

**American Recovery and Reinvestment Act of 2009
Intended Use Plan
North Dakota Drinking Water State Revolving Loan Fund**

March 23, 2009

I. Introduction

This is the Intended Use Plan (IUP) for the North Dakota Department of Health's (NDDH) Drinking Water State Revolving Loan Fund Program (DWSRF) under the American Recovery and Reinvestment Act (ARRA) of 2009. This IUP will accompany the application for the DWSRF capitalization grant under ARRA.

II. DWSRF Program Goals

The NDDH is committed to using funds provided through ARRA to provide assistance to water systems for capital improvement projects which will proceed quickly to construction, creating jobs and further the public health protection objectives of the Safe Drinking Water Act. The goal is to enter into binding commitments for projects which will proceed to construction or award of construction contracts by February 17, 2010. The NDDH intends to award all assistance available under this capitalization grant in full conformance with the deadlines established under the ARRA and the terms and conditions of the capitalization grant award.

The NDDH recognizes that the goal of the ARRA is to expeditiously fund eligible projects that simultaneously will create jobs, promote economic recovery, and generate long-term benefits from infrastructure investment. In this grant, the NDDH is being called upon to accomplish goals that previously may not have been priorities in its base DWSRF program. If activities are identified in the base DWSRF program that may not practically be attainable within the timeframes associated with the ARRA, these activities will be pursued using funds made available through the base DWSRF program.

III. Sources and Uses of Funds

The NDDH will apply for a capitalization grant in the amount of \$19,500,000. This represents the amount the state is eligible to receive under the supplemental appropriation enacted under the ARRA. Note that the ARRA has waived the state match that is normally required in order to receive a capitalization grant.

The NDDH intends to take the full 4 percent DWSRF program administration set-aside of \$780,000. The following table summarizes the sources and uses of the capitalization grant:

Sources and Uses of Capitalization Grant

| SOURCES | |
|--------------------------------------|--------------|
| Capitalization Grant | \$19,500,000 |
| USES | |
| 4% DWSRF Program Administration | \$780,000 |
| Infrastructure Assistance Agreements | \$18,720,000 |

IV. Criteria and Methods for Distribution of Funds

A. Loan Terms and Fees

Under North Dakota's traditional DWSRF, the maximum repayment period for loans is 20 years following project completion. The present loan interest rate is 2.5 percent for public water systems that qualify for tax-exempt financing and 4 percent for those that do not qualify for tax-exempt financing, with the exception of projects that use leveraged bond proceeds. An annual loan fee of 0.5 percent is assessed on all loans to support DWSRF administration. Loans necessitating leveraging will be subject to a loan interest rate (including the 0.5 percent administration fee) of 75 percent of the current market interest rate. The interest rate on these loans will be more than the regular DWSRF interest rate.

Loan assistance provided with ARRA funds will be at an interest rate of 0.5 percent for a maximum term of 20 years. An annual loan fee of 0.5 percent will also be assessed on all loans to support DWSRF administration. The DWSRF program will also provide additional subsidy to identified assistance recipients as described in section IV.B. A public water system is limited to \$5 million of assistance with ARRA funds (includes loan forgiveness and loan funds at the reduced interest rate). The loan terms for recipients of assistance from base DWSRF funding will remain unchanged from that described in the 2009 DWSRF IUP.

B. Additional Subsidization

The ARRA requires that at least 50 percent of assistance provided be in the form of additional subsidies. The DWSRF program will provide these additional subsidies as loan forgiveness. The NDDH has the authority under state law, N.D.C.C. Chapter 61-28.1, to provide financial assistance through the DWSRF as authorized by federal law and the USEPA.

Criteria for determining the amount of loan forgiveness is on a project specific basis. Loan forgiveness will be based on the relative future water cost index (RFWCI). The RFWCI is defined as the ratio of expected average annual residential user charge for water service resulting from the project, including costs recovered through special assessments, to the local annual median household income (based on 2000 census data).

Projects with a RFWCI of 2.0 percent or greater will qualify for 75 percent loan forgiveness. Projects with a RFWCI of 1.5 percent to 1.9 percent will qualify for 50 percent loan forgiveness. Projects with a RFWCI less than 1.5 percent will not qualify for any loan forgiveness. Projects that do not qualify for loan forgiveness still qualify for a reduced-interest loan as discussed above.

