



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
OFFICE OF DRINKING WATER

PO Box 47822 • Olympia, Washington 98504-7822

Tel: (360) 236-3100 • Fax: (360) 236-2253 • 711 Washington Relay Service

February 1, 2024

TO: House Capital Budget
Senate Capital Budget
Myra Baldini, Office of Financial Management

FROM: Holly Myers, Director
Office of Drinking Water
Department of Health

SUBJECT: Summary of Fiscal Year 24 Drinking Water State Revolving Fund Loan Funding Cycle

The Department of Health's Drinking Water State Revolving Fund (DWSRF) program accepted construction loan applications October 1 to November 30, 2023. Planning and Engineering loan applications are accepted year-round. The DWSRF program has approximately \$129 million to award and the maximum award per jurisdiction is \$12 million. Standard interest rate for construction projects is 2.25 percent with a 1.0 percent loan service fee and twenty-year loan term. Standard interest rate for lead service line inventories and planning and engineering loans are zero percent interest with a 2.0 percent loan service fee and ten-year loan term.

All DWSRF construction and emerging contaminant loan applicants must have an approved Water System Plan (WSP), a Small Water System Management Program (SWSMP), or plan amendment containing the proposed DWSRF project to be eligible for funding (WAC 246-296-100).

The DWSRF program is currently awarding subsidy under an [emergency rule](#) that updates the definition of "disadvantaged communities" and allows up to 100 percent loan principal forgiveness. The emergency rule and accompanying guidance found in the [DWSRF Construction Loan Guidance](#) ensure that Washington can leverage the total amount of federal funding. Rulemaking to adopt a final rule and is currently ongoing and expected to be completed in August 2024.

Fourteen qualifying disadvantaged community construction loan applicants will receive loans at a minimum 39 percent subsidy. Final subsidy amounts are dependent on the federal budget and

Summary of FY24 DWSRF Loan Funding Cycle

February 1, 2024

Page 2

allotment of the DWSRF base grant. Subsidy for the emerging contaminant funding is 100 percent to all eight applicants. For the lead service line inventory, three applicants were identified as disadvantaged communities qualifying them for approximately 70 percent subsidy.

DWSRF received 38 construction loan applications with a total funding request of just over \$107.5 million. DWSRF received an additional \$60 million in applications for projects addressing emerging contaminants and almost \$1.3 million in applications for assistance in completing federally required lead service line inventories. We reviewed all projects for eligibility, scored based on the health risk addressed by the proposed project, and assessed for financial viability by our underwriter. Projects totaling over \$15 million were withdrawn or determined to be ineligible for funding due to a variety of reasons, including failure to have an approved WSP, receivership, or the project submitted was primarily to support system growth.

We also received almost \$3 million in Planning and Engineering project applications for the completion of engineering needs leading to construction of vital water delivery projects.

Following is the list of projects we will fund, as well as those that were withdrawn or deemed ineligible for funding, based on the information available to date. All loans are pending underwriting and contract acceptance by the applicant.

