



We work with others to protect the health of the people of Washington State by ensuring safe and reliable drinking water.



**CONSOLIDATION—A TOOL
TO CONSIDER**

Washington State Department of Health
Office of Drinking Water

Consolidation—a Tool to Consider

IACC
October 2019

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Drinking Water State
Revolving Fund Program

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Liberty Lake Sewer and
Water District

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Gray & Osborne Olympia

Drinking Water State Revolving Fund Consolidation Funding Opportunities

- What is a consolidation project?
 - Two or more water systems physically intertie and become one water system. At the end of the project, Office of Drinking Water can inactivate a water system.
 - A water system changes ownership, also referred to as restructuring. Typically the project consists of a privately-owned water system becoming owned, operated, and maintained by a PUD, water district, county, or city.

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Drinking Water State Revolving Fund Consolidation Funding Opportunities

- Consolidation Feasibility Grants
 - \$30,000 grants to study consolidation
 - Accept applications in August
- Construction Loan
 - \$3 million max per project
 - \$6 million max if consolidating two or more systems
 - Accept applications October 1 to November 30

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DRINKING WATER STATE REVOLVING FUND CONSOLIDATION FEASIBILITY GRANTS



DWSRF Consolidation Feasibility Grant

- Offered in August
- \$30,000 grants to allow study of a consolidation
 - Identification of infrastructure improvements (intertie)
 - Cost of improvements
 - Public outreach and meetings
 - Legal costs
 - Connection fees



DWSRF Consolidation Feasibility Grant

- Received 15 applications this past August
- Funded 7 projects, \$30,000 per project
 - Pend Oreille PUD acquisition of Cusick water treatment plant
 - Consolidation of Evergreen Mobile Estates with Shelton through a new intertie
 - Consolidation of Beverly Water District and Sentinel Gap Water Association
- Will be able to fund more projects next year

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DWSRF Consolidation Feasibility Grant

- City of Richland and Lorayne J Consolidation
 - Received \$30,000 consolidation feasibility grant in 2016
 - Preliminary engineering report for intertie and upgrades to existing infrastructure
 - Cultural and environmental reviews for construction project
 - Public meetings and outreach material
 - Applied for DWSRF construction loan in 2017 and funded
- Over half of the DWSRF funded consolidation construction projects received feasibility grant funding

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DRINKING WATER STATE REVOLVING FUND CONSTRUCTION LOAN



DWSRF Construction Loans

- Applications accepted October 1–November 30, 2019
- Submit each project separately
- Planning documents must be valid (not expired) until November 30, 2019, and include proposed project



Construction Loans

- Must have all easements or right-of-ways secured or ability to do so upon release of funding
- If project requires water rights, must have ability to secure water rights
- No outstanding audit findings
- Cultural and environmental reviews must be completed prior to start of construction
- Apply using DWSRF on-line application, WALT

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Construction Loans

- Eligible Applicants
 - Group A community systems
 - Group A nonprofit noncommunity systems
 - Group B systems converting to Group A
 - Tribal systems not receiving SRF tribal set asides

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Construction Loans

- Eligible Projects
 - Projects that address a public health risk
 - Projects that upgrade deteriorated facilities



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Construction Loans

- About \$20 million available.
- \$3,000,000 limit per jurisdiction
- \$6,000,000 limit for consolidation of 2 or more systems
- 2.25 percent interest rate
- 20-year loan term



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Construction Loans

- Consolidation projects eligible for up to 50 percent principal forgiveness on DWSRF construction loan
- Also awarded lower interest rate (1.75 percent)
- Loan origination fee waived
- In 2018, all ten consolidation construction applications were funded

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Construction Loans

- Drinking Water System Repair and Consolidation (formerly WSARP) grant funding
 - Legislative appropriation
 - Approximately \$1.5 million available for consolidation, restructuring, and receivership projects this year
 - Applicant must be a city, town, county, PUD, or water district
 - Can consolidate Group A or B systems

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Construction Loans

- Drinking Water System Repair and Consolidation (formerly WSARP) grant funding—continued
 - Up to \$375,000 grant available per project, based on affordability index of system being consolidated
 - Must be a construction project



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Construction Loan

- 2019 DWSRF Construction Loan Guidelines and other resources available on our webpage

doh.wa.gov/DWSRF

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DWSRF Contact Information

- Janet Cherry 360-236-3153
- Sara Herrera 360-236-3089
- Cultural and Environmental Review Lead to be filled soon

Questions?



