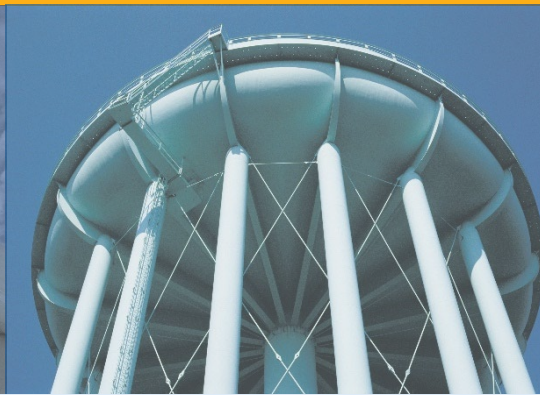




# Water System Partnerships

## Funding Resources



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# Contents

- Overview ..... 1
  - Purpose ..... 1
  - Introduction to Water System Partnerships ..... 1
  - Types of Water System Partnerships ..... 2
  - Water System Partnerships Benefits ..... 3
  - Funding and Financing Resources for Water System Partnerships ..... 4
    - National and Regional Funding Sources and Financing Options ..... 5
- State-Level Funding Sources ..... 8
  - California – Funding Water System Partnerships ..... 9
    - Proposition 1 ..... 9
    - Proposition 84 ..... 11
    - Additional Partnerships Funding Resources in California ..... 14
  - Florida – Funding Water System Partnerships ..... 15
    - Water Infrastructure Finance and Innovation Act ..... 15
    - Water & Waste Disposal Loan & Grant Program ..... 16
    - Additional Partnerships Funding Resources in Florida ..... 19
  - Massachusetts – Funding Water System Partnerships ..... 21
    - Drinking Water State Revolving Fund Program ..... 21
    - Local Water System Assistance Program ..... 22
    - Rural and Small Town Development Fund ..... 23
  - New Mexico – Funding Water System Partnerships ..... 24
    - Capital Outlay Special Appropriations Program ..... 24
    - Water Project Fund ..... 25
    - Additional Partnerships Funding Resources in New Mexico ..... 27
  - Ohio – Funding Water System Partnerships ..... 29
    - Water Supply Revolving Loan Account ..... 29
    - Area Development Program ..... 31
    - Additional Partnerships Funding Resources in Ohio ..... 33
  - Pennsylvania – Funding Water System Partnerships ..... 35
    - Pennsylvania Infrastructure Investment Authority ..... 35
    - Additional Partnerships Funding Resources in Pennsylvania ..... 37
  - Washington – Funding Water System Partnerships ..... 40
    - DWSRF Construction Loans ..... 40

Additional Partnerships Funding Resources in Washington .....	43
West Virginia – Funding Water System Partnerships .....	45
Drinking Water Treatment Revolving Fund .....	45
West Virginia Infrastructure Fund .....	47
Additional Partnerships Funding Resources in West Virginia.....	49
Summary .....	50

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## Overview

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### Purpose

This document is meant to help water systems, technical assistance providers, and communities learn more about available resources that could be used to fund water system partnerships activities. This document starts with an introduction to water system partnerships and their benefits. It then describes and offers examples of funding and financing options available on the national and regional level. Next, partnerships funding resources for individual states are explored. The State-Level Funding Sources sections include state-specific funding resources for water system partnerships and projects that were implemented using these resources. State-level examples can help you visualize how funds have been used and identify and access similar funding resources in your state. Please visit the [Water System Partnerships Getting Started Guide](#) to assess your current stage in the water system partnerships planning process, review next steps, and learn how to plan and apply for funding.

### Introduction to Water System Partnerships

Public water systems (PWSs) are required to provide safe drinking water to their customers that meets all federal Safe Drinking Water Act (SDWA) requirements and state regulations. In order to deliver reliable service at full-cost pricing, water systems must maintain technical, managerial, and financial (TMF) capacity while balancing competing resources and the obligation to comply with new, evolving regulations. Small water systems serving a population less than 10,000 may face unique challenges in providing drinking water that meets federal and state regulations. These challenges may include:

- ◆ limited access to and availability of qualified drinking water operators;
- ◆ persistent compliance issues;
- ◆ aging infrastructure;
- ◆ limited financial, technical, and managerial resources and capacity;
- ◆ difficulty filling positions and maintaining continuity on governing bodies;
- ◆ inability to achieve economies of scale;
- ◆ emerging and legacy contaminants; and
- ◆ other water quality and/or quantity issues.

Fortunately, resources are available to assist water systems in building TMF capacity which can help them overcome some of these challenges through partnerships with other water systems. Partnerships encompass a range of opportunities for water systems to work together to protect public health by leveraging existing resources. A “**water system partnership**” is an umbrella term used to define any informal or formal relationship or agreement between a water system and another entity. The other entity or entities may include other water systems, regional, state, local, or tribal governmental and non-governmental bodies, or not-for-profit organizations. Water system partnerships can be as simple as an understanding to provide aid during a crisis, or as complex as creating a new entity to manage a group of existing water systems. The most successful partnerships are those that share benefits across all participating water systems while addressing a shared challenge.



### Water System Partnership Example

To reduce costs, a water system in Birmingham, Alabama created an internal training program rather than continuing to hire outside contracted trainers. The water system became an industry leader in providing trainings in Alabama and offered low-cost training to other water systems in the state. Increased training opportunities resulted in higher employee retention and career growth, which reduced hiring costs and created more knowledgeable staff. The internal training program also improved a shortage of a particular class of operators in the state and increased collaboration between water systems. For more examples of successful water system partnerships, visit [EPA's Water System Partnerships Case Studies website](#).

## Types of Water System Partnerships

The type of water system partnership formed should be tailored to address the water system's unique challenges and strengths while demonstrating sensitivity to the community's culture and existing relationships.

There are four general types of water system partnerships. Water systems can also use several types of partnerships in a layered approach to improve efficiency and provide safe drinking water. For successful water system partnership examples, explore [EPA's Water System Partnerships Case Studies website](#).

- ◆ **Informal Cooperation:** Water systems coordinate with other systems without contractual obligations.
- ◆ **Contractual Assistance:** Water systems contract with other water systems or service providers. The water systems remain independent, but certain functions are contracted out to increase efficiency.
- ◆ **Joint Power Agency:** A group of water systems create a new management entity designed to serve the water systems that formed it.
- ◆ **Ownership Transfer:** Water systems engage in mergers, mutual transfer of existing entities, or creation of a new entity.

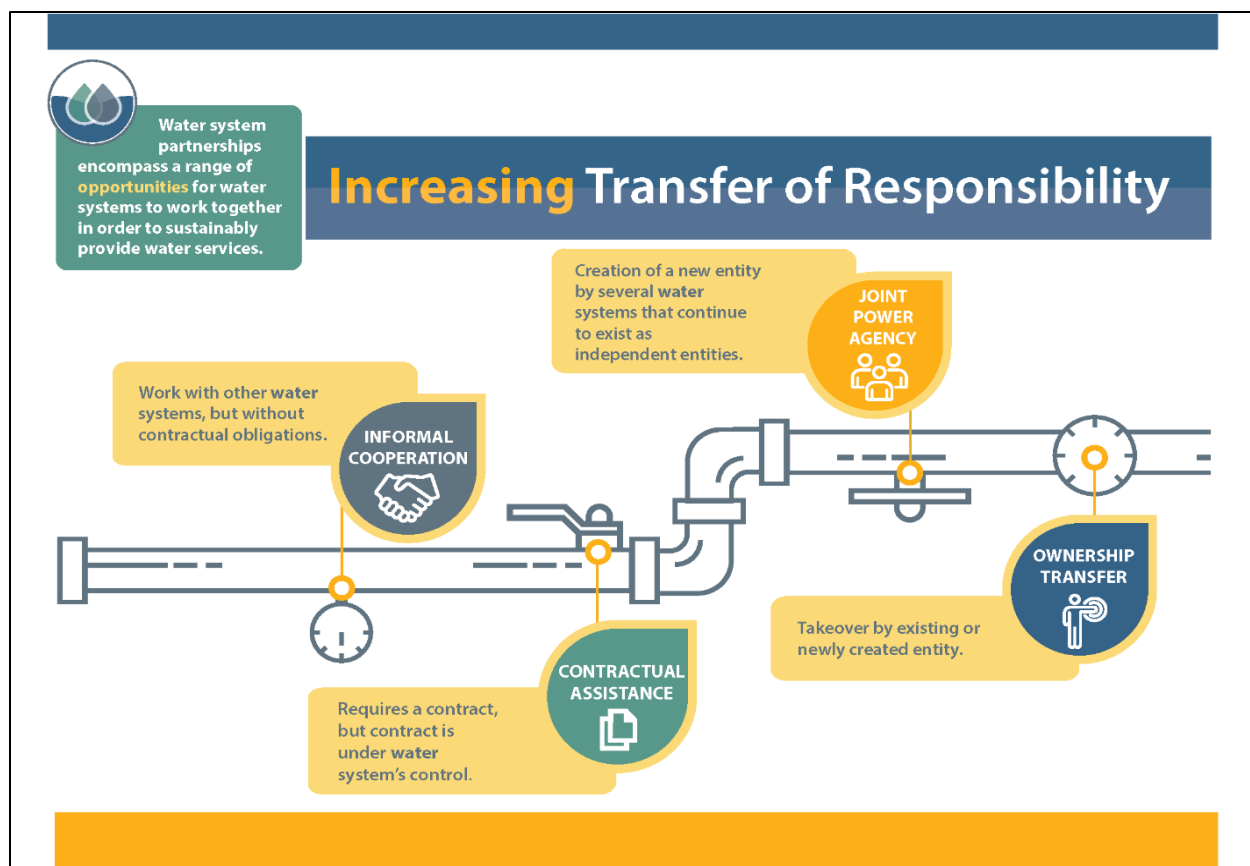


Figure 1. Types of water system partnerships.

## Water System Partnerships Benefits

When entering a water system partnership there are immediate and long-term benefits for the water system, its customers, and the state drinking water program. They can gain economies of scale, accrue long-term savings, improve customer service, and increase TMF capacity. In addition, when water systems are able to address immediate concerns and assure consistent public health protection, their existing operations and maintenance (O&M) and capital improvement costs to plan for future operations become better understood. Water system partnerships designed to help overcome specific challenges may also demonstrate increased compliance with the state drinking water program, increased resource savings, and improved customer relations. Finally, water system partnerships benefit drinking water customers with improved water quality and more reliable water service.

### Utilities Helping Utilities

Water and Wastewater Agency Response Networks (WARNs) are available in 49 states and in the Northern Capital Region. These networks allow utilities to share resources in an expedited way to help utilities respond to and recover from disasters. Many WARNs will also help utilities locate available funding for projects. To learn more or get involved with a WARN near you visit [EPA's list of Mutual Aid and Assistance for Drinking Water and Wastewater Utilities](#).



## Funding and Financing Resources for Water System Partnerships

Financial benefits of water system partnerships include improved efficiency, cost reductions, and stronger financial positioning. Initial start-up costs for water system partnerships may occur during the planning and implementation phases, but partnerships can ultimately provide long-term solutions that improve TMF capacity.

Launching a water system partnership can involve many steps including identifying partners, identifying a partnership activity, finding and building a support team, and securing funding. Funding can be vital to the success of a water system partnership activity and can be used for activities such as water system interconnections, acquisitions, and infrastructure upgrades. Funding can be used for planning and pre-construction activities such as design and engineering expenses associated with an activity. Funding can also be used to hire a business manager to administer a new management entity. A business manager might be needed to develop budgets, complete regulatory requirements, facilitate board meetings, and support the implementation of business plans. Funding could also be used to implement the water system partnership by paying for staff time and purchasing additional resources.

[Click here to jump to the State-Level Funding Sources](#)

The funding and financing resources described in this document represent some of the federal and state programs available for water system partnerships. They are meant to provide an overview and examples of the types of resources available to water systems across the U.S.

When considering funding and financing options for water system partnership activities, consider how different types can support specific phases or elements of projects. Types of funds to consider include:

- ◆ Grants
- ◆ Traditional (e.g., loans and bonds)
- ◆ Creative (e.g., alternative revenue streams)
- ◆ Multi-type (e.g., combination of available funds)
- ◆ Private (e.g., private investments, private credit structure)
- ◆ Public (e.g., public trust funds)

### Funding vs. Financing

Funding and financing resources are referenced in this document. EPA uses the following definitions to distinguish between the two:

**Funding** refers to one-way sources of money (e.g., grants or local funding).

**Financing** refers to sources that must be repaid (e.g., loans and bonds).

## National and Regional Funding Sources and Financing Options



A variety of funding and financing resources are available across the nation to support water system partnerships. Through the annual appropriations process of the United States Congress, some federal agencies receive funding for their grant programs. After the federal agencies allocate the funding across the states, decisions regarding the types of projects and water system partnerships selected for funding may be made at the state or local level.

For example, EPA’s Drinking Water State Revolving Fund (DWSRF) Program is partially secured through congressional appropriations, which the program then splits across states according to allotment requirements in the SDWA. Similarly, the Housing and Urban Development (HUD) Community Development Block Grant (CDBG) Program secures funding through congressional appropriations, which the program then splits across states based on specific criteria and a formula for allocating funds. While states are critical partners in administering funding programs and demonstrating effective projects, specific requirements may accompany the programs and water systems should become familiar with those requirements when planning a project.