The loan forgiveness cap for any one project is \$2.5 million. The cap for any public water system for ARRA funds is \$5 million (includes loan forgiveness and loan funds at the reduced interest rate).

The attached ARRA Fundable Project Priority List shows that at least 50 percent (\$9,750,000) of the available funding for projects is provided through loan forgiveness. Any subsequent revision

to this ARRA Fundable Project Priority list will likewise show that at least 50 percent of the available funding for projects will be provided with loan forgiveness.

C. Green Infrastructure

The ARRA requires that, to the extent there are sufficient eligible project applications, not less than 20 percent of the funds provided for projects be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. Where it is not clear that a project or component qualifies to be included as counting towards the 20 percent requirement, the files for such projects will contain documentation of the business case on which the project was judged to qualify, as described in Attachment 8 to the USEPA guidance for the ARRA. Projects on the PPL meeting one or more objectives are designated as follows: Green Infrastructure = G; Energy Efficiency = E, Water Efficiency = W, Other Environmentally Innovative Activity = O.

The ARRA Fundable List has sufficient projects with qualifying components. Five projects listed on the attached ARRA Fundable List appear to contain components qualifying as green infrastructure projects for purposes of this requirement, based upon USEPA guidance. These projects and project components that qualify towards the green project reserve total \$3.9 million. The 20 percent requirement is \$3.9. The DWSRF program has met this requirement of the ARRA. Eligibility of these components will be verified prior to award of financial assistance.

D. Priority for Projects Ready to Proceed to Construction in 12 Months/Preference for Expeditious Activities

The DWSRF has a priority system for ranking projects in accordance with criteria associated with water quality, water quantity, economic need, infrastructure adequacy, regionalization, and operator safety. However, the ARRA requires that priority be given to projects that will be ready to proceed to actual construction within 12 months of the date of enactment.

To satisfy this requirement, new projects were solicited in February 2009 in anticipation of ARRA funding. Potential assistance recipients were also queried from projects on the DWSRF Fundable and Comprehensive Project Priority Lists that were included in the base DWSRF 2009 IUP. Those projects that appear to be ready to proceed by February 16, 2010 have been given priority which is reflected in the projects being considered eligible to receive ARRA funding. The ARRA Project Priority List included within this IUP reflects the projects that will be funded using ARRA funds.

In addition, ARRA section 1602 includes a goal of using at least 50 percent of the funds for activities that can be initiated not later than 120 days after enactment of the ARRA. Two projects, representing 33 percent of the ARRA funds, as far as it's possible to determine, appear to be able to start construction by June 16, 2009.

E. Avoidance of Reallotment/Relationship to Base Program

In order to meet the requirements and deadlines of the ARRA for the expeditious and timely commitment and expenditure of funds, projects will be regularly reviewed and the data reported to USEPA on the progress of assistance recipients under the statutory deadlines specified in this IUP to identify any issues with the timeliness of this progress. If such issues are identified, the NDDH intends to work with USEPA to resolve such issues which may place the State at risk of reallotment if not resolved in a timely manner. The DWSRF program will include conditions in its binding commitments to ensure that assistance recipients make timely progress with respect to entering into contracts and/or construction. If a recipient fails to maintain progress with these conditions, they will receive funding from other DWSRF monies so that ARRA funding can be provided for a project that is ready to proceed. In addition, the DWSRF program will set loan application deadlines. If a project on the ARRA Fundable Project Priority List does not submit a loan application by the deadline, the DWSRF program will fund the next highest ranked project on the ARRA Comprehensive Project Priority List that is ready to proceed.

The NDDH understands that the USEPA may deobligate funds from states that fail to meet requirements on use of funds. The NDDH intends to avoid deobligation. If North Dakota is eligible for additional funds made available from other states that fail to meet deadlines, the NDDH will provide USEPA with a list of projects from its priority list that are ready to proceed to construction, and will also provide a certification that all funds received from these projects will be under contract for construction within 120 days of reallotment.

