

**RCW 70A.125.160 Drinking water assistance account—**

**Administrative subaccount—Program to provide financial assistance to public water systems—Responsibilities.**

(1) A drinking water assistance account and an administrative subaccount are created in the state treasury. The purpose of the account is to allow the state to use any federal funds that become available to states from congress to fund a state revolving fund loan program as part of the reauthorization of the federal safe drinking water act. Moneys in the account may be spent only after appropriation. Until June 30, 2018, expenditures from the account may only be made by the secretary of health, the public works board, or the department of commerce. Beginning July 1, 2018, expenditures from the account may only be made by the secretary. Moneys in the account may only be used, consistent with federal law, to assist local governments and public water systems to provide safe and reliable drinking water through a program administered through the department and for other activities authorized under federal law. Money may be placed in the account from the proceeds of bonds when authorized by the legislature, transfers from other state funds or accounts, federal capitalization grants or other financial assistance, all repayments of moneys borrowed from the account, all interest payments made by borrowers from the account or otherwise earned on the account, or any other lawful source. All interest earned on moneys deposited in the account, including repayments, shall remain in the account and may be used for any eligible purpose.

(2) The department shall maintain a program to use the moneys in the drinking water assistance account as provided by the federal government under the safe drinking water act. The department shall make every reasonable effort to provide cost-effective, timely services and disburse federal funds to eligible public water systems as quickly as possible after the federal government has made them available.

(3) The department shall have the authority to establish assistance priorities and carry out oversight and related activities with respect to assistance provided with federal funds. By December 31, 2016, the department, the public works board, and the department of commerce shall develop a memorandum of understanding to transfer financial administration of the program as authorized under subsection (1) of this section.

(4) The department shall:

(a) Develop guidelines for providing assistance to public water systems and related oversight prioritization and oversight responsibilities including requirements for prioritization of loans or other financial assistance to public water systems;

(b) Establish a prioritized list of projects. Priority considerations must include, but are not limited to:

(i) Financial capability of the applicant to repay the loan;

(ii) The applicant's readiness to proceed and the ability of the applicant to promptly commence and complete the project;

(iii) Consistency with existing water resource planning and management, including coordinated water supply plans, regional water resource plans, and comprehensive plans under the growth management act, chapter 36.70A RCW;

(iv) Least-cost solutions, including restructuring of public water systems, where appropriate;

(v) The provision of regional benefits that affect more than one public water system;

(vi) Projects and activities that facilitate compliance with the federal safe drinking water act;

(vii) Projects and activities that are intended to achieve the public health objectives of federal and state drinking water laws[, ] regulations, and rules; and

(viii) Implementation of water use efficiency and other demand management measures consistent with state laws and rules for water utilities;

(c) Provide assistance for the necessary planning and engineering to ensure that consistency, coordination, and proper professional review are incorporated into projects or activities proposed for funding;

(d) Establish minimum standards for water system capacity, including operational, technical, managerial, and financial capability, and as part of water system planning requirements;

(e) Oversee the testing and evaluation of the water quality of public water systems to ensure that priority for financial assistance is provided to systems and areas with threats to public health from contaminated supplies and reduce in appropriate cases the substantial increases in costs and rates that customers of small systems would otherwise incur under the monitoring and testing requirements of the federal safe drinking water act;

(f) Coordinate, to the maximum extent possible, with other state programs that provide financial assistance to public water systems and state programs that address existing or potential water quality or drinking water contamination problems;

(g) Submit a prioritized list of projects to the public works board for coordination with other state and federal infrastructure assistance programs, and to the appropriate committees of the legislature by February 1st of each year; and

(h) Fulfill the audit, accounting, and reporting requirements under federal law for the administration of the program.

(5) The department shall adopt such rules as are necessary under chapter 34.05 RCW to administer the program. [2016 c 111 s 1; 2001 c 141 s 4; 1997 c 218 s 4; 1995 c 376 s 10. Formerly RCW 70.119A.170.]

**Purpose—2001 c 141:** See note following RCW 43.84.092.

**Findings—Effective date—1997 c 218:** See notes following RCW 70A.120.030.

**Findings—1995 c 376:** See note following RCW 70A.100.060.