Examples of funding and financing programs in the U.S. that may be applicable to water system partnerships, include:

U.S. Environmental Protection Agency	
<b>DWSRF Program</b>	Provides below-market interest rate loans to eligible public water systems for planning, design, and construction of drinking water infrastructure projects. Funds can also be used by states to provide technical and other assistance to water systems pursuing partnerships, or for planning activities that would support these collaborations, such as the development of regional water supply master plans. States can also use a portion of their capitalization grant to promote collaborative and water system partnership relationships between water systems and to fund regional water supply master plans. More information on DWSRF eligibilities can be found in the <a href="#">DWSRF Eligibility Handbook</a> . <i>See the <a href="#">Massachusetts State-Level Funding Sources</a> to learn how three water systems came together to provide the supply, treatment and distribution of water to the member towns utilizing the DWSRF program.</i> For more information, visit: <a href="https://www.epa.gov/dwsrf">https://www.epa.gov/dwsrf</a>
<b>Bipartisan Infrastructure Law (BIL)</b>	Signed into law on November 15, 2021, the BIL provides supplemental appropriations for the DWSRF program for five years, beginning in Fiscal Year 2022. There are three supplemental appropriations – one for general projects that meet DWSRF eligibilities (including partnership-related projects and activities), one for lead service line identification and replacement, and the third for projects that address emerging contaminants, with a focus on perfluoroalkyl and polyfluoroalkyl substances (PFAS). For more information, visit: <a href="https://www.epa.gov/dwsrf/bipartisan-infrastructure-law-srf-memorandum">https://www.epa.gov/dwsrf/bipartisan-infrastructure-law-srf-memorandum</a>
<b>EPA Region 1’s Healthy Communities Grant Program*</b>	Offers grants to support Target Investment Areas in New England to reduce environmental risks, protect and improve human health and improve the quality of life. For more information, visit: <a href="https://www3.epa.gov/region1/eco/uep/grants_2020hc.html">https://www3.epa.gov/region1/eco/uep/grants_2020hc.html</a>
<b>Public Water System Supervision (PWSS) Grant Program</b>	Assists states, territories, and tribes in carrying out their PWSS programs. Funds are allotted to the states or to the Region for tribal support. For more information, visit: <a href="https://www.epa.gov/dwreginfo/public-water-system-supervision-pwss-grant-program">https://www.epa.gov/dwreginfo/public-water-system-supervision-pwss-grant-program</a>

<p><b>Water Infrastructure Finance and Innovation Act (WIFIA) Program</b></p> <p>Offers long-term, low-cost supplemental loans for regionally and nationally significant projects.</p> <p>See the <a href="#">Florida State-Level Funding Sources</a> to learn how a group of water systems that recently formed a water cooperative were able to access a WIFIA loan.</p> <p>For more information, visit: <a href="https://www.epa.gov/wifia/what-wifia">https://www.epa.gov/wifia/what-wifia</a></p>
<p><b>Water Infrastructure Improvements for the Nation Act (WIIN Act) – Assistance for Small and Disadvantaged Communities Drinking Water Grant</b></p> <p>Awards grants to states and tribes to support underserved communities that meet the small and disadvantaged community definition. Eligible projects include those to return a water system to compliance and efforts that benefit disadvantaged communities on a per household basis.</p> <p>For more information, visit: <a href="https://www.epa.gov/dwcapacity/water-infrastructure-improvements-nation-act-wiin-act-grant-programs-0">https://www.epa.gov/dwcapacity/water-infrastructure-improvements-nation-act-wiin-act-grant-programs-0</a></p>
<p><b>U.S. Department of Agriculture</b></p>
<p><b>Emergency Community Water Assistance Grants</b></p> <p>Helps eligible communities prepare, or recover from, an emergency that threatens the availability of safe, reliable drinking water.</p> <p>For more information, visit: <a href="https://www.rd.usda.gov/programs-services/emergency-community-water-assistance-grants">https://www.rd.usda.gov/programs-services/emergency-community-water-assistance-grants</a></p>
<p><b>Special Evaluation Assistance for Rural Communities and Households (SEARCH)</b></p> <p>Helps small, financially distressed rural communities with predevelopment planning costs, including feasibility studies to support applications for funding water or waste disposal projects and preliminary design and engineering analyses.</p> <p>For more information, visit: <a href="https://www.rd.usda.gov/programs-services/search-special-evaluation-assistance-rural-communities-and-households">https://www.rd.usda.gov/programs-services/search-special-evaluation-assistance-rural-communities-and-households</a></p>
<p><b>Water and Environmental Programs (WEP)</b></p> <p>Provides funding exclusively for rural water and waste infrastructure needs of rural communities with populations of 10,000 or less. There are a variety of loan and grant programs available to finance the acquisition, construction or improvement of drinking water sourcing, treatment, storage and distribution, and in some cases to purchase facilities to improve service or prevent loss of service. Visit the link below for a full list of these programs.</p> <p>See the <a href="#">Florida State-Level Funding Sources</a> to learn how a loan from the WEP program facilitated the purchase of a struggling water system in order to provide reliable, safe, and affordable water.</p> <p>For more information, visit: <a href="https://www.rd.usda.gov/programs-services/all-programs/water-environmental-programs">https://www.rd.usda.gov/programs-services/all-programs/water-environmental-programs</a></p>
<p><b>Other</b></p>
<p><b>Economic Development Administration (EDA) Public Works and Economic Adjustment Assistance (EAA) Programs</b></p> <p>Supports development in economically distressed areas via investments that foster job creation and attract investment.</p> <p>For more information visit: <a href="https://www.eda.gov/funding-opportunities/">https://www.eda.gov/funding-opportunities/</a></p>
<p><b>HUD CDBG Program</b></p> <p>Funds local community development activities with the goal of providing affordable housing, anti-poverty programs, and infrastructure development.</p> <p>For more information visit: <a href="https://www.hudexchange.info/programs/cdbg-state/">https://www.hudexchange.info/programs/cdbg-state/</a>; <a href="https://www.hud.gov/program_offices/public_indian_housing/ih/grants/icdbg">https://www.hud.gov/program_offices/public_indian_housing/ih/grants/icdbg</a></p>
<p><b>National Rural Water Association (NRWA) Rural Water Loan Fund (RWLF)</b></p> <p>Provides low-cost loans for short-term repair costs, small capital projects, or pre-development costs associated with larger projects.</p> <p>For more information visit: <a href="https://nrwa.org/members/products-services-portfolio/rural-water-loan-fund/">https://nrwa.org/members/products-services-portfolio/rural-water-loan-fund/</a></p>

<p><b>CoBank</b></p> <p>Provides financing to water cooperatives, water companies, and not-for-profit and municipal water systems in rural areas.</p> <p>For more information visit: <a href="https://www.cobank.com/corporate/industry/water">https://www.cobank.com/corporate/industry/water</a></p>
<p><b>Appalachian Regional Commission (ARC) Grants*</b></p> <p>Grants are funded using Congressionally appropriated funds that align with ARC’s strategic plan investment priorities, which includes critical infrastructure (e.g., water systems).</p> <p><i>See the <a href="#">Ohio State-Level Funding Sources</a> to learn how an ARC Grant was used to form a water system partnership by installing a water service extension to provide reliable water.</i></p> <p>For more information visit: <a href="https://www.arc.gov/grants-and-contracts/">https://www.arc.gov/grants-and-contracts/</a></p>
<p><b>Southeast Rural Community Assistance Project, Inc. (SERCAP) Community Development Financial Institution (CDFI) Loan Fund and Facilities Development Grant Program*</b></p> <p>Provides loans to local governments, public service authorities, user associations, nonprofit organizations, and other community entities for the development and/or construction of valuable community projects.</p> <p>For more information visit: <a href="https://sercap.org/about/who-we-serve/community-government-groups">https://sercap.org/about/who-we-serve/community-government-groups</a></p>
<p><b>American Rescue Plan Act (ARPA) Funding</b></p> <p>Provides funding to state and local governments for projects that address public health or economic impacts, including water infrastructure projects. The U.S. Treasury Department will provide funding to local governments in two equal installments. The first payment became available in May 2021, and the second payment will be delivered approximately twelve months after delivery of the first payment.</p> <p><i>See the <a href="#">West Virginia State-Level Funding Sources</a> to see how an America Rescue Plan Act (ARPA) Grant was used to form a water system partnership by building a waterline extension.</i></p> <p>For more information visit: <a href="https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds">https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds</a></p>

\* Funding source is specific to certain areas/locations and is not available for all U.S. states.

### DWSRF Set-Asides

While the DWSRF Program provides affordable financing to water systems to help fund drinking water infrastructure improvement projects, states have the discretion to set aside up to approximately 31 percent of their annual federal DWSRF capitalization grant to support non-infrastructure needs. While the set-asides cannot be used for water system infrastructure projects, they can be used for a wide range of activities, including the planning and design steps of the project. DWSRF set-asides can also be used to support planning and analysis needed for partnerships that do not involve physical interconnection, such as evaluating and developing shared billing or system management.

There are four types of set-asides: Administration and Technical Assistance; Small Water System Technical Assistance; State Program Management; and Local Assistance and Other State Programs.

General activities that have been funded by set-asides include:

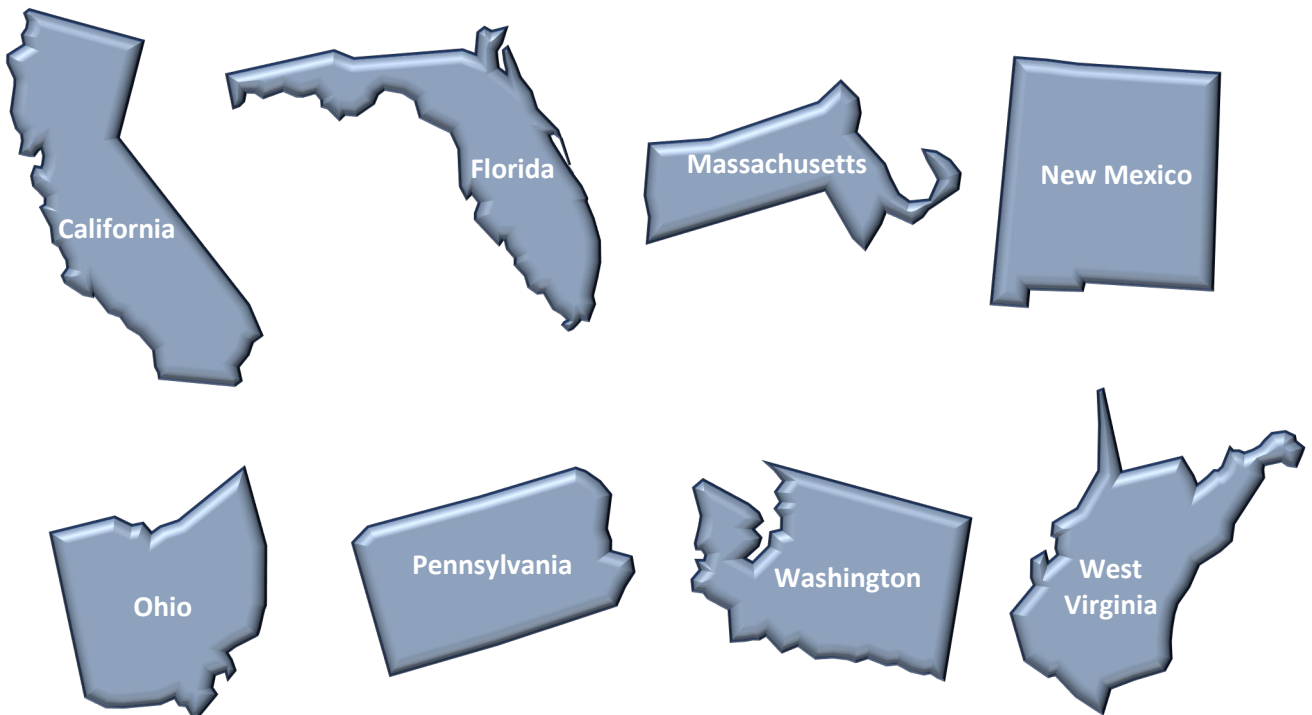
- Administering the DWSRF Program
- Supporting PWSS Program management
- Supporting capacity development, operator certification, and wellhead protection programs
- Financing local source water protection initiatives
- Providing technical assistance to water systems

For more information on DWSRF set-asides, visit: <https://www.epa.gov/dwcapacity/about-drinking-water-state-revolving-fund-dwsrf-set-asides>.

## State-Level Funding Sources

State-level funding sources available to water systems vary with new and expanded options becoming available each year. Below are state-specific examples that provide in-depth discussions into a few funding resources in each state along with a successful water system partnership that highlights use of that funding source. At the end of each state section is a list of additional examples of funding sources in that state that could also be applied to water system partnerships.

*Click the state button below to read discussions on funding resources in that state.*





## California – Funding Water System Partnerships

California has a number of resources available for funding water system partnerships. The funding sources listed below are not representative of all possible opportunities available to fund water system partnerships in California but are some resources water systems in California may consider when pursuing funding for partnership activities.

Several funding programs, including the Drinking Water State Revolving Fund (DWSRF), are available through the [State Water Resources Control Board \(SWRCB\)](#) and implemented by the **Division of Financial Assistance (DFA)**.



Many of the programs support consolidation of water systems and split funding into a planning phase and a construction phase. Many of the programs also prioritize disadvantaged communities (DACs) and severely disadvantaged communities (SDACs). California defines DACs and SDACs in their [DWSRF Intended Use Plans](#): DACs are defined as those with a median household income less than 80% of the state's median household income level, and SDACs are those with a median household income less than 60% of the state's median household income level.

Most of California's state agencies, including the SWRCB, accept applications through the [Financial Assistance Application Submittal Tool \(FAAST\)](#) webpage. The FAAST webpage is also a convenient resource that keeps an updated list of funding programs that are currently accepting applications. There are also "how-to" videos on starting, submitting, and uploading certain applications (e.g., DWSRF applications).

Below are two in-depth descriptions of funding resources that have been used to support water system partnerships in California. Each describes the application process, eligibility requirements, and provides an example of how funding was utilized for a successful water system partnership.

### Proposition 1

*SWRCB administers the [Proposition 1 Drinking Water funds](#). \$260 million is available for drinking water grants and loans for actions to help meet safe drinking water standards and/or ensure drinking water affordability.*

#### **PROCESS:**

Proposition 1 funds are administered and managed under the same procedures for providing DWSRF funds, allowing DWSRF low-interest financing options to be leveraged with the Proposition 1 funds. Staff review and approve financing for projects that are eligible, have complete application packages, and are ready to proceed to a financing agreement in the order they are ranked. DFA conducts a technical, environmental, and financial review to determine applicants' eligibility for funding.

If the SWRCB does not have enough money to fund all projects that are eligible, have complete application packages, and are ready to proceed, then they will prioritize projects in small, DACs with the lowest median household income and projects involving consolidation or extension of service.



### ELIGIBILITY:

Eligible water systems are those that demonstrate TMF capacity and that fall into one of the following drinking water project categories.

- ◆ Immediate health risk
- ◆ Untreated or at-risk sources
- ◆ Compliance or shortage problems
- ◆ Inadequate reliability
- ◆ Secondary risks
- ◆ Other projects (e.g., water system deficiencies that address current or prevent future violations of health-based standards)

Projects will receive priority over others within the same category if the project benefits a DAC or SDAC, or the project will result in the consolidation of water system(s) or extension of service to a DAC or SDAC that is not already served by a water system.

The types of water systems listed below may be eligible for reduced interest rates, extended term financing, and principal forgiveness for a planning or construction project. This is because SWRCB determines that these water systems may have financial hardship due to their size and lack of economies of scale.

- A small community water system (CWS) serving a DAC that is owned by a public agency or nonprofit water company.
- A small CWS serving a DAC that is owned by a Native American Tribe.
- A nontransient noncommunity water system (NTNCWS) serving a DAC or SDAC that serves solely the following:
  - A public K-12 school; and/or
  - A not-for profit K-12 private school; and/or
  - A not-for-profit daycare facility, and/or
  - A not-for profit labor camp; and/or
  - A not-for-profit elder care facility; and/or
  - A not-for-profit health care facility.
- A PWS extending services to a DAC or SDAC that is not currently served by a PWS.

