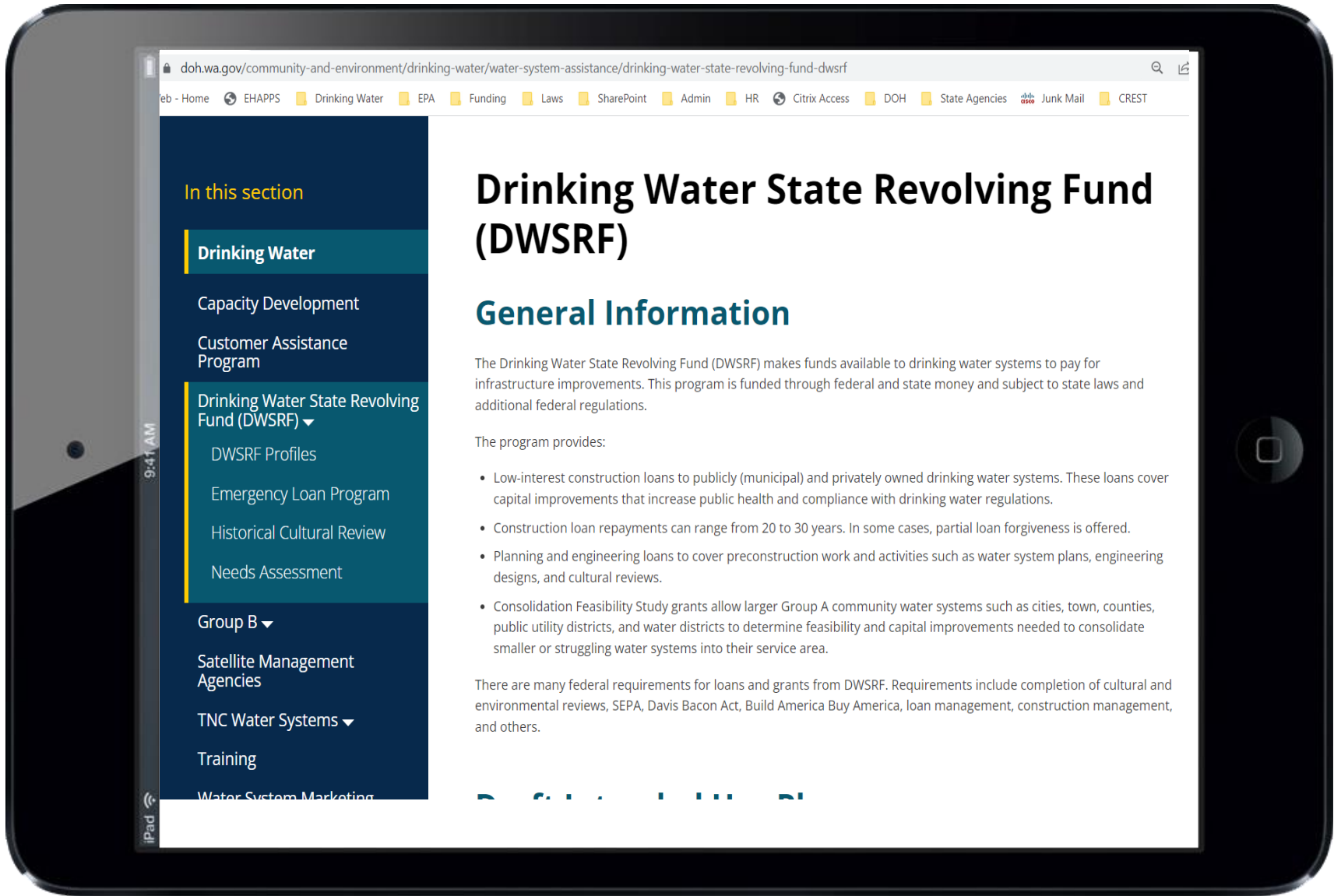
**CONTACT YOUR REGIONAL PLANNER**

## DWSRF Webpage

- Funding Cycles
- Disadvantaged Community Resources
- Funding Resources
- Contacts







### In this section

#### Drinking Water

Capacity Development

Customer Assistance Program

#### Drinking Water State Revolving Fund (DWSRF) ▼

DWSRF Profiles

Emergency Loan Program

Historical Cultural Review

Needs Assessment

#### Group B ▼

Satellite Management Agencies

TNC Water Systems ▼

Training

Water System Marketing

# Drinking Water State Revolving Fund (DWSRF)

## General Information

The Drinking Water State Revolving Fund (DWSRF) makes funds available to drinking water systems to pay for infrastructure improvements. This program is funded through federal and state money and subject to state laws and additional federal regulations.

