Washington State
Drinking Water State Revolving Fund

Intended Use Plan
For Year 20
Federal Capitalization Grant

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Washington State Department of Health
Environmental Public Health
Office of Drinking Water

Washington State, Department of Commerce
Local Government & Infrastructure Division
Public Works Board

On the cover: The City of Tacoma Green River Water Filtration Treatment Project

Photo provided by Washington Public Works Board

PUBLIC HEALTH
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1. Introduction

Congress established the Drinking Water State Revolving Fund (DWSRF) in August 1996, as part of the reauthorized federal Safe Drinking Water Act (SDWA). The DWSRF Program finances drinking water projects and activities to protect public health and achieve or maintain compliance with the SDWA.

The SDWA authorizes the U.S. Environmental Protection Agency (EPA) to award annual capitalization grants to each state for a revolving construction loan program and other assistance to public water systems. Each state must provide matching funds of at least 20 percent of the federal capitalization grant.

EPA awards federal DWSRF capitalization grants to states for:

- **Set-asides:** Funds for DWSRF Program administration and nonconstruction projects used to ensure compliance with the SDWA.
- **Capital Loan Fund:** Helps eligible water systems achieve compliance and protect public health.

To access the funds, each state must submit a capitalization grant application to EPA. In addition, each state's capitalization grant application must include an annual Intended Use Plan (IUP), which describes how the state intends to use available funds. As the agency responsible for carrying out the SDWA in Washington, the state Department of Health (Health) submits the grant application to EPA. Health administers the DWSRF Program jointly with the Public Works Board (Board) and the Department of Commerce (Commerce).

Washington's Year 20 Intended Use Plan

In federal fiscal year 2016 (FFY 2016), Congress appropriated $855,381,000 to EPA for the national DWSRF Program. EPA then appropriated funds to the states based on their statewide needs assessment. Washington State received $18,553,000 from EPA to fund capital improvement projects and nonconstruction projects that were ranked and placed on the priority list for state fiscal year (SFY) 2017 (July 1, 2016, through June 30, 2017). Washington also has about $57 million available in state matching funds, interest, and loan repayments. Combined, the state has a total of more than $63 million to use for the construction loan fund and nonconstruction set-asides.

Washington will use $5,751,430 to administer the revolving fund loan program and the rest (nearly $58 million) for capital construction projects, preconstruction activities, emergency projects, construction overruns, and water system acquisition and restoration. Health plans to award capital construction funds to eligible water systems during the spring and summer, and preconstruction funds during fall and winter 2015–2016. See Table 2 for detailed information.

Washington used public participation to develop this year's loan list for the IUP. This IUP includes information on the:

- Status of Washington's DWSRF Program.
- Washington's process and allocation of capital construction and set-aside funds.
- Washington's determination of loan eligibility and prioritization of funding.
- Intended uses of additional subsidization.
- 2015 DWSRF prioritized-project funding list.

2. Congressional priorities

Congress established guides for states to use, to the maximum extent possible, to prioritize spending of project funds. Below, Health explains how Washington complies with the priorities in each guide.

Projects that address the most serious risk to public health. We base our priority ranking of projects on public health risk. We rank projects that address acute risks higher than projects that remedy chronic risks. While eligible, we consider infrastructure replacement projects and municipal refinance projects the lowest priority for funding.

Projects necessary to ensure compliance with the SDWA requirements. We review all applications with respect to compliance with the SDWA. If the applicant is out of compliance, the proposed project must either resolve the issue or the applicant must satisfactorily show that another project will return them to compliance.

Assistance should be provided to systems most in need, on a per household basis, according to state affordability criteria. We allow all eligible community water system applicants to request consideration for subsidy based on affordability of their rates. We do not allow noncommunity systems this consideration because, by definition, they don't supply water to households; and therefore, they can't meet the federal requirement to base affordability on a "per household basis." To calculate affordability bonus points, we use the Affordability Index, a formula that considers an applicant's median household income, operational expenses, and water rates.

Provide at least 20 percent of the DWSRF Capitalization Grants as loan subsidy to eligible recipients. We have given needy systems nearly $37 million in subsidies since 2010 (Table 1, page 3).

For the 2015 funding cycle, the basic loan was a 20-year fixed-rate loan of 1.5 percent interest. Starting with the highest scoring applicants:

- Water systems with an Affordability Index of 2.01–3.50 percent will receive 30 percent of their loan as principal forgiveness.
- Water systems with an Affordability Index of 3.51 percent or more will receive 50 percent of their loan as principal forgiveness.
- Water systems with a Debt Service Coverage Ratio of less than 1.20:1 may also be considered for subsidy if subsidy dollars are still available after using the first two screening methods above.

To sustain water systems in Washington over time, the highest scoring municipal Group A water system applicants that demonstrate a history of sound drinking water utility management will receive 50 percent principal forgiveness for:

- Restructuring and consolidation projects that involve a change of ownership.
- Restructuring and consolidation projects that involve acquiring other noncompliant, failing, or struggling public water systems that have water quality problems or deteriorated infrastructure.

Table 1

Wa State DWSRF Subsidy Summary									
SRF YR	FFY	Cap Grant Amount	Subsidy Required	Minimum Subsidy	Subsidy Committed	% Subsidy	Subsidy Expenditure	Current Subsidy %	Notes
14	2010	34,650,000	30%	10,395,000	11,633,037	34%	11,406,799	33%	Subsidy Met
15	2011	24,044,000	30%	7,213,200	7,936,827	33%	7,037,566	29%	6 projects still open & drawing, 1 loan will not fully utilize loan amount, we are in process of analyzing impact and will make an adjustment if necessary to continue meeting the subsidy requirement
16	2012	22,914,000	20-30%	4,582,800	6,874,200	30%	5,382,828	23%	Subsidy Met
17	2013	21,499,000	20-30%	4,299,800	3,149,200	15%	1,834,827	9%	7 project still open & drawing, no issues anticipated meeting subsidy
18	2014	19,741,000	20-30%	3,948,200	3,300,000	17%	1,658,084	8%	1 open project still drawing and 2 adjustments in process to meet subsidy requirement
19	2015	19,600,000	20-30%	3,920,000	4,483,075	23%	1,699,897	9%	1 open project still drawing and 2 adjustments in process to meet subsidy requirement
20	2016	18,553,000	20-50%	3,710,600	4,491,999	24%	-		In process
Total DWSRF Subsidy		**$142,448,000**			**$37,376,339**	**26%**			

As Table 1 shows, we did not meet the required 20 percent subsidy award in federal fiscal year 2013 or 2014. Among factors contributing to this situation, were a number of systems awarded subsidy that declined their DWSRF loans. We are awarding additional subsidy for two 2015 loan contracts (estimated to be $2.5 million in subsidy) and will use this additional amount to correct the 2013 and 2014 subsidy allocations. The annual report and next year's IUP will reflect updated subsidy amounts.

3. Washington's program goals

We developed the following goals to sustain our DWSRF Program over time and to ensure compliance with the performance standards in EPA's Environmental Results Goals.

DWSRF Mission: The DWSRF Program helps water systems by providing affordable financing to eligible entities for planning, designing, and constructing public water facilities that provide safe and reliable drinking water.

Vision: Washington State is a national leader in providing comprehensive financial and technical support to water systems.

Goals: Washington State's public water systems are safe, reliable, and sustainable, and water is affordable for all citizens.

Philosophy: The overall philosophy of the Washington State DWSRF is to maximize the availability of DWSRF funds for project construction.

Long-term goals

- Maintain the fiscal integrity of the fund.
  - Continue to update and improve the predictive model to ensure fiscal integrity. DWSRF staff coordinate this effort with the Department of Commerce and meet regularly to verify the information in the predictive model is correct.
  - Continue to decrease unliquidated obligations and improve readiness to proceed for construction loan recipients.

- Maintain the DWSRF Program in perpetuity.
  - Continue to implement programs and resources, such as the preconstruction grant and loan programs, to ensure timely completion and repayment of DWSRF-funded construction projects. Preconstruction grant and loan funding programs allow smaller systems to prepare design documents and secure permits before assuming a construction loan. Having smaller systems ready to proceed to construction will reduce the time between loan award and construction completion.
  - The DWSRF Program recently required loan repayment to commence in October after loan execution. The first repayment amount is equal to about $^{1}/_{20}$ of the reimbursement request plus interest. The second repayment amount is about $^{1}/_{19}$ of the reimbursement request plus interest, and so forth until construction completion.

- Use DWSRF funds to promote resilient, energy efficient infrastructure.
  - Require an investment-grade energy audit for each construction loan.
  - Add a resiliency project category to the risk categories used to score and rank construction loans.

- Continuously improve the DWSRF Program so we are more efficient and better able to serve our customers.
  - Continue to improve the online application process.
  - Educate water systems about the DWSRF construction loan program before each loan cycle.

- Maintain emergency funding to assist systems affected by unforeseen events and ensure they continue to maintain public health protection.

  We developed an emergency funding program in SFY 2015, and we intend to maintain it to provide assistance to water systems when emergencies occur. The DWSRF program did not fund any emergency applications in SFY 2016, but we anticipate applications in SFY 2017 related to drought, fire, flood, or landslide.

Short-term goals

- Complete spending from our unliquidated obligations (ULO) and structure the program to spend future grants within two years of award.
  - We improved expenditure of set-asides and identified new projects to address high public health needs to fund with the set-asides, such as tracer studies for surface water systems and assessment of water quality parameters to quantify disinfection byproduct precursors.
  - We closely monitored remaining projects funded from ULO to access spending and full use of awards. We will complete any necessary transfers of set-aside funds to the loan account by June 30, 2016.
  - We worked closely with program applicants and award processes to facilitate a two-year funding timeline.

- Assess our current fund management system for opportunity.
  - Review and update the predictive model to assess needs and opportunities.
  - Monitor our lending rate policy closely and adjust interest rates for long-term inflation.
  - Monitor effects of loan repayment changes recently implemented.

