

May 14, 2020

Caption: **ISSUE ANALYSIS:
APPROVAL OF THE FINAL DRAFT FY 2021 STATE DRINKING
WATER LOAN PRIORITY LIST**

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

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

**Issue
Discussion:**

The 1996 Amendments to the Safe Drinking Water Act provide a method for financing needed drinking water infrastructure improvements with a revolving loan program. This loan program is funded by capitalization grants to Idaho from the Environmental Protection Agency, by matching state funds from the Water Pollution Control Account, loan repayments and interest earnings.

Access to State Revolving Fund (SRF) loan funds helps many communities design and construct improved water facilities that promote public health while protecting the environment.

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

**Relevant
Statutes:**

Title 39, Chapters 1 and 2, Idaho Code, provide for adoption of “Rules for Administration of Drinking Water Loan Program,” IDAPA 58.01.20.

**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 designed to facilitate 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 in hard copy at each of DEQ’s Regional Offices.

Public Hearing: DEQ 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 Drinking 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 financial impact upon Idaho citizens in communities listed on the final list. Approval will help assure that a pool of eligible entities is available to receive state financial assistance.

- Alternatives:**
1. Reject the proposed list for drinking water loans. Under this alternative, DEQ will be unable to issue drinking water construction loans during FY 2021.
 2. Adopt the list for drinking water loans. Under this alternative, the DEQ will be able to offer drinking water construction SRF loans to Idaho communities during FY 2021.

Recommendation: DEQ recommends **Alternative 2**, since it will result in continuing efforts to correct public health problems related to drinking water.

Comments concerning List: No public comments

SUMMARY

The final draft FY 2021 State Drinking Water Loan Project Priority List contains 15 projects. These have been placed on the list at the request of the listed entity through a letter of interest. All projects on the list have received thorough review by DEQ Regional Office engineers who have rated all new projects. The ratings were done with a standard form that was developed in accordance with **Rules for Administration of Drinking Water Loan Program**.