



2023 Drinking Water State Revolving Fund (DWSRF) Construction Loan Overview

331-630 • 8/30/2023

Application Cycle: October 3 to November 30. On-line application in Washington Loan Tracking network (WALT) is available for application submittal and a WALT user's guide is posted on the [DWSRF webpage](#). Contact DWSRF@doh.wa.gov to register for WALT.

Amount available to award: Approximately \$130 million in loans including the Bipartisan Infrastructure Law funding.

Maximum award: \$12 million per jurisdiction, this may be increased if we do not receive enough eligible projects.

Loan information: 1.0 percent loan origination fee, 2.25 percent standard interest rate for twenty-year standard loan term. Disadvantaged systems projects qualify for 1.75 percent interest rate, up to 100 percent principal forgiveness (subsidy), and up to thirty-year loan term for those deemed "severely disadvantaged" and the economic life of the completed project must be at least as long as the loan term. There are special pots of funding in addition to DWSRF base as designated by the Bipartisan Infrastructure Law (BIL). Stimulus funding will be available to all eligible construction projects. Emerging Contaminant funding is specifically for projects that address PFAS, cyanobacteria, manganese, and some other emerging contaminants. There is approximately \$17 million available. Lead Service Line (LSL) funding is available for LSL inventories and replacements. There is approximately \$28 million available.

Eligible entities: Group A community water systems (publicly owned, privately owned, and for-profit), Group A nonprofit non-community water systems, Group B systems that are taken over by a Group A system through consolidation, and tribal systems not receiving other SRF funding for the project.

Non-eligible entities: Federal and state owned systems (these systems can be part of a consolidation project), Group A for-profit non-community water systems, Group B water systems that remain a Group B system.

Eligible projects: Projects must address a public health risk, resiliency, or upgrade deteriorating facilities. Projects where the primary focus is for operation and maintenance, future growth, or fire flows will not be eligible for funding.

Eligibility requirements: Must have current, approved planning document that is current through November 30, 2023, with the proposed project included in the approved planning document, with some exceptions for Lead Service Line Loans. Also must have water rights (if needed for the project) and have legal control of the project site. All funded projects must be reviewed and approved by the regional engineer prior to proceeding to construction including water main and service line replacement projects.

Scoring and ranking: All projects scored and ranked based on health risk being addressed, except LSL Inventory projects that are ranked by first come, first served. Additional points will be awarded to projects that are ready to proceed to construction, bonus points, and financial assistance needs. Funds awarded to highest ranking projects until funding is exhausted. Similarly, subsidy is awarded to highest ranking projects until subsidy is exhausted; not all projects that are eligible for subsidy will receive subsidy.

Application review process: All applications reviewed for completeness and eligibility in December and January. If the application is incomplete, systems will be notified and have 14 calendar days to provide any missing information. Applicants will be notified in February 2024 regarding their funding status. If funded, loan agreements will be generated in late spring to early summer.

We will post the DWSRF 2023 Construction Loan Guidelines in late summer on our [DWSRF webpage](#). For more information contact [Jocelyne Gray](#) 564-669-4893.



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