

Intended Use Plan

Drinking Water State Revolving Fund State Fiscal Year 2023

Board of Environmental Quality Draft



State of Idaho
Department of Environmental Quality
July 1, 2022 to June 30, 2023



DRAFT

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1 Introduction

On August 6, 1996, the Safe Drinking Water Act (SDWA) Amendments of 1996 (Public Law 104-182) were signed into law. SDWA, Section 1452 authorized the Administrator of the United States Environmental Protection Agency (EPA) to establish a Drinking Water State Revolving Fund (DWSRF) program to assist public water systems in financing the costs of infrastructure needed to achieve or maintain compliance with the SDWA requirements and to protect public health. The DWSRF is administered by the Idaho Department of Environmental Quality (DEQ) Water Quality Division Loan Program, which also administers the Clean Water State Revolving Fund (CWSRF).

Section 1452(b) requires each state to annually prepare an Intended Use Plan (IUP) identifying the use of funds in the DWSRF and describing how those uses support the goal of protecting public health.

The IUP will be finalized for the state fiscal year 2023 (SFY 2023 is from July 1, 2022, through June 30, 2023) after the a 21-day public comment period and adoption by the Board of Environmental Quality.

The sources of federal funding identified in this IUP include the federal fiscal year (FFY) 2021 and 2022 capitalization grants and FFY22 Bipartisan Infrastructure Law (BIL) general supplemental grant.

The BIL was signed into law November 15, 2021, which was after DEQ provided letters of interest (applications for funding) to communities. Funding in this IUP does not address the BIL grants for emerging contaminants or lead service line replacement. These grant programs will be included in DEQ's future IUPs as these programs need to be developed.

The IUP includes the following:

- A list of prospective loan projects, ranked in priority order, including the size of systems, estimated project costs, and project descriptions. Note: projects are technically funded via the purchase of debt but are referred to, for ease of reading, as "loans"
- The criteria and methods for distribution of funds
- Short-term and long-term goals of the DWSRF
- DWSRF set-aside activities
- Assurances and specific proposals

2 Estimated Funds Availability

Cash and Investments Holdings	\$63,343,927	
EPA Capitalization Grant FFY 2022 (actual?)	7,008,000	
State Match	1,401,600	
Bipartisan Infrastructure Law FFY2022	17,992,000	
State Match	3,598,400	
Loans Receivable:		
SFY 2022 Feb-June (5 months)	2,214,056	
SFY 2023	6,143,877	
SFY 2024-2026	18,443,673	
Income on Cash/Investments:		
SFY 2022 Feb-June (5 months)	320,625	
SFY 2023	862,500	
SFY 2024	1,000,000	
Total Resources:		\$122,328,658
Current Remaining Loan Obligations:	(\$82,855,881)	
(Loans in construction less disbursements)		
(Less transfer to CWSRF)	(\$10,000,000)	
Add back: project shrinkage	4,142,794	
(Some projects will self-finance and reduce disbursement requests from the DWSRF)		(88,713,087)
Net Resources Available to Provide Assistance:		<u>\$33,485,971</u>

Key Assumptions

Projects take an average of 28 months to construct and close from the date of loan signing. New loan obligations cannot exceed **Net Resources Available to Provide Assistance**. The next projection will be made on February 1, 2023.

3 List of Projects

Attachment I is the SFY 2023 Drinking Water Loan Fundable, and Attachment II is the SFY 2023 Drinking Water Loan Priority List. Upon completion of the public comment period, a final Priority List will be presented to the Board of Environmental Quality on June 23, 2022 for final approval. Projects are arranged on the Priority List in priority order. The method for determining the priority rating for projects and the public involvement process are described in the latter parts of this document.

4 Program Goals

DEQ's long-term, basic SRF Loan Program goals are as follows:

1. Protect the public health of citizens served by drinking water systems by offering financial assistance to construct cost-effective drinking water facilities. Financial assistance includes below-market-rate loans, longer loan terms and may include principal forgiveness for disadvantaged communities.
2. Assist public water systems in achieving and maintaining statewide compliance with federal and state drinking water standards.
3. Implement a capacity development strategy. The capacity development program is to assist public drinking water system's improve or optimize their technical, managerial, and financial framework so they can sustainably provide safe drinking water to their customers in a cost-effective manner.
4. Implement a source water assessment and protection strategy. The goal is supported through assessing public drinking water sources, source water protection planning, and providing tools, technical assistance and subawards to support the implementation of protection strategies.
5. Manage the Idaho DWSRF to ensure its financial integrity, viability, and revolving nature in perpetuity.
6. Manage the imbalance between the demand upon DWSRF and CWSRF resources. See Attachment IV for further discussion of inter-fund transfers.

DEQ's short-term, basic SRF Loan Program goals are as follows:

1. Ensure all appropriate loan assistance requested is provided in a timely manner.
2. Finalize the revised Grant and Loan handbook.
3. Ensure funded projects that receive points for sustainability efforts (i.e. Green Project Reserve) report on efforts. Preliminary amounts identified for sustainability efforts are provided in Attachment I.
4. Ensure that a minimum of 20% of the capitalization grant and 49% of the BIL grant are provided as loan subsidy as required. See Section 5.2 for subsidy information.
5. Make necessary changes to accommodate the requirements of the FFY 2022 EPA capitalization grant and Bipartisan Infrastructure Law grants.
6. Fully utilize the new loan servicing software application. The software is intended to achieve reporting efficiencies, better serve DEQ regional project managers in their day-to-day administration of loan projects, allow DEQ State Office staff to better manage the loan fund with long-term forecasting, and reduce duplicate data entry. The software is being purchased with a mix of DWSRF and CWSRF loan fees.
7. Dedicate a portion of the additional subsidization to reduce the risk of lead in systems that are influenced by corrosive water (see Fundable List, Attachment I). This funding will be replaced by the BIL Lead Service Line Replacement grant and set-asides.
8. Monitor and take necessary actions to ensure the annual capitalization grant and set-asides are spent within two years in accordance with EPA's policy. Set-aside funds may

be transferred into the loan fund, if it appears that the set-aside funds will not be disbursed within two years.

9. Continue to implement funding for emergencies.
10. Implement an administrative framework needed to leverage through the Idaho State Bond Bank.
11. Use a competitive process to provide a portion of the source water set-aside funding to local governments and nonprofit organizations for implementation of source water protection activities.
12. Manage American Rescue Plan Act (ARPA) funds and BIL funding concurrently with the DWSRF funds. The priority list of ARPA projects is in Attachment VI.
13. Establish programs to implement the Emerging Contaminants and Lead Service Line Replacement BIL grants.

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5 Information on the Activities to be Supported

5.1 Allocation of Funds

The primary type of assistance provided by the DWSRF is expected to be in the form of low-interest loans for up to 100% of project costs. The effective rate of interest will vary from a ceiling of 2.00% and a floor of 1.25%. The current policy is stated in DEQ Policy Memorandum PS22-04. An interest rate floor is established to help offset the effects of inflation and to encourage communities to complete their projects in a timely manner. This rate is tied to the loans issued from the SFY2023 Intended Use Plan.

All loans will be paid back over a period not to exceed 20 years unless it is a disadvantaged loan where a 30-year period is allowed. Principal and interest repayments will begin no later than one year after the date the constructed facility initiates operations.

Disadvantaged loans may have lower interest rates and principal forgiveness (see Attachment III for an explanation of the Disadvantaged Loans program). The average design life of the project must equal or exceed the repayment term.

The FFY 2022 capitalization grant funding is expected to require \$2,202,200 (26% of the \$6,900,000 capitalization grant, or the "floor") be distributed as a subsidy or principal forgiveness; however, Idaho can allow up to 50% of the capitalization grant to be provided as principal forgiveness for disadvantaged communities. The "ceiling" is \$3,450,000. Idaho will accomplish the principal forgiveness requirement through compliance with the "Rules for Administration of the Wastewater and Drinking Water Loan Funds" (IDAPA 58.01.12.021) requirements for disadvantaged communities and will document the proposed funding terms in Attachment I, Fundable List.

The FFY 2022 BIL general supplemental grant requires 49% of the grant to go to principal forgiveness.