- Continue to grow and expand programs that improve readiness to proceed and improve utilization rate of construction money awarded.
  - We expanded preconstruction funding programs to help systems get ready for construction.
  - We contacted all current construction loan recipients with minimal activity and offered a preconstruction loan in lieu of the construction loan. Two loan recipients responded positively to this outreach effort.
  - We contacted loan recipients experiencing delays with their projects to review options that would allow their project to reach construction.
  - We did an annual review of the readiness-to-proceed criteria for construction loans and improved the criteria to better identify "shovel ready" systems.

- Ensure that at least 15 percent of the grant provides financial assistance to small systems that have projects ready for construction.
  - In SFY 2017, 23 of the 37 funded projects are small systems. Of the $53.5 million available for SRF loans, we will award $20,040,680 (or 37%) to systems serving 10,000 and fewer.
  - New preconstruction funding programs are limited to systems serving 10,000 or fewer people in an effort to better prepare systems for construction.
  - Technical assistance providers are available to help systems prepare for construction loans, such as assistance with rate setting and income surveys.

- Provide financial and technical assistance to help public water systems increase technical, financial, and managerial capacity.
  - DWSRF staff continue to provide technical assistance through two contracts: Rural Community Assistance Corporation (RCAC) and Small Community Initiatives. These technical providers assist systems with board training, funding applications, rate setting, and asset management.
  - DWSRF and RCAC staff offered asset management training for SFY 2016 and, given their success, we will continue to offer training in SFY 2017.

- Review and implement process improvement efficiencies
  - Consolidate management of the program exclusively to Department of Health in collaboration with the Public Works Board and Department of Commerce.
  - Provide sufficient information technology system infrastructure to manage the loan and grant program while creating efficiencies for our loan recipients.

Environmental Results Goals

Washington's DWSRF project loan funds and set-aside work plans support EPA's strategic planning Goal 2, "Protecting America's Waters," and strategic Objective 2.1, "Protect Human Health" by safeguarding human health through regulations and by protecting public drinking water. Our program

provides funding to help achieve this federal performance standard. We intend to meet or exceed EPA's annual performance targets.

We will use the following performance measures to help ensure the loan program achieves federal standards:

- **Annual percentage of assistance agreements to bring water systems into compliance.** Based on available funds, Washington proposes to fund 34 DWSRF-eligible projects from our fall 2015 loan cycle. All of these projects intend to address compliance or public health issues.
- **Fund utilization rate (cumulative loan agreement dollars compared with the cumulative funds available for projects) for the DWSRF loan fund.** We will calculate this at the end of each state fiscal year. We expect Washington's fund utilization rate to exceed national performance targets.

4. Set-aside activities

The primary focus of the DWSRF Program is to fund capital construction projects that help to protect public health and ensure SDWA compliance. However, states also may use up to 31 percent of their annual capitalization grant for various nonconstruction activities that accomplish the same purposes. Funds for these nonconstruction activities are called ***set-asides.***

There are four set-aside categories. The federal DWSRF Program limits the amount states can use for each category and specifies the types of activities we can fund.

- Program administration (4 percent)
- State program management (10 percent)
- Small system technical assistance (2 percent)
- Local assistance and other state programs (15 percent)

There is a federal limit on the amount of funds that can be used for each category and the types of activities funded. Set-aside assistance may be provided by our staff, third party contractors, or direct funding to public water systems. Funds from these capitalization grants will be used to fund activities during more than one state fiscal year.

The funds for set-asides, other than program administration, will not be spent until detailed work plans are submitted to and approved by EPA. We anticipate completing this process and having funds available in SFY 2017. Washington intends to use 31 percent of its 20th year capitalization grants for current and future set-aside activities. We will begin using program administration set-aside funds in SFY 2017. Any remaining set-aside funds will be used in SFY 2018. The subsections below describe how Washington intends to use these set-aside funds.

We use set-aside funds for work plans that contribute to achieving EPA's Strategic Goal 2, sub-objective 2.1.1 - Water Safe to Drink: Percentage of the population served by community water systems that receive drinking water that meets all applicable health-based drinking water standards through effective treatment and source water protection.

To carry out the set-aside activities below, we often rely on contractors with specialized skills and qualifications. We will use a contractor from the state's contractor list or conduct a competitive bid process to purchase these services.

We will not spend the funds for set-asides, other than the program administration set-aside, until EPA staff approve the detailed work plans we submit to them. We anticipate completing this process and having funds available in SFY 2017.

Program administration set-aside

Washington plans to divide this set-aside between Health and Commerce to cover direct and indirect expenses associated with program administration activities. We often supplement this SRF set-aside with DWSRF loan origination fees because the set-aside does not provide sufficient funding for this activity. We will begin using these funds in SFY 17 and, if any funds remain, we will use them the following state fiscal year.

State program management set-aside

When Congress reauthorized the SDWA, it recognized that federal funding for state drinking water programs was inadequate in states that assumed primacy for enforcing the SDWA. To help resolve that state funding issue, Congress gave states the option of using up to 10 percent of their annual DWSRF allotment for program management. Washington is using the full 10 percent allotment to manage the state drinking water program.

States must match 100 percent of the federal funds used from this set-aside. We provide this match by using credits from previous overmatch of the state's 1993 Public Water System Supervision (PWSS) grant and other sources of drinking water program funds.

Health uses this set-aside to fund a significant number of positions that:

- Administer the state PWSS program.
- Maintain and improve the computer system at Health's Office of Drinking Water.
- Collaborate with staff, public water suppliers, and government agencies to help them understand regulatory requirements and assist them when water quality contamination occurs.
- Provide notification, compliance, and financial and technical assistance, which helps to ensure systems meet consumer confidence report and various water quality monitoring requirements
- Develop technical regulations, program plans, policies, and guidelines

Small system technical assistance set-aside

This set-aside funds technical assistance for water systems that serve fewer than 10,000 people. We will use our full 2 percent allotment from this set-aside to support small system technical assistance activities.

Local assistance and other state programs set-aside

A state may fund several categories of activities to assist development and/or implementation of local drinking water protection initiatives under Section 1452(k) of the 1996 SDWA amendments. States may use up to 15 percent of the annual capitalization grant for the local assistance and other state programs set-aside, with a maximum of 10 percent being used for any one category of assistance. We intend to use 15 percent of this set-aside this year. We'll use these funds for a number of activities related to system capacity development or source water protection.

Capacity Development and Water System Sustainability

Washington will reserve 10 percent of the Local Assistance and Other State Programs set-aside to provide DWSRF capacity development assistance in the form of grants to drinking water systems, technical assistance, sanitary surveys, and other types of program support. Capacity development activities include, but are not limited to, the following:

- Provide outreach and communication tools on technical, managerial, and financial capacity on our website and other media outlets.
- Conduct sanitary surveys and provide related technical assistance to small systems.
- Provide specific technical assistance (such as coliform monitoring and follow-up requirements) to help water systems achieve and maintain compliance. Help public water systems research and determine whether their groundwater source is under the direct influence of surface water.
- Provide technical assistance to water systems as they develop and implement source water protection programs.
- Provide preconstruction planning, design, and permit assistance grants to help water systems apply for DWSRF and improve readiness to proceed.
    - **Preconstruction Grant Program.** The DWSRF Program implemented a preconstruction grant program to help systems better prepare for construction projects. This program is limited to publicly and privately owned not-for-profit water systems serving fewer than 10,000 people. The grant amount is limited to $25,000 per entity. For SFY 2015, we awarded a total of $510,000 in preconstruction grant money to 21 entities. For SFY 2016, we awarded a total of $150,000 in preconstruction grants to six entities. Set-asides fund this program.
    - **Consolidation Grant Program.** The DWSRF Program implemented a consolidation grant program to reduce the number of small public water systems with compliance issues. Community public water systems are eligible to apply for this grant money and must demonstrate they are eliminating one or more public water system serving fewer than 10,000 people. The maximum grant amount of $30,000 can be used for feasibility studies or restructuring projects. For SFY 2015 and 2016, there were 57 contracts executed for about $1.3 million. These projects could eliminate more than 60 small public water systems**.** Set-asides fund this program.

Washington developed a new process and tool to assess the capacity needs of small systems. We are now taking the next step to use the assessment information, apply the most effective tools and resources, and develop ways to measure our progress and expand our reach.

Washington modified its planning program to help all systems do appropriate level of planning. We are developing new guidance to help system owners and operators work together to address the technical, managerial, and financial capacity needs of the system.

Washington continues to expand the financial technical assistance offered through third parties. We are also increasing our internal financial viability expertise and have been conducting financial training for small systems. For example, DWSRF and RCAC staff started doing asset management training.

Washington amended the DWSRF Rule to allow limited principal forgiveness for restructuring and consolidation projects and for disadvantaged communities. The changes support our goal to encourage strong water system management and they will provide lower-cost loans in areas needing the most assistance.

Source Water Protection

Washington will reserve 5 percent of the Local Assistance and Other State Programs set-aside to provide DWSRF project assistance in the form of technical assistance to increase substantial implementation of source water protection.

Source water protection activities include, but are not limited to:

- Resources for developing, deploying and enhancing source water protection Intranet and Internet applications; and providing source water protection data, information, mapping, analysis, and GIS support.
- Technical assistance and support to Health, utilities, and local entities on source water protection.
- Assistance to local governments and municipal water systems to carry out source water protection projects to better protect high priority Group A sources.

5. Capital Loan Funding

In September 2015, we received construction loan applications, and subsequently reviewed and ranked them. We offered DWSRF loans only to applicants that ranked high enough to fall within the available funding target of $54 million for the fall 2015 construction loan cycle. Appendix B shows Washington's recommended 2015 Fall DWSRF Draft Priority Project List for year 20 SRF funding. We intend to execute loan contracts and disburse funds to these projects in July 2016.