2024 Drinking Water State Revolving Fund Construction Loans - FUNDED (January 2024)

Application ID	Applicant Organization	Project Name	Project County	Funding Requested Including Loan Fees	Final Score	Population	Legislative District	Brief Project Description	Funding Award	Subsidy
2023-4219	BOISTFORT VALLEY	Chehalis River Surface Water Intake, Transmission Main and Adna WTP	Lewis	\$ 2,496,215	140	2389	20	Completes previously funded project. Construct the new surface water intake, pump station, pressure main to convey water to the new Adna WTP, clearwell and relocate the existing membrane treatment equipment into the new building.	\$ 2,471,500	Yes
2023-4223	BOISTFORT VALLEY	Project WT-2 Wildwood WTP Improvements	Lewis	\$ 1,998,538	122	2389	20	Upgrade SCADA and telemetry, replace aging equipment components, repair the existing building, and piping improvements to provide additional flexibility in operation of the pre-sedimentation basins. Complete rehabilitation of the existing upflow clarifier/filter unit and add a second upflow clarifier/filter unit for redundancy.	\$ 1,978,750	Yes
2023-4244	City of Richland	Tri-City Estates Water System Consolidation	Benton	\$ 3,604,690	111	300	8	Build a new drinking water distribution system and converting existing distribution mains to irrigation-only mains. Connect to existing 102 residences.	\$ 3,604,690	No
2023-4231	Town of Lind	Lind Well No. 10 Construction	Adams	\$ 1,740,000	109	899	9	Drill and develop a new well and develop a Water Shortage Response Plan; co-funded by CDBG	\$ 1,740,000	No
2023-4232	SEATTLE PUBLIC UTILITIES	Bitter Lake Reservoir	King	\$ 12,120,000	101	95550	32	Construct a new 21 million-gallon partially buried, pre-stressed concrete tank plus site improvements and connect to existing water system.	\$ 12,000,000	Yes
2023-4184	ONAMAC WATER SYSTEM	IRON AND MANGANESE TREATMENT (Project 4 of 4)	Island	\$ 191,067	74	174	10	Install iron and manganese treatment.	\$ 191,067	No
2023-4201	Thurston PUD	Prairie Ridge Consolidation	Thurston	\$ 1,463,813	73	773	22	Consolidate Hawk Acres 607 and Tolmie Park 239 into Prairie Ridge 605. Install water main to connect the three systems, install an additional booster pump at Prairie Ridge with a generator, replace variable frequency drives and controls, install telemetry and disinfection, and replace a well pump.	\$ 1,463,813	No
2023-4230	SWINOMISH TRIBAL INDIAN COMMUNITY	Smokehouse Road Connection	Skagit	\$ 1,038,376	70	60	10	Extend existing community water system water main to existing Group B water systems and private wells experiencing seawater intrusion.	\$ 1,038,376	No
2023-4226	PASCO WATER DEPARTMENT	West Pasco Water Treatment Plant Improvements (Phases 3 & 4)	Franklin	\$ 13,162,320	68	108765	4 & 16	In Phases 3 and 4, 2 additional strainers and membrane racks and additions to the residuals recovery system increase WTP outflow to the maximum 18 MGD. Install cyanotoxin treatment and backwash recovery. Add a clarifier, retention and drying beds if the design warrants them. Install two 3MGD pumps and one 6MGD pump within pump station.	\$ 12,000,000	Yes
2023-4183	ONAMAC WATER SYSTEM	NEW GROUNDWATER WELL FOR REDUNDANCY (Project 3 of 4)	Island	\$ 123,201	67	174	10	Drill and develop a redundant groundwater well and connect to existing water system.	\$ 123,201	No