V. Public review and Comment

In compliance with the requirement in SDWA sec.1452(b)(1) to provide public review and comment, notice of the availability of this IUP was published in the four major newspapers in the state starting on February 26, 2009. A public hearing on this IUP was held on March 16, 2009 and written comments were accepted through March 18, 2009.

A comment was received at the public hearing on March 16, 2009 from Ryan Ackerman representing the City of Kenmare. The City of Kenmare had hoped that because of the requirement of the City to meet the new lowered arsenic standard that additional consideration would be given to the funding their project. The NDDH did take the lowered arsenic standard into consideration while ranking the project. The priority ranking system used to for evaluating projects also took into account the financial impact of this project. These two considerations are why the Kenmare project ranked so high (in the top10 percent of projects) for consideration of assistance with ARRA funding.

Written comments were received from the City of Fargo on March 16, 2009. The City encouraged the NDDH to separate loan forgiveness projects from low interest loan projects. This way a project that received loan forgiveness would use traditional DWSRF funds as the loan portion of the project. Thus the low interest loan funds could be used to fund additional projects on the Comprehensive Project Priority List that would not have otherwise received assistance through ARRA. This option had originally been considered by the NDDH. The decision was made to include the low interest loan funds for projects that received loan forgiveness. Part of the

intent of the ARRA is to fund projects that are ready to proceed but could not do so because of the lack of funding. Some projects on the Fundable List, even with 75% loan forgiveness, are still not affordable because of the extreme high cost of drinking water infrastructure projects for small communities. This additional financial support is needed to make these drinking water projects affordable.

Written comments were received from the City of Velva on March 18, 2009. The City requested reconsideration of their project for ARRA funding because of debt the City has incurred because of recent and planned infrastructure improvement projects. The NDDH took into account the current user charges and future user charges after the infrastructure projects when ranking the project. This is why the project initially ranked as well as it did and does not change project ranking.

Written comments were received from the City of Wimbledon on March 18, 2009. The City requested reconsideration of the water meter portion of their project for ARRA funding because of the financial burden on the system resulting from infrastructure projects. The NDDH took into account the current user charges and future user charges after the infrastructure projects when ranking the project. This is why the project initially ranked as well as it did and does not change project ranking.

Written comments were received from the City of Grafton on March 18, 2009. The City commented that it could change the project so that a portion could be under contract by February 16, 2010. The deadline for project information was February 26, 2009 and the NDDH is using the information provided by that time when determining if a project is eligible for ARRA funding.

**Fundable Project List
ARRA 2009
State of North Dakota
Drinking Water State Revolving Loan Fund Program**

* All loans are for a maximum of 20 years with an effective interest rate of 1%

** "Green Project" key: Green Infrastructure=G, Energy Efficiency=E, Water Conservation=W, Other=O

| Project Rank | Source of Funds | Assistance Recipient | Service Area Pop. | Project Description | Date of Construction | Assistance Requested (\$1000) | Total Estimated Assistance (\$1000) | Loan * (\$1000) | Principle Forgiveness (\$1000) | Green Project** | Green Project Reserve (\$1000) |
|--------------------------------|-----------------|----------------------|-------------------|--|----------------------|-------------------------------|-------------------------------------|-----------------|--------------------------------|-----------------|--------------------------------|
| 1 | ARRA | BDW | 1,089 | Bulk Service to Fortuna, Noonan & Columbus | 9/1/2009 | 3,485.0 | 3,485.0 | 985.0 | 2,500.0 | | |
| 2 | ARRA | R&TWSA | 1,891 | Well field, WTP and transmission main improvements for arsenic compliance | 10/1/2009 | 1,728.0 | 1,728.0 | 864.0 | 864.0 | E&W | 600.0 |
| 3 | ARRA | Karlsruhe | 119 | WTP or regionalization for arsenic compliance | 7/15/2009 | 825.0 | 825.0 | 206.0 | 619.0 | | |
| 4 | ARRA | Wildrose | 100 | Rural water connection, pipeline, and booster station for arsenic compliance | 1/1/2010 | 2,373.0 | 2,373.0 | 593.0 | 1,780.0 | E&W | 150.0 |
| 5 | ARRA | Strasburg | 549 | Watermain and water tower replacement | 6/15/2009 | 2,230.0 | 2,230.0 | 558.0 | 1,672.0 | W | 1,115.0 |
| 6 | ARRA | Washburn | 1,389 | WTP improvements and water meter replacement | 6/1/2009 | 4,143.0 | 4,143.0 | 2,071.0 | 2,072.0 | E&W | 1,400.0 |
| 7 | ARRA | Hillsboro | 1,563 | New water source, WTP, storage, transmission main and rural water connection | 8/1/2009 | 4,260.0 | 3,301.0 | 3,058.0 | 243.0 | | |
| 8 | ARRA | Valley City | 6,826 | WTP upgrade | 12/15/2009 | 4,605.0 | 635.0 | 635.0 | 0.0 | E | 635.0 |
| Assistance under ARRA = | | | | | | 18,720.0 | 8,970.0 | 9,750.0 | 3,900.0 | | |