For more information about Proposition 1, visit: [https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/proposition1.html](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1.html) or contact [info@waterboards.ca.gov](mailto:info@waterboards.ca.gov).

### WATER SYSTEM PARTNERSHIP HIGHLIGHT:

#### *Placer County Water Agency - Ownership Transfer*

Placer County Water Agency (PCWA) and Dutch Flat Mutual (DFM) are two water systems in Placer County, California. Their consolidation process began in 2016 when the DFM Board of Directors voted to pursue connection to PCWA. The connection was important to ensure the communities had a reliable source of drinking water into the future while also allowing them to benefit from economies of scale.

In 2018, [DFM and PCWA received \\$480,000](#) from **Proposition 1** funds to pay for the project design. In 2019, PCWA and DFM submitted another application for a SWRCB grant to fund construction, which is estimated to be just over \$4.5 million (which includes about \$300,000 for construction contingencies), of which \$4.3 million could be covered by the grant. Construction would also be funded by the sale of DFM's assets. In the first phase of the project, the DFM pipeline (which feeds their 180,000-gallon storage tank from their water treatment plant) will be connected to the PCWA pipe. PCWA will then supply treated water to DFM, and DFM will continue supplying water to their customers.





In the second phase of the project, all 8,600-feet of the DFM distribution pipe, 22 valves, 24 fire hydrants, appurtenances, service lateral, and meters will be replaced. PCWA will subsequently take ownership of the entire distribution system, the DFM 180,000-gallon storage tank, and all new infrastructure constructed to serve the Dutch Flat community. Connection to PCWA will allow DFM's water treatment plant to be decommissioned. Upon completion, PCWA will provide retail service to all of DFM's 106 customers. As of the spring of 2020, the planned milestones were to approve the consolidation agreement in April 2020, complete the state funding agreement for construction in August 2020, advertise and receive bids for construction in September 2020, and award the construction contract in November 2020. Construction is expected to begin in 2022.

## Proposition 84

*Proposition 84 authorized California to sell general obligation bonds, including for safe drinking water and water quality projects. These funds are implemented through many different grants. The SWRCB Division of Drinking Water (DDW) implements these funds under Section 75021 (emergency clean water grants), Section 75022 (small community infrastructure improvements for chemical and nitrate contaminants), and Section 75025 (grants to prevent or reduce contamination of groundwater that serves as a source of drinking water). The Department of Water Resources (DWR) implements these funds under the Integrated Regional Water Management (IRWM) Grant Program.*

### PROCESS:

The funding process under the **DDW** is slightly different under each of the three sections, but in general, the process is as follows. First, applicants fill out a pre-application, which is reviewed and ranked by DDW. DDW then establishes their project priority list and invites those on the list to submit full project applications or feasibility study applications, depending on the project. Once the applications are completed by the water systems, DDW evaluates applications. DDW issues commitment letters to water systems and those that meet the conditions in the commitment letters are issued a funding agreement.

The funding process is much different under the **DWR**. First, an IRWM region must be accepted by the DWR through a regional acceptance process. Then, authorities in the IRWM region can collaborate to form an IRWM plan. The planning process includes identifying objectives and projects, and prioritizing those projects. The region can then apply to the IRWM Grant Program to receive grant funding for projects that help meet long term water needs, including the provision of safe drinking water and the protection of water quality.

### ELIGIBILITY:

**Section 75021** provides clean water grants for emergency and urgent actions to ensure the availability of safe drinking water. Eligible projects are those that provide alternate water supplies, improve or repair water systems to prevent contamination, implement water treatment or treatment systems, or connect to an adjacent water system. The following criteria are considered to determine eligibility:

- Degree and nature of contamination
- Whether the hazard is acute or chronic
- Length of consumer exposure
- Any actual or suspected illness
- Action by local Health Officer or local Director of Environmental Health
- Existence, duration, and extent of water outage or power outage

For more information about Proposition 84 granted under DWR, visit: <https://water.ca.gov/Work-With-Us/Grants-And-Loans/IRWM-Grant-Programs> or contact your [IRWM regional contact](#).





**Section 75022** funds small community drinking water infrastructure improvements and related actions to meet safe drinking water standards. Priority projects address chemical and nitrate contaminants, other health hazards, and serve DACs or SDACs. Eligible recipients include public agencies and incorporated mutual water companies. The following are among the criteria considered to determine eligibility and ranking:

- Meet the following TMF criteria: consolidation assessment, proof of ownership, proof of water rights, and a budget projection
- In noncompliance with a primary drinking water standard or notification level, or dependent on surface water and under an order to boil water
- Whether funds will be used to help meet applicable drinking water standards
- Project must at least evaluate consolidation or interconnection
- Whether project is regional (i.e., addresses issues with at least three water systems)

**Section 75025** provides grants to immediate projects that prevent or reduce contamination of groundwater that serves as a source of drinking water. Eligible project costs include preliminary costs and construction costs. The following are among the criteria considered to determine eligibility and ranking:

- Prevent or reduce groundwater contamination
- Protect public health and address a contaminant with a primary MCL
- Address an anthropogenic source of contamination
- Median household income of the community
- Potential to enhance water supply reliability
- Characteristics of contaminant plume

The [IRWM Grant Program](#) provides grants to fund projects of local public agencies and non-profit organizations in an IRWM region. Projects eligible for funding may include those that involve planning, implementation, and DAC involvement. All projects must be consistent with the region's IRWM plan.

#### **WATER SYSTEM PARTNERSHIP HIGHLIGHT:**

##### ***City of Tulare and Pratt Mutual Water Company - Ownership Transfer***

Pratt Mutual was a small water system in Tulare County within rural Central San Joaquin Valley, located just two miles south of the City of Tulare. The City of Tulare is a city in Central California and had a population of approximately 62,000. Pratt Mutual served Matheny Tract, a DAC of approximately 1,500 residents. The water system began experiencing compliance issues in 2010 when two of its wells exceeded the maximum contaminant level (MCL) for arsenic. The City of Tulare and Pratt Mutual began exploring water system partnership options that year. To help the water system identify a path forward, the state funded a planning project to analyze options. The analysis determined that [connecting to the City of Tulare was the most affordable option](#) to provide safe reliable drinking water to the residents of Matheny Tract.

In 2013, \$4.9 million in Proposition 84 funding was made available to Pratt Mutual to connect the Matheny Tract to the City of Tulare water system through two points of connection and to install meters at all service connections. This effort included replacing the existing Pratt Mutual distribution system. Construction halted in 2014, during the height of California's drought, when the City of Tulare reconsidered its ability to supply an adequate quantity of water.



In 2015, under Senate Bill 88, the Division of Drinking Water issued an order directing the City of Tulare to connect Matheny Tract to its water system. Thus, while the transfer of ownership was driven by the consolidation under Senate Bill 88, their relationship and communication about partnering had already been underway.

After the passage of Senate Bill 88 in June 2015 the SWRCB began the steps toward requiring consolidation. They hosted two public meetings in March 2016. After hosting the public meetings and completing an assessment to determine if the water system partnership was an appropriate candidate for consolidation, the SWRCB issued a mandatory consolidation order to the City of Tulare and Pratt Mutual.



Figure 2. A Matheny Tract resident opens the water valve to bring safe reliable drinking water to the community.

The consolidation was completed in May 2016. The residents of the Matheny Tract community have been receiving safe drinking water from the City of Tulare since June 2016. The City of Tulare supplies water to the residents of Matheny Tract through the two existing interconnections constructed in 2013.

#### WATER SYSTEM PARTNERSHIP HIGHLIGHT:

#### *Las Virgenes Municipal Water District and Calleguas Municipal Water District – Contractual Assistance*

The Las Virgenes Municipal Water District (LVMWD) and Calleguas Municipal Water District (CMWD) own and operate water systems outside Los Angeles. The LVMWD serves approximately 75,000 and CMWD serves nearly 650,000, but they each depend on purchased water supplies from Metropolitan Water District of Southern California that travels more than 400 miles to reach each water system. Both water systems experienced scheduled and unscheduled water delivery interruptions that affect provision of delivering safe drinking water to their customers. In March 2015, the water systems formed an interconnection agreement to improve the reliability of the provision of safe drinking water. They determined that interconnection is a cost-effective way to benefit both water systems by delivering water between the water systems if one experiences interruptions.

LVMWD and CMWD estimate the total project cost at \$9,207,384. They received \$1,975,517 from the [Proposition 84 IRWM Grant Program](#).

The project involves constructing an intertie pipeline between the two water systems which will allow up to 870 acre-feet per year of water to be exchanged between the water systems whenever scheduled or unscheduled water delivery interruptions occur. The intertie pipeline will also allow LVMWD to fill their reservoir with an increase of 1,300 acre-feet per year. A recycled water pipeline extension will also be constructed for LVMWD along the same alignment, serving as irrigation. The project is expected to be completed in 2024.

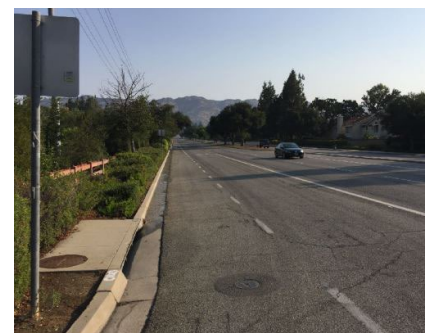


Figure 3. CMWD pipe alignment.

The LVMWD continuously updates the public through the project's [dedicated webpage](#) and informing the public about construction impacts through mailers, door hangers, social media, and their Everbridge alert system. Transparency and cooperation are key to this partnership.



## Additional Partnerships Funding Resources in California

### SWRCB

#### California DWSRF Program

Helps systems finance drinking water infrastructure planning and construction projects necessary to achieve or maintain compliance with SDWA requirements. Applications are accepted on a continuous basis and funds are provided upon DFA's review.

For more information visit: [https://www.waterboards.ca.gov/drinking\\_water/services/funding/SRF.html](https://www.waterboards.ca.gov/drinking_water/services/funding/SRF.html)

Contact: [drinkingwatersrf@waterboards.ca.gov](mailto:drinkingwatersrf@waterboards.ca.gov)

#### The Safe and Affordable Funding for Equity and Resilience (SAFER) Program

Helps small systems in DACs develop, fund, and implement capital improvement projects and improve TMF management. Small systems are defined as those that serve less than 3,300 connections or less than 10,000 people.

For more information visit: [https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/sustainable\\_water\\_solutions/safer.html](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/sustainable_water_solutions/safer.html)

Contact: [DFA-OSWS@waterboards.ca.gov](mailto:DFA-OSWS@waterboards.ca.gov)

#### Technical Assistance (TA) Funding Program

Helps small DACs develop, fund and address eligible drinking water, wastewater, stormwater, or groundwater needs. TA is provided by non-profit organizations. TA can include capital improvement project implementation and development, operation and maintenance facilitation, engineering and environmental analysis, legal assistance, financial analysis, TMF assessments, board or operator training, and more. TA requests are continuously accepted.

For more information visit: [https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/tech\\_asst\\_funding.html](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/tech_asst_funding.html)

Contact: [DFA-TArequest@waterboards.ca.gov](mailto:DFA-TArequest@waterboards.ca.gov)

#### Small Community Funding

Helps small DACs that provide drinking water services to less than 10,000 people, or wastewater services to less than 20,000 people, with technical assistance needs, interim water supplies, and implementation of eligible drinking water or wastewater capital improvement projects.

For more information visit: [https://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/sustainable\\_water\\_solutions/](https://www.waterboards.ca.gov/water_issues/programs/grants_loans/sustainable_water_solutions/)

Contact: [DFA-OSWS@waterboards.ca.gov](mailto:DFA-OSWS@waterboards.ca.gov)

## California Infrastructure and Economic Development Bank

#### Infrastructure State Revolving Fund (ISRF) Program

Provides low-cost public financing to state and local government entities (e.g., municipalities, joint power authorities, nonprofit organizations) for various public infrastructure and economic expansion projects. IBank offers technical support, legal assistance, and loan officer support throughout the approval and/or application process.

For more information visit: <https://www.ibank.ca.gov/loans/infrastructure-loans/>

Contact: [LoanProgram@IBank.ca.gov](mailto:LoanProgram@IBank.ca.gov)



## Florida – Funding Water System Partnerships

A number of resources are available for funding water system partnerships within the State of Florida. The **Florida Department of Environmental Protection (DEP), Division of Water Restoration Assistance**, is the primary agency responsible for implementing Florida's Drinking Water State Revolving Fund (DWSRF) that provides loans and grants to local governments, utilities, and even agencies for projects that improve the quality and quantity of Florida's water resources. In addition to the funding resources from Florida's state revolving fund, project sponsors in the state of Florida have also been successful in accessing federal funding resources, such as the Water Infrastructure Finance and Innovation Act (WIFIA) and the U.S. Department of Agriculture (USDA) Rural Development Water & Waste Disposal Grant program.

Listed below are in-depth descriptions of two funding sources that have been used to support water system partnerships in Florida. Each write-up describes the application process, eligibility requirements, and provides an example of how funding was utilized for a successful water system partnership.

### Water Infrastructure Finance and Innovation Act

*The WIFIA Program, a federal program administered by EPA, provides loans for eligible water and wastewater infrastructure projects including reconstruction, rehabilitation, and replacement activities. The objective of WIFIA is to accelerate investments in water infrastructure by providing long-term, low-cost supplemental loans for regionally and nationally significant projects. A key feature of WIFIA is the availability of loans that have low-fixed interest rates and flexible financial terms.*



The WIFIA Program is designed to help finance large infrastructure projects. The minimum project costs must be \$20 million for most communities and \$5 million for small communities serving a population of 25,000 or less. The WIFIA loan can finance up to 49 percent of the total project costs.

#### PROCESS:

Each year, EPA announces the amount of funding available, its priorities for that selection round, and a deadline for submitting letters of interest from prospective borrowers. EPA reviews the letters of interest and selects projects to continue through the application process.

#### ELIGIBILITY:

WIFIA loans can fund development and implementation for a range of water system partnerships, including projects normally eligible for the DWSRF Program. Eligible activities include planning, design, and pre-construction activities; construction and/or rehabilitation; acquisition of real property; capitalized interest; expenses; and other costs during construction. Eligible borrowers include local, state, federal, and tribal governments, water system partnerships and joint ventures, as well as corporations and trusts.

For more information about WIFIA, visit: <https://www.epa.gov/wifia/what-wifia> or contact [wifia@epa.gov](mailto:wifia@epa.gov).



