



Idaho Department of Environmental Quality
Drinking Water Loan
Letter of Interest and Rating Form
 Fiscal Year 2025

Section I. Project Information

Provide complete and accurate answers to receive the highest possible rating for your project. When possible, DEQ recommends that you work closely with your engineering consultant to complete this form. If you would like help completing this form, please contact DEQ at grants.loans@deq.idaho.gov to discuss technical assistance opportunities.

A. System Identification

| | | |
|--|-------------------|------------------------------|
| Public Water System Number: | | |
| System Name: | | |
| System Address: | | |
| City: | State: | Zip: |
| Is the system located wholly within incorporated city limits? | | Yes No |
| What City? | County: | |
| System Phone: | System Email: | |
| Population Served: | Owner's Name: | |
| Owner's Phone: | System Ownership: | For Profit Not-for-Profit |
| Name/Title of System contact (if different from owner): | | |
| Contact's Address: | | |
| City: | State: | Zip: |
| Contact's Phone: | Contact's Email: | |
| Do you have a predesignated, licensed, designated responsible charge operator for your system as described in the "Idaho Rules for Public Drinking Water Systems" (IDAPA 58.01.08.554.)? | | |
| | | Yes No |
| Name: | License Number: | |

| B. Project Readiness | |
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| Determine your community's readiness for Drinking Water State Revolving Fund (SRF) funding assistance by answering the following questions: | |
| 1. | Is your system current with all payments of fines, State Revolving Fund loans, penalties or fee assessments due to the DEQ? Yes No |
| 2. | <p>Has your community completed a DEQ-approved drinking water facility plan (with a final environmental determination) in the last five years? Yes No</p> <p>Date of approval:</p> <p>OR</p> <p>Is your community already in the process of developing a new planning document and environmental determination that will be completed and submitted to the DEQ for approval by December 31, 2024? Yes No</p> <p>OR</p> <p>Are you proposing this loan to finance a planning document and environmental determination? Yes No</p> |
| <p>If NO to questions 1 or 2, <u>do not complete or submit this form to DEQ.</u> If you are interested in receiving a drinking water planning grant, fill out the Drinking Water Planning Grant Letter of Interest (LOI) form.</p> | |
| <p>If YES to questions 1 and 2, Complete all applicable sections of this form.</p> | |
| 3. | Is this LOI request to address a budget shortfall or construction cost overrun for an existing project? Yes No |
| 4. | When will your project be ready to begin design? |
| 5. | <p>When will your project be ready to begin construction?</p> <p>Provide a brief explanation of the project timeline:</p> |
| 6. | <p>Was the planning document funded by the system or by an agency other than the DEQ? Yes No</p> <p>IF YES, the planning document may need modifications to meet SRF Program requirements. See Outline and Checklist for Planning Document found in the Customer Handbook (www.deq.idaho.gov/SRF).</p> |

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| 7. | Has a final environmental determination been issued? | Yes | No |
| | IF YES , provide the environmental document title (if separate from the planning document), date submitted to the DEQ, and DEQ environmental determination date: | | |
| | Title: | | |
| | Submittal Date: | Determination date: | |
| C. Project Description | | | |
| 1. | Describe the known or anticipated problems identified in your existing DEQ-approved facility plan for your drinking water system: | | |
| 2. | Describe the alternative selected to correct the identified problem(s). Use the selected alternative in the facility plan for your drinking water system: | | |
| 3. | Is the primary focus of this project to address issues with future growth? | Yes | No |
| 4. | Is the primary focus of this project to address issues with fire flow? | Yes | No |
| | Note: DEQ cannot fund projects that have a primary focus (greater than 50% of projected costs) on addressing issues of future growth or fire flow. | | |
| 5. | Do you intend to purchase water rights with this loan? | Yes | No |
| | Note: Purchase of water rights as part of the SRF loan project requires preapproval to be considered loan eligible. | | |
| If you answered YES to any of questions 3-5 , contact the DEQ grant and loan program at grants.loans@deq.idaho.gov before submitting this LOI. | | | |
| 6. | Do you intend to address emerging contaminants (e.g., PFAS, cyanotoxins) in part or whole with this project? | Yes | No |
| 7. | Do you intend to address lead service line replacement or inventory in part or whole with this project? | Yes | No |
| If you answered YES to either of question 6 or 7 , contact the DEQ grant and loan program at grants.loans@deq.idaho.gov to discuss additional funding opportunities before submitting this LOI. | | | |

