

Washington State Department of HEALTH

INFRASTRUCTURE FUNDING - A RAPIDLY CHANGING STATE AND FEDERAL LANDSCAPE

Office of Drinking Water / Drinking Water State Revolving Fund

Presenter



Chris Pettit

Program Manager

Drinking Water State Revolving Fund

What does the drinking water funding program do?

The SRF program exists to help build and maintain quality water infrastructure and governance capacity to provide safe and reliable drinking water for the 8 million citizens of Washington State.

Who Benefits?

- Water Systems of all sizes
- Water System customers
- Local governments
- Disadvantaged communities
- Technical assistance providers
- Engineering services firms
- Construction firms
- Materials providers
- Health of the state funding program (revolving)

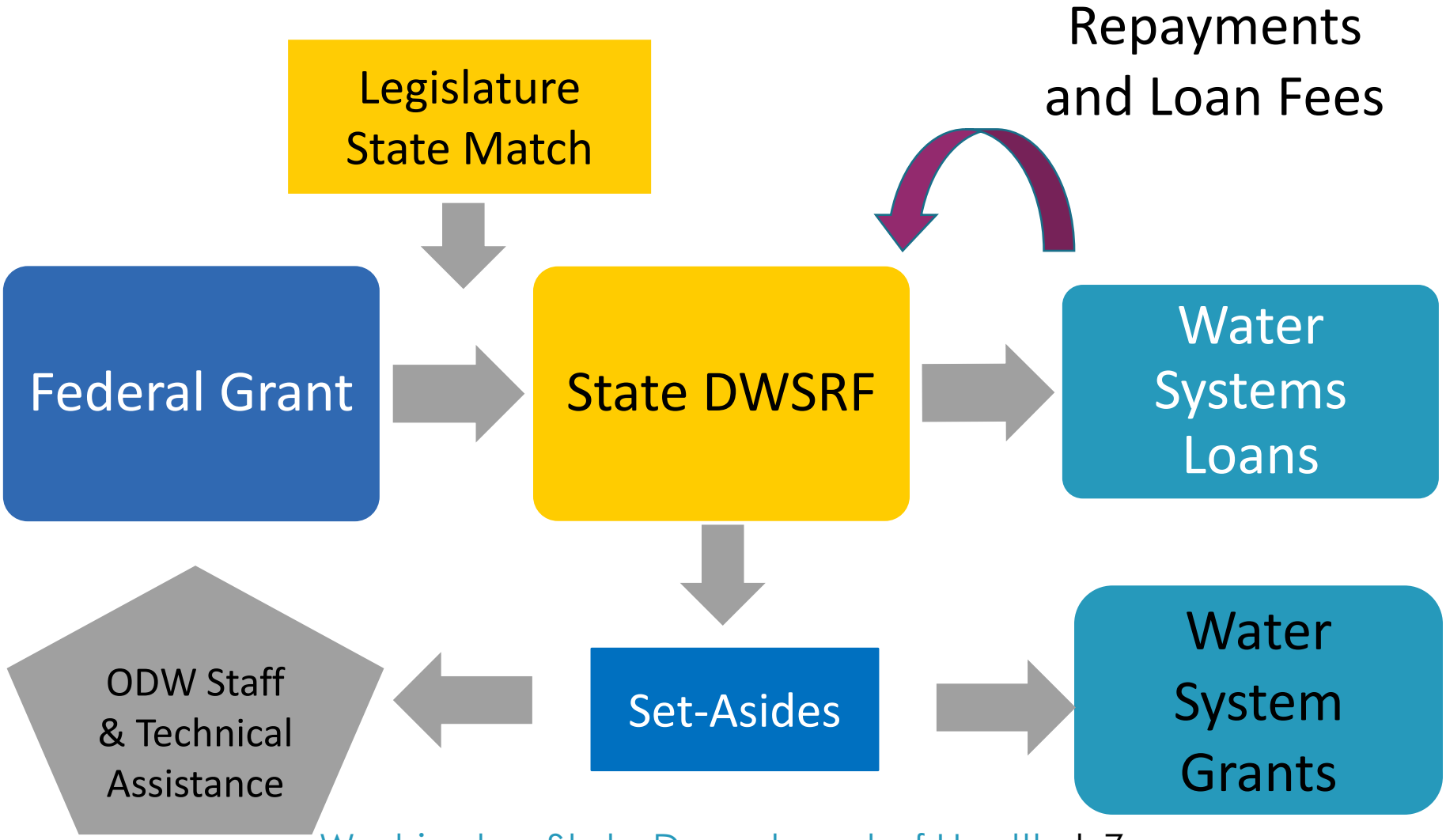
Funding Programs

- Consolidation Feasibility Study grants
- Planning & Engineering loans and grants
- Construction loans with potential subsidy
- BIL Emerging Contaminant loans with 100 percent subsidy
- Emerging Contaminants for Small and Disadvantaged Communities grants
- BIL Lead Service Line loans for inventories and replacement with potential subsidy
- Water System Rehabilitation and Consolidation grant
- Emergency loans

What is DWSRF?

- Established by 1996 Safe Drinking Water Act amendments
- Funds drinking water system infrastructure projects
- Partnership between EPA and states
- Funded through federal and state money
- Subject to specific federal and state regulations (BABA/Labor)
- Competitive, scoring and ranking system
- Must have planning documents to qualify for most construction funding
- Drinking Water State Revolving Fund (DWSRF) | Washington State Department of Health

Flow of DWSRF Money



Legal, Policy and Regulatory Needs

- Lead Service Lines
- Emerging Contaminants
- Climate Resiliency
- Struggling/Failing Systems and Aging Infrastructure
- Groundwater Availability and Drought
- Cybersecurity and Other Emerging Issues
- New Federal Issues and Structural Changes
  - Microplastics
  - 6ppd

Current Application Cycle

- November 2025 construction and planning & engineering (P&E) cycle
