Idaho Department of Environmental Quality
Clean Water Loan
Letter of Interest and Rating Form
Fiscal Year 2028

Section I. Project Information

This funding is available to eligible systems for projects involving planning, design, and construction to collect, treat, or dispose of wastewater, or otherwise provide direct water quality benefits. See *Customer Handbook* for additional eligibility requirements.

Complete the form using accurate answers to receive the highest achievable rating. DEQ recommends working with engineering consultants involved with the project whenever possible. For assistance completing this form or for additional technical assistance options contact: *grants.loans@deq.idaho.gov*.

A. System Identification

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 licensed and designated responsible charge operator for your system as described in the "Wastewater Rules" (*IDAPA 58.01.16.203*)? Yes No

Name: _____ License Number: _____

Note: *If the facility has a National Pollutant Discharge Elimination System (NPDES) permit, Idaho Pollutant Discharge Elimination System (IPDES) permit, wastewater (WW) reuse permit, or a subsurface discharge permit, the permit number(s) must be provided.*

NPDES/IPDES Permit: _____ WW Reuse Permit: _____ Subsurface Permit: _____

B. Project Readiness	
Determine your community's readiness for Clean Water State Revolving Fund (SRF) funding by answering the following questions: **Select all that apply:**	
1.	Your system is current with all payments of fines, SRF loans, penalties or fee assessments due to DEQ.
2.	Your community has completed a DEQ-approved wastewater facility plan (with a final environmental determination) in the last five years. Date of approval: _____ **OR** Your community is in the process of developing a new planning document and environmental determination that will be completed and submitted to DEQ for approval by December 31, 2027. **OR** You are proposing this loan to finance a planning document and environmental determination.
3.	**For nonpoint source (NPS) applicants:** Your project is designed to address a NPS water pollution problem.
If you did not select questions 1 and either 2 or 3, do not complete or submit this form to DEQ. If you are interested in receiving a wastewater planning grant, fill out the Wastewater Planning Grant Letter of Interest (LOI) form.	
If you selected questions 1 and either 2 or 3, complete all applicable sections of this form.	
4.	This LOI request is to address a budget shortfall or construction cost overrun for an existing project.
5.	When will your project be ready to begin design? Date: _____
6.	When will your project be ready to begin construction? Date: _____
	Provide a brief project timeline:
7.	The planning document was funded by the system or by an agency other than DEQ.
	If you selected question 7, the planning document may need modifications to meet SRF Program requirements. See the *Outline and Checklist for Planning Document* in the *Grants and Loans Program Customer Handbook*.
8.	A final environmental determination has been issued.
	If you selected question 8, provide the environmental document title (if separate from the planning document), date submitted to 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 wastewater facility plan for your wastewater system:
2.	Describe the alternative selected to correct the identified problem(s). Use the selected alternative in the facility plan for your wastewater system:
3.	You intend to address emerging contaminants (e.g., PFAS, pharmaceuticals, etc.) in part or in whole with this project.
	If you selected question 3, contact DEQ's Grants and Loans Bureau at *grants.loans@deq.idaho.gov* to discuss additional funding opportunities prior to 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? **Select one:** System does not yet have the legal authority to incur this debt Bond counsel or financial consultant retained Bond election scheduled. Date: _____ Legal instrument(s) in place (e.g., bond election, judicial confirmation) Homeowners Association (debt authority provided through bylaws)

<table>
<tr><td>4.</td><td colspan="3">What is the amount of debt that can be legally incurred? $_____</td></tr>
<tr><td>5.</td><td colspan="3">What length of loan repayment is preferable? 20 Years 30 Years</td></tr>
<tr><td rowspan="6">6.</td><td colspan="3">If you have already contacted an engineer licensed in the State of Idaho about your project, indicate the status and provide contact information for the engineer (or firm):
Discussed with engineer Obtained quote from engineer Signed contract with engineer</td></tr>
<tr><td colspan="3">Engineer:</td></tr>
<tr><td colspan="3">Address:</td></tr>
<tr><td>City:</td><td>State:</td><td>Zip:</td></tr>
<tr><td>Phone:</td><td colspan="2">Fax:</td></tr>
<tr><td colspan="3">Email:</td></tr>
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Continue to Section II. Integrated Priority Rating System

Section II. Integrated Priority Rating System

"Rules for Administration of Wastewater and 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. Limited loan funds are awarded to projects based on priority ratings and readiness to proceed. Projects are rated by the Department on a standard priority rating form using public health, sustainability, the condition of the existing system and water quality criteria.

