

MEMORANDUM

TO: Potential Loan Recipients and Other Parties of Interest

FROM: Drinking Water State Revolving Fund Program
Division of Municipal Facilities
North Dakota Department of Environmental Quality

RE: Request for Project Information – **DEADLINE OF OCTOBER 1, 2021**

DATE: July 30, 2021

The Drinking Water State Revolving Fund (DWSRF) Program is soliciting information for drinking water projects that need financial assistance for construction in 2022 and later years. The program offers low-interest-rate loans to assist public water systems (excluding federally owned and for-profit non-community systems) in financing the costs of their infrastructure projects. The current interest rate is 1.5%, with a 0.5% administration fee for an effective 2.0% interest rate. To be eligible for assistance, projects must return a system to compliance with the Safe Drinking Water Act, maintain compliance with the Safe Drinking Water Act, or protect public health.

The DWSRF program is currently developing the 2022 Intended Use Plan (IUP), and a key component of this plan is the comprehensive project priority list. Only projects that are on this list can be considered for DWSRF assistance. Projects not yet on this list must submit a completed ranking questionnaire. Projects on the previous year's list must submit a completed update questionnaire to remain on the list.

While the 2022 federal rules for the program have not been finalized, we anticipate the continuation of requirements for additional subsidization of projects. In the past, up to 20 percent of the capitalization funds were used for additional subsidization of projects. The DWSRF program will provide additional subsidization in the form of loan forgiveness. User rates and annual median household income for the project area will be used to determine which projects receive loan forgiveness and the percentage of the forgiven loan.

DWSRF funds may now be used for complete service line replacement. Replacement includes the entire service line from the public distribution system to a private residence or business. Service lines constructed of any material are eligible, including lead. Systems are encouraged to apply for DWSRF assistance for service line replacement projects. A portion of the available additional subsidization will be allocated to lead service line replacement in accordance with the project's ranking on the priority list. Up to 90 percent of lead service line replacement costs will be reimbursed in the form of loan forgiveness.

The questionnaires are located at the links listed below. The deadline for the DWSRF program receipt of the completed project ranking questionnaires is **October 1, 2021**.

Systems are required to submit a project update questionnaire for each already-listed project that has not yet secured a DWSRF loan or that is under construction using other financing sources for which DWSRF refinancing is desired. Please notify the DWSRF Program if you no longer intend to complete a project or use DWSRF assistance.

Questionnaire for new projects:

https://deq.nd.gov/Forms/MF/DWSRF_Ranking_Questionnaire.pdf?v=2

Questionnaire for already-listed projects:

https://deq.nd.gov/Forms/MF/DWSRF_Update_Questionnaire.pdf?v=3

Please send the completed project ranking questionnaires and project updates to ndsrf@nd.gov or:

Before September 1, 2021:

DWSRF Program
918 East Divide Ave, 3rd Floor
Bismarck, ND 58501-1947

Starting September 1, 2021:

DWSRF Program
4201 Normandy St, 3rd Floor
Bismarck, ND 58503-1324

We look forward to your response and the opportunity to assist you through the DWSRF Program. Please contact the DWSRF Program at 701-328-5211 if you have questions. Additional information may be obtained from the North Dakota Department of Environmental Quality, Division of Municipal Facilities home page at <https://deq.nd.gov/MF/>.