- Applications pulled December 1, 2025
  - Received ~$200M in construction applications
    - $155M in construction loans
    - $17.5M BIL EC
    - $2M in P&E
    - ~$14M other federal sources (i.e., EC-SDC)
  - IUP available for comment shortly
- May 1 2026 Application Pull for P+E, Consolidation and EC-SDC
  - Limited funding
  - Development of Priority Lists for future cycles

Funding Cliff Coming!

- Bipartisan Infrastructure Funding (BIL) ends in 2027
  - Began in 2022
  - Separate funding pots for R+R, lead, and EC
- Last Construction loan cycle with significant funding available closes November 30, 2026
- Construction loan cycles beginning with November 2027 applications will be HIGHLY competitive
- Expecting less than current capitalization funding amounts
- Instead of $15 million maximum, we will be limited to 10% of total available
- Instead of funding 55 projects, we will likely be limited to award funding to significantly fewer projects

Eligible Systems for DWSRF Funding

Group A	Group B / Private Wells	Tribally Owned
• Community • TNC/NTNC not for profit	• When consolidating into a Group A • *Some* emerging contaminant funding	• All qualify • Considered disadvantaged communities

How to be Eligible for a Loan

- Dedicated budget to pay back the loan
- Cash flow must be POSTIVE (sound fiscal management)
- PWS must have legal control of the property
- PWS has no substantive audit findings
- Governing body must approve the application
- PWS must be a legal entity registered with WA SOS
- Planning documents are required for most funding

Consolidation Feasibility Study Grant

Award

- $50,000 Max per Project
- Competitive
- Applications scored base on public health concern

Availability

- Applications accepted year-round
- Applications reviewed in May and December
- Approximately $400,000 Available per Year

Funding Terms

- Complete in 2 years
- Feasibility studies
- Planning documents
- Connection Fees

Planning and Engineering Funding

Award

- $500,000 Max Per Jurisdiction
- $200,000 Max for Well Drilling, Pump Test, and Sampling
- First Come, First Served