2023-4181	ONAMAC WATER SYSTEM	WATER MAIN REPLACEMENT (Project 1 of 4)	Island	\$ 1,392,244	64	174	10	Replace water main.	\$ 1,392,244	No
2023-4217	CARROLLS WATER ASSN	Carrolls Water Assn. Main Line Replacement Project	Cowlitz	\$ 896,591	64	449	20	Replace water main on Isaacson, Old Pacific Highway, Vision Dr, and Hilltop. Replace service meters along the route.	\$ 896,591	No
2023-4228	PORT OF ALLYN	Copied over from 2022-4428	Mason	\$ 125,038	64	30	35	Acquire an existing Group A water system and connect to Port's water system.	\$ 125,038	No
2023-4235	Thurston PUD	Cooperfield 678 PFAS Remediation	Thurston	\$ 453,690	64	38	22	Install PFAS treatment at two well sites.	\$ 39,596	co-funded with BIL EC
2023-4218	SWINOMISH TRIBAL INDIAN COMMUNITY	Swinomish New Reservoir	Skagit	\$ 2,381,543	60	3249	10	Construct a 316,000-gallon reservoir and connect to the existing water system, and repairs to exterior and interior of existing reservoir.	\$ 2,381,543	No
2023-4182	ONAMAC WATER SYSTEM	BOOSTER PUMP REPLACEMENT AND CONTROLS UPGRADE (Project 2 of 4)	Island	\$ 124,577	59	174	10	Construct a booster pump station, upgrade controls, and connect to existing water system.	\$ 124,577	No
2023-4206	CAMANO COOPERATIVE WATER & POWER COMPANY	New Well - Brennick Site	Island	\$ 510,050	59	1046	10	Drill and develop a redundant groundwater well and connect to existing water system.	\$ 510,050	No
2023-4209	City of Mattawa	Mattawa Wells, Telemetry, and Pressure Zone Improvements	Grant	\$ 7,211,400	59	5015	15	New well house for Well 2, install well pump and motor, chlorination system, and other improvements. Drill and develop Well 5 and connect to existing water system, and install disinfection.	\$ 7,140,000	Yes
2023-4225	BOISTFORT VALLEY	Project D-2 Replace Watermain on Curtis Hill Road South of Sleepy Hollow Reservoir	Lewis	\$ 2,814,183	57	2389	20	Replace aging water main on Curis Hill Road from the BVW office to SR6 and on SR6 from Clinton Road to east of the Adna WTP.	\$ 2,786,320	Yes
2023-4189	DOCKTON WATER ASSOCIATION	Sandy Shores PRV Relocation & Main Improvements	King	\$ 399,960	56	990	34	Install new pressure reducing valve station on public property, remove existing PRV from private property, and install new water main to connect to existing water system.	\$ 399,960	No
2023-4208	PONDEROSA PARK WATER SYSTEM	Red Cedar Pipeline Replacement	Klickitat	\$ 596,469	56	378	14	Replace and relocate water main in Red Cedar area.	\$ 590,563	Yes
2023-4227	HANNAH HEIGHTS OWNERS ASSOCIATION	Hannah Heights Distribution System Replacement	San Juan	\$ 967,689	56	66	40	Replace water mains, replace reservoir inlet and outlet fittings; replace pump house electrical and plumbing.	\$ 958,108	Yes
2023-4203	Western Ranchettes	Western Ranchettes - Water Main and Component Replacement	Pierce	\$ 599,998	55	250	2	Replace the generator, hydropneumatic tank, and tank enclosure, and upgrade well pump controls.	\$ 594,057	Yes
2023-4216	City of Kittitas	Well 2 Design and Construction	Kittitas	\$ 3,621,355	55	2247	13	Drill and develop a redundant groundwater well, connect to existing water system, and upgrade telemetry and controls.	\$ 3,621,355	No
2023-4207	CAMANO COOPERATIVE WATER & POWER COMPANY	Chapman Creek Line Replacement due to culvert-to-fish passage	Island	\$ 141,400	54	1046	10	Replace water main in coordination with a fish passage project with Island County.	\$ 141,400	No
2023-4214	KITTITAS COUNTY WATER DISTRICT #7	Well 6 Improvements	Kittitas	\$ 2,957,280	54	560	13	Drill and develop a redundant groundwater well, install disinfection, and connect to existing water system.	\$ 2,928,000	Yes