Abbreviations

BDW = Burke, Divide Williams Rural Water District

R&TWSA = Ray and Tioga Water Supply Association

WTP = Water Treatment Plant

ARRA Comprehensive Project List
 FY 2009
 State of North Dakota
 Drinking Water State Revolving Loan Fund Program

| Priority Points | Assistance Recipient | Assistance Requested (\$1000) | Date of Construction | Cumulative Total (\$1000) |
|-----------------|----------------------|-------------------------------|----------------------|---------------------------|
| 54 | BDW | 3,485 | 9/1/2009 | 3,485 |
| 44 | R&TWSA | 2,300 | 10/1/2009 | 5,785 |
| 32 | Karlsruhe | 824 | 7/15/2009 | 6,609 |
| 31 | Wildrose | 2,373 | 1/1/2010 | 8,982 |
| 28 | Grafton | 3,794 | 5/15/2010 | 12,776 |
| 28 | Grafton | 6,350 | 5/15/2013 | 19,126 |
| 28 | Strasburg | 2,230 | 6/15/2009 | 21,356 |
| 26 | Washburn | 4,143 | 6/1/2009 | 25,499 |
| 26 | Hillsboro | 4,260 | 8/1/2009 | 29,759 |
| 23 | Valley City | 4,605 | 12/15/2009 | 34,364 |
| 23 | Kenmare | 1,600 | 6/1/2009 | 35,964 |
| 22 | Watford City | 7,810 | 1/15/2011 | 43,774 |
| 21 | Wimbledon | 319 | 8/15/2009 | 44,093 |
| 19 | Jamestown | 3,200 | 6/15/2009 | 47,293 |
| 19 | CPWD | 1,270 | 7/1/2009 | 48,563 |
| 19 | Jamestown | 2,630 | 6/15/2010 | 51,193 |
| 19 | Mayville | 5,500 | 6/15/2009 | 56,693 |
| 19 | Minto | 400 | 8/15/2009 | 57,093 |
| 18 | Granville | 265 | 9/15/2009 | 57,358 |
| 17 | Max | 429 | 8/1/2009 | 57,787 |
| 16 | Beulah | 1,013 | 7/15/2009 | 58,800 |
| 16 | Edgeley | 400 | 6/15/2009 | 59,200 |
| 16 | Langdon | 2,700 | 11/15/2009 | 61,900 |
| 16 | State Line Coop | 275 | 8/1/2009 | 62,175 |
| 15 | Fairmount | 725 | 7/15/2009 | 62,900 |
| 15 | Park River | 920 | 10/15/2009 | 63,820 |
| 14 | Enderlin | 8,100 | 5/15/2009 | 71,920 |
| 14 | Killdeer | 2,500 | 2/1/2010 | 74,420 |
| 14 | Velva | 767 | 7/1/2009 | 75,187 |
| 13 | Kindred | 725 | 7/15/2009 | 75,912 |
| 13 | Langdon RWD | 503 | 9/15/2009 | 76,415 |
| 13 | Oakes | 220 | 6/15/2009 | 76,635 |
| 13 | West Fargo | 21,000 | 5/15/2012 | 97,635 |
| 12 | Kathryn | 150 | 10/1/2009 | 97,785 |
| 12 | Page | 200 | 5/15/2009 | 97,985 |
| 12 | Williston | 3,102 | 9/1/2009 | 101,087 |
| 11 | BRWD | 6,000 | 8/1/2009 | 107,087 |
| 11 | Colfax | 315 | 7/15/2009 | 107,402 |
| 11 | Dakota RWD | 1,978 | 8/15/2009 | 109,380 |
| 11 | Lisbon | 2,250 | 4/15/2009 | 111,630 |
| 11 | Oakes | 250 | 6/15/2009 | 111,880 |
| 11 | Pembina | 1,105 | 9/1/2009 | 112,985 |