Availability

- Applications accepted year-round
- Applications reviewed in May and December

Funding Terms

- 0% Interest
- 2% Service Fee
- 10-year Loan Term
- Complete in 2 years
- Grant potential for systems with high affordability index

Construction Funding

Award

- $15 Million per Jurisdiction
- Competitive
- **BIL Emerging Contaminants**
- **~$17.5 Million**

Availability

- Applications accepted year-round
- Reviewed each December
- Approximately $120 Million Total Available

Funding Terms

- 2.25% Standard Interest
- 1% Service Fee
- 1.75% Reduced Interest
- 20-year Loan Term
- Complete in 4 Years
- Subsidy Potential

Lead Service Line (LSL) Inventory Funding

Award

- $25,000 Min
- Inventory – First Come, First Served

Availability

- Applications accepted year-round
- Reviewed each May and December
- Approximately $28 Million Total LSL

Funding Terms

- 0% Interest
- 2% Service Fee
- 10-year Loan Term
- Complete in 2 Years
- Subsidy Potential

Lead Service Line (LSL) Replacement Funding

Award

- $25,000 Min
- LSL Replacement - Competitive

Availability

- Applications accepted year-round
- Reviewed each May and December
- Approximately $28 Million Total LSL

Funding Terms

- 2.25% Standard Interest
- 1% Service Fee
- 1.75% Reduced Interest
- 20-year Loan Term
- Complete in 4 Years
- Subsidy Potential

Water System Rehabilitation and Consolidation Grant (WSRC)

Award

- **Invite Only**
- Eligible Applicants:
- Cities, Towns, Counties, Public Utility District, or Water Districts

Availability

- Applications accepted year-round
- Applications reviewed year-round
- No funding for this biennium (July 1, 2025 – June 30, 2027)

Funding Terms

- Complete in 4 years
- Planning and Engineering documents
- Set up water utility (counties)

Emergency Funding

Award

- $500,000 per Jurisdiction per Biennium
- First Come, First Served
- Must be caused by nature, theft, or vandalism

Availability

- Applications accepted year-round
- No funding this biennium (July 1, 2025-June 30, 2027)

Funding Terms

- 0% Interest
- 1.5% Service Fee
- 10-year Loan Term
- Complete in 2 Years

Emergency Loan Eligible Emergencies

WATER SYSTEM MUST DECLARE AN EMERGENCY

- Wildfire
- Drought
- Flood
- Earthquake
- Wind Damage (Tornado or Windstorm)
- Building or Equipment Fire
- Lightning Strike (electrical damage)
- Contamination causing Do Not Drink or Do Not Use (extreme levels of PFAS, or uranium, arsenic, or nitrate exceedances)
- Installation of Disinfection for Boil Water Advisory (*E. coli* in source)
- Theft or Vandalism of Critical Equipment (includes cybersecurity breaches)

DOES NOT COVER EMERGENCIES CAUSED BY DEFERRED MAINTENANCE.

EC-SDC Background

- Available to public water systems (PWS) serving small or disadvantaged communities
- Focus on polyfluoroalkyl substances (PFAS) (a.k.a., forever chemicals), but includes manganese, and cyanotoxins (a.k.a., harmful algal blooms [HABs])
- Provides free technical assistance and funding for water sampling, short-term solutions, water system infrastructure improvements
- Federal grant
- Emerging Contaminants in Small and Disadvantaged Communities Grant Guidelines

EC-SDC Eligibility Overview

Contaminants

- PFAS
- Manganese
- Cyanotoxins

Water Systems

- Group A
  - Community
  - Non-transient non-community (NTNC)
  - Transient non-community (TNC)*
- Group B**
- Private wells**