### WATER SYSTEM PARTNERSHIP HIGHLIGHT:

#### Polk Regional Water Cooperative - Joint Power Agency

In 2017, Polk County and its fifteen municipal governments formed a new agency, the [Polk Regional Water Cooperative \(PRWC\)](#), to lead planning and management of future water supply needs for the region. Population growth



throughout the area caused the parties involved in the Cooperative to recognize the need to consider, advance and develop an effective regional approach to the conservation of water and the use, delivery, and provision of potable and non-potable water systems. The PRWC's role is to proactively identify alternate water sources and projects that will protect and sustain the future regional water supply of Polk County, Florida. The PRWC specifically focuses on identifying sustainable groundwater sources, developing strategies to meet future water demand, determining the infrastructure for water treatment and distribution, and providing oversight and governance for the management of water resources.

The PRWC leveraged the cooperative water system partnership that had been established between the municipal governments to develop a proposal for an Alternative Water Supply Program funded through the **WIFIA** Program. In 2019, PRWC received a [\\$235 million loan from EPA](#) through the WIFIA funding program to construct 37 Lower Floridan Aquifer wells, two water treatment plants, and transmission systems to distribute 17.5 million gallons per day of alternative water supply to nearly 638,000 people. The purpose of the project is to provide alternative high quality source water to meet future drinking water needs, increase water supply reliability, facilitate water resource improvements in thirteen lakes, sustain the availability of water to existing private residential potable wells, and help recover aquifer levels.

#### WIFIA & DWSRF

The WIFIA Program and DWSRF Programs both provide sources of low-cost infrastructure financing for much needed water infrastructure improvements. The programs are separate but are implemented across similar project types and sizes and are often used together to co-finance a project. The WIFIA Program is distinct from the DWSRF Program in certain ways. The WIFIA Program can close a loan with a borrower before or after DWSRF funding is finalized, and borrowers may still seek DWSRF funding after having secured WIFIA funding. The DWSRF by statute has a focus on small and disadvantaged systems which typically have smaller projects. WIFIA is best-suited to provide benefits to much larger projects, typically over \$100 million, and frequently of regional or national significance. WIFIA also has the authority to lend money directly to a state DWSRF Program if they submit a letter of interest.

## Water & Waste Disposal Loan & Grant Program

The USDA Rural Development [Water & Waste Disposal Loan & Grant Program](#) provides funding for clean and reliable drinking water systems, sanitary sewage disposal, sanitary solid waste disposal, and storm water drainage to households and businesses in eligible rural areas.

Funding is available in the form of long-term, low-interest loans. In some instances, pending the availability of funding, a grant may be combined with a loan, if necessary, to keep user costs reasonable.



The loan term is up to a 40-year payback period, based on the useful life of the facilities financed with a fixed interest rate. The interest rate is determined based on the need for the project and the median household income of the area to be served.

**PROCESS:**

Applications are accepted year-round on a rolling basis and may be filed electronically using [RDApply](#). Applications are also accepted through [local Rural Development Offices](#). Applicants are encouraged to speak to the program specialist at their state office before beginning the application.

**ELIGIBILITY:**

Eligible project activities may be used to finance the acquisition, construction, or improvement of drinking water sources, treatment, storage, and distribution systems. In some cases, funding may also be available for related activities such as legal and engineering fees, land acquisition and permitting, start-up operations and maintenance, interest incurred during construction and purchase of facilities to improve service or prevent loss of service.

For more information about the Water and Waste Disposal Loan & Grant Program from USDA, visit: <https://www.rd.usda.gov/program-s-services/water-waste-disposal-loan-grant-program> or contact your state-specific personnel.

Eligible applicants include state and local governmental entities, private nonprofit organizations, and federally-recognized tribes. Areas that may be served include rural areas and towns with populations of 10,000 or less, tribal lands in rural areas, and Colonias. Borrowers must have the legal authority to construct, operate, and maintain the proposed services or facilities. All facilities receiving federal financing must be used for public purpose.

**WATER SYSTEM PARTNERSHIP HIGHLIGHT:**

*City of Dunnellon - Ownership Transfer*

[The City of Dunnellon](#) in Florida is a community that had previously acquired three nearby water systems. However, in 2017 they found themselves facing new challenges and after a Comprehensive Utility Analysis was conducted by a third-party, it was determined the best option for the City of Dunnellon was to divest. The [water user rates](#) were among the highest in the area, yet the water systems were still financially and operationally stressed, facing infrastructure challenges and near-term regulatory burdens. The Florida Governmental Utility Authority (FGUA), a single-purpose local government authority focused on water and wastewater utility ownership, operation, and management, stepped in to help. The FGUA owns and operates over 80 water systems in 13 counties across the State of Florida, including 12 other water systems in Marion County, Florida.

In 2018, the FGUA received a \$12.2 million loan from the **USDA Rural Development Programs** to [facilitate the purchase of the City of Dunnellon](#) water system (i.e., take ownership over). The USDA funding eliminated the higher cost outstanding loans and the resources available from FGUA's much larger water system helped to stabilize user rates. Without the acquisition by FGUA, the City of Dunnellon would have needed to increase user rates by approximately 17.45 percent above the rates under FGUA ownership in order to meet the water system's needs. By eliminating high debt, the City of Dunnellon was also able to strengthen its finances and improve its cash reserves.

This acquisition of the City of Dunnellon water system benefited over 7,000 residents with reliable and safe drinking water and the USDA funding allowed the FGUA to maintain more affordable user rates and make the necessary improvements to the water system.



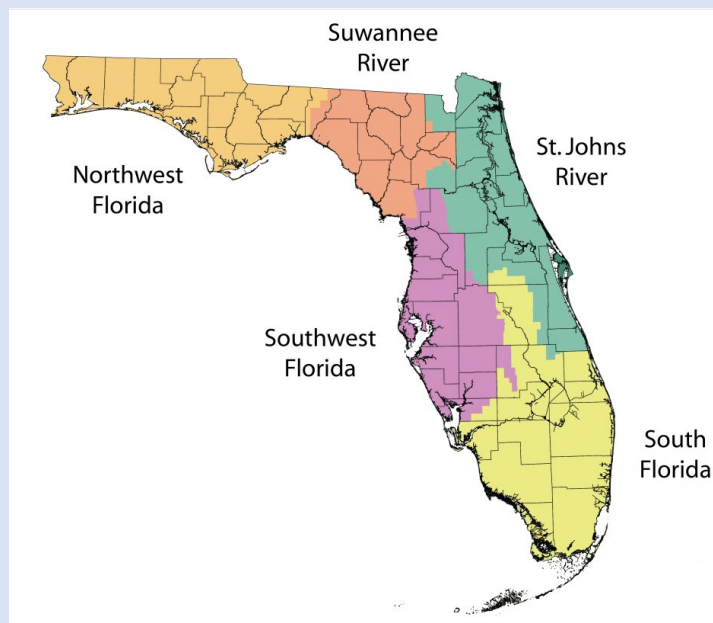


### Florida's Water Management Districts

As required by the Florida State Legislature, the state's water resources must be managed at a state and regional level. The Florida Department of Environmental Protection is responsible for the administration of the water resources at the state level, exercises general supervisory authority over the state's five water management districts which are responsible for the administration of the water resources at the regional level.

The state's five water management districts include the Northwest Florida Water Management District, the Suwannee River Water Management District, the St. Johns River Water Management District, the Southwest Florida Water Management District, and the South Florida Water Management District.

The four core mission areas of the water management districts are: (1) water supply, (2) water quality, (3) flood protection and floodplain management, and (4) natural systems. Each district has its own funding program, described in further detail on the next page.





## Additional Partnerships Funding Resources in Florida

### Florida Water Management Districts

#### **South Florida Water Management District: Cooperative Funding Program**

Assists local governments, public and private water providers, and other entities with construction and/or implementation of alternative water supply and water conservation projects that support or complement the District's mission.

For more information visit: <https://www.sfwmd.gov/doing-business-with-us/coop-funding>  
Contact: Program Information and Assistance at (561) 686-8800 or [coopfunding@sfwmd.gov](mailto:coopfunding@sfwmd.gov)

#### **Southwest Florida Water Management District: Cooperative Funding Initiative**

Covers up to 50 percent of project costs that help create sustainable water resources, enhance conservation efforts, restore natural systems, and provide flood protection. At least 50 percent of project funding must be a hard-dollar match from other sources.

For more information visit: <https://www.swfwmd.state.fl.us/business/finance/cooperative-funding-initiative>  
Contact: Project Management Office at (800) 423-1476 ext. 4269 or [cfi@swfwmd.state.fl.us](mailto:cfi@swfwmd.state.fl.us)

#### **Suwannee River Water Management District: RIVER Governmental Cost Share Program**

County governments, municipalities, water supply authorities, and other interested government entities can apply for funding that enhance or address the District's water supply, water quality, flood protection, and/or natural system responsibilities.

For more information visit: <https://www.mysuwanneeriver.com/374/RIVER-Cost-Share-Program>  
Contact: Projects team at (386) 362-1001 or [Projects@SRWMD.org](mailto:Projects@SRWMD.org)

#### **St. Johns River Water Management District: Districtwide Cost-Share Funding**

Provides funding for up to 25 percent of the construction costs for selected alternative water supply, water quality, flood protection, and natural systems projects and up to 50 percent for water conservation projects. Projects are eligible for a maximum district cost-share of \$3 million per project or per applicant. Funding is limited exclusively to construction-related costs.

For more information visit: <https://www.sjrwmd.com/localgovernments/funding/>  
Contact: Find your [District Staff](#) here.

#### **St. Johns River Water Management District: Rural Economic Development Initiative (REDI)/Innovative Projects Cost-Share Funding**

Projects are eligible for a maximum district cost-share of \$500,000 per project or per applicant. Funding is limited exclusively to construction-related costs, except REDI communities can include operation and maintenance projects. A REDI community is economically disadvantaged with an employment base primarily in traditional agriculture or resource-based industries and a population of 25,000 or less.

For more information visit: <https://www.sjrwmd.com/localgovernments/funding/redi/>  
Contact: Find your [District Staff](#) here.





## Florida Department of Environmental Protection

### Florida DWSRF Program

Provides low-interest loans to eligible applicants for the planning, design and construction of public water facilities. Funding requests are received on a rolling basis. Small, disadvantaged communities may be eligible for principal forgiveness on 20-90 percent of the total project cost. Projects involving consolidation or regionalization receive extra priority ranking points.

For more information visit: <https://floridadep.gov/wra/srf/content/dwsrf-program>  
Contact: SRF Program at (850) 245-2835 or at [SRF\\_Reporting@dep.state.fl.us](mailto:SRF_Reporting@dep.state.fl.us)

## Florida Department of Economic Opportunity

### Florida Small Cities CDBG Program

Provides funds to local government units in small urban and rural areas. Funds can be used for projects and administrative support for projects. Examples of eligible projects include water meter and waterline replacement, water tank and treatment plant improvement, water main installation, and emergency generators.

For more information visit: <https://floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/florida-small-cities-community-development-block-grant-program>  
Contact: Florida Small cities CDBG Program at (850) 727-8405 or at [CDBG@deo.myflorida.com](mailto:CDBG@deo.myflorida.com)

### Rural Infrastructure Fund (RIF) Grant

Provides funds to local government units in rural areas. RIF facilitates the planning, preparing and financing of infrastructure projects in rural communities. RIF intends to facilitate access of rural communities to infrastructure funding programs. Grants can be awarded for up to 50 percent of the project.

For more information visit: <http://www.floridajobs.org/RIF>  
Contact: Florida RIF at (850) 717-8481 or at [RIF@deo.myflorida.com](mailto:RIF@deo.myflorida.com)



## Massachusetts – Funding Water System Partnerships

Massachusetts offers funding resources that can be used to fund water system partnerships. The funding sources listed below are not representative of all possible opportunities available to fund water system partnerships in Massachusetts but are some resources water systems in Massachusetts may consider when pursuing funding for partnership activities.

The [Massachusetts Water/ Wastewater Agency Response Network \(MAWARN\)](#) is a partnership of water and wastewater systems in Massachusetts that is open to any publicly-owned water and wastewater system in Massachusetts to join. Water systems join by signing a standard agreement. Upon joining, water systems have access to a database of utilities and resources and are eligible for Federal Emergency Management Agency (FEMA) disaster reimbursement and rapid mutual aid and assistance from other water systems.

Listed below are in-depth descriptions of three funding resources that have been used to support water system partnerships in Massachusetts. Each describes the application process, eligibility requirements, and provides an example of how funding was utilized for a successful water system partnership (if applicable).

### Drinking Water State Revolving Fund Program

The Massachusetts Department of Environmental Protection (MassDEP) oversees the [Drinking Water State Revolving Fund \(DWSRF\)](#) with the goal of protecting public health, strengthening compliance with drinking water requirements, and addressing the Commonwealth's drinking water needs. Solicitation for projects occurs on an annual basis.

#### PROCESS:

To apply for funding, applicants must submit a Project Evaluation Form (PEF) when MassDEP opens solicitation, typically in May of each year.

MassDEP ranks projects based on the extent to which the project:

- Eliminates or mitigates a public health risk;
- Is necessary to achieve or maintain compliance with applicable drinking water quality requirements;
- Is affordable to users in the service area;
- Consolidates or restructures a water system; and
- Implements, or is consistent with, watershed management plans (or addresses a watershed priority) and is consistent with local and regional growth or infrastructure plans.

The [Disadvantaged Communities Program](#) is part of the MassDEP DWSRF and offers forgiveness for a percentage of a DWSRF project's principal loan amount if the project is in a disadvantaged community, meeting certain affordability criteria as established by the state.

#### ELIGIBILITY:

Eligible projects include:

- New and upgraded drinking water treatment facilities;
- Projects to replace contaminated sources, new water treatment, or storage facilities;



- Consolidation or restructuring of water systems;
- Projects and water system activities that provide treatment, or effective alternatives to treatment, for compliance with regulated health standards, such as the surface water treatment rule; and
- Installation or replacement of transmission or distribution systems.

For more information about the Massachusetts DWSRF Program, visit: <https://www.mass.gov/service-details/srf-drinking-water-program> or contact your region-specific personnel.

**WATER SYSTEM PARTNERSHIP HIGHLIGHT:**

**Tri-Town Water District – Joint Power Agency**

The Towns of Randolph and Holbrook, Massachusetts jointly manage and treat the water supply that each town uses for drinking water. Water is sourced from the Great Pond Reservoir System (GPRS). The Town of Braintree also provides drinking water supplied by GPRS. Both water systems maintain drinking water treatment facilities that reached the conclusion of their useful life.

The towns of [Braintree, Randolph and Holbrook](#) agreed to establish a joint power agency represented by the Tri-Town Board of Water Commissioners for the purpose of constructing a single regional drinking water supply shared by the three communities. Tri-Town is currently designing a single state-of-the-art facility to replace the two antiquated facilities that are costly to operate, at an estimated project cost of \$68 million. They have applied for and received approval for a DWSRF loan to help finance the project.