The list in Appendix B is subject to change for the following reasons:

1. **Applicants receive alternative funding.** Applicants may receive other grant or loan assistance from other funding sources, such as Rural Development, and no longer need DWSRF money.
2. **Applicants fail to complete required water system planning requirements.** We require applicants to submit approved Water System Plans, Small Water System Management Programs, or plan or program amendments by September 30, 2015.
3. **Applicants are "bypassed."** The Office of Drinking Water underwriter reviews DWSRF applications for ability to repay the loan, ability to secure the loan, and readiness for the project to proceed. Applicants that fail to meet these criteria are "bypassed" (no longer considered for funding).
4. **Applicants withdraw from the process.** Applicants may choose to withdraw from the loan process for other reasons.

Because the request for funds through the application process did not exceed the funds available, DWSRF staff conducted two outreach efforts:

1. Staff asked unfunded applicants from the 2014 DWSRF construction loan application cycle about their interest in receiving funding for the proposed project. Two projects (Beacon Hill Water and Sewer District Hillside Pump Station and City of Ephrata Basin Street Water Main Replacement) received funding.
2. Staff contacted entities with current construction loans that recently bid their projects and may have needed additional money because the bid amount exceeded project funding. The request from systems exceeded the remaining available funding and the additional money awarded was limited to $300,000 per entity. Five projects received funding:
    a. **Bayview Beach Water District** DM13-952-154. Amend existing contract for additional amount requested.
    b. **Greater Bar Water District** DM11-952-013. Execute new contract since subsidy being provided.

c. **Thurston PUD** DM12-952-113. Execute new contract since subsidy being provided.
d. **City of Sumner** DM13-952-178. Amend existing contract for additional amount requested.
e. **City of Chehalis** DM13-952-179. Amend existing contract for additional amount requested.

The Washington DWSRF Program intends to designate up to $1.5 million each year to assist systems when the bid amount exceeds the project funding. We propose the following criteria for assisting systems in need of additional money for construction overruns:

- Award money on a first-come basis.
- The additional amount awarded cannot exceed $300,000.
- The additional funding cannot cause an entity to exceed the funding ceiling established for the year the project funding occurred.
- The scope of work cannot be modified.
- Bid tabs must be provided to document construction costs.
- Explanation for the engineer's construction cost estimate not accurately reflecting the bids.

DWSRF staff intend to develop additional criteria for awarding this money in the future. One possible criteria for awarding additional funding may set a limit of 10 percent of the engineer's original construction estimate cost.

Table 2

Washington State Drinking Water State Revolving Fund Financial Status and Intended Uses of Funds Year-20 Federal Capitalization Grants		
CATEGORY	**AVAILABLE FEDERAL FUNDS APPLICATION YEAR 20**	**INTENDED USE ($)**
Total Available		
Federal Capitalization Grant	$18,553,000	$18,553,000
20% State Match (PWAA)	$3,710,600	$3,710,600
Program Management Set Aside Match	$927,650	$927,650
Total	**$23,191,250**	**$23,191,250**
Set-Asides:		
Program Administration		
Public Works Board/Commerce	$371,060	$371,060
Department of Health	$371,060	$371,060
Total	**$742,120**	**$742,120**
State Program Management	$1,855,300	$1,855,300
Small System Technical Assistance	$371,060	371,060
Local Assistance & Other State Programs	$2,782,950	$2,782,950
Total Set-Asides	$5,751,430	$5,751,430
Project Funds Available		
From Year 20 Capitalization Grant + Match	$16,512,170	$16,512,170
From Investment Earning (thru 6/30/16)	$203,009	$203,009
From repayments including loan interest in hand	$23,405,605	$23,405,605
From repayments expected before 10/31/16	$10,251,683	$10,251,683
From current de-obligations of previous loans	$7,342,685	$7,342,685
Total Available for New Project Loans	**$57,715,152**	**$57,715,152**
Total Project Funds and Set-Aside Funds	**$63,466,582**	**$63,466,582**

6. Amounts transferred between the DWSRF and the CWSRF

A state governor may elect to transfer up to 33 percent of the DWSRF capitalization grant to the Clean Water State Revolving Fund (CWSRF) or an equivalent amount from the CWSRF to the DWSRF project fund.

Washington does not intend to transfer funds between these programs during Year-20 of the DWSRF Program.

7. Criteria and Method for Distributing Capital Loan Funds

Washington has nearly $58 million for new construction project loans. That amount includes 69 percent of the $18,553,000 allocated from EPA, the entire 20 percent state grant match, loan repayments, investment earnings, and de-obligated loan funds. Washington reserved $1.5 million for construction over-run costs, $1.7 million for emergency loans, and $1.5 million for preconstruction loans, making about $54 million available for construction loans. Table 2 shows the estimated value of the Project Fund.

7A. Construction Loans

Loan applications

The application period for the Year-20 DWSRF Loan Program ended September 30, 2015. Our Project Fund has about $54 million available for new construction project loans (Table 2) and we received 36 applications requesting about $56 million. The Project Fund includes the Year-20 grant award, a 20 percent state match, fund investment earnings, earned and expected repayments, and de-obligation of previous loans.

DWSRF staff provided information and technical assistance on the application process at workshops in multiple locations. We sent an email about the workshops and the 2015 DWSRF guidelines and application to all eligible public water systems and placed a notice in our *Water Tap* newsletter. Systems could get the guidelines online, request hard copies, or get them as electronic email files.

Washington's eligibility and threshold review

Washington's eligibility criteria included all federal eligibility criteria plus several state criteria (Appendix A). Our DWSRF staff reviewed applications for eligibility and assigned a preliminary score based on information in the application, and an initial review of system compliance status.

We determined that four projects were ineligible. Three applicants did not have the proper planning documents and one could not pass the underwriting process. We gave those applicants 10 days to appeal our determination. See ineligible projects in Appendix C.

Washington's prioritization process

After assigning a preliminary score based on information in the applications and an initial review of each system's compliance status, our DWSRF and regional staff met October 29, 2015, to assign final scores. Staff reviewed compliance files from regional offices and discussed the merits of each project. Regional office files contain considerable background information on each system's operational and compliance history, which was valuable in assessing the true public health significance of each proposal.

We scored projects that provided information that would qualify them for subsidy under our criteria with all other projects. Then we pulled the highest scoring subsidy projects into a separate list until we had more than sufficiently met the mandated funding threshold.

We will consider any comments received during the public review when finalizing the draft IUP and the Priority Project List.

Ranking eligible applications

Using the criteria in Washington's fall 2015 DWSRF Guidelines to score eligible loan applications, we awarded "basic points" and "bonus points."

We awarded basic points by the:

- Level of public health risk the proposed project would eliminate
- Type of project proposed to solve the problem(s) identified in the application

We gave "bonus" points to projects that:

- Demonstrated existing or potential SDWA compliance problems
- Involved restructuring benefits
- Provided regional benefits
- Were ready to proceed
- Provided solutions for multiple areas of public health risk
- Included installation of service meters

Water System Capacity Review

"Water system capacity" is an eligibility requirement for DWSRF loans.

"Water system capacity" is the operational, technical, managerial, and financial capability of the water system to achieve and maintain compliance with all relevant local, state, and federal plans and regulations. Water systems lacking the capacity to maintain compliance with the SDWA are not eligible for funding unless the system owner or operator agrees to initiate feasible and appropriate changes, or the financial assistance will ensure long-term compliance.

DWSRF applicants must demonstrate water system capacity. To do so:

1. The applicant must have a current, Health-approved Water System Plan (WSP) or Small Water System Management Program (SWSMP). The WSP must be less than 6 years old on September 30, 2015.
2. The applicant's current, Health-approved WSP or SWSMP must include the proposed project.
3. The water system must have a satisfactory operating permit status at application or on completion of the proposed project.
4. The system must be in compliance with any active enforcement actions (including departmental orders, penalties, bilateral compliance agreements, or federally issued administrative orders or stipulated penalties).

Projects ranking high enough to be considered for funding, yet not currently meeting capacity requirements 3 and 4 above, may still qualify for a loan if the applicant documents and ensures the proposed project will address these compliance and capacity requirements.

Financial capacity

To protect the federal and state interest in the long-term viability of the loan program, Washington considers the applicant's ability to repay the loan. The financial evaluation includes reviewing 3 years of documentation such as tax returns, budgets, balance sheets, bank statements, and business references, and conducting a detailed financial capacity analysis.

All recipients must dedicate a source of revenue to repay the loans. Some applicants will dedicate part of their general funds, and others will propose establishing or increasing user fees. See Appendix A for further details.

Readiness to proceed

Applicants must complete DWSRF-funded projects within 48 months of contract execution. We use the following questions to evaluate a project's readiness to proceed:

- Is the scope of work clearly defined?
- Are water rights in hand? If not, what is the timeline for securing water rights?
- Is preliminary engineering complete?
- Have project permits been obtained or are they in process?
- Is land acquisition part of the project? If so, have rights-of-way and easements been secured?
- Is the project located near or on a known archaeological site or environmentally sensitive area?

7B. Preconstruction Loans

Preconstruction loans are specifically for water systems serving 10,000 and fewer people that do not have up-front capital funds to pay for preconstruction activities (planning, engineering, and project designs) before receiving a DWSRF construction loan. In most cases, preconstruction activity costs are 15 to 20 percent of an infrastructure improvement project's total cost. Preconstruction loans help us meet EPA's goal of using the funding within two years of award. They also help ensure water systems are "construction ready" as soon as we award a DWSRF infrastructure loan. Awarding preconstruction loans makes the DWSRF construction loan program more effective because infrastructure projects that are ready to proceed to construction move more funds through the program at a quicker pace. We currently reserved $1.5 million to invest in this program.

We use the same five scoring categories used for construction loans, based on the public health risk the project will address, to rate and rank preconstruction loans, and then score each application based on the type of project(s) proposed (source, treatment, storage, distribution). This will allow Washington to fund projects with the greatest chance of scoring highly in subsequent construction loan applications.