The program provides:

- Low-interest construction loans to publicly (municipal) and privately owned drinking water systems. These loans cover capital improvements that increase public health and compliance with drinking water regulations.
- Construction loan repayments can range from 20 to 30 years. In some cases, partial loan forgiveness is offered.
- Planning and engineering loans to cover preconstruction work and activities such as water system plans, engineering designs, and cultural reviews.
- Consolidation Feasibility Study grants allow larger Group A community water systems such as cities, town, counties, public utility districts, and water districts to determine feasibility and capital improvements needed to consolidate smaller or struggling water systems into their service area.

There are many federal requirements for loans and grants from DWSRF. Requirements include completion of cultural and environmental reviews, SEPA, Davis Bacon Act, Build America Buy America, loan management, construction management, and others.

# DWSRF Staff Contacts

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Program Manager [Chris.Pettit@doh.wa.gov](mailto:Chris.Pettit@doh.wa.gov) or 564-233-1408

Scope of Work, Funding Cycles, and Technical Questions  
[Jocelyne.Gray@doh.wa.gov](mailto:Jocelyne.Gray@doh.wa.gov) or 564-669-4893

WALT Application and General Questions Sara J Herrera at  
[DWSRF@doh.wa.gov](mailto:DWSRF@doh.wa.gov) or 360-236-3089

Cultural, Historical, and Environmental Review  
[Scott.Kugel@doh.wa.gov](mailto:Scott.Kugel@doh.wa.gov) or 360-480-7617

Technical Assistance Requests [Chelsea.Cannard@doh.wa.gov](mailto:Chelsea.Cannard@doh.wa.gov) or  
564-233-1799

# DWSRF Financial Services Contacts

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Underwriting and For-Profit Eligibility (Mike)

[Michael.Copeland@doh.wa.gov](mailto:Michael.Copeland@doh.wa.gov) or 360-236-3083

Contract Manager [Eloise.Rudolph@doh.wa.gov](mailto:Eloise.Rudolph@doh.wa.gov) or 360-236-3124

Contract Manager [Dennis.Hewitt@doh.wa.gov](mailto:Dennis.Hewitt@doh.wa.gov) or 360-236-3017

Contract Manager [Brittany.Cody-Pinkney@doh.wa.gov](mailto:Brittany.Cody-Pinkney@doh.wa.gov) or  
360-236-3047

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

# Regional Planner Contacts

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## Eastern Regional Office

[Jamie.Clark@doh.wa.gov](mailto:Jamie.Clark@doh.wa.gov) or 509-329-2137

[Brenda.Smits@doh.wa.gov](mailto:Brenda.Smits@doh.wa.gov) or 509-329-2122

## Northwest Regional Office

[Krista.Chavez@doh.wa.gov](mailto:Krista.Chavez@doh.wa.gov) or 564-669-0757

[Crystal.Nuno@doh.wa.gov](mailto:Crystal.Nuno@doh.wa.gov) or 253-395-6750

## Southwest Regional Office

[Meredith.Jones@doh.wa.gov](mailto:Meredith.Jones@doh.wa.gov) or 564-233-1394

[Benjamin.Majors@doh.wa.gov](mailto:Benjamin.Majors@doh.wa.gov) or 360-236-3030

# Regional LCRR Contacts

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Eastern Regional Office 509-329-2100

Northwest Regional Office 253-395-6750

Southwest Regional Office 360-236-3030

Or email [LCRRassistance@doh.wa.gov](mailto:LCRRassistance@doh.wa.gov)

Questions?

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**Jocelyne.Gray@doh.wa.gov**

(564) 669-4893

*Environmental Engineer*

Drinking Water State Revolving Fund (DWSRF) Program

[www.doh.wa.gov/dwsrf](http://www.doh.wa.gov/dwsrf)



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