

May 14, 2020

Caption: **ISSUE ANALYSIS**

APPROVAL OF THE PROPOSED FINAL DRAFT FY 2021 STATE WASTEWATER LOAN PRIORITY LIST

Prepared by Tim Wendland, 373-0439

Issue: The Department of Environmental Quality (DEQ) has prepared the **FINAL DRAFT FY 2021 STATE WASTEWATER LOAN PRIORITY LIST**.

The question before the Board is the following: **Should the Final Draft FY 2021 State Wastewater Loan Priority List be approved as presented?**

Issue

Discussion:

DEQ has been making low interest State Revolving Fund (SRF) loans to Idaho communities for thirty years to help them construct point and nonpoint source pollution control projects. The loan program is funded by grants to Idaho from the Environmental Protection Agency, matching state funds and loan repayments interest earnings.

Access to SRF loan funds helps many communities design and construct improved wastewater (WW) facilities that promote public health and protect water quality.

Projects placed on the list were identified through a **Letter of Interest Form** submitted to the DEQ by the project entities on the list.

Relevant

Statutes:

Title 39, Chapter 36, Idaho Code, provides for adoption of “Rules for Administration of Water Pollution Control Loans,” IDAPA 58.01.12.

Public

Notification:

The public was notified of the availability of the list and related information through notices in six (6) Idaho regional newspapers published once per week for three consecutive weeks. Additionally, email notices were sent to numerous stakeholders. Notification of the availability of the list and the related Intended Use Plan were also placed on the DEQ website for four weeks. The website was set up to allow public comment. In the newspaper notices and on our website the public was invited to review copies of the list and related information available on the website and at each of our Regional Offices.

Public Hearing: The Department elected not to have a public hearing this year unless requested to do so by the public. No requests for a hearing were received.

Consistency With Federal Requirements: The operation of the Clean Water SRF account is consistent with federal and state requirements.

Temporary Rule Justification: Not applicable.

Cost Impact: Approval of the list by the Board has a direct impact upon Idaho citizens in communities included on the final list. Approval will help ensure that a pool of eligible entities is available to receive state financial assistance. Preparation of the WW loan priority list is a requirement of our operating agreement with EPA.

- Alternatives:**
1. Reject the list for SRF WW loans. Under this alternative, DEQ will be unable to issue new WW construction loans during FY 2021.
 2. Adopt the list for SRF WW loans. Under this alternative, DEQ will be able to continue offering construction SRF WW loans to Idaho communities for correction of sewage-related public health and water pollution problems.

Recommendation: The DEQ recommends **Alternative 2**, to promote continuing efforts to correct public health and water problems in Idaho.

Comments Concerning the List:

Entity	Comment	Result
Elk City and Moon Lake	Late entries onto the Priority List.	DEQ engineers reviewed the entries and approved the changes.

SUMMARY - WASTEWATER LOAN LIST

The final draft WW Loan List has 14 projects. All projects on the list have received thorough review by our Regional Office staff. All projects on the list are supported by local commitment contained in a **Letter of Interest**. Ratings have been done with the point/nonpoint rating form in accordance with the **Rules for Administration of Water Pollution Control Loans**. The public has been given

opportunity to review the projects on the list. Comments from the general public and from our engineering staff and from the consulting engineers have been considered in preparing the final list.