ARRA Comprehensive Project List
 FY 2009
 State of North Dakota
 Drinking Water State Revolving Loan Fund Program

| Priority Points | Assistance Recipient | Assistance Requested (\$1000) | Date of Construction | Cumulative Total (\$1000) |
|-----------------|----------------------|-------------------------------|----------------------|---------------------------|
| 11 | Portland | 650 | 5/15/2009 | 113,635 |
| 10 | Carrington | 6,150 | 6/15/2009 | 119,785 |
| 10 | Drayton | 870 | 10/15/2009 | 120,655 |
| 10 | Mandan | 4,000 | 9/1/2009 | 124,655 |
| 10 | Mandan | 1,500 | 10/1/2009 | 126,155 |
| 10 | Sawyer | 373 | 7/1/2009 | 126,528 |
| 10 | West Fargo | 20,000 | 5/15/2010 | 146,528 |
| 9 | Bismarck | 9,000 | 7/1/2010 | 155,528 |
| 9 | Buffalo | 200 | 6/15/2009 | 155,728 |
| 9 | Christine | 485 | 7/15/2009 | 156,213 |
| 9 | Cooperstown | 705 | 6/15/2009 | 156,918 |
| 9 | Enderlin | 2,500 | 6/15/2009 | 159,418 |
| 9 | NVWD | 784 | 6/15/2010 | 160,202 |
| 9 | NVWD | 1,300 | 6/15/2012 | 161,502 |
| 9 | Wilton | 4,250 | 4/1/2010 | 165,752 |
| 8 | Mandan | 1,100 | 8/1/2009 | 166,852 |
| 8 | Mandan | 1,500 | 9/1/2009 | 168,352 |
| 8 | Mandan | 8,600 | 4/1/2010 | 176,952 |
| 8 | Mapleton | 1,300 | 6/15/2009 | 178,252 |
| 8 | Sawyer | 556 | 7/1/2009 | 178,808 |
| 7 | Bismarck | 2,100 | 12/15/2009 | 180,908 |
| 7 | Dickinson | 1,240 | 5/15/2009 | 182,148 |
| 7 | Grafton | 750 | 11/15/2009 | 182,898 |
| 7 | Grand Forks | 730 | 6/15/2009 | 183,628 |
| 7 | Grand Forks | 520 | 6/15/2009 | 184,148 |
| 7 | Grand Forks | 650 | 7/15/2009 | 184,798 |
| 7 | Grand Forks | 205 | 5/15/2009 | 185,003 |
| 7 | Grand Forks | 962 | 6/15/2009 | 185,965 |
| 7 | Minto | 100 | 7/1/2009 | 186,065 |
| 7 | NPRWD | 550 | 8/1/2009 | 186,615 |
| 6 | Cavalier | 200 | 8/1/2009 | 186,815 |
| 6 | Grand Forks | 620 | 6/15/2009 | 187,435 |
| 6 | Leonard | 2,000 | 8/15/2009 | 189,435 |
| 6 | New Leipzig | 99 | 6/15/2009 | 189,534 |
| 5 | Bismarck | 770 | 7/15/2009 | 190,304 |
| 5 | Bowman | 530 | 12/31/2009 | 190,834 |
| 5 | Fargo | 675 | 10/15/2009 | 191,509 |
| 5 | Grand Forks | 1,500 | 7/15/2009 | 193,009 |
| 5 | Grand Forks | 126 | 5/15/2009 | 193,135 |
| 5 | Mandan | 1,800 | 6/1/2009 | 194,935 |
| 5 | NPRWD | 1,650 | 8/15/2009 | 196,585 |
| 4 | Casselton | 800 | 5/15/2009 | 197,385 |