2023-4211	City of College Place	Reservoir No. 4	Walla Walla	\$ 10,100,000	53	8147	16	Construct a 1 million-gallon composite elevated storage tank and transmission main from the reservoir to the existing water system.	\$ 10,000,000	Yes
2023-4212	City of College Place	Well No. 7	Walla Walla	\$ 4,023,840	53	8147	16	Install well pump, construction well house and transmission main to connect to existing water system.	\$ 4,043,840	Yes
2023-4194	O-Zi-Ya Community Club	O-Zi-Ya Reservoir Replacement	Island	\$ 396,013	51	120	2	Construct a 30,000-gallon concrete tank and connect to existing water system.	\$ 396,013	No
2023-4193	POMEROY, CITY OF	High Pressure Zone Booster Pump Station	Garfield	\$ 1,993,740	49	1395	9	Construct a booster pump station with four centrifugal pumps and connect to existing water system.	\$ 1,993,740	Yes
2023-4233	CAMANO COOPERATIVE WATER & POWER COMPANY	Camano View Project Line Replacement	Island	\$ 1,403,143	49	1046	10	Replace water main on Camano View Rd, Westmoor Pl, Rutland Pl, and Lactrup Spur.	\$ 1,403,143	No
2023-4234	CAMANO COOPERATIVE WATER & POWER COMPANY	Sea Mist Lane Loop Line Replacement	Island	\$ 381,073	49	1046	10	Replace and loop water main on Sea Mist Ln.	\$ 381,073	No
2023-4202	Port of Walla Walla	Burbank Business Park Reservoir Improvements	Walla Walla	\$ 1,515,000	45	1982	16	Construct a new 500,000-gallon reservoir, increase the height of the existing reservoir, and install a high flow pump in the existing booster pump station.	\$ 1,500,000	Yes
2023-4197	Lake Meridian Water District	1400 Reservoir	King	\$ 10,900,930	40	23619	33	Construct a 3 million-gallon welded steel reservoir, two pressure reducing valves stations, and connect to existing water system,	\$ 10,900,930	No
				Total Request	\$ 98,776,424			Total Awarded	\$ 91,859,538	
								Available BIL Supplemental and Repayments	\$ 111,838,860	

2024 Drinking Water State Revolving Fund Construction Loans-Emerging Contaminant - FUNDED

Application ID	Applicant Organization	Project Name	Project County	Funding Requested Including Loan Fees	Prelim Score	Population	Legislative District	Brief Project Description	BIL EC Award	Subsidy
2023-4215	Thurston PUD	Lazy Acres PFAS Remediation	Thurston	\$ 520,758	109	267	22	Install PFAS treatment at two sources, a booster station, construct a new reservoir, and controls.	\$ 515,602	Yes
2023-4191	VANCOUVER, CITY OF	WS4 PFAS Treatment System	Clark	\$ 51,683,084	104	370666	49	Install PFAS treatment at Water Station 4 and connect to existing water system.	\$ 12,000,000	Yes
2023-4242	Thurston PUD	Tanglewilde Thompson Place 600 PFAS Remediation	Thurston	\$ 2,644,887	64	7900	2	Install PFAS treatment at three well sites and upgrade electrical controls, construct a new treatment building and backwash holding tank, and expand an existing building.	\$ 2,618,700	Yes
2023-4236	Thurston PUD	Burnsville 676 PFAS Remediation	Thurston	\$ 404,938	64	138	35	Install PFAS treatment and controls at one well site.	\$ 400,929	Yes
2023-4235	Thurston PUD	Cooperfield 678 PFAS Remediation	Thurston	\$ 453,690	64	38	20	Install PFAS treatment and controls at two well sites. Expand and improve existing pump house.	\$ 414,094	Yes; Remainder funded by Loan
2023-4220	Thurston PUD	East Olympia 684 PFAS Remediation	Thurston	\$ 298,214	63	230	35	Install PFAS treatment and controls at two well sites.	\$ 295,261	Yes
2023-4241	Thurston PUD	Spanaway 192nd 669 PFAS Remediation	Pierce	\$ 921,644	62	183	29	Install PFAS treatment and controls at one well site.	\$ 912,519	Yes
2023-4238	Thurston PUD	Whisky Hollow 670 PFAS Remediation	Pierce	\$ 457,424	62	45	2	Install PFAS treatment and controls at one well site.	\$ 452,895	Yes

Total Request \$ 57,384,639

Total Awarded	\$ 17,610,000
Available BIL Emerging Contaminants Funding	\$ 17,610,000