We intend to allow entities to convert preconstruction loans into DWSRF construction loans. The DWSRF Program will continue to work on this process.

In July 2015, Washington piloted its Preconstruction Loan Program. We received five applications. Four were eligible and awarded funds. Of those, two (Ilwaco and Ephrata) later received funds through the DWSRF construction loan program and ultimately declined the preconstruction loan. To date, the City of Raymond received and executed a preconstruction loan agreement.

To assist water systems with existing DWSRF construction loans, staff reached out to DWSRF construction loan recipients identified as having limited reimbursement requests. Through this outreach effort, one existing construction loan recipient terminated its construction loan and assumed a preconstruction loan (Napavine). In an effort to facilitate project progress, the DWSRF Program intends to continue allowing existing construction loan recipients to cancel their construction loan and assume a preconstruction loan outside the preconstruction loan application period.

Appendix D contains a list of preconstruction loan applicants and recipients. Future DWSRF construction loan funding cycles will grant bonus points to entities that received a preconstruction loan.

7C. Emergency Loan Program

The DWSRF Program guidelines allow states to use funds for emergency recovery activities according to established emergency funding procedures. The emergency rule became final on April 1, 2016.

On March 13, 2015, Governor Inslee declared a drought emergency in parts of the Olympic Peninsula, the Walla Walla River Basin, and the east side of the Central Cascade Mountains, including Yakima and Wenatchee, and the Walla Walla Region. We anticipated that some water systems in those areas would have emergencies, such as a depleted water source that would result in an unreliable drinking water supply, or a pressure loss that could allow contaminants to enter the distribution system. We learned from past emergencies, such as the 2014 Carlton Complex wildfire that affected 45 water systems, that there is immediate need to prepare for unanticipated events like drought or wildfire.

Our primary goal is to respond to and recover from public health threats. The emergency loan program ensures we are ready and able to award loans to water systems experiencing an emergency, so they can restore water service as quickly as possible. The emergency loan program will help water systems that lose critical drinking water services or facilities during an emergency and demonstrate substantial financial need according to DWSRF criteria.

For purposes of this program, emergency refers to an event like a natural disaster that damages or disrupts normal public water system operations and requires immediate action to protect public health and safety. A failure to maintain, replace, reconstruct, upgrade, or make necessary infrastructure improvement does not constitute an emergency.

When we determine an emergency exists and emergency funding is available, we may award an emergency loan to an eligible public water system. These funds will be available for construction, reconstruction, replacement, rehabilitation, temporary repair, or improvement necessary to continue or restore operation of a public water system that is in violation of health and safety standards due to an emergency as defined above.

To date, we received one emergency loan application from Star Lake Community Club for $80,000 to allow drilling of a new source. Star Lake needed the new source to address diminished source capacity associated with the drought. Recently the applicant decided to postpone drilling a new well and started investigating other options for improving its existing sources. We did not execute an emergency loan agreement with Star Lake.

Availability of Emergency funds

Emergency awards will be available to eligible communities for projects that achieve the greatest mitigation of health risk. During the period of this IUP, Washington intends to make $1.8 million available to water systems. Up to 75 percent subsidy will be available to water systems. Subsidy will be based on actual median household income (MHI), proposed loan amount, annual expenses including operation and maintenance, existing debt and revenues, and total connections.

Emergency Fund Application process

Applicants will submit a completed emergency application package to Health.

Emergency Loan terms

The emergency program will follow all general Office of Drinking Water administrative program policies and DWSRF grant and loan guidelines. The loan terms are:

- Six-year repayment period
- Project must be completed within two years
- Maximum amount of $100,000 per entity
- 1.5% annual interest rate, with the ability to reduce to 1.0% based on the affordability index
- Principal forgiveness is available based on the affordability index

8. Federal financial accountability and Transparency Act reporting

Washington is required to identify projects used to satisfy capitalization grant reporting requirements under the Federal Financial Accountability and Transparency Act (FFATA). See Table 3. As EPA requested, we will report only on DWSRF projects in an equivalent amount of each capitalization grant.

Table 3

Federal Fiscal Year 2016
State Revolving Fund Year 20 Capitalization Grant
Federal Funding Accountability and Transparency Act Reporting List

			Total Federal Capitalization Grants[1]	$18,553,000
			Projects and set-asides used for FFATA reporting	12,801,570
Loan #	**Recipient**	**Project**	**Award**	**FFATA Reporting Amount**
2015-020	City of Anacortes	Blue Herron Circle 3 MG Reservoir Rehabilitation	$4,974,755	$4,974,755
2015-025	Seattle Public Utilities	Morse Lake Pump Plant	$6,060,000	$6,060,000
2015-047	City of Kelso	Minor Road Reservoir Replacement and Transmission Main	$4,529,850	$1,766,995
			Total Projects to Report	$12,801,750
			Set Asides Reserved	$5,751,430*

*See set aside projects draft FFATA list on next page

Set Aside Projects - Draft FFATA List				
Contract #	Contractor Name	Description	Set aside	Amount
TBD	TBD	Provide technical assistance to small public water systems in developing technical, managerial and financial capacity consistent with the state of Washington Water System Capacity Development Strategy.	2%	$100,000
TBD	TBD	Provides assistance to local governments and municipal water systems (counties, cities, incorporated towns, and special purpose districts) to carry out source water protection projects to better protect high priority Group A sources.	5 of 15%	$300,000
TBD	Kitsap PUD	Establish a local program that identifies technical, managerial and financial needs of small utilities in Kitsap County and provide resources to increase their viability and promote consolidation.	10 of 15%	$100,000
TBD	Preconstruction Grants - TBD Multiple recipients	Provide small water systems an opportunity to work through steps necessary to enter the project construction phases sooner.	10 of 15%	$150,000
N21873	Whatcom PUD	Supports a pilot Water System Capacity Development Technical Assistance Program with the Public Utility District #1 of Whatcom County (Whatcom PUD). It is a two-year pilot to position the Whatcom PUD to provide small water system capacity technical assistance at the local level.	10 of 15%	$50,000
TBD	Consolidation Grants - TBD Multiple recipients	Develop feasibility studies, complete planning and/or engineering documents, or defray the administrative costs directly associated with transfer of ownership and/or connection fees	10 of 15%	$150,000
TBD	Sleeping Giants	Contractor to visit identified water systems to perform Comprehensive Performance Evaluations, Filter Assessments, or Comprehensive Technical Assistance.	10 of 15%	$80,000
		FFATA Set Asides Total		**$930,000**

Bypass Process

We reserve the right to fund lower priority projects if higher priority projects are not ready or willing to proceed. In such instances, the state will comply with established bypass procedures. We may add projects to the List of Fundable Projects due to emergencies, such as an unanticipated system failure or a project needed to prevent an imminent health threat.

We *bypass*, or do not recommend funding for, applicants unable to demonstrate ability to repay the loan, applicants with insufficient loan security, or projects that are not ready to proceed. We bypassed one applicant this year (see Appendix C).

We offer technical assistance to help bypassed applicants meet the program requirements so they can reapply in a future funding, or provide information about other funding opportunities.

Amending the Project Priority List

In the future, if an approved project withdraws from the list, we will move the highest-ranking unfunded project to the project priority list. We will continue to adjust until the final list is approved.

Loan fees

Like many other states, Washington charges a nonrefundable 1 percent loan fee for all loans, including those that do not receive subsidy. The loan fee is insurance against having to obtain general fund or other state funding for loan program administration when the federal set-asides end.

For systems that receive subsidy, we incorporate the 1 percent loan fee into the loan request. For example, we assess a loan fee of $5,000 on a loan request for $500,000—bringing the total loan to $505,000. Washington State retains the loan fee when the borrower makes the first loan draw. We structured our loan fee payment this way to have minimal impact on the size of annual loan payments.

Washington deposits loan fees into a sub-account within the DWSRF dedicated account. On March 31, 2016, the balance of the loan fee account (Fund 05R) was $5,390,584. By statute, interest or other investment income accrued in this account remains in this account. We may withdraw funds from this account only to reimburse state loan program administration. However, if the state determines that the balance of the loan fee account exceeds short- and long-term program administration needs, we may transfer a portion of the funds to the project loan account to be used for project loans.

Affordability Index

The Affordability Index is based on actual median household income (MHI), proposed loan amount, annual expenses including operation and maintenance, existing debt and revenues, and total connections.

Table 4

Loan terms for 2015 project loan applications

Applicant Income Level	Interest	Subsidy	Loan Fee[1]	Loan Repayment Period
Water system is not economically disadvantaged	1.5%		1%	20 years or life of the project, whichever is less
Water system with Affordability Index of 1.5 to 2.0%	1%		1%	20 years or life of the project, whichever is less
Water system with Affordability Index of 2.01 to 3.5%	1%	30% as principal forgiveness	N/A	24 years or life of the project, whichever is less
Water system with Affordability Index of 3.51% or higher	1%	50% as principal forgiveness	N/A	24 years or life of the project, whichever is less
Group A water systems proposing restructuring or consolidation. Projects must result in a change of ownership before signing the funding contract.	1%	50% as principal forgiveness	N/A	24 years or life of the project, whichever is less
Maximum Award[2]				
Each water system applying this loan cycle may borrow up to $6,000,000. The only exception to this maximum amount is for consolidation projects. Multiple owners of one project (shared facilities) or satellite management agencies that are restructuring (combining) systems may borrow up to $12,000,000.				
Local Match Requirement				
No local match is required.				

Restructuring and Consolidation Projects

Small water systems often face technical, managerial, and financial challenges. Many small water systems struggle to meet minimum state and federal requirements for providing safe and reliable drinking water for a variety of reasons.