| D. Project Costs | |
|------------------|---|
| 1. | Project funding requested from DEQ's SRF: \$ _____ Project funding from other sources: \$ _____ Estimated total project cost: \$ _____ |
| 2. | Briefly describe or attach indicators or actions reflecting the community's interest or readiness to proceed on this project (e.g., minutes from public hearings): |
| 3. | Does the system have the legal authority to incur the debt associated with the proposed project? Check one: <input type="checkbox"/> System does not yet have the legal authority to incur this debt <input type="checkbox"/> Bond council or financial consultant retained <input type="checkbox"/> Bond election scheduled. Indicate the date (if applicable): _____ <input type="checkbox"/> Legal instrument(s) in place (e.g., bond election, judicial confirmation) <input type="checkbox"/> HOA (debt authority given through bylaws) |
| 4. | What is the amount of debt that can be legally incurred? \$ _____ |
| 5. | What length of loan is preferable? 20 Years 30 Years |
| 6. | If you have already contacted an engineer about your project, indicate your status and provide contact information for the engineer (or firm): <input type="checkbox"/> Discussed with engineer <input type="checkbox"/> Obtained quote from engineer <input type="checkbox"/> Signed contract with engineer |
| | Engineer: _____ |
| | Address: _____ |
| | City: _____ State: _____ Zip: _____ |
| | Phone: _____ Fax: _____ |
| | Email: _____ |

Continue to Section II. Integrated Priority Rating System

Section II. Integrated Priority Rating System

“Rules for Administration of Wastewater & Drinking Water Loan Funds” (IDAPA 58.01.12.020.). Projects are identified for placement on priority lists by surveying eligible entities directly on an annual basis. Loan funds are awarded to projects based on priority ratings. Projects are rated by the Department on a standard priority rating form using public health, sustainability, water quality criteria, and condition of the existing system.

Answer the questions below and provide the requested documentation. Applicants or their consultants are encouraged to contact DEQ before the submittal deadline for assistance in answering the questions. **Rating will be done on the basis of the answers and documentation provided.**

A. Public Health Hazard

[IDAPA 58.01.12.020.03.a. Public Health Hazard](#). Any condition which creates, or may create, a danger to the consumer's health, which may include one or more of the following: i. documented unresolved violations of the primary drinking water standards including maximum contaminant levels, action levels, and treatment techniques (include maximum contaminant levels for acute and chronic contaminates); ii. Documented unresolved violations of pressure requirements; iii. Documented reduction in source capacity that impacts the system's ability to reliably serve water; or iv. Documented significant deficiencies (e.g., documented in a sanitary survey) in the physical system that is causing the system to not be able to reliably serve safe drinking water. Up to 100 points.

Check all that apply:

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| 1. | Does your system have documentation of unresolved violations of primary drinking water standards including maximum contaminant levels (MCLs), action levels, and treatment techniques (to include MCLs for acute and chronic contaminates) as described below? |
| a. | Unresolved acute contaminant violations or conditions requiring a Tier 1 (24-hour) public notification, not including monitoring or reporting violations. <i>30 points</i> Note: <i>Examples include E. coli, nitrate, or nitrite MCLs, surface water rules or groundwater rule treatment technique violations, new source designated groundwater under the direct influence of surface water, or a chronic contaminant deemed acute by DEQ.</i> |
| b. | Unresolved chronic contaminant violations or conditions requiring a Tier 2 (30 day) public notification, not including monitoring or reporting violations. <i>15 points</i> Note: <i>Examples include violations of chemical or radiological maximum contaminant levels or maximum residual disinfection levels.</i> |
| c. | Surface water treatment technique violations (including groundwater under the direct influence of surface water) OR newly discovered/designated water source without filtration (not yet a violation within 18 months of discovery). <i>15 points</i> Description: |

