



STATE OF WASHINGTON
DEPARTMENT OF HEALTH
OFFICE OF DRINKING WATER
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TO: House Capital Budget
Senate Capital Budget
Myra Baldini, Office of Financial Management

FROM: Holly Myers, Director
Office of Drinking Water
Department of Health

SUBJECT: Summary of State Fiscal Year 26 Drinking Water State Revolving Fund Loan Funding Cycle

The Department of Health's Drinking Water State Revolving Fund (DWSRF) program accepted construction loan applications last year during the annual application cycle that closed November 30, 2025. The DWSRF program identified funding of \$177 million for construction projects this cycle. The maximum award per jurisdiction is \$15 million, unless additional funding is available and approved by the DWSRF leadership team. The standard interest rate for loans for construction projects is 2.25 percent with a 1.0 percent loan service fee and twenty-year loan term. Loan fees are waived for projects receiving subsidy as a disadvantaged community or as required by law for projects addressing emerging contaminants.

The DWSRF accepted Planning and Engineering loan applications last year with projects being reviewed and prioritized in May and December. Standard interest rate for planning and engineering loans is 0 percent interest with a 2.0 percent loan service fee and ten-year loan term.

Eligibility for construction funding requires all DWSRF construction and emerging contaminant loan applicants to have an approved Water System Plan (WSP), a Small Water System Management Program (SWSMP), or plan amendment containing the proposed DWSRF project (WAC 246-296-100).

We are currently awarding subsidy for up to 75 percent of the total project cost to water systems that meet the definition of "disadvantaged communities" in [WAC 246-296-020](#). The rule and accompanying guidance [DWSRF Construction Loan Guidance](#) ensure Washington can effectively leverage the total amount of federal funding available. Current federal rules additionally require 100 percent subsidy for projects addressing emerging contaminants and funded under the Bipartisan Infrastructure Law Emerging Contaminant (BIL-EC) grant.

We received forty-six (46) construction loan applications requesting over \$220 million, including \$53.5 million in applications for projects addressing emerging contaminants. Twenty-one (21) project applications qualified for potential subsidy as disadvantaged communities. Final subsidy awards are pending the acceptance of awards. The two (2) highest ranking projects addressing emerging contaminants are fully or partially funded through the \$17.5 million available in BIL-EC funding. Forty (40) projects are offered funding under the regular construction loan framework or through other federal funding sources.

We reviewed all projects for eligibility and scored applications based on the health risk addressed by the proposed project. Two construction projects totaling over \$15 million were determined to be ineligible for funding, due to lack of approved planning documents. We are working with several other water systems to address fiscal challenges that may impact their eligibility.

We also received \$2.6 million in Planning and Engineering project applications. We propose funding \$1.7 million out of the Planning and Engineering loan funding and fund the remaining applications using other DWSRF sources.

The list below includes construction and planning and engineering projects we will fund, as well as those that were withdrawn or deemed ineligible for funding, based on the information available to date. We currently propose to fund the entire list of eligible construction projects of just over \$155 million.

All loans are pending underwriting and contract acceptance by the applicant, and the final projects list will be included in the Intended Use Plan submitted to the Environmental Protection Agency (EPA) as part of the annual DWSRF grant applications.

Construction Applications									
App. ID	Applicant or Water System Name	Project Name	PWSID	County	Final Score	Loan/Grant Request	Loan Fee	Loan/Grant Award	Subsidy Eligible (yes/no)
2025-4554	Glacier Springs Property Owners Association	CF6 Chlorination Improvements	27755	Whatcom	125	\$ 500,000.00	\$ 5,000.00	\$ 500,000.00	Y
2025-4640	Town of Friday Harbor	WTP Improvements Project	26595	San Juan	123	\$ 2,230,000.00	\$ 22,300.00	\$ 2,230,000.00	Y
2025-4578	City of Kalama	DWTF Improvement Project (2026)	37550	Cowlitz	118	\$ 3,465,346.53	\$ 34,653.47	\$ 3,500,000.00	N
2025-4588	City of Vancouver	Water Station 3 PFAS Treatment	91200	Clark	107	\$ 15,000,000.00	\$ 150,000.00	\$ 14,289,000.00	Y
2025-4575	Whitworth Water District 2	WWD2 Hatch 2 Reservoir	96601	Spokane	107	\$ 14,839,830.00	\$ 148,398.30	\$ 14,988,228.30	N
2025-4636	City of George	Well 3 Improvements	27395	Grant	106	\$ 3,054,000.00	\$ 30,540.00	\$ 3,054,000.00	Y
2025-4597	City of Pasco	Butterfield Water Treatment Plant Improvements - Chemical Building Installation	66400	Franklin	88	\$ 20,000,000.00	\$ 200,000.00	\$ 15,000,000.00	Y
2025-4582	Lake Whatcom Water and Sewer District	Sudden Valley Water Treatment Plant Chlorine contact basin Replacement	95910	Whatcom	75	\$ 1,700,000.00	\$ 17,000.00	\$ 1,717,000.00	N
2025-4641	Delta Water Association	Corrosion Control	18750	Whatcom	74	\$ 565,700.00	\$ 5,657.00	\$ 565,700.00	Y
2025-4625	City of College Place	Well No. 9 Drilling	14050	Walla Walla	60	\$ 2,996,000.00	\$ 29,960.00	\$ 2,996,000.00	Y
2025-4656	Lakehaven Water and Sewer District	Well 10A Manganese Filtration Installation	41997	King	59	\$ 1,485,148.51	\$ 14,851.49	\$ 1,500,000.00	N
2025-4633	Silverdale Water District 16	Wixson Reservoir No. 2	79300	Kitsap	59	\$ 7,000,000.00	\$ 70,000.00	\$ 7,070,000.00	N
2025-4619	City of Seattle	Cedar River Pipelines Seismic Retrofits	77050	King	58	\$ 15,610,000.00	\$ 56,100.00	\$ 15,000,000.00	Y
2025-4570	City of Centralia	Seminary Hill Project	12200	Lewis	56	\$ 15,000,000.00	\$ 50,000.00	\$ 15,000,000.00	Y
2024-4356	City of Arlington	WTP Expansion Filter Units	02950	Snohomish	56	\$ 2,500,000.00	\$ 25,000.00	\$ 2,500,000.00	Y
2025-4599	City of West Richland	Belmont Reservoir Project	94900	Benton	56	\$ 2,570,250.00	\$ 25,702.50	\$ 2,595,952.50	N
2025-4601	Lake Whatcom Water and Sewer District	Geneva Reservoir Recoating	95910	Whatcom	56	\$ 1,000,000.00	\$ 10,000.00	\$ 1,010,000.00	N