Municipal Group A water systems are eligible for DWSRF funding for restructuring and consolidation projects that involve a change of ownership. Restructuring and consolidation projects acquire other noncompliant, failing, or struggling public water systems that have water quality problems or deteriorated infrastructure. Applicants also must demonstrate a history of sound drinking water utility management and meet the following criteria:

- Own at least one Group A public water system.
- Have a minimum of five years of experience as a Group A water system.
- Have an approved water system plan for the applicant system or be an approved satellite management agency.
- Have had no state or federal civil penalties in the past five years.
- Have received no unilateral enforcement orders from EPA or Health in the past five years.
- Have not had a system's operator license suspended or revoked in the past five years.
- Are current with our fee payment schedule.

[1] The state retains the loan fee when the system makes the first loan draw. Loan fees are nonrefundable. Systems receiving subsidies are not required to pay the loan fee.

[2] The maximum limit does not include the loan fee. For a project budgeted at $3 million, the applicant can apply for a $3,030,000 loan—$3 million for the project plus the $30,000 loan fee.

We may consider other eligibility criteria on a case-by-case basis, including operating permit history, prior contract performance, and history of audit findings.

We use a portion of our infrastructure loan program to provide low-interest subsidized loans to help publicly owned water utilities acquire and rehabilitate troubled water systems. These loans fund activities such as:

- Repair or replacement of existing infrastructure, such as distribution piping, storage, backflow devices, or service meters.
- Construction of new water mains and connections necessary to acquire a small system.
- Installation of treatment, disinfection, or filtration.
- Developing a new water source or source rehabilitation.

9. Prioritized project list

See Appendix B for Washington's final Prioritized Project List for Year 20 of the DWSRF loan program. The list includes 38 eligible projects totaling $53.5 million.

It may take additional months for funded applicants to address all loan requirements before each applicant and the Board can sign their contracts. Applicants will have 48 months following contract execution to complete their projects.

See Appendix C for loan applications not funded due to ineligibility or failure to pass the underwriting process.

10. Public participation

To advertise the availability of the 2015 fall Draft DWSRF Funding List and the date and time of the public hearings, we placed legal notices in four newspapers on November 8, 2015 (*The Olympian*, *The Seattle Times*, *Yakima Herald-Republic*, and *The Spokesman-Review*).

We held a public hearing on the Draft IUP Funding List on December 8, 2015, in Health's Town Center 3, in Tumwater, Washington. The deadline to submit written comments was December 7, 2015. We received no comments.

We published the availability of the IUP for public comment on May 8, 2016, and a public hearing is planned for from 1 p.m. to 3 p.m., June 8, 2016, in Room 139, Point Plaza East, 310 Israel Road, Tumwater, Wash. Public comments must be received by June 7, 2016.

The IUP is online at http://www.doh.wa.gov/Portals/1/Documents/4200/2014-IUP.pdf

11. Assurances and Certifications

1. **The state has authority to establish a fund and operate the DWSRF program according to the SDWA.**

   State Law
   In 1995 the "drinking water assistance account" was created in the state treasury to allow the state to accept federal funds available for safe drinking water (RCW 70.119A.170). In 1997, this statute was refined to conform to the amended SDWA.

Health, the Board, and Commerce are authorized to establish the framework for DWSRF program administration and manage the program in Washington (RCW 70.119A.170).

Memorandum of Understanding (MOU)
State law required Health, the Board, and Commerce to develop an MOU to define respective roles and responsibilities in managing and administering the DWSRF (RCW 70.119A.170). A copy of the MOU is available on request. In very general terms, the roles are as follows:

Health: As the agency that administers the SDWA in Washington, Health is responsible for all of the technical and health-related aspects of the program, including prioritizing projects that apply for financial assistance and all associated oversight and related activities. Health is the grant recipient, responsible for all set-aside grant uses, and the primary contact with EPA.

Board and Commerce: The Board and Commerce manage all fiscal aspects of the project-fund part of the program, including developing and administering loan agreements. The Board and Commerce perform all fiscal monitoring of project fund loan recipients.

A new MOU is being prepared to address recent legislation that will transfer all Department of Commerce functions to Department of Health over the next two years.

DWSRF fund structure
The Legislature established a separate drinking water assistance account in the state treasury dedicated solely to using federal funds for the DWSRF. Health, the Board, and Commerce are authorized to establish sub-accounts as necessary for the set-aside funds.

Health, the Board, and Commerce will use this drinking water assistance account solely for the DWSRF and account for all funds in the sub-accounts separately, including capitalization grants, state match, loan repayment, and interest.

2. **The state will comply with state statutes and regulations.**
In addition to requirements in the SDWA, the state agrees to comply with all state statutes and regulations applicable to DWSRF funds, including the federal capitalization grant funds, the state match, interest earnings, repayments, and funds used for set-aside activities.

3. **The state has the technical capability to operate the program.**
Health, the Board, and Commerce will continue to employ program staff qualified to administer the DWSRF. Health staff includes a program manager experienced in water system design, operation, and regulation for the capital projects part of the program and a program manager with fiscal and contracting experience for the set-asides. The rest of the staff provide technical support (engineers, planners, or environmental specialists), and clerical or agency administrative support.

Board and Commerce staff includes full-time professional, fiscal, and administrative staff with extensive background in financial assistance programs. They administer the state Public Works Trust Fund and the DWSRF Program.

4. **The state will accept capitalization grant funds according to a payment schedule.**
The state agrees to accept grant payments according to payment schedules included with each grant application or grant amendment package. Each grant will include a separate payment schedule covering all funds used over the life of the grant. Staff will review and update these payment schedules at least annually. The state will receive federal funds according to EPA-Automated Clearing House guidelines.

5. **The state will deposit all capitalization grant funds into the project fund or set-aside account.**
   The state will deposit the capitalization grant into the project fund or the set-aside account, and maintain identifiable and separate accounts for all parts of the capitalization grant (RCW 70.119A.170).

6. **The state will provide at least a 20 percent match of the capitalization grant.**
   The state will provide this match directly from the State Building Construction Account. Washington uses the grant-specific cash draw proportionality option of 20-percent-state to 80-percent-federal spending.

7. **The state will deposit net bond proceeds, interest, and repayments into the project fund.**
   The state will deposit all interest, dividends, earnings, repayments, and other proceeds into the project fund. The state will not sell bonds to support the DWSRF Program.

8. **The state will match capitalization grant funds used for set-asides.**
   In addition to the 20 percent match for the overall grant, Health will provide a 100 percent match for dollars spent on set-aside activities. Of this match, 50 percent will come from allowable "credit" for FFY 1993 expenditures (see Section 4 for more information about set-asides).

9. **The state will use Generally Accepted Accounting Principles.**
   The state agrees to use Generally Accepted Government Accounting Standards for the DWSRF Program. The state's accounting and auditing procedures conform to the most current *Governmental Accounting and Financial Reporting Standards*, Governmental Accounting Standards Board, and the *Government Auditing Standards*, Government Accountability Office.
   The fiscal management of the DWSRF Program will properly measure:
   (1) Revenues the DWSRF Program earns and other receipts, including, but not limited to, loan repayments, capitalization grants, interest, and state match deposits.
   (2) Expenses the DWSRF Program incurred, including, but not limited to, loan disbursements and other expenditures.
   (3) Assets, liabilities, and capital contributions made to the DWSRF Program.
   (4) The maintenance of federal and state capital contributions to the DWSRF Program.
   (5) DWSRF performance on short- and long-term goals.

10. **The state will have the fund and set-aside account audited annually according to Generally Accepted Government Auditing Standards.**
    The Washington State Auditor's office will audit the project fund and set-aside account activities funded by the Capitalization Grant annually to ensure there are provisions and guidance to prevent waste, fraud, and abuse of funds. The auditor will use U.S. Comptroller General auditing standards.

11. The state will adopt policies and procedures to ensure that each borrower has a dedicated revenue source for repayments (or if it is a privately owned system, demonstrate adequate security).

The state developed policies and procedures to ensure that borrowers have a dedicated source of revenue and that privately owned systems have adequate security. We discuss them in the state project loan guidelines. See Appendix A.

12. The state will commit and expend funds as efficiently as possible, in an expeditious and timely manner.

The intended use plan directs the way the state will use funds. The state will commit and spend grant and state match funds as efficiently as possible, in an expeditious and timely manner. Within one year of the grant payment, the state will enter binding commitments with the recipients equal to the total amount of each grant payment and proportional state match.

13. Funds will be used according to the Intended Use Plan.

The intended use plan directs the way the state will use the grant. The state opened the IUP up to public review and comment, and considered each comment before developing the final IUP. All comments are in the final IUP.

14. The state will provide EPA with a Biennial Report.

Health and the Board will produce annual reports on the uses of the DWSRF funds. The reports will cover both the project fund and the set-aside account activities. The annual reports submitted to EPA meet the biennial report requirements.

15. The state will comply with all federal cross-cutting authorities.

We will perform all set-aside activities according to the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and adhere to all other cross-cutters applicable to the set-aside activities.

The state developed policies and procedures to ensure that the state and all project fund loan recipients conform to applicable federal cross-cutter requirements. Required documentation will be provided for each of these requirements. To the extent necessary, cross-cutter requirements will be incorporated as conditions in the loan contracts.

16. Authorization and uses of the DWSRF Program

DWSRF fund authorization and uses are in:

- EPA Federal DWSRF Program guidelines
- Washington State statute (Chapter 218, Laws of 1997, RCW 70.119A.170, RCW 43.155.050)
- Washington State 2014 DWSRF Loan Guidelines, Application, and Rule (WAC Chapter 246-296)
- Memorandum of Understanding between Health, the Board, and Commerce.