| Check all that apply – Up to a maximum of 60 points: | |
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| 1. | Treatment deficiencies: |
| | <p>a. Water treatment facilities do not meet the requirements of the “Idaho Rules for Public Drinking Water Systems” (other than MCLs). <i>15 points</i> Description:</p> |
| | <p>b. Treatment facilities have inadequate capacity and cannot reliably meet current demand without extraordinary operational procedures. <i>15 points</i> Description:</p> |
| 2. | <p>Documented source deficiencies, such as a reduction in source capacity, that are not significant deficiencies or are otherwise accounted for in Section II.A or in this section. <i>10 points</i> Description:</p> |
| 3. | <p>Distribution system deficiencies that do not constitute a public health hazard and are not otherwise accounted for in Section II.A, or this section. <i>10 points</i> Description:</p> |
| 4. | <p>Will the proposed project address source redundancy or system reliability and resiliency? <i>10 points</i> Description:</p> |

C. Sustainability (Green) Infrastructure Efforts

[IDAPA 58.01.22.020.03.c. Sustainability Efforts](#). e.g., prospective efforts at energy conservation, water conservation, extending the life of capital assets, green building practices, and other environmentally innovative approaches to infrastructure repair, replacement, and improvement. Up to 50 points.

Answers to the following questions can improve your overall rating. If you earn Priority List points for your responses in this section, you or your project engineer will need to evaluate or complete each item under the terms of the loan agreement.

Although only 50 points can be awarded under Section II.C, DEQ will incorporate all sustainability items checked below into the scope of the loan agreement for inclusion in the construction loan. All the items checked shall be incorporated into the project design and completed during construction.

Check all that apply – 5 points each, up to a maximum of 50 points.

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| 1. | <p>Management-based/innovative efforts: Management-based/innovative efforts could include, but would not be limited to, the following:</p> |
| a. | <p>An ongoing capital budget has been funded and supported by a capital improvement plan. OR Request assistance to develop capital improvement plan using a third-party technical assistance provider (DEQ will contact you regarding the opportunity).</p> |
| b. | <p>A rate study has been completed in the last 5 years and has been or will be updated as part of the proposed project. The rate study is based on consumption-based full-cost pricing for drinking water supported by a capital budget (submit documentation). This means that (a) utility rates must be based on the metered flow, and (b) utility rates must generate revenue sufficient to cover both operating and capital costs. Identify the professional (or organization) preparing the rate study: _____ OR Request assistance to develop rate study using a third-party technical assistance provider (DEQ will contact you regarding the opportunity).</p> |
| c. | <p>A formal asset management system has been or will be implemented and updated routinely. Provide a description of asset management tools and implementation methods:</p> |
| d. | <p>System is currently an EPA Green Power partner (submit documentation) OR will evaluate becoming one as part of the proposed project.</p> |
| e. | <p>System is consolidating with an existing system as part of the proposed project. This must be addressed in the facility plan environmental determination, and subsequent public participation. Identify which system(s): _____</p> |

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| | f. | System will implement the recommendations of a professional energy audit. Identify the auditor: |
| | g. | Proposed project will aid in preparation for adaptation to the long-term effects of climate variation, extreme weather, or drought. Provide description: |
| | h. | Significantly reduce or eliminate the use of chemicals in treatment. |
| | i. | Significantly reduce or minimize the volume or toxicity of residuals. |
| | j. | Capital improvements that provide significant source water protection benefits, such as fencing around existing unprotected well or spring sources. |
| *Budget estimate allocated to management based-innovative efforts: | | \$ _____ |
| 2. | Green Efforts: Attach documentation supporting the green efforts. Green efforts could include, but would not be limited to, the following: | |
| | a. | Use of recycled materials for facility construction (not including standard construction practices, such as reusing fill from excavations). |
| | b. | Trenchless or low impact construction technology. |
| *Budget estimate allocated to green efforts: | | \$ _____ |
| 3. | Water Conservation Efforts: Attach documentation supporting the water conservation efforts. Water conservation efforts could include, but would not be limited to, the following: | |
| | a. | Install water meters in unmetered areas if rates will be based on metered use. |
| | b. | Replace existing broken water meters, upgrade to smart meters, or install leak detection equipment if rates will be based on metered use. |
| | c. | Installation of water-efficient fixtures (may include lead service line replacement funding) that would provide a savings in water or energy consumption. |
| | d. | Provide Class A reclaimed water distribution system ("purple pipe") analysis showing that the improvements will save in water or energy in a unit operation. |
| | e. | Retrofit or replace existing irrigation systems with more efficient irrigation systems. |
| *Budget estimate allocated to water conservation efforts: | | \$ _____ |
| 4. | Energy Conservation Efforts: Attach documentation supporting the energy conservation efforts. Energy conservation efforts could include, but would not be limited to, the following: | |
| | a. | Variable frequency drive (VFD) pumps. |
| | b. | Energy-efficient motors that meet National Electrical Manufacturers Association (NEMA) premium specifications. |