## Local Water System Assistance Program

Massachusetts Water Resources Authority’s (MWRA) [Local Water System Assistance Program \(LWSAP\)](#) provides a total of \$725 million in interest-free loans to member communities to perform water system improvement projects. Community loans are repaid to MWRA over a 10-year period. The goal of the LWSAP is to improve local water system pipeline conditions to help maintain high water quality from MWRA’s treatment plant through local pipelines to customers’ taps.

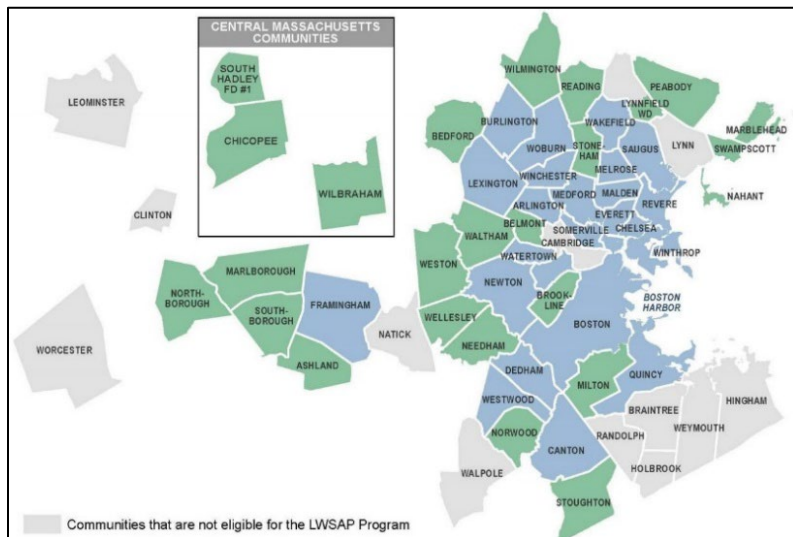


Figure 4. MWRA service area showing communities who are eligible (green and blue) for LWSAP loans. Communities shaded gray are ineligible for LWSAP loans. Source: <https://www.mwra.com/comsupport/lwsap/lwsapprogram.html>

**PROCESS:**

MWRA distributes project funds on a quarterly basis (in February, May, August, and November) to approved projects. MWRA staff review proposed projects to determine if the project is a feasible water system rehabilitation project and to assess the eligible project costs. After MWRA staff approve a proposed project, they designate an award amount and schedule the execution of a Financial Assistance Agreement around one of the quarterly funding distribution dates.



**ELIGIBILITY:**

For projects to be eligible, they must be for the purpose of rehabilitating CWSs. Any costs necessary for effective rehabilitation of local water distribution systems are eligible under LWSAP, including, but not limited to:

- Construction, reconstruction, rehabilitation, alteration, remodeling or other improvements;
- Engineering services including planning, design, and construction services;
- Post rehabilitation certification and activities incidental; and
- Direct labor.

For more information about the Local Water System Assistance Program, visit: <https://www.mwra.com/comsupport/lwsap/lwsaprogram.html> or contact your region-specific personnel.

Communities who are members of MWRA are eligible for LWSAP loans (Figure 4).

## Rural and Small Town Development Fund

The [Rural and Small Town Development Fund](#) Capital Grant Program was created for capital projects in rural and small town communities. Grants range from \$50,000 to \$400,000.

**PROCESS:**

Grant proposals should be submitted through the [Community One Stop for Growth Application](#) portal.

Grant proposals are scored based on the following criteria:

- Achievable project scope
- Ability to execute
- Leadership
- Achievable timeline
- Reasonable budget, showing commitment
- Outcomes and impact on the community
- Progress to date, showing commitment
- Responsiveness to the project’s support of the Commonwealth’s sustainable development principles

Preference is given to projects that leverage funding outside of the requested grant funds. Upon being accepted for funding, grants funds are distributed as reimbursements. Reimbursement requests are submitted quarterly for any work completed during the contract.

**ELIGIBILITY:**

Projects must take place in communities with populations less than 7,000 or population densities less than 500 people per square mile. Projects must be completed by a specified date.

Funds must be used for capital projects, which include costs for pre-construction, survey, design, and engineering; construction (including administration); and feasibility studies.

For more information about the Rural and Small Town Development Fund in Massachusetts, visit: <https://www.mass.gov/service-details/rural-and-small-town-grants> or contact the One Stop Team at [onestop@mass.gov](mailto:onestop@mass.gov).



## New Mexico – Funding Water System Partnerships

The **New Mexico Finance Authority (NMFA)** oversees many funding programs that finance water system partnership activities in the state. Two of these funding programs are highlighted below, and multiple others are included in the additional water system partnerships funding resources section.

New Mexico also has a [Water Infrastructure Portal](#) that is a one-stop-shop to find water and wastewater infrastructure funding solutions. The portal connects users to water infrastructure assistance, support, and funding streams. Users simply fill out a Project Interest Form, which asks for information regarding your entity, project, and amount of funding needed.

Listed below are in-depth descriptions of two funding sources that have been used to support water system partnerships in New Mexico. Each write-up describes the application process, eligibility requirements, and provides an example of how funding was utilized for a successful water system partnership.

### Capital Outlay Special Appropriations Program

*The Capital Outlay Special Appropriations Program (CO SAP) provides state grants for infrastructure projects that are appropriated each year by the New Mexico Legislator and the Governor. Projects pertaining to water or other environmental infrastructure is overseen by the New Mexico Environment Department (NMED) Construction Programs Bureau (CPB).*

#### PROCESS:

New Mexico's CPB is responsible for administering capital outlay projects, contracting with the funded entities, and monitoring the status of each project, including the budget and expenditures.

Communities are reviewed for eligibility and assessed for readiness to start their project. If ready to proceed, CPB will certify the appropriation for the bond sale. Then, CPB and the communities form grant agreements for the expenditure of the funds. Funds are then distributed via a reimbursement process. Grantees work closely with their CPB Project Manager to ensure compliance with grant terms and applicable laws and regulations, as well as to ensure project success.

#### ELIGIBILITY:

Drinking water, wastewater, and other environmental projects are eligible for CO SAP funding. Project applicants must be current with any audits, agreed upon procedures, or tiered reporting. Their budgets and quarterly reports must also have been submitted to the Department of Finance and Administration.

For more information about CO SAP, visit: <https://www.env.nm.gov/construction-programs/capital-outlay-special-appropriation-program/> or contact [NMENV-cobsap@state.nm.us](mailto:NMENV-cobsap@state.nm.us).

#### WATER SYSTEM PARTNERSHIP HIGHLIGHT:

##### ***Ancones Mutual Domestic Water and Wastewater Consumers Association (PART 1) – Joint Power Agency***

Ancones and El Llanito are two small neighboring communities north of Albuquerque which both lacked good quality drinking water and storage capacity. Specifically, Ancones only had shallow wells and El Llanito only had one public well that was not in compliance with EPA primary drinking water standards.



Thus, they [joined to form the Ancones Mutual Domestic Water and Wastewater Consumers Association \(MDWWCA\)](#) to provide a new supply of water.

In 2013, MDWWCA received a **CO SAP** grant to start drilling a new well in Ancones. By 2015, the new well was put into service and successfully supplied water to both communities.

In 2014, MDWWCA received another **CO SAP** grant, which they used to design and construct a fill station so that the community could access and haul water from Ancones.

The well and fill station improved the drinking water quality in the two communities, but residents still had to haul water for domestic use. See [PART 2 below](#) for how the communities pursued the funding program below to further improve their drinking water situation.



Figure 5. The fill station card reader at the Ancones well.

## Water Project Fund

*The NMFA manages the Water Project Fund. It uses proceeds from the Senior Severance Tax Bond and from the Water Trust Fund to finance water projects recommended by the Water Trust Board and authorized by the Legislature. Awards are a combination of grants and loans, based on the applicant's financial capability.*

### PROCESS:

Qualified entities that seek funding must apply each year, even if the project has previously been authorized by the Legislature. Funding is considered pursuant to the comprehensive Project Management Policies and the Water Trust Board Rules, which include the following weighted prioritization criteria:

1. Urgent to meet the needs of interstate stream commission-accepted regional water plan (5%)
2. Local contribution (15%)
3. Project readiness (10%)
4. Regionalization (10%)
5. Health and safety (25%)
6. Planning and design (10%)
7. Other: emergency (i.e., addresses catastrophic water quality or quantity conditions or violations) (25%)

### ELIGIBILITY:

Five types of projects are eligible for Water Project Fund awards.

1. Water conservation, recycling, treatment, or reuse
2. Flood prevention
3. Those that collaborate with Endangered Species Act (ESA) projects
4. Water storage, conveyance, or delivery
5. Watershed restoration and management

For more information about the Water Project Fund, visit: <https://www.nmfinance.com/water-project-fund/> or contact [wtbadmin@nmfa.net](mailto:wtbadmin@nmfa.net).



**WATERS SYSTEM PARTNERSHIP HIGHLIGHT:**

***Ancones Mutual Domestic Water and Wastewater Consumers Association (PART 2) – Joint Power Agency***

See [PART 1 above](#) for how the communities initially came together to form the Ancones MDWWCA to drill a new well and install a fill station to allow the communities to obtain access to safe drinking water.

After Ancones and El Llanito partnered to form the Ancones MDWWCA and drill a new well in 2013 to improve their drinking water quality, some residents still had to haul water for domestic use. Ancones MDWWCA pursued and [received funding from the Water Trust Board](#) in 2014 to construct a storage tank and water lines to serve both communities. They received additional Water Trust Board funds in 2015 and 2016 to construct a pipeline to connect to the new distribution system.



*Figure 6. The new storage tank built to serve Ancones and El Llanito.*

The two communities are a prime example of how perseverance to obtain funding, meet regulatory requirements, and continuously improve their water situation can help ensure the provision of safe drinking water into the future.





## Additional Partnerships Funding Resources in New Mexico

### New Mexico Finance Authority and New Mexico Environment Department

#### New Mexico DWSRF Program

Provides low-cost financing for drinking water system construction and improvements. Funding is primarily provided as 0% or 1% interest loans.

For more information visit: <https://www.nmfinance.com/water-project-fund/drinking-water-state-revolving-loan-fund/>

Contact: [DW@nmfa.net](mailto:DW@nmfa.net)

### New Mexico Finance Authority

#### Local Government Planning Fund

Funds the development of planning documents for public infrastructure projects. Documents may include preliminary engineering reports, feasibility studies, and asset management plans. Applications are accepted monthly and grants are provided via reimbursements. Local governments (e.g., tribal entities and mutual domestic water consumer associations) are eligible.

For more information visit: <https://www.nmfinance.com/local-government-planning-fund/>

Contact: [LGPF@nmfa.net](mailto:LGPF@nmfa.net)

#### Colonias Infrastructure Fund

Helps communities in southern New Mexico that lack basic infrastructure, including water and wastewater projects. Local governments (e.g., counties, cities, mutual domestic water consumer associations) are eligible. Planning, design, and construction projects are eligible. Funds are given as 90% grant and 10% loan with terms up to 20 years at 0% interest.

For more information visit: <https://www.nmfinance.com/colonias/>

Contact: [colonias@nmfa.net](mailto:colonias@nmfa.net)

#### Public Project Revolving Fund

Assists public entities in accessing capital markets at low interest rates. Public projects such as infrastructure improvements and water system upgrades are eligible. Loans are provided to disadvantaged communities at subsidized rates.

For more information visit: <https://www.nmfinance.com/public-infrastructure-capital-financing/>

Contact: [PPRF@nmfa.net](mailto:PPRF@nmfa.net)





## New Mexico Environment Department

### New Mexico Community Development Block Grant (CDBG)

Addresses local development needs through implementation of infrastructure, planning, and other critical projects. Municipalities and water associations are eligible. Of the total CDBG funding, 10% is set-aside each year for eligible projects in designated Colonias.

For more information visit: <https://www.nmdfa.state.nm.us/local-government/community-development-bureau/>

For more information about the Colonias set-aside, visit: <https://www.hudexchange.info/programs/cdbg-colonias/>

Find your [CDB Project Manager](#)

### New Mexico CDBG Planning Grant

Counties and incorporated municipalities can receive planning grants for up to \$50,000. Eligible projects include feasibility studies, preliminary engineering reports, regionalization, and infrastructure improvement.

For more information visit: <https://www.nmdfa.state.nm.us/local-government/community-planning/cdbg-planning-grant/>

Contact: New Mexico Department of Finance and Administration (505) 827-4985

### Rural Infrastructure Program (RIP)

Provides low-interest loans to rural communities for water and wastewater projects. Eligible entities include mutual domestic associations and water or sanitation districts that supply water or wastewater services, serving municipalities less than 20,000 or counties less than 200,000. Loans are provided at 2.375% interest for terms up to 20 years. Project types include engineering studies and design, water pipelines, and water system rehabilitation.

For more information visit: <https://www.env.nm.gov/construction-programs/rural-infrastructure-program/>

Contact: [NMENV-cpbinfo@state.nm.us](mailto:NMENV-cpbinfo@state.nm.us)

## New Mexico Indian Affairs Department

### Tribal Infrastructure Fund

Offered to tribal communities for planning and development of infrastructure, which includes water and wastewater systems. Projects may be for design, construction, improvement, and expansion of water and wastewater systems.

For more information visit: <https://www.iad.state.nm.us/policy-and-legislation/programs-and-funding/guidelines-and-procedures/>

Contact: New Mexico Indian Affairs Department (505) 476-1600



## Ohio – Funding Water System Partnerships

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Ohio offers a variety of funding resources that can be used to fund water system partnerships. The funding sources listed below do not represent all possible opportunities available to fund water system partnerships in Ohio and are meant to provide an overview and a sampling of the resources water systems in Ohio may consider when pursuing funding for partnerships activities.

Supported by the **Ohio Water Development Authority (OWDA)**, [Ohio's Small Communities Environmental Infrastructure Group \(SCEIG\)](#) is made up of representatives from all major funding agencies. The group shares information about technical assistance, education activities, and opportunities for smaller water systems to present their projects and receive advice about where to apply for financial assistance.

Listed below are in-depth descriptions of two funding sources that have been used to support water system partnerships in Ohio. Each describes the application process, eligibility requirements, and provides an example of how funding was utilized for a successful water system partnership.