12. Appendices

Appendix A: Washington 2015 DWSRF Program guidelines and application

The 2015 fall DWSRF program guidelines and application are online at

http://www.doh.wa.gov/Portals/1/Documents/Pubs/331-196.pdf

Appendix B: Year 20 Funded DWSRF Loan Applicants List

2015 Fall DWSRF Proposed Loan List*

$3,710,600 to $5,565,900 Subsidy Available

Health Application	WS ID	Water System Name	Project	County	Region	Population	Loan Amount	Client Total Loan Amount (w/1% loan fee if applicable)	Final Score	Possible Subsidy Granted ($)	Remarks/Comments	Project Description
2015-007	68400	**City of Pomeroy**	Pomeroy Sunny Side Booster Pump Station & Water Main Replacement	GARFIELD	EA	1,425	$389,828	$389,828	67	$116,948.40	AFI=1.47, DSC=0.50, 30% subsidy awarded	1) Design and construction for Sunny Side booster pump station main replacement as identified in the WSP, approved on January 7, 2015. The Sunny Side booster pump station would consist of constructing a new pump house in a location that allows easy access by city personnel. The structure would house an additional pump to provide system redundancy and allow for isolation during maintenance. Currently access to the pump station is extremely difficult and at times unsafe for maintenance staff. The city has already talked with the property owner and negotiated an easement arrangement for the new location of the pump house. 2) Design and construct Sunny Side water main replacement as identified in the WSP, approved on January 7, 2015. Water main replacement consists of replacing 1,750 L.F. existing 4" steel pipe on Maple Street going towards Sunny Side storage reservoir with 6" PVC pipe. 3) Install water meters at service connections for the City Hall, Fire Station, and nine commercial businesses on Main Street that are currently unmetered. The City of Pomeroy received a Preconstruction Grant and Planning Only Grant to complete preliminary engineering for the Sunny Side Reservoir replacement. The city also received a CDBG for the construction of the Sunny Side Reservoir replacement. This project, when funded, will complete the Sunny Side improvements in Zone 3 of the city's system.
2015-009	16500	**KitsapPUD1**	Crystal Springs Consolidation	KITSAP	SW	16,209	$320,868	$320,868	60	$160,434.00	Consolidation project, 50% subsidy awarded	This project will consolidate the Crystal Springs Water System to the South Bainbridge Water System, which Kitsap PUD owns. Project activities include: Meeting with property owners; LUD formation; preliminary engineer's estimate; cultural and environmental reviews; preparation of bid documents; permitting; installing about 1,7000 lineal feet of water main including valves, service connections, and surface restoration; final LUD hearing; and proceedings to dissolve Crystal Springs Water District.
2015-011	00250	**ACME Water District #18**	Arsenic Removal Project	WHATCOM	NW	273	$316,250	$316,250	159	$ 94,875.00	AFI=1.44, DSC=1.07, 30% subsidy awarded	ACME WD 18 requires treatment for their source, which exceeds the arsenic MCL. Project work consists of design and construction of arsenic treatment system on the district's source Well S03. Other improvements include new piping, appurtenances, well pumps, and float control switches in the existing storage tank. All improvements will be within the existing Well S03 pump house and booster pump building and related facilities. No ground disturbing activities are required to install these improvements.

Health Application	WS ID	Water System Name	Project	County	Region	Population	Loan Amount	Client Total Loan Amount (w/1% loan fee if applicable)	Final Score	Possible Subsidy Granted ($)	Remarks/Comments	Project Description
2015-012	63450	**City of Olympia**	Wellfield Corrosion Control Facility	THURSTON	SW	49,218	$4,018,448	$4,058,632.48	156	0	AFI=0.79, no subsidy awarded	Project work consist of design and construction of corrosion control facility for compliance with Lead and Copper Rule, with all appurtenances for a fully functioning system at the site of the Meridian Reservoirs. Packed tower aeration will be used to treat chlorinated water from the McAllister Wellfield. Three aeration towers will be installed with this project. Each tower will be about 14 feet in diameter and 41 feet in height with a packing depth of 15 feet. Each tower will be provided with a dedicated blower to introduce air countercurrent to water flow at the base of the packing material.
2015-014	97450	**Windolph Association**	Water Main Replacement and Well House Improvements	THURSTON	SW	50	$364,600	$364,600	135	$ 109,380.00	AFI=3.50, DSC=1.17, 30% subsidy awarded	The proposed project will replace the water distribution system and source well, and decommission the existing, failing well. Specifically, we will replace the water main infrastructure, and add meters at each residence. The distribution system replacement will include installation of about 1,500 lineal feet of water main, along with the associated fittings, control valves, and individual customer service meters. The project will also include construction of a water storage tank (capacity nearly 10,000 gallons) and a utility building to house a booster pump station, an emergency standby power generator, a chlorine disinfection system and the electrical controls for the system. The tank and utility building will be installed on private property within an easement granted to the Windolph Association. The water distribution system will be installed along the shoulder of private roads and within utility easements. Road and ground surface repair is expected as part of the project due to disturbances during construction. A private, licensed and bonded contractor experienced with this type of project will perform all work.
2015-015	11340	**Skamania PUD- Carson Water System**	New Carson Water Reservoir	SKAMANIA	SW							Project eligible and funds awarded; applicant declined loan. Project amount requested was $1,814,544.
2015-016	61850	**Town of Northport**	Well Improvement Project	STEVENS	EA							Project eligible and funds awarded; applicant declined loan. Project amount requested was $689,729.
2015-019	03950	**Town of Concrete**	Water System Improvements	SKAGIT	NW	705	$1,119,111	$1,119,111	54	$335,733.30	AFI=1.12, DSC=0.41, 30% subsidy awarded	Project includes the design and construction of the following system improvements: replace existing 100,000 gallon wood reservoir with larger capacity non-wood reservoir; install meter at the source and each storage tank to include vaults, valves, and water main extensions to the new meters; install about 450 new service meters and retrofit about 250 metered connections; and replace about 1,000 feet of existing water main in Main Street with an approximately 8" water line including all service connections.
2015-020	02200	**City of Anacortes**	Blue Herron Circle 3MG Reservoir Rehabilitation	SKAGIT	NW	16,232	$4,925,500	$4,974,755	52	0	AFI=0.46, DSC=4.28, no subsidy awarded	Design and construct two reservoirs, about 1.5 MG each, near the existing 3 MG reservoir at the Blue Herron Circle reservoir site in Anacortes. The new reservoirs will allow the city to take the existing reservoir off-line for repairs and rehabilitation. Construct first (about 1.5 MG) reservoir adjacent to existing 3 MG reservoir. Activities to include site preparation, site grading, installing about 1,500 square yards of gravel, about 500 lineal feet of new yard piping and valving, and associated telemetry and controls. After the first new reservoir is in service, demolish and remove the

Health Application	WS ID	Water System Name	Project	County	Region	Population	Loan Amount	Client Total Loan Amount (w/1% loan fee if applicable)	Final Score	Possible Subsidy Granted ($)	Remarks/Comments	Project Description
												existing 3 MG reservoir. Then construct a second new (about 1.5 MG) reservoir at the location of the old 3 MG reservoir, including site preparation, site grading, installing about 1,500 square yards of gravel, about 500 lineal feet of replacement yard piping and associated telemetry and controls. Then restore the site with finish grading and revegetation, and about 2,000 lineal feet of new fencing.
2015-021	77620	**City of Sequim**	Sunnyside Water Main Replacement - Maple St. To Fir St	CLALLAM	SW	5,409	$634,900	$641,249	55	0	AFI=1.62, DSC= 10.85, no subsidy awarded	The project will replace about 1,900 feet of 6-inch diameter asbestos concrete water pipe with 8-inch diameter polyvinyl chloride (PVC), high-density polyethylene (HDPE) or ductile iron (DI) pipe. The project will install isolation valves at street intersections. The existing piping and valves are in deteriorated condition. City crews are alerted to leaks in the pipe by surfacing water.
2015-022	77620	**City of Sequim**	5th and McCurdy Booster Pump Station Improvements	CLALLAM	SW	5,409	$724,850	$732,098.50	50	0	AFI=1.62, DSC= 10.85, no subsidy awarded	This project will replace an existing 10 hp booster pump with a 15 hp booster pump and install two additional 15 hp booster pumps, electrical and communication system improvements and auxiliary power at the 5th and McCurdy Booster Pump Station. The current station has only one pump and no back-up power system. The station provides a critical link between the city's main wellfield, the Port Williams Wellfield (located in the 350 pressure zone), and the five higher-pressure zones in the city. The station was designed for the installation of two additional pitless adaptor style booster pumps. The new pumps will allow reliable pumping from the 350 zone to the 420 zone that will provide capacity to meet the maximum day demand (1,100 gpm) for the areas upstream of the booster station with one pump out-of-service.
2015-023	77620	**City of Sequim**	Reuse of 500,000 gallon reservoir	CLALLAM	SW	5,409						Project partially eligible and funds awarded; applicant declined loan. Project amount requested was $227,250.
2015-025	77050	**Seattle Public Utilities**	Morse Lake Pump Plant	KING	NW	174,622	$6,000,000	$6,060,000	80	0	AFI=0.80, DSC=167.4, no subsidy awarded	The goal of the Chester Morse Lake Pumping Plant Project is to provide reliable access to water below the gravity outlet of the lake for both water supply diversions and to maintain in-stream flows during drought conditions. This loan will allow completion of construction of Chester Morse Lake Pumping Plant Project to include the following: 1) Approximately 240 MGD marine based floating pump station to include excavation, grading, shoreline access, pumps, fish screens, moorage, electrical, and other ancillary systems. 2) Power supply for rented generators to power the pump plant, including about 2,500 lf of electrical cable per run (about 6 runs total), related conduits and boxes, site development, equipment for fueling, switchgear trailer, containment, and other ancillary systems. 3) Approximately four 48-inch-diameter HDPE transmission pipeline systems about 550 lf long each to convey water from the pump station. This transmission system includes guide pipe piles needed to maintain the pipe alignment, pipeline buoyancy systems, linkages, discharge dike steel penetrations and other ancillary systems. 4) Installation of sheet pile walls, dredging, and other improvements to stabilize the channel and discharge dike facilities to improve hydraulic characteristics during plant pumping.