5.2 Principal Forgiveness, Project Subsidies, and Emergencies

Idaho will adopt 26% (of the capitalization grant) principal forgiveness allocation to include \$1,000,000 for emergencies and lead remediation. The proposed funding terms, on Attachment I, will reflect a principal forgiveness provision of 26% of the FFY 2022 capitalization grant. The capitalization grant is estimated to equal \$7,008,000 (for the entire state) and 26% of that figure is \$1,822,080.

In addition, Attachment I will reflect the principal forgiveness provision of 49% of the FFY 2022 BIL general supplemental grant. BIL general supplemental grant equals \$17,992,000 (for the entire state) and 49% of that figure is \$8,816,080. Disadvantaged systems will share equally, on a project cost pro-rata basis, in the \$8,816,080 from BIL and \$822,080 (of the \$1,822,080) for a total of \$9,638,160. The remaining \$1,000,000 will be used for emergencies and lead remediation.

Principal forgiveness is allocated to systems that have long-term loan repayments to the DWSRF program. Interim financing is not considered a long-term loan with DEQ. Interim financing given by DEQ could affect any principal forgiveness the system is slated to receive. If the minimum percentage of principal forgiveness is not reached by the end of the fiscal year, loans receiving interim financing that qualify for principal forgiveness may receive principal forgiveness.

To automatically be considered for principal forgiveness, the system's annual user rates will need to exceed 2.00% of the community's median household income. If user rates fall between 1.50% and 2.00% of median household income, principal forgiveness will be considered and DEQ will verify that:

- The most recent census reports a decline in population for the community during the recent five year reporting period: <https://censusreporter.org/locate/>.
- Unemployment exceeds 2.6% the statewide average, as posted on the Idaho Department of Labor's website, as of December 29, 2021: <http://labor.idaho.gov/dnn>.

To the extent entities on the Fundable List exceed user rates of \$100 per month, up to 50% of the \$9,638,160 will be allocated proportionally. After the allocation of the initial 50% of principal forgiveness, all disadvantaged systems will share equally, on a project cost pro-rata basis, in the remaining \$4,819,080 that is available for principal forgiveness. The proposed funding terms first adjust the length of the loan term and secondly the interest rate is adjusted to the disadvantaged rate without lowering the monthly user rate below 1.50% of median household income. After these steps are taken, the remaining projects in disadvantaged communities will be provided principal forgiveness based on the highest rates amongst the fundable systems. Principal forgiveness is capped (on an individual loan basis) at the amount necessary to get to 1.50% of median household income.

Further description of the use of principal forgiveness is outlined in Attachment III.

Reduction of Lead and Copper Exposure

Public drinking water systems (including public schools (K-12)) will have access to \$500,000, per year for the entire state, for projects that:

- Address corrosion control treatment requirements for lead; or,
- Address lead service line replacement requirements; and,
 - The system has triggered the requirement to implement a lead service line replacement program or other approved lead mitigation practices under the currently adopted lead and copper rule (i.e., Corrosion Control Treatment, Lead Service Line Replacement, provision of point of use for lead, or replacement of all lead-bearing materials).

At the end of the year unused project subsidy funds will not be rolled forward into the next year.

Note that this funding is not the BIL Lead Service Line funding.

Emergencies

DEQ's SRF program will provide funding for emergency situations up to a total of \$500,000 for the state. Public water system owners or operators seeking emergency funding should call the DEQ State Office (208) 373-0122 to discuss their needs and application process.

Should there be any principal forgiveness monies that were not utilized by economically disadvantaged communities, they will be considered for emergency use on a case-by-case basis.

Criteria for emergency funding:

- The situation must be a serious and unexpected situation that requires immediate action.
- An emergency must be declared by a local, state, or national governmental entity.
- Public health must be at imminent risk.
- Will not be used for addressing deferred maintenance issues.
- Intended for like-kind replacement, unless the damaged infrastructure would not meet current standards.
- Replacement work should all be done in existing footprint of damaged infrastructure, unless such an approach would not allow the facility to meet current standards.
- Infrastructure repairs or replacements will only be made to fix the proximate cause of the emergency.
- Costs incurred for replacement prior to a loan being signed will be considered for inclusion in the loan.
- Legal debt authority must be obtained if DEQ is unable to entirely meet replacement needs with project subsidy.
- Receipts must be submitted to justify all costs. "All" costs include any cash advances or costs incurred prior to the funding assistance agreement having been signed.
- Any over-payments by DEQ (most likely happening in the context of an advance) will require reimbursement by the funding recipient.
- Rules for SRF loans will be followed to determine cost/expense eligibility.
- Volunteers will not be compensated for their time. All personnel time, in order to be eligible, must be supported by the existence of W-2's or contracts.

Loan-Eligible Activities

DWSRF loans will provide for the construction of water supply, treatment, storage, and distribution facilities. DWSRF loan assistance will be provided to local communities, counties, water districts, and nonprofit associations. If growth or fire flow are funded, they cannot constitute the primary purpose for the loan.

DEQ may award any combination of planning, design, and construction loans from the DWSRF.

Use of Set-Asides

The following set-asides are based on federal grant awards for the capitalization grant and the general supplement grant for a total estimated amount of \$25,000,000. If the grants are less or more, the set-aside amounts will be proportionately reduced or increased. Set-aside use requirements are outlined in the Code of Federal Regulations, 40 CFR 35.3535.

4% Administration and technical assistance set-aside.

DEQ plans to reserve 4% or \$1,000,000 of the FFY 2022 capitalization grant and BIL general supplemental grant for administrative expenses of the DWSRF. Such activities include, but are not limited to preparation of project lists; project application, review, and monitoring; review of environmental documents; disbursement of loan funds; receipting of loan repayments; and administering activities funded from the DWSRF set-asides.

2% Technical assistance set-aside.

DEQ plans to reserve 2% or \$500,000 of the FFY 2022 capitalization grant and BIL general supplemental grant to provide technical assistance to small public water systems serving fewer than 10,000 people. None of these funds will be spent until EPA has approved a work plan that identifies tasks for which the funds will be used.

10% State program management set-aside.

DEQ plans to reserve 10% or \$2,500,000 of the FFY 2022 capitalization grant and BIL general supplemental grant to supplement the administration of the Drinking Water Bureau. DEQ anticipates using this funding to assist communities with lead service line inventories until a program for the BIL Lead Service Line grant can be established. None of these funds will be spent until EPA has approved a work plan that identifies tasks for which the funds will be used.

15% Local assistance and other state programs set-aside.

DEQ plans to reserve 10% or \$2,500,000 of the FFY 2022 capitalization grant and BIL general supplemental grant for source water protection. These funds will be used to assess public drinking water sources to characterize the water source and determine its susceptibility to contamination; assist with developing and implementing source water protection plans; implement source water protection projects and develop tools and resources to facilitate source water protection implementation efforts; and provide source water protection education, outreach, training, and technical assistance to owners and operators of public water systems, staff at local governments, schools, businesses, and the public. None of these funds will be spent until EPA has approved a work plan that identifies tasks for which the funds will be used.

DEQ plans to reserve 5% or \$1,250,000 of the FFY 2022 capitalization grant and BIL general supplemental grant for implementation of the capacity development strategy. These monies will fund the several capacity development tasks as detailed in the approved work plan. DEQ may utilize the additional funds to assist communities with lead service line inventories until a program can be established to utilize the BIL lead service line grant. None of these funds will be

spent until EPA has approved a work plan that identifies tasks for which the funds will be used. DEQ will utilize \$100,000 from this grant to pay for drinking water planning grants.

If the amount of funds reserved for the set-asides are not projected to be used by the end of the second year, or as agreed upon between EPA Region 10 and DEQ, the excess funds will be transferred into the loan corpus. When 2%, 4%, or 10% set-asides are transferred to the loan corpus, the amounts transferred may be considered as "banked" and if additional set-aside funds are needed in the future, the programs needing set-aside funds may draw upon these "banked" funds. However, the 15% set-asides (used for Source Water Protection and for Capacity Development) cannot be "banked."

Assistance Agreement Fees

In order to support administrative costs associated with operating the DWSRF program, a fee program was instituted. The fee will be 1% of the unpaid balance of the assistance agreement (unless the grand total of the interest rate and fee is less than 1%, in which case the fee will be reduced), payable when the regular repayments are made. Herein the term effective interest will be the sum of the fee and the true interest. The interest rate will be reduced by the corresponding percentage of the fee, so there is no net effect on borrowers. .