### Water Supply Revolving Loan Account

*The DWSRF in Ohio, known as the [Water Supply Revolving Loan Account \(WSRLA\)](#), is a sub-program of Ohio's larger Drinking Water Assistance Fund (DWAF). Ohio utilizes DWSRF set-asides for administrative work, small water systems technical assistance, PWSs, and local assistance. Beginning in 1998, the WSRLA has maintained a focus on addressing human health and supporting drinking water infrastructure of public and private entities.*

#### PROCESS:

Ohio EPA requests nominations from interested applicants at the beginning of each calendar year. WSRLA funds are available to eligible applicants that submit a complete nomination package for a project or multiple projects. A proposed project is reviewed and scored by the Ohio EPA's project priority ranking system and prioritized against all other nominated projects, according to these indicators:

- 1) Human health risk
- 2) Compliance with federal SDWA requirements and state regulations
- 3) Effective water system management
- 4) Regionalization

Targeted funding through no-interest loans and principal forgiveness is available for projects that address lead service line replacement, water system regionalization, and water infrastructure improvements to address Harmful Algal Blooms (HAB) and Per- and Polyfluoroalkyl Substances (PFAS). Additional information about the application process and project ranking system is available in the [DWAF Program Year 2021 Program Management Plan](#).



### ELIGIBILITY:

Eligible projects include construction of new drinking water infrastructure and upgrades to existing water systems including work to support the planning, design, and construction phases. Eligible applicants are community water systems (CWSs) and non-community water systems (NCWSs). Construction loans are typically awarded for 20 years, but shorter-term planning and design loans are available. As of December 2020, interest rates for a standard entity were 0.7 percent and for small water systems were 0.2 percent.

For more information about Ohio's Water Supply Revolving Loan Account, visit: <http://epa.ohio.gov/ddagw/financialassistance.aspx> or contact Ohio EPA's Division of Drinking and Ground Water at (614) 644-2752.

### WATER SYSTEM PARTNERSHIP HIGHLIGHT:

#### *Akron, Ohio – Joint Power Agency*

The City of Akron, Ohio and surrounding townships formed a Joint Economic Development District (JEDD) to spur economic growth in the area in the 1990s. This gives decision-makers a reason to invest in infrastructure including transportation, but also water resources to support growth for new businesses and people to move into the area. The JEDD agreement included a plan for Akron to extend their public drinking water services to the surrounding townships. Almost thirty years later in early 2020, Akron was awarded a loan for \$598,906 from **WSRLA** to fund the connection to 12 of the small water systems in the surrounding townships. Akron qualified for principal forgiveness for half the loan so the City will be responsible for repaying 50 percent of the loan with zero percent interest since the project supported regionalization (i.e., consolidation of multiple water systems). Construction began in April 2020 and was completed in September 2020. The original 12 small water systems were decommissioned and no longer subject to Ohio EPA's monitoring and treatment requirements. Learn more about the loan and regionalization project by reviewing the [Limited Environmental Review](#) for the project.

#### **Joint Economic Development Districts**

In Ohio, JEDDs provide a mechanism by which municipalities and township can cooperate to foster development activities without modifications to jurisdiction boundaries.

### WATER SYSTEM PARTNERSHIP HIGHLIGHT:

#### *Mansfield, Ohio – Ownership Transfer*

Two water systems in in Mansfield, Ohio struggled with poor water quality, aging infrastructure, and an aging workforce. A nearby water system, Madison Water District, known for helping other water systems in the past, stepped in to provide support. A formal connection and ownership transfer of the two struggling water systems to Madison Water District was funded through the **WSRLA**. When the Madison Water District team applied for the loan, Ohio EPA immediately flagged the case based on their priority rankings protocol for different types of projects. The project was viewed as urgent in order to protect public health. To read the full in-depth case study on this water system partnership visit [EPA's Water System Partnership website](#).



## Area Development Program

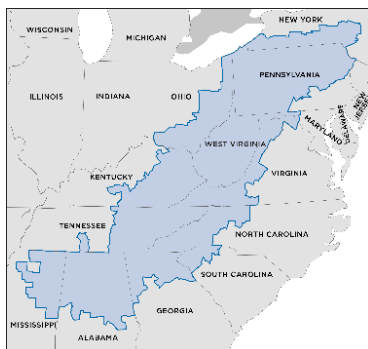


Figure 7. Outline Highlighting the Appalachian Region.

Source: <https://www.arc.gov/>

The [Appalachian Regional Commission \(ARC\)](#) is an economic development partnership agency of the federal government and 13 state governments focusing on 420 counties across the Appalachian Region. ARC's Area Development program makes investments in two general areas: 1) critical infrastructure, and 2) business and workforce development. Critical infrastructure investments include water and wastewater systems, transportation networks, and broadband. Within Ohio, the program is administered by the State of Ohio, Governor's Office of Appalachia (GOA), which represents the interests and serves as an advocate for Ohio's 32 Appalachian counties to facilitate economic and community development throughout the region.

### PROCESS:

In Ohio, the Governor's Office develops priority projects for ARC funding through four Local Development Districts (LDDs): Ohio Valley Regional Development Commission, Buckeye Hills Regional Council, Ohio Mid-Eastern Governments Association, and Eastgate Regional Council of Governments. Leveraging a bottom-up approach, each development district has a process for determining its own priorities. Potential grantees should contact and work directly with staff from their LDD to develop proposed projects. Potential grantees should also coordinate with the GOA while developing projects to secure additional funding and technical assistance, when available.

Applicants submit pre-application and application forms to their LDD, where staff members and the boards of the LDDs review, score, and rank applications to create a board-approved district funding package. Projects are reviewed by staff from the ARC, the GOA, and the Ohio Office of Community Development to develop annual state and federal investment packages.

ARC grants include matching requirements and are limited to 50 percent of project costs. For projects in ARC-designated at-risk counties, this can be raised to 70 percent and for ARC-designated distressed counties, this limit can be raised to 80 percent.

### ELIGIBILITY:

Any entity, including multi-jurisdictional applicants, within the 32 Appalachian counties of Ohio is eligible. Interested applicants should contact the LDD in their area.

For more information about ARC's Area Development Program, visit: <https://www.arc.gov/grants-and-contracts/> or contact ARC at (202) 884-7700.



**WATER SYSTEM PARTNERSHIP HIGHLIGHT:**

**Muskingum County, Ohio – Joint Power Agency**

In 2018, Muskingum County, Ohio announced a water service extension project to connect the Village of Cannelville and nearby residences along Route 555 and Old River Road to ensure they could receive reliable water service. Previously, these customers were utilizing private wells and springs that were contaminated with iron from local mining activity. The project activities included horizontal drilling under the Muskingum River, highway borings, construction and installation of 76,000 feet (over 14 miles) of water mains, hydrants, gate valves and service connections to serve approximately 300 homes and businesses with 43,500 gallons of water per day from the Muskingum County water supply. Additional information about the project is available in the [Regional Review Plan Consistency Certification](#).

The project will save nearly \$3 million when compared to a market rate loan. Muskingum County was also able to leverage a \$240,000 grant from **ARC**, a \$33,000 grant from the Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program, \$1 million from the U.S. Army Corps of Engineers, and \$450,000 from the County. Ohio EPA approved the project for up to 75 percent principal forgiveness with the remainder at zero percent interest for 30 years. Review this [News Release](#) from Ohio EPA for additional details about project financing.

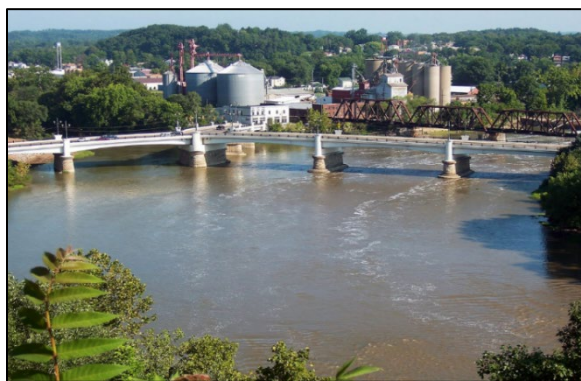


Figure 8. Muskingum River in Zanesville, Ohio. [Toni Leland](#), [CC BY-SA 4.0](#), via Wikimedia Commons



## Additional Partnerships Funding Resources in Ohio

### Ohio EPA

#### Drinking Water Emergency Loan Fund (DWELF)

Provides emergency loans to owners or operators of PWSs for emergency remediation of a "threat of contamination" defined as anything preventing the system from supplying adequate quantities of safe, potable water to users. Loans are processed on a rolling, first come-first served basis. DWELF can finance up to \$200,000, interest free, to systems. Owners or operators of a single system can receive up to \$25,000, which must be repaid within 12 months.

For more information visit: <https://epa.ohio.gov/portals/28/documents/security/DWELF%20Revision%202017.pdf>

Contact: Ohio EPA's Division of Drinking and Ground Waters (614) 644-2782

#### H2Ohio

An initiative to improve water quality. In July 2020, the Ohio General Assembly invested \$172 million into a Water Trust Fund. In 2020, \$8.675 million that Ohio EPA received for water and wastewater infrastructure improvements was used to leverage an additional \$23 million. Loans are provided to infrastructure projects in disadvantaged communities.

For more information visit: <http://h2.ohio.gov/>

Contact: Ohio EPA Community Infrastructure Initiatives (614) 644-3660

### Great Lakes Community Action Partnerships

#### Rural Community Loan Fund (RCLF)

Provides loans for facility improvements (e.g., development and rehabilitation of water infrastructure) to stimulate community development and increase access in low-income areas. Public organizations, public and private non-profits, and private non-profits that serve a population less than 25,001 are eligible. Collateral is required and is determined based on the particular project.

For more information visit: <https://www.glcap.org/programs/community-rural-development/community-loan-fund/>

Contact: Great Lakes Community Action Partnership (800) 775-9767



## Ohio Development Services Agency

### Ohio CDBG Programs

Divided into two programs, 1) Residential Public Infrastructure Grant Program (RPIGP) which funds the provision of safe and reliable drinking water, and 2) the Neighborhood Revitalization Grant Program (NRGP) which funds public facility improvements such as construction, reconstruction, and rehabilitation of infrastructure in targeted areas of distress.

- **RPIGP** projects must provide water service to a minimum of 60 percent residential users and can include on-site improvements (e.g., service laterals, well abandonment, and other CDBG-eligible related fees). RPIGP eligible applicants are non-entitlement counties, cities, and villages.
- **NRGP** funds are administered as a competitive set-aside to Ohio's Allocation Program (which gives communities a resource to address CDBG-eligible needs).

For more information visit: [https://www.development.ohio.gov/cs/cs\\_edcgrantee.htm](https://www.development.ohio.gov/cs/cs_edcgrantee.htm) and [https://development.ohio.gov/cs/cs\\_rpi.htm](https://development.ohio.gov/cs/cs_rpi.htm)

Contact: Office of Community Development (614) 466-2285

### Tax Increment Financing (TIF)

Allows local governments to finance public infrastructure improvements and, in certain circumstances, residential rehabilitation. It locks in the taxable worth of a real property at its value and payments derived from the increased assessed value go to the local jurisdiction's TIF funds. TIF funds can finance public infrastructure improvements, including constructing water lines.

For more information visit: [https://development.ohio.gov/bs/bs\\_tif.htm](https://development.ohio.gov/bs/bs_tif.htm)

Contact: Office of Strategic Business Investments (614) 728-6778

### Ohio Capital Access Program (OCAP)

A loan portfolio insurance program that provides varying loan terms for real estate, equipment, and working capital or inventory. Jobs must be retained or created as a result of the loan. The maximum loan limits are \$350,000 for fixed asset financing and \$250,000 for working capital financing. The interest rate and other terms and conditions are decided by the lender and borrower.

For more information visit: [https://www.development.ohio.gov/bs/bs\\_ocap.htm](https://www.development.ohio.gov/bs/bs_ocap.htm)

Contact: Minority Business Development Division (614) 644-7249

## Ohio Public Works Commission

### State Capital Improvement Program

This program is a voter-approved bond program that local governments apply to make needed improvements to public infrastructure. Eligible applicants are counties, cities, villages, townships, and water and sanitary districts. Eligible projects are for improvements to roads, bridges, culverts, water supply systems, wastewater systems, storm water collection systems, and solid waste disposal facilities.

For more information visit: <https://www.pwc.ohio.gov/Programs/All-OPWC-Funding-Programs>

Contact: Ohio Public Works Commission (614) 466-0880





## Pennsylvania – Funding Water System Partnerships

Pennsylvania has a number of resources available to support water system partnerships for water and wastewater systems. The funding sources listed below do not represent all possible opportunities available to fund water system partnerships in Pennsylvania and are meant to provide an overview and sampling of the resources that water systems in Pennsylvania may consider when pursuing funding for partnerships activities. The **Pennsylvania Infrastructure Investment Authority, Department of Community and Economic Development** and the **Pennsylvania Department of Environmental Protection** are the most prominent state agencies with some of the most popular water system funding programs and can be very helpful resources in assisting water systems with developing project proposals for funding water system partnerships.

Listed below are in-depth descriptions of two funding sources that have been used to support water system partnerships in Pennsylvania. Each describes the application process, eligibility requirements, and provides an example of how funding was utilized for a successful water system partnership.

### Pennsylvania Infrastructure Investment Authority

The [Pennsylvania Infrastructure Investment Authority \(PENNVEST\)](#) oversees the administration and financing of Pennsylvania's Drinking Water State Revolving Fund (DWSRF), Clean Water State Revolving Fund (CWSRF), non-point source funds, as well as specialized programs for lead-service line replacement, PFAS and green initiatives. PENNVEST provides low-interest loans and grants for new construction or for improvement to publicly or privately-owned drinking water, stormwater or wastewater treatment facilities, as well as non-point source pollution prevention best management practices. The maximum funding available for any single project is \$11 million or \$20 million for a project that serves more than one municipality. Loans in excess of \$20 million may be authorized by the PENNVEST Board of Directors for comprehensive projects proposing the consolidation of service for four or more municipalities.



#### PROCESS:

PENNVEST releases detailed guidance every spring regarding the availability of program funding, how to apply, and information on new priority initiatives. Information sessions are normally held in a public meeting format. Prior presentations and information can be found [here](#). Applicants may initiate an application but will not be able to complete or submit the application until a consultation has been completed and signed off by the Pennsylvania DEP and a PENNVEST Regional Project Specialist.

PENNVEST has developed a collection of [webcasts and training resources](#) available on how to use the online funding application, settlement process and special federal requirements such as the Davis-Bacon prevailing wage requirements.

#### ELIGIBILITY:

Any municipality, authority, or private entity that is an owner and/or operator of a drinking water, wastewater, or non-point source pollution prevention project is eligible under the PENNVEST program. Eligible project activities include the costs associated with design,

For more information about PENNVEST, visit:  
<https://www.pennvest.pa.gov/Pages/default.aspx>.





engineering, and construction of public or privately-owned drinking water or wastewater systems, non-point source pollution mitigation and storm water projects. Supplemental grants may be available on a limited basis for water systems with residential user rates, or with limited capacity to handle debt service. No separate application is necessary. An analysis is performed on each submittal for grant consideration.