2025-4645	Lake Meridian Water District	PRV 1	41900	King	55	\$ 3,615,716.00	\$ 36,157.16	\$ 3,615,716.00	Y
2025-4630	City of Union Gap	Main Street Water Main Improvements	90250	Yakima	55	\$ 2,621,000.00	\$ 26,210.00	\$ 2,621,000.00	Y
2025-4614	Vera Water and Power	Ridgmont Booster Station Replacement	91450	Spokane	54	\$ 5,938,000.00	\$ 59,380.00	\$ 5,938,000.00	Y
2025-4652	North Beach Water District	North & South Water Treatment Plant Improvements	63000	Pacific	54	\$ 1,130,000.00	\$ 11,300.00	\$ 1,130,000.00	Y
2025-4639	City of Newport	900K Reservoir Water Main Replacement	59350	Pend Oreille	54	\$ 1,089,630.00	\$ 10,896.30	\$ 1,089,630.00	Y
2025-4609	City of Spokane	Latah Booster Capacity Improvement	83100	Spokane	50	\$ 7,500,000.00	\$ 75,000.00	\$ 7,500,000.00	Y
2025-4603	Cross Valley Water District	Water Treatment Plant Improvement Project 2023-02	16270	Snohomish	50	\$ 4,230,000.00	\$ 42,300.00	\$ 4,272,300.00	N
2025-4611	Town of Winthrop	Well Improvements	97750	Okanogan	50	\$ 1,189,000.00	\$ 11,890.00	\$ 1,200,890.00	N
2025-4620	Boistfort Valley Water Company	Curtis Hill Mainline South of Boistfort Reservoir	07610	Lewis	49	\$ 2,265,000.00	\$ 22,650.00	\$ 2,265,000.00	Y
2025-4623	City of Toledo	SR 505 Water Main Replacement	88660	Lewis	49	\$ 2,281,400.00	\$ 22,814.00	\$ 2,281,400.00	Y
2025-4643	Surfside Homeowners Association	Water Main Replacement-Division 16	86470	Pacific	48	\$ 1,690,000.00	\$ 16,900.00	\$ 1,690,000.00	Y
2025-4610	Sallai water Association	Rattlesnake Reservoir 3	75560	King	45	\$ 2,365,000.00	\$ 23,650.00	\$ 2,388,650.00	N
2025-4558	Ames Lake water Association	AC Water Main Replacement	02055	King	45	\$ 10,000,000.00	\$ 100,000.00	\$ 10,100,000.00	N
2025-4613	Town of Winthrop	Critical Distribution Line Replacement	97750	Okanogan	40	\$ 1,774,000.00	\$ 17,740.00	\$ 1,791,740.00	N
2025-4629	City of Prosser	Zone 3 Reservoir Rehabilitation	69750	Benton	21	\$ 2,475,248.00	\$ 24,752.48	\$ 2,475,248.00	Y
2025-4612	Town of Winthrop	East Reservoir Repair	97750	Okanogan	10	\$ 798,000.00	\$ 7,980.00	\$ 805,980.00	N
Application Fees for construction projects are waived when the applicant qualifies as a disadvantaged community and receives subsidy.						Total Applications Received	\$160,478,269.00	\$1,604,782.69.00	
						Total Funded		\$154,661,434.79.00	