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| | c. | High-efficiency lighting/lighting controls. |
| | d. | On-site energy generation, such as methane clean combustion, fuel cells, solar, or wind. |
| | e. | Supervisory control and data acquisition (SCADA) system installation. |

***Budget estimate allocated to energy conservation efforts:** \$ _____

***Note:** *points may not be awarded if an estimated budget allocation is not provided. Planning Level estimates are acceptable for this purpose. Contact DEQ if further guidance is needed.*

Examples that have been accepted for Idaho projects are found in the Grant and Loan Customer Handbook at <https://www.deq.idaho.gov/SRF>.

D. Consent Order, Compliance Agreement Schedule, or Court Order

[IDAPA 58.01.12.020.03.d.](#) *Consent Order, Compliance Agreement Schedule, or Court Order. Points shall be given if the system is operating under and in compliance with a Consent Order, Compliance Agreement Schedule, or Court Order, and the proposed construction project will address the Consent Order, Compliance Agreement Schedule, or Court Order. Up to 30 points.*

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|-----|---|---|-----|-----|----|
| 1. | Is the system in compliance with all applicable discharge, reuse (wastewater land application), and subsurface discharge permit(s) listed above? | | | Yes | No |
| | If NO, check one: | | | | |
| | a. | Moderate-Level Noncompliance: Includes a first state or EPA warning letter, notice of violation, or equivalent that will be resolved by the proposed project that will be resolved by the proposed project. <i>10 points</i> | | | |
| | b. | High-Level Noncompliance: Includes a second state or EPA warning letter, compliance agreement schedule, consent order, or equivalent that will be resolved by the proposed project. <i>10 points</i> | | | |
| | i. | Has the system avoided formal litigation actions, court filings, or civil or federal court orders by negotiating compliance actions described in D.1.b with DEQ and/or a federal agency to address violations that are directly related to the proposed project? <i>10 points</i> | N/A | Yes | No |
| ii. | Has the wastewater system satisfied all deadlines, milestones, and submittals to date associated with the compliance actions described in D.1.b? <i>10 points</i> | N/A | Yes | No | |

E. Bonus Points/Incentives

[IDAPA 58.01.12.020.03.e. Incentives.](#) *Bonus points shall be awarded to systems that promote source water protection, conservation, economy, proper operation maintenance, and monitoring. Up to 10 points.*

Check all that apply – 2 points each, up to a maximum of 10 points:

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| 1. | Do you have a DEQ-certified Source Drinking Water Protection Plan that is less than 5 years old? | |
| | Date of Plan: | |

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| 2. | <p>Cross-connection: Community Water System: Do you have an active Cross-Connection Control Plan? Provide a copy or link to this plan. Yes No</p> <p>Link to plan: OR Noncommunity Water System: Your most recent sanitary survey does not note any potential backflow or cross-connection issues. Provide date of and most recent sanitary survey. Date: Yes No</p> |
| 3. | <p>Was the water system free of significant deficiencies in its last sanitary survey? Yes No</p> <p>OR Has the water system completed all corrective actions identified in the last sanitary survey? Yes No</p> |
| 4. | <p>Do you have a predesignated, licensed, "Substitute Responsible Charge Operator" for your system as described in IDAPA 58.01.08.554.03? Yes No</p> <p>Name: _____ License Number: _____</p> |
| 5. | <p>Has your system completed all DEQ required monitoring and sampling in the last 5 years and is free of Failure to Monitor violations for all monitoring schedules? Yes No</p> |
| 6. | <p>In the past year, have all of the active members in your controlling government body (i.e., city council, water board) completed at least three professional development credits? Include documentation. Yes No</p> |
| F. Affordability / Disadvantaged Status | |
| <p><u>IDAPA 58.01.12.020.03.f. Affordability.</u> Points shall be given when current system user charges exceed state affordability guidelines. Up to 10 points</p> | |
| <p>Provide information for Section II.F. If you qualify as a disadvantaged community, you will receive 10 points.</p> | |
| 1. | How many equivalent dwelling unit (EDU) connections does your system serve? |
| 2. | <p>What is the current average user rate? \$/month/EDU _____</p> <p>Type of rate structure: Flat fee Consumptive Use Other: _____</p> |
| 3. | What is the most recent date that user rates have been increased: |
| 4. | <p>Expected change in operation and maintenance cost upon completion: (not including debt service) \$/month/EDU _____</p> |
| 5. | <p>Does the current average user rate include charges to retire the SRF debt for which you are applying? Yes No</p> <p>a. If YES, how much of the rate is devoted to debt retirement? \$/month/EDU _____</p> <p>b. If NO, how much will rates be increased to cover dept retirement? \$/month/EDU _____</p> |