ARRA Comprehensive Project List
 FY 2009
 State of North Dakota
 Drinking Water State Revolving Loan Fund Program

| Priority Points | Assistance Recipient | Assistance Requested (\$1000) | Date of Construction | Cumulative Total (\$1000) |
|-----------------|----------------------|-------------------------------|----------------------|---------------------------|
| 4 | Fargo | 16,800 | 11/15/2009 | 214,185 |
| 4 | Grand Forks | 150 | 11/15/2009 | 214,335 |
| 4 | TRWD | 1,720 | 6/15/2009 | 216,055 |
| 3 | Fargo | 280 | 8/15/2009 | 216,335 |
| 3 | Fargo | 4,400 | 9/15/2009 | 220,735 |
| 3 | Fargo | 4,750 | 2/15/2010 | 225,485 |
| 3 | Garrison RWA | 445 | 9/15/2009 | 225,930 |
| 3 | Williams RWD | 750 | 9/1/2009 | 226,680 |
| 1 | Wahpeton | 125 | 7/1/2009 | 226,805 |
| 1 | Wahpeton | 300 | 8/1/2009 | 227,105 |
| 1 | Wahpeton | 525 | 4/15/2010 | 227,630 |
| 1 | Wahpeton | 180 | 7/1/2011 | 227,810 |
| 1 | Wahpeton | 180 | 7/1/2011 | 227,990 |

STATE OF NORTH DAKOTA

**PRIORITY RANKING SYSTEM FOR FINANCIAL ASSISTANCE THROUGH THE
DRINKING WATER STATE REVOLVING LOAN FUND (DWSRF) PROGRAM**

**DWSRF PROGRAM
DIVISION OF MUNICIPAL FACILITIES
ENVIRONMENTAL HEALTH SECTION
NORTH DAKOTA DEPARTMENT OF HEALTH**

AUGUST, 2004

The following criteria and point system is utilized by the DWSRF Program to rank eligible projects for potential financial assistance through the DWSRF Program:

1. Water Quality (Maximum Points Limited to 35)
2. Water Quantity (Maximum Points = 20)
3. Affordability (Maximum Points = 15)
4. Infrastructure Adequacy (Maximum Points Limited to 15)
5. Consolidation or Regionalization of Water Supplies (Maximum Points = 10)
6. Operator Safety (Maximum Points = 5)

Maximum Total Points = 100

DWSRF funds may be used to buy or refinance existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and the construction started after July 1, 1993. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements.

Creation of New Systems - Eligible projects are those that, upon completion, will create a community water system (CWS) to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources. Eligible projects are also those that create a new regional CWS by consolidating existing systems that have technical, financial, or managerial difficulties. Projects to address existing public health problems associated with individual wells or surface water sources must be limited in scope to the specific geographic area affected by contamination. Projects that create new regional CWSs by consolidation existing systems must be limited in scope to the service area of the systems being consolidated. A project must be a cost-effective solution to addressing the problem. Applicants must ensure that sufficient public notice has been given to potentially affected parties and consider alternative solutions to addressing the problem. Capacity to serve future population growth cannot be a substantial portion of the project.