**Communities*

- Disadvantaged
- Small

**TNCs must be located in an area of concern*

***Group Bs & private wells must be consolidating*

Eligible Contaminants

- PFAS exceeding EPA maximum contamination level (MCL)
  - Found in *everything*
  - Can cause all manners of illness
- Manganese contamination exceeding the secondary MCL or health advisory level (HAL)
  - Naturally occurring mineral found in the ground and food
  - Small exposure = good; Elevated exposure = not so good
- Documented HAB
  - Excessive algal growth due to ag runoff or wastewater discharge
  - Freshwater = cyanotoxin

Eligible Water Systems

- Group A water systems (WAC 246-290-020 (5)):
  - Community water systems as defined by WAC 246-290-020 (5a).
  - Non-transient non-community water systems (NTNC) as defined by WAC 246-290-020 (5bi) not owned by state, federal or for-profit entities.
  - Transient non-community water systems (TNC) as defined by WAC 246-290-020 (5bii) not owned by state, federal, or for-profit entities, if in an area of known contamination (see EC-SDC Guidance).

Eligible Communities

- **Small Communities.** PWS serving 10,000 people or less (maximum total population) that do not have the capacity to incur debt sufficiently to finance a project or activity under the grant program:
  - Less than 500 max total population
  - Do not have an approved planning document, such as Water System Plan or Small Water System Management Program
- **Disadvantaged Communities (DAC).** WAC 246-296-020, PWS meets DAC criteria outlined in the *DWSRF Construction Loan Guidelines,* Appendix B 331-196 (PDF).*

**Disadvantaged Community Map* may be used by interested parties as a guide for potential DAC qualification, but PWSs owned and operated by federally recognized tribes are not mapped, as this data is not available.*

Prioritization

- Priority Emerging Contaminants
  1. PFAS compound State Action Level (SAL) exceedances
  2. PFAS compound EPA Maximum Contamination Level (MCL) exceedances
  3. Cyanotoxin or manganese EPA HAL (Health Advisory Levels) exceedances
  4. Cyanotoxin or manganese EPA MCL exceedances
- Priority Groups
  1. Disadvantaged communities over small-not-disadvantaged communities
  2. Community water systems over NTNC; and NTNC over TNC
  3. Not-for-profit community systems over for-profit community systems

Timeline from Application to Contract Review

Step	November Applications	April Applications
Applications Due	November 30	April 30
Eligibility Review	December 1-14	May 1-14
Applications Scored	December 14-21	May 14-21
Priority Project List Published	February 1	February 1 the following year
Underwriting	February through March	June through July
Initial Award Letter Sent	March 31	July 31
Final Award Letter Sent	April 30	August 31
Finalize Scopes of Work	May	September
Contracts Sent to Contracts Team	June	October
Initial Contract Sent to Water System for Review	August through October	December through February

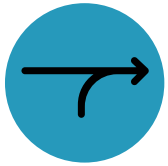
Timeline Contract Review to Project Completion

Step	November Applications	April Applications
Water System Signs Contract	Within 60 Days of Receipt	Within 60 Days of Receipt
Contract Execution	Within 10 Days of Receipt from Water System	Within 10 Days of Receipt from Water System
Preconstruction Work Reimbursement for Loans	Up to 12 Months Prior to Loan Execution	Up to 12 Months Prior to Loan Execution
Prior Work Reimbursement for Grants	Not Allowed	Not Allowed
Notice to Proceed for Construction	Within 18 Months of Contract Execution	Within 18 Months of Contract Execution
Project Completion	4 Years for Construction and 2 Years for Non-Construction from Contract Execution	4 Years for Construction and 2 Years for Non-Construction from Contract Execution

Funding History and Outlook

Application Cycle Year	Number of Awarded Projects
2016	14
2017	7
2018	21
2019	21
2020	23
2021	21
2022	28 (first year of BIL)
2023	40
2024	38
2025 & 2026	35 to 50 projects each year
2027 and beyond	Less than 20 projects each year

Available Technical Assistance



LSL Inventory

- Records Review
- Guidance for visual inspections
- Completion and submittal of the service line inventory
- Available until 6/30/2026