#### **WATER SYSTEM PARTNERSHIP HIGHLIGHT:**

##### ***Greene County, Pennsylvania***

The Dunkard Valley Joint Municipal Authority (DVJMA) had a history of difficulties in operating and managing their drinking water system. The water system frequently experienced water outages due to water line breaks; inconsistent water quality due to chemical application at the water treatment plant; inability to meet chlorine contact time, turbidity standards, and total organic carbon removal standards; and also received notices of violations for monitoring and reporting. In 2018, the Southwestern Pennsylvania Water Authority (SPWA) received a [\\$10.5 million loan and a \\$5 million grant](#) from PENNVEST through the DWSRF Program for the infrastructure to interconnect and consolidate the assets of DVJMA into a single water system served by SPWA. In addition to funding from PENNVEST, the project also received a \$750,000 grant from the Pennsylvania Community Development Block Grant (CDBG) program to make the project more affordable for customers.



Figure 9. SPWA water main extension to DVJMA system.

Credit: Observer Reporter

The SPWA project includes the construction of a new 490,000-gallon water storage tank and installation of over 118,000 feet of pipes to replace the aging infrastructure. The project reduced contaminant level violations, water outages, boil water advisories and other supply concerns, alleviated operational and managerial problems, and ensured a reliable source of water and fire protection for customers. Upon completion, the SPWA added 500 customers from the DVJMA water system to its current 14,000 customers.

#### **WATER SYSTEM PARTNERSHIP HIGHLIGHT:**

##### ***Indiana County, Pennsylvania – Contractual Assistance***

Relying on private wells, five rural communities in Indiana County were troubled by a long history of poor water quality and unreliable access to public water. In 2020, the [Indiana County Municipal Services Authority](#) (ICMSA) received a \$10.7 million grant and \$1.4 million loan from PENNVEST through the DWSRF to construct a water pipeline system from the Plumville and Crooked Creek Water Treatment Plants to the member communities. The installation of a new water main interconnects the two water treatment plants and the new customers. It delivers public water service and fire protection to 400 residential/commercial customers and over 1,000 residents. The project included major upgrades to both the Plumville and Crooked Creek Water Treatment Plants as well as approximately 18 miles of new water line.



## Additional Partnerships Funding Resources in Pennsylvania

### PENNVEST

#### **Pennsylvania DWSRF Program**

Provides low interest loans with flexible terms to assist a variety of borrowers for construction, expansion and maintenance of drinking water treatment plants, distribution mains, storage facilities, and improvements and upgrades to water quality systems.

For more information visit: <https://www.pennvest.pa.gov/Information/Funding-Programs/Pages/Drinking-Water-State-Revolving-Fund.aspx>

Contact: Find your [PENNVEST Regional Project Specialist](#)

#### **Small Projects Initiative**

Uses DWSRF funds to provide low interest loans to public or private entities implementing small projects in communities serving less than 12,001 people or projects having less than 1,001 connections. Applicants can request up to \$500,000.

For more information visit: <https://www.pennvest.pa.gov/Information/Funding-Programs/Pages/Small-Projects.aspx>

Contact: Find your [PENNVEST Regional Project Specialist](#)

#### **Credit Enhancement Assistance**

Provides bond and/or loan guarantees for the repayment of third-party loans, bond issues or other types of financing that qualified applicants may incur to finance eligible project costs. The bond or loan guarantee is typically 20 years.

For more information visit: <https://www.pennvest.pa.gov/Information/Funding-Programs/Pages/Credit-Enhancement-Assistance.aspx>

Contact: Find your [PENNVEST Regional Project Specialist](#)

#### **Programmatic Financing (Pro Fi) Guidance**

Provides funding for Capital Improvement Plans (CIP), in entirety or in part, for a group of drinking water or wastewater projects so long as each individual project or phase of projects is eligible and prepared in compliance with program requirements. Applicants may be either public or private entities who are otherwise eligible for PENNVEST programs. Eligible projects include those that are otherwise eligible for financing under the DWSRF and have an approved CIP enacted by its governing body.

For more information visit: <https://www.pennvest.pa.gov/Information/Funding-Programs/Pages/ProFi.aspx>

Contact: Find your [PENNVEST Regional Project Specialist](#)



## Department of Community and Economic Development

### **Pennsylvania CDBG Program**

Provides grants and technical assistance to municipalities for community development activities including housing rehabilitation, public services, community facilities, infrastructure improvement, development, and planning. Funding is available to eligible applicants through 1) a federal entitlement program which provides annual funding to designated municipalities or 2) a competitive program for all municipalities that are not direct federal recipients of CDBG funds and Act 179 entitlement municipalities with a population less than 10,000. The competitive program has a minimum request of \$100,000 and has no ceiling limit.

For more information visit: <https://dced.pa.gov/programs/community-development-block-grant-cdbg/>

Contact: Find your [CDBG Grant Contact](#)

### **Pennsylvania Industrial Development Authority (PIDA)**

Provides low-interest loans and lines of credit to eligible applicants to finance a portion of eligible project costs. Loan terms depend on the project type (e.g., up to 15 years for acquisitions and construction, up to 10 years for equipment purchases).

For more information visit: <https://dced.pa.gov/programs/pennsylvania-industrial-development-authority-pida/>

Contact: The Department of Community & Economic Development at 866-466-3972 or contact your [DCED Regional Contact](#).

### **Pennsylvania Economic Development Financing Authority (PEDFA) Taxable Bond Program**

Provides taxable bonds to finance land, building, equipment, working capital and refinancing. Eligible uses include land and building acquisition, renovation, new construction, machinery and equipment acquisition and installation. All businesses and projects needing access to low-cost capital are eligible. Facilities for the furnishing of water may be eligible for tax-exempt financing. Loans must be at least \$400,000 and may cover up to 100 percent of project costs.

For more information visit: <https://dced.pa.gov/programs/pennsylvania-economic-development-financing-authority-pedfa-taxable-bond-program/>

Contact: The Department of Community & Economic Development at 866-466-3972 or contact your [DCED Regional Contact](#).

### **Pennsylvania First Program (PA First)**

Facilitates increased investment and job creation by providing grants, loans, and loan guarantees to businesses, municipalities, municipal authorities, redevelopment authorities, industrial development authorities or corporations, and local development districts. Eligible uses include acquisition of buildings, job training, construction or rehabilitation of buildings or infrastructure, and the purchase or upgrade of machinery and equipment.

For more information visit: <https://dced.pa.gov/programs/pennsylvania-first-program-pa-first/>

Contact: The Department of Community & Economic Development at 866-466-3972 or contact your [DCED Regional Contact](#).



## Department of Community and Economic Development (continued)

### PA Small Water and Sewer Program

Provides grants from small water, sewer, stormwater, and flood control infrastructure projects. Eligible uses include construction, improvement, expansion, or rehabilitation projects that cost between \$30,000 and \$500,000. Municipalities are eligible.

For more information visit: <https://dced.pa.gov/programs/pa-small-water-sewer/>

Contact: CFA Programs Division, PA Small Water and Sewer Program or (717) 787-6245 or reach out to your [DCED Regional Contact](#).

### Infrastructure and Facilities Improvement Program (IFIP)

Provides grants to issuers of debt up to \$1 million. Eligible project costs include water supply facilities.

For more information visit: <https://dced.pa.gov/programs/infrastructure-and-facilities-improvement-program-ifip/>

Contact: Center for Business Financing, PA Infrastructure and facilities Improvement Program (717) 787-6245 or reach out to your [DCED Regional Contact](#).

### Commonwealth Financing Authority H2O PA Water and Sewer Program

The H2O PA Act provides single- and multi-year grants to municipalities or municipal authorities to assist with the construction of drinking water, sanitary sewer, and storm sewer projects. Approved projects include water system interconnections, improvements, upgrades, and expansions; water main extensions and replacements; and water quality improvements.

For more information visit: <https://dced.pa.gov/programs-funding/commonwealth-financing-authority-cfa/h2o-pa/>

Contact: Find your [DCED Regional Contact](#) or (866) 466-3972

## Pennsylvania DEP

### Professional Engineering Services Program

Offers free professional engineering assistance to small and medium-sized (serving <10,001 people) public community and non-profit non-community water systems. Approved projects include investigations to determine the cause of system technical issues, feasibility studies, design work, construction and operational permit applications, preparation of funding applications, and construction bid preparation/construction contractor procurement assistance. This assistance is funded via the DWSRF set-asides.

For more information visit: <https://www.dep.pa.gov/Business/Water/BureauSafeDrinkingWater/Pages/Professional-Engineering-Services-Program.aspx>

Contact: the local Capability Enhancement Facilitator in your area.



## Washington – Funding Water System Partnerships

Washington has several resources available to support water system partnerships for drinking water systems. The funding sources listed below do not represent all possible opportunities available to fund water system partnerships but are instead to serve as a sample of funding sources. The State of Washington administers and implements popular funding programs, such as the **Drinking Water State Revolving Fund (DWSRF)** and **Community Development Block Grant (CDBG)** programs made available through federal funding sources. In addition, the State of Washington facilitates some unique funding programs through the state's **Department of Commerce** designed to spur economic growth and development through activities, including water infrastructure planning and development.

Listed below is an in-depth description of a funding source in Washington that has been used to support water system partnerships. The descriptions provided below explain the application process, eligibility requirements, and provides an example of how funding was utilized for a successful water system partnership.

### DWSRF Construction Loans

*The State of Washington Department of Health offers loans through the [DWSRF](#) to support investments in infrastructure such as pre-construction and construction loans for drinking water systems.*

As of September 2020, approximately \$35 million in funding was available from the DWSRF Program. The program provides a \$5 million limit per jurisdiction for 20-year loan terms at 1.75 percent interest rate. Additional subsidy of up to 50 percent is available if the project is a consolidation project or if the project meets certain criteria, such as the affordability index, which is a ratio of the average monthly water rate to monthly medium household income. If the affordability index is greater than 2 percent, the applicant can receive additional subsidy. Projects receiving the additional subsidy, can pursue a 30-year loan with an interest rate of 1.25 percent.

#### PROCESS:

The funding application period begins October 1<sup>st</sup> and ends November 30<sup>th</sup>. Applications will be reviewed between December 1<sup>st</sup> and January 31<sup>st</sup>. Applicants are notified of funding status in February. Project scopes are developed between March and May with contracts executed and funding available in July.

Once a project is determined to be eligible for funding, a technical evaluation and review is performed to score and prioritize the projects. Priority is given to projects that address severe public health threats and compliance issues. An application receives points based on the following risk categories:

- Category 1: Eliminates a documented microbial contamination.
- Category 2: Eliminates primary inorganic chemical contamination or addresses water shortages.
- Category 3: Eliminates other primary chemical risk, addresses sanitary survey deficiency, disinfection installation, lead component removal or replacement, receiverships, or EPA chemical Health Advisory (HA).

For more information about Washington's DWSRF Program, visit: <https://www.doh.wa.gov/communityandenvironment/drinkingwater/watersystemassistance/drinkingwaterstate revolvingfunddwsrf> or contact the DWSRF team at [dwsrf@doh.wa.gov](mailto:dwsrf@doh.wa.gov).



- Category 4: Addresses a secondary MCL, resiliency, seawater intrusion risk, sanitary survey significant finding, 80 percent of nitrate or arsenic MCL, or a restricting or consolidation project.
- Category 5: the proposed project must include components for infrastructure sustainability.

Bonus points are awarded to projects that address the following:

- Compliance: The project meets documented compliance requirements.
- Restructuring or consolidation benefit: The project restructures (eliminates) one or more water systems.
- Regional benefit: The project benefits more than one water system.
- Asset management: The water system has attended an asset management training or has an asset inventory.

Consolidation projects are ranked based on compliance issues within the past five years. A proposed consolidation project must provide signed transfer agreements at the time of application. If the applicant does not have an existing asset management program, the development of an asset management program will be included as a part of the scope of work to cover resources such as purchase of software and professional services. A full presentation and additional information on the DWSRF Program can be found [here](#).

#### **ELIGIBILITY:**

Eligible applicants include private and publicly-owned community water systems and not-for-profit non-community water systems. Tribal water systems are eligible if the project is not receiving funding from the Drinking Water Infrastructure Grants Tribal Set-Aside (DWIG-TSA). Eligible projects include drinking water system infrastructure projects aimed at increasing public health protection. Principal forgiveness may be available for communities with high affordability index numbers and water system restructuring/consolidation projects.

To be eligible to apply and receive funding, applicants must have approved planning documents that are current through the period of submission or have submitted a planning document for review by the regional office. Applicants must include meeting minutes with applicant that show governing body approved submittal of the application for the proposed project and the estimated amount of funding. More information on eligible applicants can be found [here](#).

#### **WATER SYSTEM PARTNERSHIP HIGHLIGHT:**

##### ***City of Vader and Lewis County – Ownership Transfer***

The City of Vader in Lewis County, Washington operated an outdated water system that experienced frequent system-wide water outages. The City of Vader experienced a series of 17 main breaks between 2006 and 2010 that resulted in ten boil water advisories issued by the Washington State Department of Health (DOH). The City of Vader also lacked the financial and managerial capacity needed to operate the water system. In 2010, the DOH began conversing with a nearby water system, Lewis County, to discuss options and develop a plan to assist the troubled water system. In 2011, Lewis County took over full operations and management of the City of Vader’s water system and completed the legal transfer of water assets from the city to the county in 2014.

In 2011, Lewis County obtained a [\\$715,675 DWSRF loan](#) and \$613,000 in CDBG funds to help finance improvements. The project included replacing 6,000 feet of 2-inch and 6-inch water mains with new 4- to 8-inch mains, as well as valves, meters and hydrants. The installation of approximately 245 service meters with automation technology enables Lewis County to reduce non-revenue water losses. As of



2015, Lewis County provided drinking services to a population of approximately 843 people through 347 service connections, according to the [Vader-Enchanted Valley Water System Plan](#). In 2019, Lewis County announced [updates to their utility fee and rate structure](#) with modest rate increases to support the continued operations and maintenance of the Vader Water System.

**WATER SYSTEM PARTNERSHIP HIGHLIGHT:**

***Jefferson County Public Utility District, Washington – Ownership Transfer***

In 2010, the Jefferson County Public Utility District (PUD) #1 [received a DWSRF loan for \\$1.6 million](#) to assist a smaller water system struggling with regulatory requirements. Jefferson County PUD's Local Utility District #3 (LUD #3) had been receiving unfiltered surface water from the City of Port Townsend. When Port Townsend decided to build a treatment plant to meet regulatory requirements for their unfiltered surface water, LUD #3 avoided the expense by utilizing the DWSRF loan to switch to a groundwater source, constructing a new well and treatment plant at their Sparling Wellfield.