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| 6. | <p>Disadvantaged Community Loans:</p> |
| <p>This section is intended to assist lower-income communities. Principal forgiveness and other potential loan adjustments are available to communities that demonstrate that the user rates exceed 2% of the community median household (MHI). Contact the DEQ’s Grant and Loan staff if you have any questions.</p> | |
| a. | <p>Median household income. Instructions:</p> |
| i. | <p>Go to https://censusreporter.org/locate/.</p> |
| ii. | <p>Either select “Use your current location” or enter an address for any residence or location in your community and select the choice provided by the application.</p> |
| iii. | <p>Hover your cursor over each item in the list on the left of the screen and view the corresponding green area represented on the map.</p> |
| iv. | <p>Click on the smallest and most representative area for your community either on the map or in the list for the data.</p> |
| v. | <p>Scroll down to economics and enter the median household income (MHI): \$_____ If there was N/A for median income, choose the next largest area from the list.)</p> |
| vi. | <p>Provide the data to the DEQ. Either take a screenshot of the data (label attached documents as “Section II.F, part number(s)”) and include it with your application or provide the citation (scroll to the bottom of the page and copy/paste the information after “Citation”) here:</p> |
| b. | <p>Does the income level generally reflect your community’s average MHI? Yes, it is generally representative of the community. No, contact the DEQ’s grant and loan program (grants.loans@deq.idaho.gov) for other means to evaluate your community’s MHI.</p> |
| c. | <p>If the annual residence user does not exceed 2% of the community’s MHI, but exceeds 1.5% of the community’s MHI, you can still qualify if the community’s unemployment rate exceeds the statewide average and the community’s population is decreasing.</p> <ul style="list-style-type: none"> i. Provide evidence from the U.S. Census Bureau of Labor Statistics, or Idaho Department of Labor showing the area’s unemployment rate and ii. Provide evidence of a declining population such as comparing current census data to previous census data or using the population percent change from the <i>U.S. Census QuickFacts</i>. |
| <p>Label attached documents as “Section II.F, part number(s)”.</p> | |

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| <p>Note: <i>If the annual residential user rates do not exceed 2% of the community's MHI, but exceed 1.5% of the community's MHI, you can still qualify if the community's unemployment rate exceeds the statewide average and the community's population is decreasing.</i></p> |
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Continue to Section III. Authorized Submitter

| Section III. Authorized Submitter | | | |
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| Are you willing to allow us to share your LOI with other federal funding agencies? | | Yes | No |
| I understand that if awarded funding, costs incurred prior to the award are not eligible for reimbursement unless a written request and justification are submitted to and approved by DEQ. | | | |
| I certify that, to the best of my knowledge, all information provided here is valid and correct: | | | |
| Submitter Name: | | Title: | |
| Company: | | Date: | |
| If the submitter is different from the system contact, does the submitter have the authority to submit this LOI on behalf of the system contact? | | N/A | Yes No |

Return completed form by January 12, 2024, to:

Idaho Department of Environmental Quality

Attn: LaDonn Kaylor

1410 North Hilton St.

Boise, ID 83706

grants.loans@deq.idaho.gov

Phone: (208) 373-0556

Fax: (208) 373-0557