For SFY 2021, the fee revenues were \$549,393, and for SFY 2022 the expected fee revenue should be approximately the same as SFY 2021. The fee cash balance, mid-way through SFY 2022, was \$1,210,254.58. In the second half of SFY 2022, approximately \$150,000 of fee revenues will be used to fund DWSRF administrative and technical support costs incurred beyond the federal capitalization grant support level and drinking water planning grant support.

Support for drinking water planning grants will include direct support to municipalities for their plan development and the DEQ staff time to administer the grant support. The DEQ personnel costs will be drawn from each regional office and the state office in Boise. In each regional office, the personnel charging against the fee account will be engineering staff to support drinking water planning grants. In the state office, the personnel time will consist of financial and environmental review staff.

Surplus fee revenues will be transferred into the assistance agreement repayment account, to increase available resources for assistance agreements. Surplus fees will earn the same interest as regular repayment idle monies and will be periodically transferred to the fund corpus. Should a cash flow deficiency arise in the fund corpus, surplus fees would be transferred ad hoc.

6 Assurances and Specific Proposals

6.1 Environmental Reviews

DEQ certifies that it will conduct environmental reviews of each project receiving assistance from the DWSRF. DEQ will follow the EPA-approved State Environmental Review Process (SERP) for conducting environmental reviews.

These procedures are outlined in the “Rules for Administration of the Wastewater and Drinking Water Loan Funds” (IDAPA 58.01.12). More detailed procedural description is found in the Drinking Water Loan Account Handbook (Chapter 5), located at: <https://www2.deq.idaho.gov/admin/LEIA/index.html?view=folder&id=2630>

6.2 Binding Commitments

As required, DEQ will enter into binding commitments in an amount equal to the most recent grant awards and proportional state match within one year of receipt of those funds.

6.3 Timely and Expeditious Expenditures

DEQ will strive to expend all funds in the DWSRF in a timely and expeditious manner. Should additional funds be made available to the Idaho DWSRF during the course of SFY 2023, the Idaho DWSRF will use the existing Priority List to allocate and commit those additional funds.

6.4 State Matching Funds

DEQ agrees to deposit state monies into the DWSRF in an amount equal to 20% of the federal capitalization grant and the BIL stimulus grant on or before the date by which the State of Idaho receives the cash draw from EPA. These funds will be transferred from a combination of the state's Water Pollution Control Account and from the loan fee account. The FFY2022 BIL supplemental grant only requires a 10% match, but DEQ will be matching 20% to meet Idaho Code.

6.5 State Laws and Procedures

DEQ agrees to make expenditures according to applicable state laws and procedures.

6.6 National Reporting Requirements

DEQ agrees to provide data or information to EPA as may be required for national reports and public or congressional inquiries. Capitalization grant-funded recipients will be monitored (by DEQ's Fiscal Section) for Single Audit Act compliance. DEQ agrees to comply with and require recipients of assistance agreements from the DWSRF to comply with applicable federal cross-cutting requirements. The basic rules for complying with cross-cutting federal authorities are set out in 40 CFR §35.3575. DEQ will notify EPA when consultation or coordination by EPA is

necessary to resolve issues regarding these requirements. These requirements include Disadvantaged Business Enterprise (DBE) compliance and Federal Funding Accountability and Transparency Act (FFATA) reporting. In order to minimize administrative complexity and the burden on borrowers, the DWSRF program will select projects with a dollar value equaling the most recent federal capitalization grant award that is reserved for loans, to comply with the FFATA requirements. Additionally, FFATA reporting will be conducted for set-aside single transactions that equal or exceed \$30,000.

American Iron and Steel, Build America Buy America, and Davis Bacon wage provisions compliance apply to all funds (not just the capitalization grant and BIL funds) in the DWSRF and carry reporting and compliance requirements. If any SRF funds are used for projects, these requirements apply.

6.7 Transfers Between State Revolving Fund Loan Funds

Should transfers become needed, DEQ reserves the right to transfer surplus funds originating back to FFY 1997 capitalization grant awards. See Attachment IV for listings of capitalization grants and the related narrative. Per 40 CFR 35.3550, a state may reserve the authority to transfer funds in future years. Funds may be transferred on a net basis, provided that the 33% transfer allowance associated with the DWSRF program capitalization grants received is not exceeded. Only repayments will be used for transfers. In order to meet the increase demand for loans for the CWSRF, \$10,000,000 will be transferred in SFY2023. Through SFY 2022, \$40 million in transfers will have been made from the DWSRF to the CWSRF.

7 Criteria and Method for Distribution of Funds

Idaho public drinking water systems will be queried regularly to obtain information regarding projects for which loan monies could be used. Additional information about potential projects will be obtained from DEQ regional office engineers, privately retained consulting engineers, and other state and federal agencies. DWSRF monies will be distributed according to the methods, criteria, and eligible activities as identified and described in IDAPA 58.01.12.

The criteria and methods for distribution of funds are designed to allow maximum flexibility in providing assistance, thereby enhancing the long-term viability and revolving loan aspect of the DWSRF program.

DEQ will use the priority rating system outlined here for managing the DWSRF program. Only projects on the joint Fundable/Priority List are eligible for funding.

DEQ reserves the right to fund lower priority projects over higher priority projects that are not ready to proceed. In such instances, DEQ will comply with established bypass procedures. DEQ may add projects to the Fundable List due to emergencies such as an unanticipated system failure or a project that is needed to prevent an imminent health threat.

No funding commitment will be made to a project until an engineering report; environmental review; and a financial, managerial, and technical assessment have been completed, although any project without a repayment obligation would not require underwriting.

The rating criteria used for the SFY 2023 Fundable/Priority List are as follows:

Table 1. SFY 2023 DWSRF Rating Criteria

Public Health Hazard	(Maximum section points = 100)
	Maximum Points
▪ Microbiological violations	10
▪ Chemical violations	10
▪ Surface water treatment technique	10
▪ Low pressure events	22
▪ Reduction in source capacity	22
▪ Significant system deficiencies	16
▪ Unregulated contaminants	10
General Conditions of Existing Facility	(Maximum section points = 60)
▪ Treatment deficiencies	21
▪ Source deficiencies	17
▪ Distribution deficiencies	19
▪ Redundancy and standby power	5

Sustainability Efforts	(Maximum section points = 50)
<ul style="list-style-type: none"> ▪ Management-based efforts ▪ Green Efforts ▪ Water Conservation Efforts ▪ Energy Conservation Efforts 	<p>45</p> <p>10</p> <p>25</p> <p>30</p>
Consent Order, Compliance Agreement Schedule, or Court Order	(Maximum section points = 30)
<ul style="list-style-type: none"> ▪ Funding solves technical issues 	30
Incentives	(Maximum section points = 12)
<ul style="list-style-type: none"> ▪ Current source water protection plan ▪ Cross-connection control program ▪ No significant deficiencies in the last sanitary survey ▪ Using properly licensed Substitute Responsible Charge Operator ▪ No more than one failure to monitor violations in past 5 years for all analyses ▪ 	<p>2</p> <p>2</p> <p>2</p> <p>2</p> <p>2</p>
Affordability	(Maximum section points = 10)
<ul style="list-style-type: none"> ▪ Project user charge exceeds affordable criteria 	10

8 Additional Information Requirements

8.1 Public Review and Comment

The IUP contents, including the Priority List, are subject to a public participation process. Regional office staff made personal contact with drinking water systems in their respective areas that had indicated interest and rated the projects. Priority Lists were also disseminated to all state and federal agencies involved in infrastructure financing. Those agencies, including the United States Department of Agriculture-Rural Development, Rural Community Assistance Corporation, and Idaho Department of Commerce (Community Development Block Grants), meet periodically to discuss potential projects.

In addition to the above, the IUP, including the Fundable List and the Priority List, was posted on the DEQ website, and notices inviting comment were published in the state's major newspapers during the comment period.

A summary of the public participation process is included as Attachment V.

Projects from the SFY 2023 Priority List for which DEQ intends to provide loan funding are identified in Attachment I. These projects will be considered for approval by the DEQ Board at a special meeting held on June 23, 2022.

