

## Attachment I: Drinking Water Revolving Fund Priority Scoring Model

Drinking Water Quality and Public Health		Points
Project addresses a documented waterborne disease outbreak associated with the system within the last 24 months.		35
Project corrects or prevents violations of MCLs (primary standards) <sup>1</sup> .		
• Nitrate, nitrite, TCR.		30
• Total trihalomethanes, total haloacetic acids.		25
• Arsenic, selenium.		20
• Other regulated contaminants.		15
Project corrects or prevents exceedances of MCLs for radionuclides.		35
Project corrects inadequate treatment techniques that are unable to satisfy the requirements for:		
• Surface water.		
• GWUDI.		20
• Groundwater.		
Project corrects exceedances of secondary drinking water standards.		10
System has inadequate supply* to meet all current domestic water supply demands.*System must provide records of water usage to substantiate supply is inadequate.		25
Project will correct or prevent:		
• Inadequate distribution due to system deterioration (e.g., experiencing multiple line breakages).		20
• Inadequate distribution due to chronic low pressure.		15
• Inadequate storage.		10
• Demand exceeding design capacity.		5
Project incorporates fluoridation.		10
Affordability*		Points
Median Household Income (MHI) of the service area.		
• <50% of state MHI		35
• From 50% to 80% of state MHI.		20
• From 81% to 100% of state MHI.		5
• >100% of state MHI.		0

Affordability Continued	Points
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User Fees (projected water rate at 110%/tap/MHI):

- Rates are >1.64%. 45
- Rates from 1.12% to 1.64%. 25

OR

User Fees for a combined water & sewer fund (projected combined rates at 110%/tap/MHI)

- Rates are >2.94% 45
- Rates from 2.07% to 2.94%. 25

Projected water debt per tap compared to MHV

- Debt is >0.96%. 45
- Debt from 0.36% to 0.96%. 25

OR

Projected water & sewer debt (for combined systems) per tap compared to MHV:

- Debt is >1.93%. 45
- Debt from 0.82% to 1.93%. 25

Population served criteria:

- <500. 35
- From 500 to 999. 25
- From 1,000 to 1,999. 20
- From 2,000 to 4,999. 15
- From 5,000 to 10,000. 5
- >10,000. 0

Assessed Value/Household

- Assessed Value per household is <\$11,628. 35
- Assessed Value per household from \$11,628 to \$23,022. 20
- Assessed Value per household from \$23,022 to \$39,780. 10
- Assessed Value per household is greater than \$39,780. 0

\*Affordability criteria are based on the most current available DAC benchmarks.

CPDWR Compliance	Points
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Project addresses an enforcement action by a regulatory agency and the facility is currently in violation of CPDWRs. 30

Project addresses a facility's voluntary efforts to resolve a possible violation and will mitigate the issuance of a consent order, notice of violation or other enforcement action. 20

Project is designed to maintain CPDWR compliance, meet new requirements, or address contaminants included in the priority list submitted by the Division to the Commission for which standards may be considered. 15

System is currently meeting all CPDWRs.	10
<b>Source Protection and Conservation</b>	<b>Points</b>
Project addresses vulnerability to potential pollution by conditions identified in an approved source water protection area assessment:	
<ul style="list-style-type: none"> <li>• Point source discharge within a delineated area.</li> <li>• Areas impacted by agricultural chemical use or run-off.</li> <li>• Area subject to oil/gas/mineral operations.</li> <li>• Unprotected watershed area.</li> </ul>	15 (for one or more)
Project establishes a protective zone to address potential pollution as a result of wildfires in burn scar areas.	10
Utility rate structure currently in place:	
<ul style="list-style-type: none"> <li>• Increasing block rates.</li> <li>• Seasonal rates.</li> <li>• Uniform.</li> </ul>	15 10 0
Project will implement water metering, leak detection and/or other water conservation and efficiency infrastructure applications at a minimum of 20% of total project costs.	10
<b>Sustainability and Resiliency*</b>	<b>Points</b>
Project seeks to:	
<ul style="list-style-type: none"> <li>• Correct compliance issues, water quality problems, and/or water supply problems through physical consolidation and regionalization of water systems.</li> <li>• Correct and/or improve security of the water system.</li> <li>• Incorporate beneficial uses of water treatment plant sludge and/or alternative concentrate management options in an approved Beneficial Use Plan<sup>2</sup>.</li> </ul>	10 10 10
Project promotes sustainable utilities and/or communities through a utility management plan that:	
<ul style="list-style-type: none"> <li>• Secures a replacement fund for the rehabilitation and replacement of aging and deteriorating infrastructure as needed.</li> <li>• Provides sufficient revenues to meet O&amp;M and capital needs.</li> <li>• Demonstrates that the facility has maintained licensed/certified operators, adequate staffing to properly operate and maintain the facility and will continue to do so.</li> <li>• Incorporates a fix-it-first planning methodology.</li> </ul>	5 5 5 5
<b>Readiness to Proceed</b>	<b>Points</b>
Project has secured one or more of the following:	
<ul style="list-style-type: none"> <li>• Plans and specifications approved.</li> </ul>	10
Project has funding secured by multiple assistance provider	10

<sup>1</sup> This accommodates repeat violations and provides indicators for both chronic and acute health hazards

<sup>2</sup> The Hazardous Materials and Waste Management Division is the agency responsible for implementing the Regulations Pertaining to the Beneficial Use of Water Treatment Sludge and Fees applicable to the Beneficial Use of Sludges pursuant to 5CCR1003-7.

## Attachment II: Application of Additional Subsidization

Additional Subsidization	
Additional subsidization points = (Affordability Score + Water Quality & Public Health +CWPDR Compliance)	Maximum Percent of Loan Principal as Principal Forgiveness*
≥170 points or addresses a highest priority Water Quality & Public Health project**	80% principal forgiveness
140-170 points	60% principal forgiveness
100-139 points	40% principal forgiveness
<100 points	20% principal forgiveness

\*No one project can receive more than 50 percent of the total amount of funds that have been allocated for additional subsidization for that fiscal year. For example, if Colorado has allocated \$2 million for FY2024 to be provided as additional subsidization, no project can receive more than \$1 million in principal forgiveness. The additional subsidy is in addition to design/engineering grants. The authority board may review and adjust the maximum percent of loan principal forgiveness if needed to meet program financial requirements.

\*\*Highest priority projects are a single category from the Water Quality & Public Health section of the priority scoring table that score  $\geq 30$  pts. These are projects that address Waterborne Disease outbreaks (35 pts), Nitrate/Nitrite or TCR (30 pts), and Radionuclides (35 pts).