| | <u>CATEGORY</u> | <u>POINTS</u> |
|----|--|---------------|
| 1. | Water Quality - Select All That Apply (Maximum Points Limited to 35) ^{1,3} | |
| | A. Documented waterborne disease outbreak(s) within last 2 years | 20 |
| | B. Unresolved nitrate or nitrite maximum contaminant level (MCL) exceedance(s), OR acute microbiological MCL exceedance(s) within last 12 months | 15 |
| | C. Exceedance(s) of EPA-established unreasonable risk to health (URTH) level(s) within last 4 years for regulated chemicals or radionuclides (excludes nitrate and nitrite) | 10 |
| | D. Disinfection treatment inadequate to satisfy the Surface Water Treatment Rule (SWTR), the enhanced SWTR or ESWTR, or the groundwater disinfection rule (GWDR) once finalized, OR groundwater source(s) deemed by the DWP to be under the direct influence of surface water, OR multiple turbidity treatment technique requirement (TTR) violations within last 2 years (<u>includes</u> at least one event where the maximum allowed turbidity was exceeded) | 8 |
| | E. Multiple turbidity TTR violations within last 2 years (<u>no</u> events where the maximum allowed turbidity was exceeded), OR 3 or more <u>non-acute</u> microbiological MCL violations within last 12 months | 7 |
| | F. MCL or TTR exceedance(s) (<u>no</u> URTH level exceedances) within last 4 years (excludes microbiological contaminants, nitrate, nitrite, and turbidity) | 6 |
| | G. Potential MCL or TTR compliance problems based on most recent 4 year period (excludes microbiological contaminants and turbidity) | |
| | ● 75% to 100% of MCL or TTR | 5 |
| | ● 50% to 74% of MCL or TTR | 4 |
| | H. General water quality problem (see page 7) | |
| | ● significant general water quality problem | 4 |
| | ● moderate general water quality problem | 3 |
| | ● minor general water quality problem | 2 |
| 2. | Water Quantity - Select One If Applicable (Maximum Points = 20) ^{2,3} | |
| | A. Correction of a critical water supply problem involving the loss or imminent loss of a water supply in the near future | 20 |
| | B. Correction of an extreme water supply problem | 10 |

Maximum water available <150 gallons per capita per day (gpcd) (community water systems only), OR continuous water shortages during all periods of operation (nonprofit noncommunity water systems only)

- | | | |
|----|--|---|
| C. | Correction of a serious water supply problem | 7 |
| | Maximum water available <200 gpcd (community water systems only), OR daily water shortages, or inability to meet peak daily water demand, at a frequency of at least once per week during all periods of operation (nonprofit noncommunity water systems only) | |
| D. | Correction of a moderate water supply problem | 4 |
| | Maximum water available <250 gpcd (community water systems only), OR occasional daily water shortages, or occasional inability to meet peak daily water demands, on a seasonal basis (nonprofit noncommunity water systems only) | |
| E. | Correction of a minor water supply problem | 2 |
| | Maximum water available <300 gpcd (community water systems only), OR sporadic water shortages or occasional inability to meet peak water demands (nonprofit noncommunity water systems only) | |
| 3. | Affordability - For the Applicable Sub-Category, Select One For Each Item (Maximum Points = 15) | |
| A. | Community Water Systems | |
| 1. | Relative income index - ratio of local or service area annual median household income (AMHI) to the state nonmetropolitan AMHI (based on 2000 census data) | |
| | • < 60% | 8 |
| | • 61% to 70% | 7 |
| | • 71% to 80% | 5 |
| | • 81% to 90% | 3 |
| | • 91% to 100% | 1 |
| 2. | Relative future water cost index - ratio of expected average annual residential user charge for water service resulting from the project, including costs recovered through special assessments, to the local AMHI (based on 2000 census data) | |
| | • >2.5% | 7 |
| | • 2.0% to 2.5% | 6 |
| | • 1.5% to 1.9% | 5 |
| | • 1.0% to 1.4% | 3 |
| | • 0.5% to 0.9% | 1 |

| | | |
|---|---|---|
| B. Nonprofit Noncommunity Water Systems | | |
| 1. Relative income index - ratio of local or service area AMHI to the state nonmetropolitan AMHI (based on 2000 census data) | | |
| ● | ≤ 60% | 8 |
| ● | 61% to 70% | 7 |
| ● | 71% to 80% | 5 |
| ● | 81% to 90% | 3 |
| ● | 91% to 100% | 1 |
| 2. Relative future water cost index - ratio of expected annual water service expenditures resulting from the project to total annual operating expenses | | |
| ● | >20% | 7 |
| ● | 15% to 20% | 6 |
| ● | 10% to 14% | 5 |
| ● | 5% to 9% | 3 |
| ● | 2% to 4% | 1 |
| 4. Infrastructure Adequacy - Select All That Apply (Maximum Points Limited to 15) | | |
| A. | Correction of general disinfection treatment deficiencies - excludes improvements necessary to directly comply with the SWTR, the ESWTR, or the GWDR (once finalized) | 3 |
| B. | Correction of well construction or operating deficiencies | 3 |
| C. | Correction of distribution system pressure problems (dynamic pressure <20 psi) | 3 |
| D. | Replacement of deteriorated water mains | 3 |
| E. | Replacement of deteriorated finished water storage structures | 3 |
| F. | Replacement of distribution system piping/materials shown via DWP-approved testing to contribute unacceptable levels of lead or asbestos | 3 |
| G. | Water treatment plant operating at or above design capacity | 3 |
| H. | Water treatment plant operating at or beyond useful or design life | 3 |
| I. | Correction of specific design or operating deficiencies associated with water treatment plant unit processes (excludes disinfection treatment) | 2 |