P&E Work

- LSL Inventories and Replacement Plans
- Planning Docs
- Project Reports and Alternative Analyses
- Engineering Designs
- Bid Documents



Capacity Development

- Managerial
- Board Training
- Meeting Facilitation
- Financial
- Rate Structure
- Asset Management
- Technical
- Troubleshooting
- Operator Apprenticeships

DWSRF Technical Assistance (TA) Staff

Technical, Managerial, & Financial (TMF) TA

- Technical Assistance Request Form
- TMF Providers
  - ERWoW
  - RCAC
  - Public Knowledge
  - Array
  - SCI

Planning & Engineering (P&E) TA

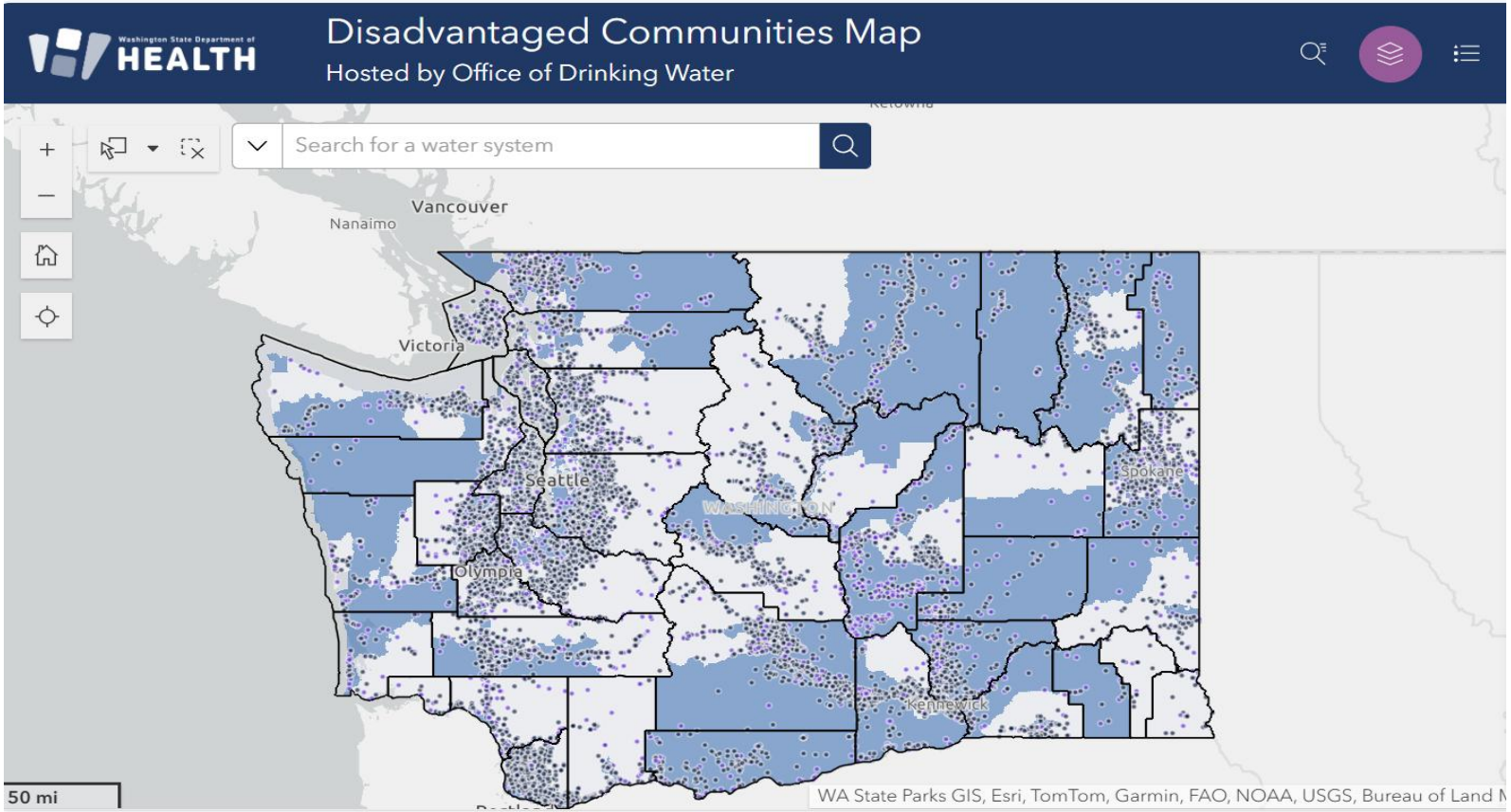
- Technical Assistance Request Form
- Engineering Firms
  - Gray & Osborne
  - ERG
  - TD&H
  - NWWS
  - NEW
  - JUB

