

Overview

Among the ways the Idaho Department of Environmental Quality (DEQ) works to protect public health is by helping public water systems maintain or improve the quality of Idaho's drinking water. Almost all of Idaho's drinking water (96%) comes from ground water aquifers and is brought to the surface by wells.

This brochure provides information on two drinking water programs administered by DEQ—the Drinking Water State Revolving Loan Fund and the Idaho Drinking Water Planning Grant Program. Both programs help public water systems finance the costs of infrastructure needed to achieve or maintain compliance with state and federal drinking water standards and to protect public health.

As construction costs rise, the costs of compliance with new drinking water standards require many communities to seek funding assistance for drinking water projects. The Environmental Finance Center Web site at <http://efc.boisestate.edu/watershed/searchmenu.asp> has a searchable database of resources available to assist with a variety of environmental projects.

FY 2008 Recipients

Recipients of drinking water grants and loans during state fiscal year 2008 include the following:

- Cities of Bonners Ferry, Downey, Fruitland, Parma, Payette, and Soda Springs
- Clearwater Water District in Idaho County
- Fish Haven Pipeline Company in Bear Lake County
- Kingston Water District in Shoshone County
- Konkolville Water Company in Clearwater County
- Warm Lake Recreational Water District in Valley County

For More Information

Contact DEQ:

Idaho Department of Environmental Quality
Water Quality Division
Carol Garrison, Loan Officer
1410 N. Hilton
Boise, ID 83706
(208) 373-0577
carol.garrison@deq.idaho.gov

Regional Offices:

Boise Regional Office 1445 N. Orchard Boise, ID 83706 (208) 373-0550 toll-free: (888) 800-3480	Lewiston Regional Office 1118 F Street Lewiston, ID 83501 (208) 799-4370 toll-free: (877) 541-3304
Coeur d'Alene Regional Office 2110 Ironwood Parkway Coeur d'Alene, ID 83814 (208) 769-1422	Pocatello Regional Office 444 Hospital Way #300 Pocatello, ID 83201 (208) 236-6160 toll-free: (888) 655-6160
Idaho Falls Regional Office 900 N. Skyline, Suite B Idaho Falls, ID 83402 (208) 528-2650 toll-free: (800) 232-4635	Twin Falls Regional Office 1363 Fillmore Street Twin Falls, ID 83301 (208) 736-2190 toll-free: (800) 270-1663

Log on to DEQ's Web site:

Drinking Water Construction Loans:

www.deq.idaho.gov/water/assist_business/pws/construction_loans.cfm

Drinking Water Planning Grants:

www.deq.idaho.gov/water/assist_business/pws/planning_grants.cfm



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Water in Idaho

Idaho's Drinking Water State Revolving Loan Fund and Planning Grant Program



Idaho Department of
Environmental Quality
www.deq.idaho.gov

Drinking Water State Revolving Loan Fund

The Drinking Water State Revolving Loan Fund provides loans at below-market interest rates to help build new or repair existing drinking water facilities. Eligible projects include water supply, treatment, storage, and distribution.

Loans of up to 100% of project costs may be awarded by DEQ for facility planning, project design, and/or construction.

Eligibility

Community water systems and nonprofit non-community water systems are eligible to participate in the Drinking Water Loan Program. Community water systems have at least 15 service connections used by year-round residents or regularly serve at least 25 year-round residents. Non-community water systems regularly serve at least 25 of the same persons during six months of the year.

Interest Rate

The interest rate is established annually as 75% of the index of 20-year obligation bonds. Interest rates are adjusted annually. Once the rate is set and a loan is issued, the rate is fixed. The interest rate for most loans to be issued during state fiscal year (FY) 2009 is 3.25%. Loans must be fully repaid within 20 years of project completion. Some applicants may qualify as “disadvantaged” and be eligible for a reduced interest rate, a 30-year repayment schedule, and possible principal reduction.

Sources of Revenue

Funding is derived from several sources. Congress appropriates funds to the U.S. Environmental Protection Agency (EPA), which then allots those funds to the states based upon set formulas. Each state is required to provide a 20% match. Loan repayments and interest earnings provide additional funding. The state provides matching funds for the Planning Grant Program as well.

FY 2009 Allocation

A total of \$18 million is available for FY 2009 drinking water loans. Eleven drinking water projects are slated to receive funding in FY 2009.



How to Apply

DEQ asks owners of drinking water systems annually for information on projects for which loan funds could be used. Potential projects must first be listed on the state’s annual priority list, which is developed through a rating and ranking process primarily based on public health concerns. Fundable projects on the priority list are then placed on the Intended Use Plan.

Once funding is secured from EPA and the state match is provided, communities with projects on the Intended Use Plan are invited to submit applications. After an application has been reviewed and all environmental and legal requirements have been met, a loan may be offered.

Idaho Planning Grant Program

DEQ awards grants to help prepare facility planning documents for the improvement of drinking water systems. Grants may be used to plan upgrade work at existing facilities or to plan construction of new systems. Grants cover up to 50% of eligible planning costs, with grant recipients providing the remainder.

Eligibility

Drinking water planning grants are available for community water systems and non-profit, non-community water systems.

FY 2009 Allocation

Approximately \$250,000 is available for FY 2009 drinking water planning grants. Sixteen drinking water projects are slated to receive funding in FY 2009.

How to Apply

In the fourth quarter of each calendar year, DEQ invites communities to submit a letter of interest explaining their grant request. Responses are evaluated, rated, and ranked by DEQ for inclusion on the next annual priority list. The highest-rated projects for which funding exists are invited to submit grant applications.



Drinking water construction project.