| | |
|--|---|
| J. Correction of specific design or operating deficiencies associated with surface water intake facilities | 2 |
| K. Correction of specific or design or operating deficiencies associated with finished water storage facilities | 2 |
| L. Correction of specific design or operating deficiencies associated with raw or finished water pumping facilities | 2 |
| M. Correction of specific design or operating deficiencies associated with raw or finished water distribution system piping | 2 |
| N. Correction of specific design or operating deficiencies associated with chemical feed installations (excludes disinfection) | 2 |
| O. For systems relying solely on their own groundwater supply, provision of a second well where only one functional well exists | 2 |
| P. Replacement of inoperative, obsolete, or inadequate instrumentation or controls | 2 |
| 5. Consolidation or Regionalization of Water Supplies - Select All That Apply (Maximum Points = 10) | |
| A. Correction of Safe Drinking Water Act (SDWA) compliance problem(s), or extreme to critical water supply problem(s), for 1 or more PWS through consolidation with or regionalized service by another PWS | 4 |
| B. Correction of contamination problems (regulated contaminants), or extreme water quantity problems (no water, imminent loss of water supply, or continuous/ frequent daily water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS | 3 |
| C. Correction of potential MCL or TTR compliance problems, general water quality problems, or moderate to serious water quantity problems for 1 or more PWSs through consolidation with or regionalized service by another PWS | 2 |
| D. Correction of general water quality problems, or moderate water quantity problems (occasional daily or seasonal water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS | 1 |
| 6. Operator Safety - Select One If Applicable (Maximum Points = 5) ² | |
| A. Correction of a problem that poses a critical and chronic safety hazard for operators | 5 |

- B. Correction of a problem that poses an intermittent safety hazard for operators 3
- C. Correction of a potential significant safety hazard for operators 1

- ¹ Applies to community and nonprofit noncommunity public water systems only. Water quality problems must be ongoing and unresolved under the present system configuration. Analysis applies to finished water after all treatment (raw water if no treatment is provided).
- ² Applies to community and nonprofit noncommunity public water systems only. Projects intended mainly to increase water availability for or to improve fire protection are not eligible for DWSRF assistance. Fire protection features, in order to be eligible, must represent an ancillary project benefit or secondary project purpose.
- ³ Projects intended to address multiple community and/or nonprofit noncommunity public water system water quality and/or quantity problems will be ranked based on the highest level problem to be solved.

GENERAL WATER QUALITY

DEFINITIONS

Significant General Water Quality Problem (4 points) = Score of 6 or greater

Moderate General Water Quality Problem (3 points) = Score of 4 or 5

Minor General Water Quality Problem (2 points) = Score of 3 or less

All values expressed in milligrams per liter

Total Dissolved Solids (TDS)

500 - 999 Score of 1

1,000 - 1,499 Score of 2

≥1,500 Score of 3

Total Hardness as Calcium Carbonate (TH)

200 - 424 Score of 1

425 - 649 Score of 2

≥650 Score of 3

Iron (FE)

0.3 - 0.89 Score of 1

0.9 - 2.0 Score of 2

>2.0 Score of 3

Manganese (MN)

0.05 - 0.25 Score of 1

0.26 - 1.00 Score of 2

>1.00 Score of 3

Sodium (NA)

200 - 424 Score of 1

425 - 649 Score of 2

≥650 Score of 3

Sulfate (SO₄)

250 - 499 Score of 1

500 - 750 Score of 2

>750 Score of 3