Funding Coordination

- IACC - Infrastructure Assistance Coordinating Council | IACC annual statewide conference
- SYNC - Assistance, Coordination and Sync – Washington State Department of Commerce
- Needs assessment / planning needs
- Impacts of shifts in federal funding
  - **Program administration relies on a combination of state and federal funds**
- Office of the Treasurer report due June 30, 2027
  - Leveraging
  - Centralized infrastructure funding

Disadvantaged Communities

- Disadvantaged Community Map Application



Disadvantaged Community Criteria

- System is owned and operated by a federally recognized tribe
- 50 percent of a project location is within census tract(s) that meet at least one of the below Washington Tracking Network (WTN) Criteria:
  - Environmental Health Disparities (EHD) ranking of 7 or more.
  - Social Vulnerability Index (SVI) ranking of 7 or more.
  - Population living below 185 percent of the federal poverty level** is greater than 30 percent.
- Affordability Criteria

** Potential Changes in Updated Guidelines **

Community Engagement

- HEAL Act Legislation (2021)
- Healthy Environment for All Act Community Engagement Guide | Washington State Department of Health
- Spectrum of Community Engagement to Ownership
- Tribal Engagement Guide
- EJC Community Engagement Guidance

Guidelines!

- DWSRF Planning and Engineering Loan Guidelines
- 331-726 Consolidation Feasibility Study Grant Guidelines
- Drinking Water System Rehabilitation and Consolidation Guidelines
- 331-196 DWSRF Construction Loan Guidelines
- Emerging Contaminants in Small and Disadvantaged Communities Grant Guidelines
- Source Water Protection Local Assistance Grant Guidelines
- Emergency Loan and Funding Guidelines
- 331-586 DWSRF Customer Handbook

DWSRF Staff Contacts

Program Manager
Chris.Pettit@doh.wa.gov or 564-233-1408

Scope of Work, Funding Cycles, and Technical Questions
Jocelyne.Gray@doh.wa.gov or 564-669-4893

WALT Application and General Questions
Jason Cammarano at DWSRF@doh.wa.gov or 360-867-3991

Cultural, Historical, and Environmental Review
Scott.Kugel@doh.wa.gov or 360-480-7617

Technical Assistance AND Emerging Contaminants (interim)
Samantha.Delmer@doh.wa.gov or 360-688-0610

Alternative Water Deliveries
Sarita.preuss@doh.wa.gov or 564-233-9512

DWSRF Financial Services Contacts

Underwriting and For-Profit Eligibility (Mike) Michael.Copeland@doh.wa.gov or 360-236-3083

Contract Manager Eloise.Rudolph@doh.wa.gov or 360-236-3124

Contract Manager Rachel.Paris@doh.wa.gov or 360-236-4294

Contract Manager Brittany.Cody-Pinkney@doh.wa.gov or 360-236-3047

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

General Information

Technical Assistance Requests Technical Assistance Request Form

Drinking Water State Revolving Fund webpage: www.doh.wa.gov/dwsrf

Discussion and Questions?



To request this document in another format, call 1-800-525-0127. Deaf or hard of hearing customers, please call 711 (Washington Relay) or email civil.rights@doh.wa.gov.