BIL EC Applications

App. ID	Applicant or Water System Name	Project Name	PWSID	County	Final Score	Loan/Grant Request	Loan Fee	Loan/Grant Award	Subsidy Eligible (yes/no)
2025-4547	Parkland Light & Water Company	PFAS Treatment Systems	66200	Pierce	111	\$ 16,614,000.00	\$0	\$ 16,614,000.00	Y
2025-4588	City of Vancouver	Water Station 3 PFAS Treatment	91200	Clark	107	\$ 15,000,000.00	\$0	\$ 881,000.00	Y
								Total BIL EC funded	\$ 17,495,000.00

NOTE: City of Vancouver PFAS project to be partially funded with BIL EC funding with the remainder from capitalization or BIL supplemental grant funding.

Planning & Engineering Applications

App. ID	Applicant or Water System Name	Project Name	PWSID	Final Score	Loan/Grant Request	Loan Fee	Loan/Grant Award	DAC	County
2025-4498	Hilltop Water Owners Association	HWOA Infrastructure Improvements	33364	34	\$ 105,000.00	\$ 2,100.00	\$ 107,100.00	N	Whatcom
2025-4576	City of Everett	WFP Standpipe Replacement Project - Phase 1	24050	18	\$ 975,000.00	\$ 10,000.00	\$ 510,000.00	Y	Snohomish
2025-4590	Deming Water Association	Collection System Upgrade/Replacement	18800	18	\$ 150,000.00	\$ 3,000.00	\$ 153,000.00	Y	Whatcom
2025-4596	Town of Naches	Water System Plan Update and Transmission Main Replacement	58100	10	\$ 245,000.00	\$ 4,900.00	\$ 249,900.00	Y	Yakima
2025-4563	Asotin Water Department	Small Water System Master Plan	03250	10	\$ 100,000.00	\$ 2,000.00	\$ 102,000.00	N	Asotin
2025-4646	Grays Harbor County Utilities & Development	PB-3 Moclips Wells Installation, PB-4 Moclips Booster Pump Addition, PB-7 Moclips Property Acquisition, Water System Plan	00333	10	\$ 250,000.00	\$ 5,000.00	\$ 255,000.00	N	Grays Harbor
2025-4552	City of Oakville	Water System Plan Update	62750	10	\$ 200,000.00	\$ 4,000.00	\$ 204,000.00	Y	Grays Harbor
2025-4562	Del Mar Community Services Inc.	Power-Fiber to Reservoirs Project	18580	10	\$ 66,750.00	\$ 1,335.00	\$ 68,085.00	N	Skagit
2025-4638	Jefferson County Water District 1	Wood Reservoir Bypass Project	36705	10	\$ 58,314.00	\$ 1,166.28	\$ 59,480.28	N	Jefferson
					Totals	\$ 2,150,064.00	\$ 33,501.28	\$ 1,708,565.28	

NOT FUNDED/INELIGIBLE/WITHDRAWN

App.ID	Applicant or Water System Name	Project Name	PWSID	County	Final Score	Emerging Contaminant Request	Loan/Grant Request	Loan Fee	Application Type	Notes
2025-4508	Martin Creek Community Association	Fluoride Treatment	51877	Ferry	113	N	\$ 70,000.00	\$ 700.00	Construction	less than \$100,000 request, INELIGIBLE - Plan document not approved
2025-4627	Skagit County WD 1/Skagit County PUD 1	Panorama Storage Tank	00392	Skagit	43	N	\$ 15,696,000.00	\$ 156,960.00	Construction	more than \$15M request
2025-4586	Davis Terrace Water Association	Valley View and Intertie	18150	Cowlitz	18	N	\$ 426,000.00	\$ 8,520.00	Planning & Engineering	Applicant INELIGIBLE
2025-4512	Ames Lake Water Association	Ames Lake Drive AC Water Main Replacement	02055	King	0	N	\$ 500,000.00	\$ 10,000.00	Planning & Engineering	Withdrawn by Applicant, applied for Construction
2025-4631	North Beach Water District	Moclips Pump Station Improvements	63000	Pacific	0	N	\$ 176,470.59	\$ 3,529.41	Planning & Engineering	Withdrawn by Applicant
2025-4615	City of Arlington	No Project Name	02950	King	0	N	\$ -	\$ -	DWSRC	Withdrawn by Applicant - applied for construction
2025-4535	Patton's Retreat Water Association	No Project Name	66588	Island	0	N	\$ -	\$ -	DWSRC	Applicant INELIGIBLE - not invited to apply for DWSRC
2025-4561	Del Mar Community Services	Power-Fiber to Reservoirs Project	18580	Skagit	0	N	\$ 66,750.00	\$ -	Lead Service Line	Withdrawn by Applicant, applied for P&E
2025-4560	Del Mar Community Services	No Project Name	18580	Skagit	0	N	\$ -	\$ -	Lead Service Line	Withdrawn by Applicant, applied for P&E
Total							\$ 16,935,220.59			