Answer the questions below and provide the requested documentation. Applicants or their consultants are encouraged to contact DEQ prior to the submittal deadline for assistance in answering the questions. **Rating will be determined by the answers and requested documentation provided.**

A. Regulatory Compliance Issues – Point Source Projects/Conventional Wastewater Projects

IDAPA 58.01.12.020.03.a. *Regulatory compliance issues (e.g., noncompliance and resulting legal actions relating to infrastructure deficiencies at a wastewater facility). Up to 100 points.*

Select all that apply:

1.	**Select the level of noncompliance this project is addressing:**		
	a.	**Low-Level Noncompliance:** Includes minor or inconsequential permit violations that will be resolved by the proposed project. *10 points*	
	b.	**Moderate-Level Noncompliance:** Includes a first state or US Environmental Protection Agency (EPA) warning letter, notice of violation, or equivalent that will be resolved by the proposed project. *25 points*	
	c.	**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. *50 points*	
		i.	**If High-Level Noncompliance:** The system has avoided formal litigation actions, court filings, or civil or federal court orders by negotiating compliance actions described in A.1.c with DEQ, a federal agency, or both, to address violations that are directly related to the proposed project. *20 points*
		ii.	**If High-Level Noncompliance:** The system has satisfied all deadlines, milestones, and submittals to date associated with the compliance actions described in A.1.c. 20 points
2.	**Draft Permit:** The system has received a draft permit with new or more stringent limits and compliance will be achieved by the proposed project. *50 points*		
3.	**Unpermitted Discharge:** The system has an unpermitted direct discharge to surface water that is documented and ongoing. (This does not include emergency or one time discharge to surface water, or an indirect nexus to surface water through groundwater or other mechanisms). *50 points*		

4.	**Readiness to Proceed to Address Compliance Issues:** Select all that apply:	
	a.	Current, DEQ approved, facility plan and environmental determination for the proposed project: 5 points
	b.	Executed engineering design contract for proposed project (provide documentation): *5 points*
	c.	DEQ approved preliminary engineering report (PER) for the proposed project: *5 points*
	d.	Ability to incur debt for the proposed project (provide documentation): *10 points*
B. Watershed Restoration – All Projects		
IDAPA 58.01.12.020.03.b. Watershed restoration (e.g., implementation of best management practices or initiation of construction at wastewater collection and treatment facilities as part of an approved total maximum daily load (TMDL) plan, implementation of nonpoint source management actions in protection of a threatened water, or is part of a special water quality effort). Up to 100 points.		
Select all that apply:		
1.	**Surface Water:**	
	a.	Project will reduce impacts to surface water. *10 points*
		Describe current impacts and how the project will reduce impacts:
	b.	Existing facility discharges to or is documented to be impacting a § 303(d) water body. *10 points* Water Body Name: _____
		Note: View the *§ 303(d)-listed streams. Locate the discharging stream for your project and select status to view category. The § 303(d)-listed streams are classified as Category 4 or 5 on the map. Contact your regional DEQ office if you are within tribal boundaries to determine impaired status.*
	c.	Project is for a point source and is expected to reduce a pollutant concern in the § 303(d)-listed water body. *10 points* List Pollutant: _____
	d.	Project is for a point source that is exceeding the waste load allocation (WLA) listed in the approved TMDL. *10 points* List TMDL Name and WLA: _____
	e.	Project is for a nonpoint source (NPS) and is expected to reduce a pollutant of concern in the § 303(d)-listed water body. *10 points* List Pollutant: _____

2.	**Groundwater:** Project will reduce impacts to groundwater by:	
	a.	Reducing pollutant concentrations in a designated sole-source aquifer (i.e., Eastern Snake River Plain, Spokane Valley Rathdrum Prairie, or Lewiston Basin). *10 points* (*Designated Sole Source Aquifers in EPA Region 10*)
	b.	Reducing nitrate concentrations in a designated Nitrate Priority Area. *10 points* (*Nitrate Priority Area Maps*)
	c.	Reducing nitrate concentrations in a critical groundwater area. *10 points* (*Critical Groundwater Area Maps*)
3.	**Nonpoint Source Watershed Load Reduction:** Points are awarded according to the expected effectiveness of the project and the transferability of the demonstrated technologies to other parts of Idaho. The proposed project will either restore designated or existing beneficial uses, reduce the severity of NPS impacts, or promote statewide nonpoint pollution reduction or remediation. Examples include streambank stabilization, surface water restoration, wetland restoration, or agricultural best practices such as no-till. **Supporting calculations must be provided.**	
	The proposed project will reduce the NPS impact on overall pollutant loading to the watershed. *25 points* List 8-digit hydraulic unit code name and number: _____	
	Provide description and supporting calculations:	

C. Preventing Impacts to Beneficial Uses

IDAPA 58.01.12.020.03.d. Watershed protection from impacts (e.g., improvement of beneficial use(s) in a given water body, evidence of community support, or recognition of the special status of the affected water body). Preventing impacts to uses (all projects). Up to 100 points.