8.2 Bypass Procedures

A project that does not or will not meet the project target date or a DEQ schedule that allows for timely use of loan funds may be bypassed, substituting the next highest ranking project(s) that is ready to proceed, as identified and described in IDAPA 58.01.12. DEQ intends to use Priority List ranking as much as possible when preparing the list of fundable projects. However, a lack of adequate funding, changes in project scope, failure to pass a bond election, or other unforeseen circumstances may require that a project on the IUP Priority List be bypassed. If a project is bypassed, DEQ will offer loan funds to the highest ranked, ready-to-proceed project from the most current approved Priority List. Bypassed projects will be listed in the Annual Report.

Attachment I. Fundable List of Drinking Water Loan Projects

State of Idaho, Drinking Water State Revolving Loan Fund
for the Period of July 1, 2022 through June 30, 2023

Rank	Project	Rating Points	Regional Office	System Type	Green Infrastructure Cost	System Number	Pop. Served	Proposed Funding Terms	Loan Amt. & Est. Loan Date	Project Description
1^	Murray Water Association	146	Coeur d'Alene	Private	\$62,000	ID1400039	35	30 years at 1.50% with \$130,254 of PF	\$130,254 July 2022	Add new wells, pumps, generator, and upgrade distribution system
2*	Kootenai County Water Dist. #1	139	Coeur d'Alene	Public	\$873,000	ID1280106	805	20 years at 2.00%	\$5,305,000 November 2022	Upgrades to supply, storage and distribution systems
3*^	Yellow Pine Water Users Association	125	Boise	Private	\$6,350,000	ID4430059	72	30 years at 1.50% with \$3,302,320 of PF	\$6,451,613 July 2021	Replacement of: failing treatment plant, non-operational water storage reservoir, all aging undersized distribution water mains, and damaged chlorination facilities. Construction of a surface water intake and installation of pressure reducing valves
5^	Drake Subdivision Property Owners Association	112	Boise	Private	\$237,500	ID3140028	109	30 years at 1.50% with \$480,261 of PF	\$480,261 July 2022	Drilling two new wells, replacement of priority distribution water mains, and construction of a new well house
7^	City of Genesee	106	Lewiston	Public	\$2,523,000	ID2290015	1,209	20 years at 2.00%	\$1,273,969 November 2022	Installation of new groundwater wells and facilities, upgrade booster station, transmission and distribution main replacements, isolation valve replacement and addition, and fire hydrant replacement
8	HooDoo Harvard Water & Sewer Dist.	105	Lewiston	Public	\$2,250,000	ID2290017	82	30 years at 1.50% with \$3,000,000 of PF	\$3,000,000 May 2023	Upgrades to water supply and storage to address drought conditions and public health hazards
10*^	City of American Falls	100	Pocatello	Public	\$6,560,000	ID6390001	4,225	30 years at 1.50% with \$604,063 of PF	\$13,639,750 November 2022	Install water meters, improvements to well complex, and replace waterlines
11^	City of Harrison	99	Coeur d'Alene	Public	\$80,100	Unknown	279	30 years at 1.50% with \$271,262 of PF	\$271,262 November 2022	Construction of second well
12^	City of Oakley	98	Twin Falls	Public	\$270,500	ID5160035	821	20 years at 2.00%	\$759,186 November 2022	Construction of a new well and a new storage tank

Rank	Project	Rating Points	Regional Office	System Type	Green Infrastructure Cost	System Number	Pop. Served	Proposed Funding Terms	Loan Amt. & Est. Loan Date	Project Description
14 [^]	City of Grand View	91	Boise	Public	\$30,000	ID2250017	351	30 years at 1.50%	\$525,840 November 2022	Water distribution system improvements, rehabilitation and repair of well, water quality testing and monitoring, and ion exchange nitrate treatment system
15 [^]	Elk City Water & Sewer Association	88	Lewiston	Public	\$275,000	ID5240012	320	30 years at 1.50% with \$1,850,000 of PF	\$1,850,000 November 2022	Improvements to storage system and treatment system operation monitoring
80	Systems w/Corrosive Water or Lead Fixtures Presenting a Public Health Hazard	Unk	All	All	All	Unk	Unk	\$500,000 of principal forgiveness	\$500,000	Fund Planning, Design and Construction to remediate corrosive/aggressive water situations that present a clear threat to public health
81	Emergency	Unk	All	All	Unknown	Unk	Unk	\$500,000 of principal forgiveness	\$500,000	See Section 5.2 of Intended Use Plan
				Totals	<u>\$1,196,000</u>			<u>\$10,638,160</u>	<u>\$34,687,135</u>	

NOTES: *Kootenai Water District, Yellowpine Water Association, and American Falls are expected to meet the state's federal cross-cutting and reporting requirements which are required of loans that equal the state's annual capitalization grant award amount.

[^] This means the project is getting grant funds from the American Rescue Plan Act (ARPA) see Attachment VI

** Projects ranked 4,6,9,13 were bypassed because they either already received SRF funding for this project in previous fiscal years or will be receiving 100% ARPA funding

Attachment II. Priority List of Drinking Water Loan Projects

State of Idaho, Drinking Water State Revolving Loan Fund
for the Period of July 1, 2022 through June 30, 2023

Rank	Project	Rating Points	Regional Office	System Type	System Number	Pop. Served	Project Cost	Project Description
1	Murray Water Association	146	Coeur d'Alene	Private	ID1400039	35	\$735,000	Add new wells, pumps, generator, and upgrade distribution system
2	Kootenai County Water Dist. #1	139	Coeur d'Alene	Public	ID1280106	805	\$7,305,000	Upgrades to supply, storage and distribution systems
3	Yellow Pine Water Users Association	125	Boise	Private	ID4430059	72	\$12,500,000	Replacement of: failing treatment plant, non-operational water storage reservoir, all aging undersized distribution water mains, and damaged chlorination facilities. Construction of a surface water intake and installation of pressure reducing valves
4	City of Challis	116	Idaho Falls	Public	ID7190013	847	\$3,500,000	Installation of a new well house and booster station
5	Drake Subdivision Property Owners Association	112	Boise	Private	ID3140028	109	\$1,450,000	Drilling two new wells, replacement of priority distribution water mains, and construction of a new well house
6	Panhandle Village Water System	111	Coeur d'Alene	Private	ID1280132	160	\$4,320,000	Replacement of distribution system, storage tank and booster addition
7	City of Genesee	106	Lewiston	Public	ID2290015	1,209	\$6,500,000	Installation of new groundwater wells and facilities, upgrade booster station, transmission and distribution main replacements, isolation valve replacement and addition, and fire hydrant replacement
8	HooDoo Harvard Water & Sewer Dist.	105	Lewiston	Public	ID2290017	82	\$3,000,000	Upgrades to water supply and storage to address drought conditions and public health hazards
9	City of Dayton	102	Pocatello	Public	ID3210004	463	\$1,978,300	Connecting replacement wells to existing storage tanks and improving distribution system

Rank	Project	Rating Points	Regional Office	System Type	System Number	Pop. Served	Project Cost	Project Description
10	City of American Falls	100	Pocatello	Public	ID6390001	4,225	\$26,600,000	Install water meters, improvements to well complex, and replace waterlines
11	City of Harrison	99	Coeur d'Alene	Public	Unknown	279	\$1,108,000	Construction of second well
12	City of Oakley	98	Twin Falls	Public	ID5160035	821	\$2,058,000	Construction of a new well and a new storage tank
13	Camp Sweyolakan PWS	97	Coeur d'Alene	Private	ID1280033	150	\$1,350,000	Upgrades to address system deficiencies identified in sanitary survey - raw water intake system, electrical system, lack of redundancy, and lack of backup power source
14	City of Grand View	91	Boise	Public	ID3370010	351	\$2,100,000	Water distribution system improvements, rehabilitation and repair of well, water quality testing and monitoring, and ion exchange nitrate treatment system
15	Elk City Water & Sewer	88	Lewiston	Public	ID2250017	320	\$1,850,000	Improvements to storage system and treatment system operation monitoring
16	City of Hagerman	87	Twin Falls	Public	ID5240012	890	\$7,500,000	Installation of a new tank, booster station, generator, chlorination system, piping and new pumps
17	Southside Water & Sewer District	86	Coeur d'Alene	Public	ID1090131	650	\$3,823,000	Add a new source water deep well, standby power for water source, miscellaneous distribution improvements and a new storage tank
18	City of Driggs	85	Idaho Falls	Public	ID7410004	1,300	\$2,700,000	Construction of improvements to address supply issues
19	City of Bliss PDWS	84	Twin Falls	Public	ID5240002	384	\$8,352,240	Installation of a new well, repair/replacement of SCADA and Booster Station Pump, Pressure manigold, SCADA upgrades, and backup generator
20	Bayview Water & Sewer District	81	Coeur d'Alene	Public	ID1280014	1175	\$5,100,000	Upgrade existing supply, storage, and distribution facilities
21	City of Jerome	81	Twin Falls	Public	ID5270011	11,500	\$26,000,000	Drill a new well, construct a new storage tank, construct a new booster station, and add distribution mains.