Health Application	WS ID	Water System Name	Project	County	Region	Population	Loan Amount	Client Total Loan Amount (w/1% loan fee if applicable)	Final Score	Possible Subsidy Granted ($)	Remarks/Comments	Project Description
2015-026	47128	**Christ Community Fellowship**	New Source Well	WALLA WALLA	EA	115	$128,650	$129,936.50	127	0	Noncommunity system, no subsidy awarded	The church and school are served by a well that has nitrates in excess of 10.0 ppm. A new well will be drilled to obtain water from an aquifer that is not impacted by nitrates.
2015-027	63450	**City of Olympia**	Fones Rd Booster Pump Station	THURSTON	SW	49,218	$1,912,853	$1,931,981.53	50	0	AFI=0.79, no subsidy awarded	Project work consists of replacing the underground Fones Road Booster Pump Station with an above ground booster pump station. The project will include demolition of the existing underground booster pump station and pipe abandonment. The new booster pump station will include three 1,000 gpm pumps and associated piping, valves and appurtenances. New 12-inch ductile iron inlet and outlet piping will connect to the existing main in Fones Road and extend about 200 feet to the pump station. New electrical equipment and generator, telemetry and security components will be included. the project has the following elements: concrete masonry unit building with metal roof, pumps, pipes, emergency power generator, telemetry system and controls (SCADA), vaults for valves, meters and associated appurtenances, security system, clearing and grading, electrical motors and controls, fencing, landscaping, storm water runoff, and demolition of existing booster pump station and pump abandonment.
2015-028	03350	**City of Auburn**	Coal Creek Springs Transmission Main Replacement	KING	NW	76,347	$1,340,000	$1,353,400	59	0	AFI=0.91, DSC=21.7, no subsidy awarded	Coal Creek Springs (CCS) is the City of Auburn's largest source of supply, accounting for about 60% of the total water produced for the city. This critical facility is the main source of supply for the city's Valley and Academy service areas, and is the sole source of supply for the Game Farm Wilderness Park. Water from CCS is conveyed to Auburn's Howard Road Corrosion Control Facility and then to the water distribution system through a 2-mile long, 24-inch diameter concrete cylinder pipe that was constructed in 1964 (the Coal Creek Springs Transmission Main). About 1,000 feet of the transmission main consists of steel pipe constructed in 1925 that crosses under the White River. A 2014 evaluation of the transmission main identified concerns about the structural integrity of this aging steel pipe. Failure of this transmission main would be catastrophic for the city's water supply. The city intends to construct a second, parallel transmission pipeline under the White River, then line the portion of the existing steel transmission main to improve structural integrity and prevent leaks. These parallel transmission mains would provide the transmission capacity to ensure CCS can operate continuously. This project will include about 600 lineal feet (LF) of new 24-inch diameter water main crossing underneath the White River, parallel to the existing 24-inch steel transmission main, and 450 LF of lining of the existing steel main.
2015-029	99800	**City of Zillah**	Source Well Improvements	YAKIMA	EA	3,118	$2,208,000	$2,208,000	64	$662,400	AFI=0.75, DSC=0.42, 30% subsidy awarded	The city's three well sources need improvements to maintain reliable and safe production of drinking water for the 3,161 people in the City of Zillah service area. The three source wells are Rainier Well No. 1 (S01), 3rd Avenue Well (S02), and WIPPCO Well (S03), all within city limits. All wells need substantial repairs, rehabilitation or reconstruction to address various deficiencies and to meet the required source capacity. The city has control of all three well sites neded to complete the improvements.

Health Application	WS ID	Water System Name	Project	County	Region	Population	Loan Amount	Client Total Loan Amount (w/1% loan fee if applicable)	Final Score	Possible Subsidy Granted ($)	Remarks/Comments	Project Description
												All source well improvements will be designed with well level sensors and the ability to accommodate the future addition of a calcium hypochlorite disinfection system.
2015-030	77400	**City of Selah**	Palm Park Booster Station and Well No. 7 Improvements	YAKIMA	EA	7,444	$1,210,000	$1,222,100	47	0	AFI=0.86, DSC=15.69, no subsidy awarded	This project consists of reconstructing the Palm Park Booster Pump Station and upgrading Well No. 7 with a variable frequency drive (VFD). The Palm Park Booster Pump Station is located next to the Palm Park Reservoir at the intersection of Hillcrest Drive and 6th Avenue. The pump station has a capacity of about 500 GPM, but currently can only supply a maximum of 300 GPM, and supplies water to the upper pressure zones (Zone 2 and above). The pump station was constructed in 1967 and is in need of complete replacement to improve maintenance access, operator safety, potential failure and contamination risks, equipment efficiency, reliability, and booster station capacity to provide additional system redundancy. Well No. 7 is located in Carlon Park. This source was constructed in 1994 and has a single 1,950 GPM constant speed booster pump. The constant speed booster pump will be replaced with a new VFD controlled pump and motor, including chlorination, control, and HVAC system upgrades, to improve control of the water supply rate to the system to better match variable system demands and properly balance use of the city's water rights, improving system reliability, efficiency, and water quality.
2015-031	38100	**City of Kennewick**	Elliot Lake Water System Consolidation	BENTON	EA	77,421	$1,097,342	$1,097,342	50	$548,671	Consolidation project, 50% subsidy awarded	This project includes consolidation of Elliot Lake Water system with City of Kennewick and will replace the substandard system with a new water distribution system constructed to City of Kennewick standards. Work items include about 8,000 lineal feet of 8-inch and 12-inch water main, including fittings and appurtenances. Fire hydrants will be installed. The existing system was constructed at the back of the lots. The replacement system will be constructed in the public road right-of-way, new services will be constructed and connected to the residences and water service meters will be installed.
2015-032	23600	**City of Enumclaw**	2MG Reservoir Replacement	KING	NW	11,548	$2,255,563	$2,278,118.63	77	0	AFI=0.79, DSC=7.07, no subsidy awarded	This project allows continuation of the new storage tank as started under a previous DWSRF construction loan.
2015-034	80915	**City of Snohomish**	Aldercrest Water Users Association Cypress Lane Water Main Extension and Consolidation	Snohomish	NW							Project eligible and funds awarded; applicant declined loan. Project amount requested was $163,085.
2015-041	56250	**City of Morton**	Reservoir No. 1 Replacement	LEWIS	SW	1,116	$1,300,000	$1,313,000	61	0	AFI=1.75, DSC=2.44, no subsidy awarded	Reservoir No. 1 in the City of Morton has developed significant leaks. It will be demolished and a new welded steel reservoir will be constructed in its place. This project will include design and construction of about a 500,000-gallon reservoir at the site of existing Reservoir No. 1.
2015-042	35500	**City of Ilwaco**	Sahalee Subdivision Distribution System Improvements	PACIFIC	SW	1,262	$859,500	$868,095	57	0	AFI=1.48, DSC=6.03, no subsidy awarded	Ilwaco will design and install about 3,000 lf of approximately 8-inch water main to serve the Sahalee Subdivision area and replace leaking water mains. The new water main will include hydrants and valves. In addition, about 400 ft of 8-inch DI or PVC water main will be installed from the existing dead-end of the water

Health Application	WS ID	Water System Name	Project	County	Region	Population	Loan Amount	Client Total Loan Amount (w/1% loan fee if applicable)	Final Score	Possible Subsidy Granted ($)	Remarks/Comments	Project Description
												main in Klahanee Drive to the dead-end water main in Robert Gray Drive to create a system loop, which will improve water quality, pressure and system reliability. The connection will include a pressure-reducing valve (PRV) that will separate the Discovery Heights and City Center pressure zones and will allow water to flow from the higher-pressure zone (Discovery Heights) to the lower pressure zone (City Center) during low-pressure events in the lower zone.
2015-043	38400	**City of Kettle Falls**	BNSF/Highway 395 Water Main Replacement	STEVENS	EA	1,592	$587,000	$592,870	45	0	AFI=0.92, DSC=1.98, no subsidy awarded	The City of Kettle Falls proposes to replace a leaking 8-inch water main located about 1,100 feet east of the intersection of Highway 395 and Meyers Street. This project will replace about 400-feet of the main.
2015-044	89550	**Tulalip Shores Beach Association**	Tulalip Shores Distribution System Replacement	SNOHOMISH	NW	160	$909,436	$909,436	56	$272,831	AFI=2.75, 30% subsidy awarded	Tulalip Shores Beach Association project entails replacement of distribution pipe and meters, new reservoir, well rehabilitation, and new booster pump station.
2015-046	34000	**Honeymoon Bay Vista Water Assn**	HBVWA Main Line Replacement; Reservoir Fill Alteration	ISLAND	NW	30	$222,000	$222,000	49	$66,600	DSC=0.53, 30% subsidy awarded	Honeymoon Bay Vista project includes: 1. Replace 750' of the old portion of the main distribution line (lower zone), installed over 50 years ago, to prevent catastrophic failure of the entire distribution system and to facilitate installation of service meters. 2. Install service meters at existing residential service line connection points (15 total) 3. Alter the current means of filling the reservoir to remove water stagnation at the top of the reservoir and thereby eliminate an environment conducive to coliform/bacterial growth.
2015-047	38000	**City of Kelso**	Minor road Reservoir Replacement Transmission Main	COWLITZ	SW	15,255	$4,485,000	$4,529,850	62	0	AFI=1.41, DSC=9.29, no subsidy awarded	The Minor Road site has two existing concrete reservoirs (built in 1924). Both reservoirs and underlying piping are leaking significantly, have reached their useful lives and are at risk of damage or failure from a seismic event. The reservoirs will be demolished and replaced with a single 2 MG AWWA Type 1 structure. Kelso Drive Transmission Main will also be designed and constructed consisting of about 4,800 linear feet of 16-inch transmission main.
2015-048	08300	**City of Brewster**	Brewster Reservoir Replacement	OKANOGAN	EA	2,290	$1,255,000	$1,255,000	55	$376,500	AFI=1.74, DSC=0.94, 30% subsidy awarded	The city will replace older finished reservoirs. The upper tank site will include construction of a new 500,000 concrete tank. The lower tank site will include demolition of two older tanks (built in 1949 and 1963) and construction of one to two concrete tanks with approximate capacity of 300,000 gallons.
2015-049	69000	**City of Port Townsend**	Mandated LT2ESWTR Water Treatment Facility	JEFFERSON	SW	9,954	$1,200,000	$1,212,000	185	0	AFI=1.67, DSC=26.90, no subsidy awarded	This project is a continuation of DWSRF Loan DM12-952-092. The city will complete construction of a new membrane treatment facility on city-owned property. The city will be able to provide drinking water in compliance with LT2ESWTR federal regulations. Costs may include engineering; cultural and historical resources review; environmental review; permits; public involvement; bid documents; equipment purchase; and construction to allow the city to meet local, state, and federal standards.