Select all that apply:

1.	Your project will be:	
	a.	Implementing a new recycled water system or refurbishing an existing system in accordance with the "Recycled Water Rules" (IDAPA 58.01.17). *50 points*
	b.	Converting individual septic systems to centralized treatment. *25 points*
	c.	Refurbishing an existing lagoon. *10 points*
	d.	Removing and disposing of biosolids or seepage testing an existing lagoon. *10 points*

2.	Beneficial uses are designated by the "Water Quality Standards" (*IDAPA 58.01.2.100.*). To which of the following listed beneficial uses will the proposed project analyze for reducing current impacts or preventing future impacts? A sufficient description would describe each beneficial use designation as listed in IDAPA 58.01.02, 110, 120, 130, 140, 150, and 160 and explain how the proposed project will address impacts or improve beneficial uses designations. **Failure to provide sufficient description(s) will result in no points awarded.**	
	a.	**Aquatic life** *25 points* Designation (COLD, SS, SC, WARM, or MOD): _____ Describe impacts prevented or improved:
	b.	**Recreation** *15 points* Designation (PCR or SCR): _____ Describe impacts prevented or improved:
	c.	**Other** *10 points* Designation (DWS): _____ Describe impacts prevented or improved:
3.	State Priorities: Preference is given to projects based on recognition of the special status of waters or uses of those waters.	
	a.	Project will prevent impacts to or improve water body listed in *Idaho Code § 67-43*. *10 points*
	b.	Project will prevent direct impacts to or improve a designated wild and scenic river segment? (*National Wild and Scenic Rivers System—Idaho*) *10 points*
	c.	Other: Describe and attach documentation of special status or uses, that deem the project a state priority. **Failure to provide sufficient documentation will result in no points being awarded.** *10 points*
		Description:
4.	Project will implement one or more of the following:	
	a.	Removal of stormwater outlets. *5 points*
	b.	Conversion of a combined sewer to separate stormwater system. *5 points*
	c.	Or similar projects (contact DEQ first). *5 points* Indicate type of project(s): _____

D. Sustainability (Green) Infrastructure Efforts		
IDAPA 58.01.12.020.03.e. Sustainability Efforts (e.g., prospective efforts towards 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 maximum can be awarded under Section II.D, DEQ will incorporate all sustainability items selected below into the scope of the loan agreement for inclusion in the construction loan. All the items selected shall be incorporated into the project design and completed during construction.		
Select all that apply – 5 points each (unless otherwise noted), up to a maximum of 50 points.		
1.	**Management-Based/Innovative Efforts:** These efforts could include the following:	
	a.	Project design will implement cyber-informed engineering (CIE) analysis and incorporate recommended security measures into the project. The CIE analysis must be incorporated into the plan and specifications submitted to DEQ for review and approval. CIE resources are found in the *Grants and Loans Program Customer Handbook* or at the *Idaho National Laboratory page for Cyber-Informed Engineering*. *20 points*
	b.	An ongoing capital budget has been funded and supported by a capital improvement plan.
		Note: *If you are interested in receiving technical assistance to help develop a capital improvement plan, please reach out to DEQ at grants.loans@deq.gov.idaho to discuss possible opportunities*
	c.	A rate study has been completed in the last five 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 wastewater supported by a capital budget (submit documentation). This means (1) utility rates must be based on the flow and strength of the wastewater treated and (2) utility rates must generate revenue sufficient to cover both operating and capital costs. Identify the professional (or organization) preparing the rate study: _____
		Note: *If you are interested in receiving technical assistance to help develop a rate study, please reach out to DEQ at grants.loans@deq.idaho.gov to discuss possible opportunities*
	d.	A formal asset management system has been or will be implemented and updated routinely.
		Provide a description of asset management tools and implementation methods:

	e.	System is currently an EPA Green Power Partner (submit certification). **OR** System will evaluate becoming a EPA Green Power Partner as part of the proposed project. **Submit documentation that the system uses a minimum of 100,000 kilowatts annually or points will not be awarded.** (*https://epa.gov/greenpower*)
	f.	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): _____
	g.	System will implement the recommendations of a professional energy audit. Identify auditor: _____
	h.	Proposed project will aid in preparing for adaptation to the long-term effects of climate variation, extreme weather, or drought.
		Provide description:
	i.	Project will recover phosphorus for beneficial reuse.
	j.	Project will significantly reduce or eliminate the use of chemicals in treatment.
	k.	Project will significantly reduce or minimize the volume or toxicity of residuals.
	l.	Project will recharge groundwater by land application of effluent for where there are other cost-effective discharge alternatives.
Budget estimate allocated to management based-innovative efforts*:		$_____
2.	**Green Efforts:** Green efforts could include, but are not limited to, the following:	
	a.	Projects that involve the wetlands to improve water quality and/or support sustainable infrastructure efforts. This includes constructed wetlands as integrated into wastewater treatment unit process.
	b.	Establishment or restoration of permanent riparian buffers, floodplains, wetlands, and other natural features, including vegetated buffers or soft bioengineered streambanks.
	c.	Downspout disconnection to remove stormwater from sanitary sewers and separate storm sewers.
	d.	Fee simple purchase of land or easement on land that has a direct benefit to water quality, such as riparian and wetland protection or restoration.