Rank	Project	Rating Points	Regional Office	System Type	System Number	Pop. Served	Project Cost	Project Description
22	City of Shoshone	80	Twin Falls	Public	ID5320006	1,398	\$10,758,490	Upgrades to water mains, installation of an electrical generator at wellhouses and SCADA system
23	Laclede Water District	80	Coeur d'Alene	Public	ID1090073	787	\$5,320,000	The proposed project entails three alternatives to correct the identified problems in the facilities plan. These alternatives address the intake system, treatment system, and distribution system
24	Riverside Water & Sewer District	77	Lewiston	Public	ID2180032	3,678	\$1,800,000	Address intake system, treatment system, and distribution deficiencies
25	Carlin Bay Water	74	Coeur d'Alene	Private	ID1280039	185	\$2,900,000	Installing a second well
26	City of Idaho Falls (Water System & Distribution)	72	Idaho Falls	Public	ID710039	61,500	\$16,500,000	Water tower replacement, wellhouse reconstruction, well upgrades and commercial metering conversions
27	Terrace Lakes Water Company	72	Boise	Private	ID4080047	47	\$3,200,000	Address source water supply, water storage, booster pumping, and transmission and distribution deficiencies
28	Cave Bay Community System	71	Coeur d'Alene	Private	ID1280041	443	\$4,000,000	Upgrades to the distribution system, additional source capacity, and additional storage
29	Spirit Bend Water System	69	Coeur d'Alene	Private	ID1280177	135	\$350,000	Upgrades to address source/storage deficiencies and booster capacity
30	City of Rupert	67	Twin Falls	Public	ID5340017	5,796	\$17,504,000	Improvements to address distribution issues, standby power issues, and secondary water quality parameter issues. Increase safety, efficiency, and longevity of the system
31	Central Shoshone County Water District	66	Coeur d'Alene	Public	ID1400089	6,098	\$10,000,000	Design and construction of a transmission main
32	City of Blackfoot	66	Pocatello	Public	ID6060007	11,922	\$10,000,000	Improvements to chlorination and water distribution systems

Rank	Project	Rating Points	Regional Office	System Type	System Number	Pop. Served	Project Cost	Project Description
33	City of Albion	64	Twin Falls	Public	ID5160001	422	\$5,759,000	Improvements to design basis, ground water source redundancy, and redundant fire flow capacity
34	City of Clark Fork	64	Coeur d'Alene	Public	ID1090018	698	\$8,586,000	Improvements to source capacity, add additional storage and replacement damaged pipes throughout the system
35	City of Franklin	64	Pocatello	Public	ID6210007	706	\$4,692,000	Improvements to the filtration system and adding a second filtration system for redundancy
36	City of Filer	62	Twin Falls	Public	ID5420021	2,845	\$2,500,000	Replace storage tank, well, and wellhouse
37	City of Shelley	62	Pocatello	Public	ID6060071	4,455	\$2,340,000	Construction of a new transmission line, pump upgrades, and installation of a new generator
38	City of New Meadows	62	Boise	Public	ID3020012	533	\$3,388,500	Adding groundwater well production facilities, construction of a new reservoir, and addressing storage and distribution deficiencies
39	City of Chubbuck	61	Pocatello	Public	ID6030008	15,570	\$6,000,000	Address source capacity, water storage capacity and transmission supply capacity
40	Atlanta Water Association	59	Boise	Public	ID4200005	1,350	\$564,000	Upgrade storage tank to improve peaking supply, emergency storage, and fire protection capacity
41	City of Lewiston	57	Lewiston	Public	ID2350014	15,001	\$37,200,000	Improvements to transmission mains and upgrade of raw water intake
42	City of McCammon	57	Pocatello	Public	ID6030038	794	\$7,778,000	Upgrades to address water supply and storage deficiencies
43	Black Hawk Estates (Iron Rim Ranch Water System)	56	Idaho Falls	Private	ID7100207	230	\$6,160,000	Construction of a transmission line and installation of a pH adjustment system at the storage tank
44	City of Spirit Lake	56	Coeur d'Alene	Public	ID1280177	2,419	\$9,963,201	Install a new well, construction of transmission mainlines

Rank	Project	Rating Points	Regional Office	System Type	System Number	Pop. Served	Project Cost	Project Description
45	City of Cascade	52	Boise	Public	ID4430012	899	\$3,367,400	Replacement of piping, new meters, and new well and pump house
46	Hauser Lake Association	50	Coeur d'Alene	Private	ID1280084	1,350	\$1,250,000	Replacement of piping, new meters, and new well and pump house
47	Meander Point Subdivision	46	Twin Falls	Private	ID5420040	140	\$90,000,000	Replacement of piping, new meters, and new well and pump house
48	City of Bloomington	44	Pocatello	Public	ID6040007	204	\$2,046,500	Address treatment system deficiencies.
49	City of Grangeville	43	Lewiston	Public	ID2250023	3,151	\$15,000,000	Construction of a new tank and design and construction of a domestic well
50	City of Cambridge	43	Boise	Public	ID3440002	313	\$250,000	Improvements to wells to address emergency water supply
51	Colburn Water Association	43	Coeur d'Alene	Private	ID1090021	290	\$8,131,000	Improvements to surface water treatment system and reservoir
52	Remington Recreational Water & Sewer District	42	Coeur d'Alene	Public	ID1280270	1,069	\$3,300,000	Develop two wells, add an underground reservoir, booster pump upgrades, and add new transmission
53	City of Wilder	40	Boise	Public	ID3140138	1,740	\$2,724,000	Construction of a new booster station, upgrades to the City's wells, construction of pipeline to loop an existing dead end water line
54	City of Wendell	38	Twin Falls	Public	ID5240028	3,000	\$6,800,000	Upgrade pump station, distribution system improvements
55	City of Payette	37	Boise	Public	ID3380009	7,655	\$2,001,000	Construction of new reservoir
56	Hayden Lake Irrigation District	37	Coeur d'Alene	Public	ID1280087	804	\$3,000,000	Replacement of water main and connect to exiting dead-ends to provide better looping and increased water quality

Rank	Project	Rating Points	Regional Office	System Type	System Number	Pop. Served	Project Cost	Project Description
57	City of Tetonia	36	Idaho Falls	Public	ID7410012	258	\$729,000	Design and construction of a water storage tank
58	Castle Mountain Creeks Owners Association	36	Boise	Private	ID4080007	249	\$2,426,000	Replacement of the failed reservoir, recoating of the in-service reservoir, and completion of the priority aging distribution water main replacement effort
59	Evans Water Corp. & HOA	35	Boise	Private	ID4010055	137	\$296,000	Upgrade source capacity and storage system to address peak hour demand shortages and storage system failures
60	West Bonner Water & Sewer District (Storage Tank)	35	Coeur d'Alene	Public	ID190151	623	\$2,560,000	Replacement of the storage tank
61	City of Melba (Well #3 & Well #1)	34	Boise	Public	ID3140070	510	\$400,000	Drilling a new well to replace deteriorating conditions
62	West Bonner Water & Sewer District (Mainline Replacement)	33	Coeur d'Alene	Public	ID190151	623	\$3,470,000	Replacement of mainline piping and installation of necessary valves
63	Alpine Meadows Water & Sewer	32	Coeur d'Alene	Private	ID1280002	268	\$2,560,000	Replacement of the storage tank
64	City of Rigby	31	Idaho Falls	Public	ID7260032	4,209	\$4,360,000	Construction of a water storage tank and booster station
65	Country Haven Utilities Association	31	Pocatello	Private	ID6060013	150	\$900,000	Improvements to service lines, mainlines, and hydrants. Wellhouse improvements
66	City of Moyie Springs	30	Coeur d'Alene	Public	ID1110021	1,013	\$753,000	Replace aging pumps and piping in booster station and provide redundancy. Upgrade transmission mains
67	Ohio Match Road Water System	30	Coeur d'Alene	Private	ID1280128	250	\$600,000	Installing a second well