Health Application	WS ID	Water System Name	Project	County	Region	Population	Loan Amount	Client Total Loan Amount (w/1% loan fee if applicable)	Final Score	Possible Subsidy Granted ($)	Remarks/Comments	Project Description
2015-050	10800	**City of Camas**	Camas Surface Water Transmission Main	CLARK	SW	21,200	$3,400,000	$3,434,000	48	0	AFI=0.32, no subsidy awarded	This project will: 1) Complete remaining items associated with the Water Transmission Piping Project and Slow Sand Filtration Facility and related appurtenances started under DWSRF Loan DM12-952-089, including property and easements acquisition, design, permits, engineering, construction oversight, and management tasks 2) Complete remaining consolidation tasks including acquisition of an existing Group A system (Lacamas Bible Camp and Camp Currie); installation of new water services and meters; temporary rehabilitation and operation of the existing wells for either or both locations, well decommissioning, electrical, instrumentation, structures, surface restoration, system development charges, property and easement acquisition, and any other related items; 3) Install treated and raw water pipelines to serve the slow sand filter plant.
2015-051	14200	**City of Colville**	Colville Reservoir #3 Replacement	STEVENS	EA	4,706	$2,278,864	$2,301,652.64	59	0	AFI=1.44, DSC=14.58, no subsidy awarded	The project will demolish the failed Reservoir #3 (to eliminate unsafe condition), and construct a new reservoir to serve the system. The new reservoir will be constructed at the existing Reservoir #3 site. Because the reservoir is near an airport, the reservoir will be constructed so that the top is at the existing ground and does not pose a threat to the air traffic. Reservoir #3 is currently offline due to the unsafe and failing structure.
2015-052	73550	**Town of Rockford**	Rockford Well #4 Replacement Project	SPOKANE	EA							Project eligible and funds awarded; applicant declined loan. Project amount requested was $545,504.
2015-054	10800	**City of Camas**	Camas Surface Water Plant Project	CLARK	SW	21,200	$2,600,000	$2,600,000	65	$1,300,000	Consolidation project, 50% subsidy awarded	Complete construction of the 2.2 MGD slow sand filtration plant as reviewed and funded under DWSRF Loan DM12-952-089. Project activities include construction of roughing filter, two slow sand filters, storage and control building with instrumentation and lab, site piping, and site improvements.
2015-055	23650A	**City of Ephrata**	Basin Street Water Main Replacement	GRANT	EA	7,600	$2,960,000	$2,989,600	50	0	DSC=2.11, no subsidy awarded	Design and replace existing water mains with approximately 18,000 feet of 12-inch water main to include gate valves, fire hydrants, water service, appurtenances, and surface restoration.
2015-056	15650D	**Beacon Hill Water and Sewer District**	Hillside Pump Station Reconstruction	COWLITZ	SW	10,237	$850,000	$850,000	56	$255,000	DSC=0.86, 30% subsidy awarded	Replace existing pump station with new variable-frequency drive pumps, telemetry, and control systems. Project includes design, permitting, site preparation and grading, gravel and paved access, pump enclosure or building, power supply improvements, vales, and piping.
2015-057	199101	**Greater Bar Water District**	Completion of construction of Compliance and Consolidation Project	DOUGLAS	EA	152	$200,000	$200,000		$100,000	Consolidation project, 50% subsidy awarded	Replace existing pump station with new variable-frequency drive pumps, telemetry, and control systems. Project includes design, permitting, site preparation and grading, gravel and paved access, pump enclosure or building, power supply improvements, vales, and piping. Additional money needed to complete construction of project started under DM11-952-013.
2015-058	SMA 147	**Thurston PUD**	Completion of Lew's 81st consolidation project	THURSTON	SW	3,200	$185,252	$185,252		$92,626	Consolidation project, 50% subsidy awarded	Complete construction of the consolidation project started under DWSRF Loan DM12-952-113 for new reservoir, well house improvements, booster pump station, and water main installation.

Health Application	WS ID	Water System Name	Project	County	Region	Population	Loan Amount	Client Total Loan Amount (w/1% loan fee if applicable)	Final Score	Possible Subsidy Granted ($)	Remarks/Comments	Project Description
2013-060	05535A	**Bayview Beach Water District**	Complete construction of Shore and McDonald Main Replacement Project	ISLAND	NW	500	$260,000	$262,600		0	Terms of original loan maintained, no subsidy awarded.	Complete construction water main project started under DWSRF Loan DM13-952-154. Existing loan amended to increase loan amount.
2015-032	23600	**City of Enumclaw**	2MG Reservoir Replacement	KING	NW	11,548	$2,255,563	$2,278,118.63		0	Terms of original loan maintained, no subsidy awarded.	This project continues the new storage tank started under DWSRF construction loan DM13-952-175. Existing loan amended to increase loan amount.
2013F-028	85120	**City of Sumner**	Complete construction of Central Well Project	PIERCE	NW	9,677	$300,000	$303,000		0	Terms of original loan maintained, no subsidy awarded.	Complete construction of Central Well project started under DM13-952-178. Existing loan amended to increase amount.
2013F-045	12250	**City of Chehalis**	Complete High Level Reservoir Project	LEWIS	SW	7,185	$300,000	$303,000		0	Terms of original loan maintained, no subsidy awarded.	Complete High Level Reservoir project, as funded under DWSRF Loan DM13-952-179. Existing loan amended to increase amount.
TOTAL OF CONSTRUCTION LOANS							$53,118,815	$53,529,626		$4,491,999		

		Emergency funding	Emergency Funding for Water Systems	Statewide			$1,799,031	$1,799,031		$1,439,225	Up to 75% subsidy	Emergency loan program to financially assist eligible communities experiencing the loss of critical drinking water services or facilities due to an emergency.
		Preconstruction Loans	Preconstruction Loans for Small Water Systems	Statewide			$1,500,000	$1,515,000		$ -		Preconstruction loan program to finance preliminary activities necessary to ensure readiness of drinking water infrastructure projects.
		Construction Overruns	**Construction Overruns on Existing DWSRF Loans**	Statewide			$1,500,000	$1,515,000			Terms of existing loan to be applied to additional money.	Money will be available to assist water systems that have bid their DWSRF project and the low bid exceeds the remaining amount in the existing DWSRF loan.
				Total Amount Funded:			***$57,917,846***	***$58,358,657***		***$4,491,998.50***	***Total Amount Subsidy Awarded***	

*Project applications received in September 2015. Loan contracts and fund disbursement scheduled for July 2016.

Appendix C: Year 20 Ineligible and Unfunded DWSRF Loan Applicants

Health Application	WS ID	Water System Name	Project	County	Region	Population	Request	Reason for Ineligibility
2015-008	29485	Green Ridge HOA	Water system improvements	SPOKANE	EA	1,285	$580,225	System lacked an approved Water System Plan or Small Water System Management Program
2015-013	07220	City of Black Diamond	Downtown AC water main replacement and looping	KING	NW	2,237	$145,000	Water System Plan expired
2015-018	41150	King County Water District No. 90	West Lake Kathleen Water Main Improvement Project	KING	NW	19,000	$1,834,665	Water System Plan expired
2015-045	19906	Lakeview Subdivision	Keller Lane Water Quality Improvement Project	LINCOLN	EA	40	$769,000	Project eligible, but system did not pass underwriting.
						Total	***$3,328,890***	

Appendix D: Preconstruction Loans

Health Application	WS ID	Water System Name	Project	County	Region	Population	Loan Amount	Status
2015-001	35500	**City of Ilwaco**	Sahalee Subdivision Distribution System Improvements	Pacific	SW	1,262	$115,645	System declined preconstruction loan and awarded construction loan that included preconstruction loan amount
2015-002	01150F	**Aldercrest Water Users Association**	Consolidation	Snohomish	NW	48	$20,175.76	System still undecided on assuming preconstruction loan.
2015-003	71500X	**City of Raymond**	Water System Plan Update and Riverdale Preconstruction Activities	Pacific	SW	2,970	$302,686	Preconstruction loan contract executed.
2015-004	99550	**Y-Squalicum Water Association**	Reservoir Replacement Design	Whatcom	NW	250	$143,420	System declined preconstruction loan.
2015-005	23650A	**City of Ephrata**	Basin Street Water Main Replacement	Grant	EA	7,600	$222,200	System declined preconstruction loan and awarded construction loan that included preconstruction loan amount
2015-006	03370C	**Banks Lake Developers**	North Shore Acres Additional Storage	Grant	EA	54	$35,658	System owned by for-profit corporation and ineligible for funding.
2015-053	58200	**City of Napavine**	Exit 71 Water System Improvements Preconstruction	Lewis	SW	1,900	$299,970	Preconstruction loan contract executed.
Total of Executed Preconstruction Loan Contracts							**$602,656**	