Budget estimate allocated to green efforts*:		$_____
3.	**Water Conservation Efforts:** Water conservation efforts could include, but are not limited to, the following:	
	a.	New wastewater reuse when other alternatives will be included in the proposed project. Including reclaimed water distribution system ("purple pipe").
	b.	Nonpoint source project will utilize Natural Resources Conservation Service best management practices.
	c.	Retrofit or replace existing irrigation systems with more efficient irrigation systems.
Budget estimate allocated to water conservation efforts*:		$_____
4.	**Energy Conservation Efforts:** Energy conservation efforts could include the following:	
	a.	Variable frequency drive (VFD) pumps.
	b.	Energy-efficient motors that meet National Electrical Manufacturers Association (NEMA) premium specifications.
	c.	Heat pumps that reclaim heat from treated effluent.
	d.	High-efficiency lighting/lighting controls.
	e.	On-site energy generation, such as methane clean combustion, fuel cells, solar, or wind.
	f.	Efficient replacements for vacuum dewatering systems.
	g.	Aeration improvements, such as fine bubble aeration, VFD blowers, or automated dissolved oxygen control.
	h.	Tertiary filtration that reduces ultraviolet disinfection power requirements.
	i.	Pressure transmission line replacement resulting in reduced pumping costs.
	j.	Supervisory control and data acquisition system installation.
	k.	Infrastructure improvements that significantly reduce infiltration/inflow or eliminate lift station(s).
	l.	Collection system infiltration/inflow detection equipment.
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 *Grants and Loans Program Customer Handbook*.		

E. Affordability / Disadvantaged Status			
IDAPA 58.01.12.020.03.f. Affordability. Systems that meet the state affordability criteria and are defined as a disadvantaged community. Up to fifty (50) points.			
Provide information for Section II.F. If you qualify as a disadvantaged community, you will receive 10 points.			
1.	How many equivalent dwelling unit (EDU) connections does your system serve? _____		
2.	What is the current average user rate? $/month/EDU_____ Type of rate structure: Flat Fee - Fee amount: $_____ Consumptive Use - Description: _____ Other: _____		
3.	What is the most recent date that user rates have been increased: Date: _____		
4.	Expected change in operation and maintenance costs upon completion: (not including debt service) $/month/EDU_____		
5.	Does the current average user rate include charges to retire the SRF debt for which you are applying? Yes No		
	a.	**If YES,** how much of the rate is devoted to debt retirement? $/month/EDU_____	
	b.	**If NO,** how much will rates be increased to cover debt retirement? $/month/EDU_____	
6.	**Disadvantaged Community Loans:**		
	This section is intended to assist lower-income communities. Principal forgiveness and other potential loan adjustments are available to communities that demonstrate that they are disadvantaged according to *IDAPA 58.01.12.021.01*. Contact the DEQ's Grants and Loans staff if you have any questions.		
	a.	Median household income calculation instructions:	
		i.	Go to the *Census Reporter website*.
		ii.	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.
		iii.	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.
		iv.	Click on the smallest and most representative area for your community either on the map or in the list for the data.

		v.	Scroll down to economics and enter the MHI: $_____ **If there was N/A for median income, choose the next largest area from the list.**
		vi.	Provide the data to 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:
	b.		Income Survey Results: If the MHI listed above in Section E.6.a.v does not reflect your community's income, provide alternative MHI based on DEQ approved income survey. Income Survey MHI: $_____
			Note: *To conduct an income survey, contact the DEQ Grants and Loans Bureau (grants.loans@deq.idaho.gov) for additional information prior to submitting this LOI.*
	c.		If the system's MHI is at or below the state MHI listed on *census reporter.org/ profiles/04000US16-idaho* as of January 8, 2027, the system will qualify as disadvantaged. **Or** if the system's MHI is equal to or less than 125% of the state MHI it may still be deemed disadvantaged if at least one of the following also apply: • System's poverty rate is higher than state average • Unemployment rate is above state average • Has stagnant or declining population • User rates exceed 1.5% of MHI
	Label attached documents as "Section II.E, part number(s)".		

Continue to Section III. Authorized Submitter

Section III. Authorized Submitter	
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 8, 2027, to:

Idaho Department of Environmental Quality
Attn: Katelyn Faretra
1410 North Hilton St.
Boise, ID 83706
grants.loans@deq.idaho.gov
Phone: (208) 373-0249 Fax: (208) 373-0576