Rank	Project	Rating Points	Regional Office	System Type	System Number	Pop. Served	Project Cost	Project Description
68	City of Murtaugh	29	Twin Falls	Public	ID5420042	130	\$2,200,000	Upgrades to the booster station, additional storage and distribution system upgrades
69	Starweather Estates	26	Twin Falls	Private	ID5070097	150	\$200,000	Engineer report in progress. Design, spec, and build out natural gas generator on a concrete pad
70	City of Twin Falls	25	Twin Falls	Public	ID5420058	50,197	\$31,000,000	Replace distribution system piping
71	City of St. Maries	25	Coeur d'Alene	Public	ID1050024	3,152	\$3,275,000	Replacement of existing lead water mains and services
72	Syringa Heights Water District	25	Coeur d'Alene	Public	ID1090136	423	\$675,000	Installation of back up generator, replacement of aging piping, replacement pressure system valves and appurtenances
73	City of Soda Springs	23	Pocatello	Public	ID6150017	2,982	\$4,000,000	Replacement of the Main St. water line and replace utilities at the same time
74	Farmway Village (Caldwell Housing Authority)	23	Boise	Private	ID3140012	1,100	\$4,667,000	Replacement of piping to meet new water distribution infrastructure
75	Country Club Estates	22	Twin Falls	Private	ID5270004	137	\$2,975	Address groundwater source, pumping, and distribution deficiencies
76	City of Salmon	20	Idaho Falls	Public	ID7300042	3,122	\$8,000,000	Upgrades to distribution system
77	City of Melba (Water Distribution)	20	Boise	Public	ID3140070	510	\$2,700,000	Construction of an additional storage tank and a new booster pump station and replacement of existing water mains
78	Rockledge Estates	18	Twin Falls	Private	ID5420107	125	\$40,000	Replace failed backup power generator
79	City of Idaho Falls (Water System Recharge)	0	Idaho Falls	Public	ID7100039	61,500	\$1,650,000	NOTE: did not rank, G & L program looking into funding eligibility. Engineer report in progress. Design, spec, and build out natural gas generator on a concrete pad

Rank	Project	Rating Points	Regional Office	System Type	System Number	Pop. Served	Project Cost	Project Description
80	Systems w/Corrosive Water or Lead Fixtures Presenting a Public Health Hazard	20	All	All	All	Unk	\$500,000	Fund Planning, Design and Construction to remediate corrosive/aggressive water situations that present a clear threat to public health.
81	Emergency	Unk	All	All	All	Unk	\$500,000	See section IV.A. of the Intended Use Plan
Totals							<u>\$431,969,986</u>	

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Attachment III. Description of Disadvantaged Loans

Idaho Drinking Water Revolving Loan Fund

To initially qualify for a disadvantaged loan, a loan applicant must have an annual cost of drinking water service for residential customers that exceeds 2.0% of the median household income. The annual cost includes all operating, maintenance, replacement, and debt service costs, both for the existing system and upgrades being financed with state debt. If the applicant's service area is not within the boundaries of a municipality, the applicant may use census data for the county in which it is located, or may use a DEQ-approved income survey (which details the community's median household income).

First, the loan interest rate will be reduced from the rate established by the DEQ director for standard loans to a rate that results in an annual charge equal to 2.00% of median household income. The interest rate reduction may result in a loan interest rate of as low as 1.25% for a 20-year loan (in rare instances the rate may be set at 0.00%).

Second, if a 1.25% interest rate and 20-year repayment loan terms and conditions result in the annual user charge exceeding 2.0% of median household income, then the length of the loan repayment will be extended in yearly increments up to a maximum of 30 years until the annual user charges equals 2.00% of median household income. Loans for 30 years have a 0.25% higher interest rate than a 20-year loan but will result in lower annual repayments.

Last, (assuming that a 30 year repayment period is acceptable to the applicant) if at 1.50% interest and a 30-year repayment, the annual user charge still exceeds 2.0% of median household income, the principal may be reduced. If a disadvantaged community's user rates exceed 2.00% of median household income there will be no more qualification requirements for that community in order to receive principal forgiveness. If the user rates fall in between 1.50% - 2.00% of median household income see requirements in Section 5.2 (page 9).

The principal reduction will be based on the pool of qualifying disadvantaged communities (projects) and communities in need of emergency assistance. Principal forgiveness may not be to lower a community status to below 1.50% of the median household income.

- When the federal capitalization grant is ready to be closed out (that is associated with the principal forgiveness allocated for SFY 2023) any unallocated principal forgiveness for disadvantaged communities (identified in the Fundable List – Attachment I), will be allocated to those disadvantaged entities that signed loans with DEQ during state fiscal year 2023 and still qualify as disadvantaged. If a project's budget increases after the Fundable List is established, any year-end reallocation of unused principal forgiveness will take into account the project's new cost.
- If a disadvantaged community accepts principal forgiveness and their project is completed under budget, their remaining principal forgiveness will be allocated to those disadvantaged entities that signed loans with DEQ during the state fiscal year and still qualify as disadvantaged.

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- If a project that has a claim to disadvantaged assistance (on the Fundable List) opts out of the loan process and the funding thereby goes to a lower-rated project or gets reallocated to other disadvantage communities that have signed loans. For lower-rated project (if the community is disadvantaged) can lay claim to the disadvantaged assistance (however, the ratio of principal forgiveness to dollars loaned will remain consistent).
 - Principal forgiveness is allocated to systems that have long-term loan repayments to the DWSRF program. Interim financing is not considered a long-term loan with DEQ. Interim financing given by DEQ could affect any principal forgiveness the system is slated to receive. If the minimum percentage of principal forgiveness is not reached by the end of the fiscal year, loans receiving interim financing, that qualify for principal forgiveness, may receive principal forgiveness.

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Attachment IV. Listing of Capitalization Grants—Reference for Potential Transfers Between Funds

Drinking Water SRF

Federal Fiscal Year	Capitalization Grant Amount
1997	\$14,157,800
1998	7,121,300
1999	7,463,800
2000	7,757,000
2001	7,789,100
2002	8,052,500
2003	8,004,100
2004	8,303,100
2005	8,285,500
2006	8,229,300
2007	8,229,000
2008	8,146,000
ARRA	19,500,000
2009	8,146,000
2010	13,573,000
2011	9,418,000
2012	9,080,824
2013	8,421,000
2014	8,845,000
2015	8,787,000
2016	8,312,000
2017	8,241,000
2018	11,107,000
2019	11,004,000
2020	11,011,000
2021	11,001,000
BIL '22	17,922,000
2022	7,008,000
Total	272,915,324

Note: The Drinking Water SRF fund is used to measure how much in transfers may be made, between the two loan funds.

Only one transfer may be made each year. For SFY 2023, \$10 million will be transferred from the Drinking Water SRF to the Clean Water SRF, thereby freeing up funds to be used by CWSRF borrowers. Per 40 CFR 35.3550 a state may reserve the authority to transfer funds in future

years. Funds may be transferred on a net basis, provided that the 33% transfer allowance associated with the DWSRF program capitalization grants received is not exceeded. Only repayments will be used for transfers.

