

1410 N Hilton Street
Boise, ID 83706 • (208) 373-0502



Brad Little, Governor
Jess Byrne, Director

6/30/2025

Electronic Delivery: hellis@sandpointidaho.gov

Holly Ellis, Public Works Director
Public Works Director of City of Sandpoint
1123 W. Lake St.
Sandpoint ID, 83864-1714

Subject: Invitation to Apply for Fiscal Year 2026 Clean Water State Revolving Fund Loan

Dear Ms. Ellis:

On June 18, 2025, the Board of Environmental Quality approved the fiscal year 2026 State Drinking Water and Clean Water Loan and Grant Priority Lists. These lists will be effective July 1, 2025, through June 30, 2026.

There are sufficient funds for fiscal year 2026 Clean Water State Revolving Fund to offer you a loan for your project. To receive the funds, you must fill out and submit a loan application. Please see *Attachment SRF-02 Construction Funding Application* within our Customer Handbook, under the Resources section, at: [DEQ.Idaho.gov/SRF](https://deq.idaho.gov/SRF) for additional information and requirements.

In accordance with IDAPA 58.01.12.041, funds **may not be** applied to costs before a funding agreement is executed, unless preauthorized in writing by DEQ. Please contact me to discuss preauthorization and determine required supporting documentation **before** the costs are incurred.

Pursuant to 2 CFR Part 25, all eligible funding recipients are required to have an active registration with the System for Award Management (www.SAM.gov) and obtain a Unique Entity Identifier (UEI). For DEQ funding recipients, disbursements are contingent upon proof of an assigned UEI and active registration with SAM. This information will be requested at the time of the application. Please refer to *Attachment SRF-06, Guidance for Registering with SAM and Obtaining a UEI Number* in our Customer Handbook for additional information.

Please review the enclosed list. If your project initially qualified for principal forgiveness on your loan, please be aware that the listed amount for principal forgiveness was based on the estimate of your project's cost, the community's median household income, and the user rates. If the user rates are projected to be between 1.5% and 2.0% of the median household income, population and unemployment were also considered. The principal forgiveness figure on the list is a maximum or ceiling for principal forgiveness; if the actual project cost is less, the amount of principal forgiveness will be proportionately reduced.

DEQ will manage the loan list in a manner that assures limited funds reach projects with the greatest need and desire to proceed. Once you confirm your interest in the loan, either I or staff in our DEQ regional office will contact you to set up a pre-application conference. If you decide to seek funding elsewhere, please notify me so that I can make use of the funds you are bypassing for other projects.

Please review the enclosed list. There are three important dates for you:

- 1) **By September 1, 2025**, please notify me by e-mail at Zoe.McCarty@deq.idaho.gov of your intent to submit an application. If you decide to seek funding elsewhere, please notify me by this date so that I can make use of the funds you are bypassing for other projects.
- 2) **By December 31, 2025**, planning document(s) must be approved by DEQ (if not previously submitted and approved by DEQ).
- 3) **By March 31, 2026**, please submit your loan application.

If you do not meet these dates, it may result in your project being bypassed. If your project is bypassed on this year's list, you can still participate in the program in future years by submitting another letter of interest (LOI) during future LOI cycles. If you have questions, please contact me, at (208) 373-0574 or via e-mail at Zoe.McCarty@deq.idaho.gov.

Sincerely,



Zoe McCarty
Grant and Loan Analyst
Drinking Water Protection and Finance Division

ZM:GD
Enclosure: Priority List

c: Katy Baker-Casile, DEQ Coeur d'Alene Regional Office