2024 Drinking Water State Revolving Fund Lead Service Line Loan - FUNDED

Application ID	Applicant Organization	Project Name	Project County	Funding Requested Including Loan Fees	Ranking	Population	Legislative District	Brief Project Description	BIL Lead Service Line Award	Subsidy
2023-4150	NORTH PERRY AVE WATER DISTRICT	Lead Service Line Inventory	Kitsap	\$ 398,820	1	23932	35	Develop service line inventory with records review, line investigation, potholing, and community engagement.	\$ 391,000	Yes
2023-4153	CASHMERE WATER DEPARTMENT	Cashmere - Lead Service Line Inventory	Chelan	\$ 346,800	2	3165	42	Develop service line inventory with records review, field surveys, and community engagement.	\$ 340,000	Yes
2023-4154	ILWACO WATER DEPARTMENT, CITY OF	Lead Service Line Inventory and Water System Plan Update	Pacific	\$ 140,270	3	2597	19	Develop service line inventory and update Water System Plan	\$ 140,270	No
2023-4246	IONE WATER DEPT	Lead Service Line Inventory	Pend Oreille	\$ 98,410	4	428	7	Develop service line inventory with records review, line investigation, and community engagement, and update planning document.	\$ 98,410	No
2023-4245	LACROSSE, TOWN OF	Lead Service Line Inventory	Whitman	\$ 85,337	5	297	9	Develop service line inventory with records review, line investigation, and community engagement, and update planning document.	\$ 85,337	No
2023-4249	COULEE DAM WATER DEPT	Lead Service Line Inventory	Okanogan	\$ 156,427	6	1359	7	Develop service line inventory with records review, line investigation, and community engagement, and update planning document.	\$ 153,360	Yes
2023-4247	HARRINGTON, CITY OF	Lead Service Line Inventory	Lincoln	\$ 73,440	7	649	9	Develop service line inventory with records review, line investigation, and community engagement.	\$ 73,440	No
				Total Request	\$ 1,299,504			Total Awarded	\$ 1,281,817	
								Avaiable Lead Service Line Funding	\$ 28,000,000	

2024 Drinking Water State Revolving Fund Planning and Engineering Loan - FUNDED

Application ID	Applicant Organization	Project Name	Project County	Funding Requested Including Loan Fees	Rank	Score	Population	Brief Project Description	Legislative District	Planning & Engineering Loan Award
2023-4188	City of Ridgefield	Eastside Elevated Water Reservoir	Clark	\$ 510,000	1	18	17993	Phase 1 predesign assessment for Eastside elevated reservoir to address resiliency.	20	\$ 510,000
2023-4186	City of Port Orchard	Well 7 Treatment and Pumping Station Pre-Construction	Kitsap	\$ 510,000	2	10	10245	Preliminary Engineering Report for the design and construction of a settling basin and secure facility to house an existing flowing artesian well; to include disinfection, fluoridation, and monitoring equipment. This report will also address decommissioning another recently discovered flowing artesian. This scope of work may include environmental and cultural review, permits, and bid documents depending on the information gained from the report and the remaining budget.	26	\$ 510,000