The recent past has highlighted an imbalance in demand between the two loan funds, with the CWSRF having a much higher demand than the DWSRF:

- Demand in SFY 2012 for DWSRF \$68m vs. CWSRF \$117M
- Demand in SFY 2013 for DWSRF \$27m vs. CWSRF \$149M
- Demand in SFY 2014 for DWSRF \$37m vs. CWSRF \$162M
- Demand in SFY 2015 for DWSRF \$45m vs. CWSRF \$69M
- Demand in SFY 2016 for DWSRF \$46m vs. CWSRF \$67M
- Demand in SFY 2017 for DWSRF \$24m vs. CWSRF \$92M
- Demand in SFY 2018 for DWSRF \$36m vs. CWSRF \$264M
- Demand in SFY 2019 for DWSRF \$39m vs CWSRF \$137M
- Demand in SFY 2020 for DWSRF \$71m vs CWSRF \$78M
- Demand in SFY 2021 for DWSRF \$29m vs CWSRF \$80M
- Demand in SFY 2022 for DWSRF \$47m vs CWSRF \$394M
- Demand in SFY 2023 for DWSRF \$392m vs CWSRF \$963M

The two types of projects, Drinking Water (DW) and Clean Water (CW), have the same funding sources to apply to, so there is no offsetting relief for the CW entities from which to seek additional funds. Typically CW projects are more expensive than DW projects (this year the ratio is \$2.46m: \$1.0m per project, respectively). The current expectation is that the transferred funds into the CWSRF will reside there for some period of years; however, the transfer may be reversed in the future if the relative needs change.

The total amount of authority being reserved is 33% of \$272,915,324 or \$90,062,057. With the actual transfers of \$10,000,000 in SFYs 2015, 2016, 2017, and 2019 there will remain \$50,062,057 of reserve that could be transferred from the Drinking Water SRF to the Clean Water SRF, until the reserve is increased by new Federal grants. Transfers will be taken from repayments and will not affect set-asides. The potential for long-term diminution of DWSRF fund resources will be known as future, relative needs become known. DEQ will continue to monitor and conduct financial assessment/modeling to determine potential long-term impacts to the DWSRF fund.

Attachment V. Public Notification and Involvement Strategy

State Fiscal Year 2023

Clean Water and Drinking Water Priority Lists

The public was involved in the SFY 2023 Priority List development at several points in the process. Involvement for the drinking water and clean water lists was solicited directly from the systems through a survey that was mailed out by DEQ early in the Priority List process. Information on the completed letter of interest forms was used by state and regional office staff in preparing the Priority Lists. The DEQ SRF staff found that combining information obtained directly from eligible entities with information provided by DEQ engineering staff results in the most accurate listing of infrastructure needs.

Notification of all four SFY 2023 Priority Lists and the ARPA Priority List (Attachment VI) will be provided through DEQ's website from May 20, 2022, to June 10, 2022, and will be published in Idaho's six major (regional) newspapers.

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Attachment VI. List of Projects Funded by the American Rescue Plan Act

DEQ ARPA Ranking List

* Denotes systems within the anticipated available ARPA funding range.

ARPA Rank	Clean Water (CW) or Drinking Water (DW)	System Name ^a	LOI Rank	Total Loan Request	DEQ ARPA Project %	DEQ Maximum ARPA Amount
1*	#DW2105 ^b	Sunnyside Water	N/A	\$500,000	100%	\$500,000
2*	#DW1304 ^b	Bennington Water	N/A	\$2,400,000	100%	\$2,400,000
3*	#WW2103 ^b	Julietta	N/A	\$1,700,000	100%	\$1,700,000
4*	#DW2011 ^b	Kootenai County	N/A	\$5,000,000	100%	\$5,000,000
5*	#WW2004 ^b	Moyie Springs	N/A	\$2,100,000	100%	\$2,100,000
6*	#DW2106 ^b	Remington	N/A	\$1,000,000	100%	\$1,000,000
7*	#DW2012 ^b	Bayview	N/A	\$750,000	100%	\$750,000
8*	#WW2005 ^b	Genesee	N/A	\$3,762,000	100%	\$3,762,000
9*	#DW2104 ^b	Priest River	N/A	\$200,000	100%	\$200,000
10*	#DW2008 ^b	Cabinet Mtn	N/A	\$2,000,000	100%	\$2,000,000
11*	#DW1803 ^b	St Maries	N/A	\$400,000	100%	\$400,000
12*	# DW2001 ^b	Lewiston	N/A	\$7,300,000	100%	\$7,300,000
13*	DWSRF	Murray Water	1	\$735,000	82%	\$604,746
14*	CWSRF	Grand View	2	\$3,300,000	71%	\$2,354,352
15*	DWSRF	Yellow Pine	3	\$12,500,000	48%	\$6,048,387
16*	CWSRF	Kingston-Cataldo	3	\$6,107,600	100%	\$6,107,600
17*	CWSRF	Harrison	4	\$9,691,435	68%	\$6,567,348
18*	DWSRF	Challis	4	\$3,000,000	100%	\$3,000,000
19*	DWSRF	Drake Sub	5	\$1,450,000	67%	\$969,739
20*	CWSRF	Craigmont	5	\$7,000,000	74%	\$5,198,059
21*	DWSRF	Panhandle	6	\$4,320,000	72%	\$3,119,134
22*	CWSRF	Wilder	6	\$5,649,000	68%	\$3,844,838
23*	CWSRF	Mud Lake & Terreton	7	\$3,500,000	53%	\$1,864,788
24*	DWSRF	Genesee	7	\$3,000,000	58%	\$1,726,031
25*	CWSRF	Aberdeen	8	\$11,000,000	53%	\$5,828,297
26*	DWSRF	Dayton	9	\$1,478,300	23%	\$337,019
27*	CWSRF	Nezperce	9	\$9,150,000	87%	\$7,955,944
28*	CWSRF	Worley	10	\$14,800,000	100%	\$14,800,000
29*	DWSRF	American Falls	10	\$25,100,000	46%	\$11,460,250
30*	DWSRF	Harrison	11	\$841,500	68%	\$570,238
31*	CWSRF	Preston	11	\$30,000,000	50%	\$14,966,534
32*	DWSRF	Oakley	12	\$1,433,000	47%	\$673,814
33*	CWSRF	Shelley/EIRWWA	12	\$8,600,000	54%	\$4,659,278
34*	DWSRF	Camp Sweyolakan	13	\$1,350,000	100%	\$1,350,000

35*	DWSRF	Grand View	14	\$2,100,000	75%	\$1,574,160
36*	CWSRF	Country Haven	15	\$2,300,000	86%	\$1,984,714
37*	CWSRF	Elk City	16	\$1,775,000	93%	\$1,649,032
38*	DWSRF	Hagerman	16	\$7,500,000	57%	\$4,275,000
39*	DWSRF	Southside WSD	17	\$3,823,000	33%	\$1,256,119
40*	DWSRF	Driggs	18	\$2,700,000	57%	\$1,531,330
41*	DWSRF	Bliss	19	\$8,352,240	90%	\$7,554,554
42*	CWSRF	Bruneau WSD	19	\$2,165,000	95%	\$2,053,092
43*	DWSRF	Bayview WSD	20	\$950,000	41%	\$393,215
44*	CWSRF	Gooding	20	\$23,000,000	60%	\$13,872,310
45*	CWSRF	Riverside WSD	21	\$2,100,000	49%	\$1,036,394
46*	CWSRF	Kooskia	22	\$7,010,000	87%	\$6,123,629
47*	DWSRF	Laclede	22	\$5,320,000	71%	\$3,792,475
48*	CWSRF	Elk River	23	\$4,235,000	72%	\$3,034,208
49*	DWSRF	Shoshone	23	\$4,372,871	100%	\$4,372,871
50*	CWSRF	Garfield Bay	24	\$2,000,000	64%	\$1,277,162
51*	DWSRF	Riverside WSD	24	\$1,800,000	100%	\$1,800,000
52*	DWSRF	Carlin Bay	25	\$2,900,000	63%	\$1,814,678
53*	CWSRF	Rigby	25	\$23,000,000	100%	\$23,000,000
54*	DWSRF	Spirit Bend Water Association	29	\$350,000	60%	\$211,130
55*	CWSRF	McCammon	30	\$3,850,000	39%	\$1,504,495
56*	DWSRF	Rupert	30	\$17,504,000	44%	\$7,689,257
57*	CWSRF	Rupert	31	\$19,650,000	82%	\$16,056,272
58*	DWSRF	Central Shoshone	31	\$10,000,000	85%	\$8,530,950
59*	CWSRF	Ashton	32	\$950,000	100%	\$950,000
60*	DWSRF	Albion	33	\$5,759,000	44%	\$2,519,697
61*	CWSRF	Lewisville	33	\$13,270,000	25%	\$3,351,727
62*	DWSRF	Clark Fork	34	\$8,586,000	82%	\$7,020,189
63*	CWSRF	Franklin	34	\$450,000	56%	\$253,932
64*	CWSRF	Last Chance (Treatment)	36	\$8,800,000	100%	\$8,800,000
65*	DWSRF	New Meadows	36	\$1,877,700	100%	\$1,877,700
66*	DWSRF	Filer	37	\$2,500,000	59%	\$1,471,470
67*	DWSRF	Atlanta	40	\$500,000	47%	\$236,901
68*	DWSRF	McCammon	41	\$7,278,000	38%	\$2,741,323
69*	CWSRF	Winchester	42	\$4,300,000	100%	\$4,300,000
70	CWSRF	Mack's Inn (Treatment)	37	\$18,000,000	Available ARPA Exceeded	
71	CWSRF	Last Chance (Collection)	43	\$2,300,000	Available ARPA Exceeded	
72	DWSRF	Spirit Lake	43	\$9,963,201	Available ARPA Exceeded	
73	CWSRF	Mack's Inn (Collection System)	44	\$6,000,000	Available ARPA Exceeded	
74	DWSRF	Cascade	45	\$3,367,400	Available ARPA Exceeded	
75	CWSRF	Sugar City	45	\$925,000	Available ARPA Exceeded	
76	CWSRF	Grace	46	\$5,000,000	Available ARPA Exceeded	
77	DWSRF	Hauser Lake	46	\$1,250,000	Available ARPA Exceeded	
78	DWSRF	Meander Point Subdivision	47	\$75,000	Available ARPA Exceeded	
79	CWSRF	Bellevue	47	\$5,500,000	Available ARPA Exceeded	
80	CWSRF	Yellowstone Acres	48	\$1,750,000	Available ARPA Exceeded	