In 2012, Jefferson County PUD then [obtained a second DWSRF loan for \\$1.1 million](#) to upgrade a privately-owned utility, Kala Point, and to consolidate both Kala Point and LUD #3 into its Quimper Water System. The loan funded the water system interconnections, valve and meter installations, and replacement of Kala Point's treatment system with an iron and manganese removal system.

In 2013, Jefferson County PUD [received a third DWSRF loan for \\$843,350](#) to finish the well and treatment plant construction project at the Sparling Wellfield that started in 2010. Today, the Quimper Water System is composed exclusively of groundwater sources from multiple wells, including the newly developed well at the Sparling Wellfield, which provides most of the water to the larger water system. The well field and associated treatment infrastructure now produce over 1,000 gallons per minute during peak service and served 3,646 active service connections in 2019. Additional information on the Quimper Water System and Jefferson County PUD can be found in water system planning presentations available [here](#).





## Additional Partnerships Funding Resources in Washington

### Washington State Department of Health

#### Washington DWSRF Pre-construction Loans

In addition to loans and grants for construction projects, the State of Washington also provides loans for pre-construction activities. Pre-construction Loans are available from the DWSRF Program for eligible applicants including CWSs (publicly owned and privately owned), nonprofit non-community water systems, and tribal water systems not receiving DWIG-TSA funding. Projects may include consolidation feasibility studies, planning documents, permitting, cultural and environmental reviews, preliminary engineering design reports, construction documents, asset management, and project alternatives analyses.

For more information visit:

<https://www.doh.wa.gov/CommunityandEnvironment/DrinkingWater/WaterSystemAssistance/DrinkingWaterStateRevolvingFundDWSRF>

Contact: [dwsrf@doh.wa.gov](mailto:dwsrf@doh.wa.gov)

### Washington State Department of Commerce

#### Washington CDBG Program

Funding is made available annually through a competitive application process to assist small cities, towns and counties in Washington State with carrying out significant community and economic development projects that principally benefit low- and moderate-income persons. Eligible activities for water system partnerships include public facilities, such as water and wastewater systems. Eligible applicants are cities and towns in Washington State with a population less than 50,000 or counties with a population less than 200,000. The maximum funding for construction projects is \$900,000 and for planning projects is \$30,000.

For more information visit: <https://www.commerce.wa.gov/serving-communities/community-development-block-grants/>

Contact: Reach out to your local CDBG contact at <https://www.hud.gov/states/washington/community/cdbg> or contact the Washington State Department of Commerce, Main Office at (360) 725-4000



## Washington State Department of Commerce (continued)

### Community Economic Revitalization Board (CERB) – Committed Private Partner (CPP) Program

Provides loans and grants for construction of public infrastructure necessary for private business expansion and requires a private business commitment as part of the application. Eligible applicants may include cities and towns, counties, federally recognized Indian tribes, municipal corporations, public port districts, quasi-municipal corporations and special purpose districts. Eligible activities include the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of domestic and industrial water systems, sanitary sewer, and stormwater systems. CERB offers loans of \$3 million maximum per project and grants are available for up to 25% of the total award.

For more information visit: <https://www.commerce.wa.gov/building-infrastructure/community-economic-revitalization-board/cerb-committed-private-partner-program/>

Contact: Reach out to the Washington State Department of Commerce, Main Office at (360) 725-4000

### Community Economic Revitalization Board (CERB) – Planning Program

Provides limited grant funding for studies to evaluate high-priority economic development projects and rural broadband projects. Projects should target job growth and long-term economic prosperity. Eligible activities include economic feasibility, environmental impacts, capital facilities, land use, permitting, marketing, project engineering, and site planning. Eligible applicants include cities and towns, counties, federally recognized Indian tribes, municipal corporations, quasi-municipal corporations, public port districts, and special purpose districts. CERB offers grants for planning projects up to 80% of the total project cost, not to exceed \$50,000. The applicant must match CERB's funding with at least 20% of the total project cost, in cash.

For more information visit: <https://www.commerce.wa.gov/building-infrastructure/community-economic-revitalization-board/cerb-planning-program/>

Contact: Reach out to the Washington State Department of Commerce, Main Office at (360) 725-4000.

### Public Works Board Construction Loan Program

Offers funding through their Construction Program for new construction, replacement, and repair of existing infrastructure for domestic water systems, sanitary sewer, and stormwater. Eligible applicants include cities, counties, special purpose districts, and quasi-municipal organizations. Funding cycles run from May to July.

For more information visit: <https://www.commerce.wa.gov/building-infrastructure/pwb-financing/>

Contact: Reach out to the Washington State Department of Commerce, Main Office at (360) 725-4000.

### Public Works Board Pre-construction Loan Program

Offers funding that includes but is not limited to activities such as design engineering, bid-document preparation, environmental studies, right-of-way acquisition, value planning, permits, cultural and historic resources, and public notification. Eligible applicants include cities, counties, special purpose districts and quasi-municipal organizations. Funding cycles run from May to July.

For more information visit: <https://www.commerce.wa.gov/building-infrastructure/pwb-financing/>

Contact: Reach out to the Washington State Department of Commerce, Main Office at (360) 725-4000.



## West Virginia – Funding Water System Partnerships

West Virginia also offers funding for water system partnerships. The **West Virginia Water Development Authority (WDA)** administers the state's water system financing programs including those programs that can fund partnerships activities. WDA is the administrative agency for West Virginia's **Infrastructure and Jobs Development Council (IJDC)**, which is West Virginia's funding clearinghouse for water system projects. The water system financing programs are each funded through water development bonds and loans are awarded to Local Government Agencies (e.g., municipalities, public service districts). Two of these programs are discussed below. They are not representative of all possible opportunities available to fund water system partnerships in West Virginia but represent some of the resources water systems in West Virginia may consider when pursuing funding for partnerships activities.

The [West Virginia Rural Water Association \(WVRWA\)](#) provides training and technical assistance to community water systems in rural areas of West Virginia. With over 550 members from water systems, companies, and individuals, WVRWA aims to support water systems' goals and connect water systems to each other. WVRWA offers on-site technical assistance to water systems, and also has an Appalachian Regional Commission (ARC) Specialist. The [ARC](#) is a federal-state partnership that supports economic and community development programs in the Appalachian region. The ARC Specialist provides training, financial, and managerial assistance to water systems and they can also help water systems develop asset management plans, loan portfolios, and conduct rate analyses.

In-depth descriptions of two funding sources that can support water system partnerships in West Virginia are listed below. Each summary describes the application process and eligibility requirements. There are also examples of how water systems used the highlighted funding sources to fund projects for their communities.

### Drinking Water Treatment Revolving Fund

*The Drinking Water Treatment Revolving Fund (DWTRF) is West Virginia's Drinking Water State Revolving Fund Program. This program helps public water systems finance infrastructure costs to comply with the Safe Drinking Water Act (SDWA) and provide safe drinking water to the public. The program makes no-interest and low-interest rate loans available to local governments. The funds are managed by the WDA and administered by the West Virginia Department of Health and Human Resources Bureau for Public Health (BPH).*



#### **PROCESS:**

The project sponsor must first submit an application to the IJDC for review. If the application is approved by IJDC, then it is submitted to the BPH, to score and rank the projects using a set of criteria which includes the project's potential to improve public health, potential to correct non-compliance, and affordability. Then, BPH develops a project priority list and issues it for public comment before contacting the water systems to discuss their project status and whether DWTRF funding is appropriate.



Typically the project's stakeholders then meet to develop a binding commitment and proposed schedule. DWTRF engineers then conduct an environmental review and the project team completes a pre-bid checklist. Bids are evaluated and additional funding needs are identified. The project will then be approved and construction can begin with periodic site inspections. Once construction is complete, the water system will begin to make payments to repay the loan. Non-disadvantaged water systems are eligible for a 2.75% loan interest rate over a 20-year loan term, and disadvantaged water systems are eligible for principal forgiveness over a 30-year loan term.

For more information about the DWTRF, visit: <http://www.wvdhhr.org/oehs/eed/iandcd/DWTRF.asp> or contact Stephanie Hickerson, Associate Engineer at [stephanie.d.hickerson@wv.gov](mailto:stephanie.d.hickerson@wv.gov).

**ELIGIBILITY:**

DWTRF funds are available to public water systems for infrastructure improvements that help comply with SDWA standards. This can include water treatment plant upgrades, storage and distribution upgrades, and extensions of current water systems as well as project design development.

Once approved, loan recipients must also develop and implement an asset management plan to help sustain the longevity of their water system.

**WATER SYSTEM PARTNERSHIP HIGHLIGHT:**

***Eastern Wyoming Public Service District – Joint Power Agency***

When coal mining operations in southeast West Virginia began leaving the area in the latter half of the twentieth century, water systems struggled to maintain operations. In Wyoming County, 15 water systems struggled with microbiological contamination, inadequate raw water treatment, poor disinfection, service irregularities, and aging distribution systems. Rates did not cover operating costs and unpaid bills created financial shortfalls that prevented the water systems from updating their infrastructure.

In the early 2000s, the 15 water systems consolidated through physical interconnections, forming the Eastern Wyoming Public Service District (EWPSD). The [DWTRF provided \\$3.5 million](#) in funding to help build the physical interconnection between the water systems and construct a regional water treatment plant that serves the area's 6,500 residents.

Approximately 15 years later, EWPSD applied to the DWTRF again to fund a waterline extension project to extend drinking water services to Beartown, Herndon Heights, and the surrounding areas. These areas were experiencing poor water quality due to lingering impacts from former coal mining operations as well. The project involved the construction of almost 135,000 feet of water mains, two new water storage tanks, a booster station, and other appurtenances. The project, estimated to cost \$10 million, was approved in 2016 and construction began in 2018. The project was first funded by a [DWTRF grant of \\$500,000 and DWTRF loan of \\$3.5 million at 2% interest for a 30-year term, in addition to an Abandoned Mine Lands and Reclamation Program grant of \\$5.3 million](#). In July 2021, the IJDC announced that the Wyoming County Commission had committed [\\$681,819 from American Rescue Plan Act \(ARPA\) Grant funds and \\$172,8279 in Abandoned Mine Lands and Reclamation Grant Program funds](#) to help address cost overruns and enable the project to close. The project will help provide safe drinking water to its additional community members.



## West Virginia Infrastructure Fund

The WDA is the fiduciary for the West Virginia Infrastructure Fund (WVIF) and the IJDC is responsible for directing the WDA for dispersion of WVIF loans. WVIF loans are available for eligible projects to develop water and wastewater infrastructure.

### PROCESS:

Candidates must apply to the IJDC for a WVIF loan. First, applicants must define the scope of the project. They must then hire an IJDC-certified project administrator, engineer, and accountant to complete the project initiation form. After the form is submitted, it is reviewed by the IJDC, and if accepted, the project administrator, engineer, and accountant complete a three-part application. IJDC's staff, Technical Review Committee, and Funding Committee review projects for feasibility and then instruct the WDA to issue loans for projects. The IJDC Council reviews and awards projects on a monthly basis. If approved, the project administrator completes a funding decision form to accept the funding. Then, the project steps can proceed. Generally, all funds are disbursed at the loan closing.

For more information about the WVIF, visit: <http://www.wvinfrastructure.com/pc/getting-started.php> or contact Wayne Morgan, PE, Executive Director of the IJDC at [wmorgan@wwwda.org](mailto:wmorgan@wwwda.org).

### ELIGIBILITY:

Water system infrastructure projects that are eligible for low-interest loans through the WVIF include engineering studies, design, construction, inspection, and related soft costs. A preliminary engineering report must accompany all project applications with a description of the project scope, needs, schedule, and benefits to public health.

### WATER SYSTEM PARTNERSHIP HIGHLIGHT:

#### *City of Sistersville/Tyler County Public Service District – Contractual Assistance*

In 2014, the City of Sistersville (approximate population of 1,600) was experiencing a failing water treatment plant due to its age. One year later, the City raised concerns about the dependability of the Ohio River as their water source, given its blue-green algae issues. A few years later, their water pump began failing. The City wanted to form a water purchasing agreement with the nearby Tyler County Public Service District located in the Town of Friendly (approximate population of 125) to address these issues, but it lacked the necessary funds to do so.

Fortunately, the City of Sistersville secured a WVIF loan from the IJDC to connect to the Tyler County Public Service District. Their application was approved in 2018 and construction began in 2020. The City purchased an empty lot for \$10,000 for the new booster station and will install new 8-inch water lines to draw water five miles away from the Tyler County Public Service District and pump it into the City at a rate of nearly 200,000 gallons of water per day. The total cost of the project is expected to be [\\$4.5 million](#). This includes the cost to connect (approximately \$2 million) and the cost to repair the City's existing water lines (over \$1 million).



There are plans to drill a new groundwater well in the Town of Friendly to help supply the additional quantity of water needed for the new drinking water customers and the City of Sistersville's Water Plant will eventually be decommissioned. The loan will be paid back to the IJDC over a 30-year period. Bill Rice, the Mayor of Sistersville, stated in a 2020 interview that he expects the project will lead to long-term cost savings for the City without immediately requiring an increase in consumers' water rates.



Figure 10. Installing water lines in the City of Sistersville. Source: <https://www.tylerstarnews.com/news/local-news/2020/12/09/new-water-lines-being-installed-in-sistersville/>

## Additional Partnerships Funding Resources in West Virginia

### Department of Environmental Protection

#### **Abandoned Mine Lands and Reclamation Pilot Program**

Provides funds to projects that are on or next to priority abandoned coal mine lands. Eligible projects may include the construction, repair, or installation of water system infrastructure or the enhancement of water system capacity. The program considers the area's economic needs when reviewing project applications.

For more information visit: <https://dep.wv.gov/dlr/aml/Pages/AML-Pilot-Program.aspx>

Contact: [Travis.G.Parsons@wv.gov](mailto:Travis.G.Parsons@wv.gov)

#### **Abandoned Mine Lands and Reclamation Waterline Program**

Provides funds to projects whose water supply is impacted by abandoned coal mines. Eligible projects may include waterline extension or replacement, and construction of a new water system. The program considers the area's economic needs when reviewing project applications.

For more information visit: <https://dep.wv.gov/dlr/aml/Pages/Waterlines-ApplicationForAssistance.aspx>

Contact: [Roberta.G.Vanness@wv.gov](mailto:Roberta.G.Vanness@wv.gov)



## Summary

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The state-level funding summaries and project highlights included in this Water System Partnerships Funding Resources document are just a sample of national, regional, and state-specific funding resources that can, and have been, used to fund water system partnerships. Use these examples to help research funding resources in your state and to increase awareness of funding mechanisms used by water systems in other states. State programs can also use these examples as references for how other states have successfully set up various programs to help fund water system partnerships activities. Review the [Water System Partnerships Getting Started Guide](#) to assess your current stage in the water system partnerships planning process, review next steps, and learn how to plan for and apply for funding.