2023-4173	City of Chehalis	Market St. 11th- 21st Pinch Point (replace 8 inch with 12 inch to address pressure issues)	Lewis	\$ 510,000	3	10	11026	Replace existing 8" cast iron pipe with 12" cast iron pipe to increase water capacity to address pressure deficiencies in the south end UGA.	20	\$ 510,000	
2023-4252	Town of Wilbur	Wilbur Small Water System Management Plan Update & Knox/Cole Water Line Replacement	Lincoln	\$ 100,950	4	10	1039	Update Small Water System Management Program and design and bid documents for 840 feet of main replacement on Cole Street and Knox Street.	13	\$ 100,950	
2023-4251	Wahkiakum County PUD #1	Puget Island Water Source Project - Test Well	Wahkiakum	\$ 306,000	5	18	920	Preliminary Engineering Report for a new groundwater well plus drilling and testing the well.	19	\$ 306,000	
2023-4253	City of Sprague	Water System Plan Update	Lincoln	\$ 60,000	6	10	570	Update Water System Plan.	9	\$ 60,000	
2023-4196	Hannah Heights Owners Association	Hannah Heights New Water Source Construction - fund design of well development including pump test and WQ testing, Project Report for source approval, and connecting to water system	San Juan	\$ 122,400	7	34	66	Engineering design for a new well to be drilled, pump test, water quality testing, and Project Report for source approval including design to connect well to existing water system. Drilling paid by USDA ECWAG.	40	\$ 122,400	
2023-4254	Clallam County PUD 1	PORT ANGELES COMPOSITE/CITY OF PORT ANGELES INTERTIE PROJECT	Clallam	\$ 300,390	8	18	175	Replace 20" transmission main intertie between City of Port Angeles and Clallam PUD's Port Angeles Composite Water System in the area of Ennis Creek to address failing main.	24	\$ 300,390	
2023-4255	Clallam County PUD 1	PUD No. 1 of Clallam County 2026 Water System Plan Update (for all six PUD water systems)	Clallam	\$ 209,610	9	10	15884	Update Water System Plan that covers Evergreen (24181), Carlsborg (00307), Port Angeles Composite (43296), Panoramic (02890), Clallam Bay/Sekiu (13200), and Island View (36260).	24	\$ 209,610	
Total Request				\$ 2,629,350						Total Awarded	\$ 2,629,350
										Available Planning & Engineering Loan	\$ 3,000,000

2024 Drinking Water State Revolving Fund Loans - Withdrawn / Ineligible / Not Funded

Application ID	Applicant Organization	Project Name	Project County	Funding Requested Including Loan Fees	Prelim Score	Population	Legislative District	Brief Project Description	Loan Type	Reason
2023-4224	HANNAH HEIGHTS OWNERS ASSOCIATION	Hannah Heights New Source Construction	Island	\$ 995,984	116	66	66	Drill and develop a new groundwater well.	Construction	Project ineligible - lack water rights for proposed well
2023-4239	IONE WATER DEPT	Cedar Creek Water Main Relocation	Pend Oreille	\$ 1,289,265	48	2395	7	Relocate water main currently attached to Cedar Creek Bridge for fish passage project.	Construction	ineligible - planning document expired
2023-4200	City of Airway Heights	Water Storage Reservoir and Booster Station Upgrade	Spokane	\$ 7,809,320	40	9489	7	Construct a new 1 million gallon storage reservoir. Upgrade the existing booster station to accommodate the additional storage capacity to serve new ERUs. Install new electrical controls and telemetry for the new reservoir and a new standby generator. Complete an Asset Management Program.	Construction	Project ineligible - project is for growth

2023-4139	Coxville Water Assn #1	CRA- Corrective Action Plan (nitrate compliance)	Benton	\$ 178,500	34	32	16	Engineering Report for alternatives to address failed nitrate treatment.	Planning & Engineering	Water system ineligible - system moving into receivership
2023-4205	NOB HILL WATER ASSOCIATION	Westbrook Reservoirs Improvements Project	Yakima	\$ 3,010,255	16	35784	14	Repair interior of two concrete reservoirs, replace access hatches, exterior ladders, vents, overflow pipes, and improvements to overflow pipes, inlet/outlet piping. Replace roof-topping slab and repair concrete-stiffener-beams of Reservoir 2.	Construction	Water system ineligible - Water System Plan expired - Appeal in Process
2023-4250	City of Wenatchee	No Project Name	Chelan	\$ -				No description	Construction	Withdrew
2023-4222	Thurston PUD	Horsfall 608 PFAS Remediation	Thurston	\$ 526,497	63	165	20	Install PFAS treatment at one well site.	Construction	Withdrew
2023-4243	Thurston PUD	Sandra Ave 627 PFAS Remediation	Lewis	\$ 361,825	63	30	20	Install PFAS treatment at one well site.	Construction	Withdrew
2023-4240	Thurston PUD	Crescent Park 355 PFAS Remediation	Pierce	\$ 1,103,423	62	550	29	Install PFAS treatment at one well site.	Construction	Withdrew
Total Request				\$ 15,275,069						