81	DWSRF	Bloomington	48	\$2,046,500	Available ARPA Exceeded
82	DWSRF	Colburn	49	\$8,131,000	Available ARPA Exceeded
83	CWSRF	Roberts	49	\$2,059,000	Available ARPA Exceeded
84	DWSRF	Cambridge	50	\$250,000	Available ARPA Exceeded
85	CWSRF	Soda Springs	50	\$3,400,000	Available ARPA Exceeded
86	CWSRF	Terrace Lakes	51	\$800,000	Available ARPA Exceeded
87	DWSRF	Grangeville	51	\$5,400,000	Available ARPA Exceeded
88	DWSRF	Wilder	52	\$1,000,000	Available ARPA Exceeded
89	CWSRF	Paul	52	\$5,000,000	Available ARPA Exceeded
90	DWSRF	Wendell	53	\$6,800,000	Available ARPA Exceeded
91	CWSRF	Payette	53	\$1,150,000	Available ARPA Exceeded
92	CWSRF	Albion	54	\$227,000	Available ARPA Exceeded
93	DWSRF	Payette	54	\$2,001,000	Available ARPA Exceeded
94	CWSRF	Spirit Lake	55	\$5,527,510	Available ARPA Exceeded
95	DWSRF	Hayden Lake Irrigation District	55	\$1,500,000	Available ARPA Exceeded
96	DWSRF	Castle Mountain	56	\$6,100,000	Available ARPA Exceeded
97	DWSRF	Tetonia	57	\$729,000	Available ARPA Exceeded
98	DWSRF	Evans Water	58	\$296,000	Available ARPA Exceeded
99	CWSRF	Malad	58	\$1,400,000	Available ARPA Exceeded
100	DWSRF	West Bonner (Storage)	59	\$2,560,000	Available ARPA Exceeded
101	DWSRF	Melba Wells	60	\$400,000	Available ARPA Exceeded
102	DWSRF	West Bonner (Mainline)	61	\$3,470,000	Available ARPA Exceeded
103	DWSRF	Alpine Meadows	62	\$2,000,000	Available ARPA Exceeded
104	DWSRF	Country Haven	63	\$900,000	Available ARPA Exceeded
105	DWSRF	Rigby	64	\$4,526,380	Available ARPA Exceeded
106	DWSRF	Moyie Springs	65	\$753,000	Available ARPA Exceeded
107	DWSRF	Ohio Match Rd Water District	66	\$600,000	Available ARPA Exceeded
108	DWSRF	Murtaugh	67	\$2,200,000	Available ARPA Exceeded
109	DWSRF	Starweather Estates	68	\$100,000	Available ARPA Exceeded
110	DWSRF	St. Maries	70	\$3,275,000	Available ARPA Exceeded
111	DWSRF	Soda Springs	72	\$4,000,000	Available ARPA Exceeded
112	DWSRF	Salmon	75	\$7,500,000	Available ARPA Exceeded
113	DWSRF	Rockledge Estates HOA	76	\$40,000	Available ARPA Exceeded
114	DWSRF	Melba Dist	77	\$2,700,000	Available ARPA Exceeded
115	CWSRF	Kendrick	1	\$4,625,000	Not Shovel Ready
116	DWSRF	HooDoo	8	\$3,000,000	Not Shovel Ready
117	DWSRF	Elk City	15	\$1,850,000	Not Shovel Ready
118	DWSRF	Terrace Lake	26	\$3,200,000	Not Shovel Ready
119	DWSRF	Cave Bay	28	\$4,000,000	Not Shovel Ready
120	CWSRF	New Plymouth	29	\$750,000	Not Shovel Ready
121	DWSRF	Franklin	35	\$1,780,000	Not Shovel Ready
122	DWSRF	Shelley	38	\$2,840,000	Not Shovel Ready
123	CWSRF	Grangeville	56	\$4,500,000	Not Shovel Ready
124	CWSRF	Outlet Bay LCS	57	\$830	Not Shovel Ready
125	CWSRF	Victor	59	\$1,100,000	Not Shovel Ready
126	DWSRF	Farmway Village (Caldwell HA)	73	\$2,333,500	Not Shovel Ready

127	DWSRF	Country Club Estates HOA	74	\$2,975	Not Shovel Ready
128	CWSRF	Ammon/EIRWWA	13	\$25,400,000	Exceeds Population
129	CWSRF	Blackfoot	14	\$34,800,000	Exceeds Population
130	CWSRF	Boise	17	\$526,000,000	Exceeds Population
131	DWSRF	Jerome	21	\$26,000,000	Exceeds Population
132	CWSRF	Lewiston	26	\$15,500,000	Exceeds Population
133	CWSRF	Coeur d'Alene (WW treatment)	27	\$25,200,000	Exceeds Population
134	DWSRF	Idaho Falls	27	\$15,000,000	Exceeds Population
135	CWSRF	Coeur d'Alene (stormwater)	28	\$605,500	Exceeds Population
136	DWSRF	Blackfoot	32	\$9,000,000	Exceeds Population
137	CWSRF	Chubbuck	38	\$2,762,000	Exceeds Population
138	DWSRF	Chubbuck	39	\$5,500,000	Exceeds Population
139	CWSRF	Rexburg	39	\$11,480,600	Exceeds Population
140	CWSRF	Mountain Home	40	\$6,500,000	Exceeds Population
141	DWSRF	Lewiston	42	\$29,900,000	Exceeds Population
142	DWSRF	Twin Falls	71	\$31,000,000	Exceeds Population
143	CWSRF	Kidd Island	18	\$6,880,000	Exceeds MHI
144	CWSRF	Hayden Lake	35	\$3,400,000	Exceeds MHI
145	CWSRF	Hidden Springs Sewer Co.	41	\$1,006,000	Exceeds MHI
146	DWSRF	Blackhawk	44	\$6,160,000	Exceeds MHI
147	CWSRF	Pinto Point	60	\$52,500	Exceeds MHI

Totals \$1,359,246,542

- a. Country Haven, Dayton, Panhandle Village, New Meadows, Carlin Bay Property Owners Asc., City of Gooding, and City of Preston are existing loans that have a shortfall and also submitted FY23 LOI.
- b. Existing SRF loans with construction labor and material overruns due to cost escalation, supply chain, or unforeseen changes.
- c. DW = drinking water; CW = clean water; SRF = state revolving fund

References

DEQ (Idaho Department of Environmental Quality). 2017. *Drinking Water State Revolving Loan Handbook* Boise, ID: DEQ.

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