

# Drinking Water State Revolving Fund Intended Use Plan SFY 2016

State Of Connecticut  
Department Of Public Health



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## Acronyms Used in This Document:

AIS	American Iron and Steel
C&D Plan	Connecticut Plan of Conservation and Development
CFR	Code of Federal Regulations
CGS	Connecticut General Statutes
CWF	Clean Water Fund
CWS	Community Water System
CWSRF	Clean Water State Revolving Fund
DEEP	Department of Energy and Environmental Protection (CT)
DPH	Department of Public Health (CT)
DWF	Drinking Water Fund
DWINSA	Drinking Water Infrastructure Needs Survey and Assessment
DWNIMS	Drinking Water National Information Management System
DWS	Drinking Water Section (within DPH)
DWSRF	Drinking Water State Revolving Fund
EPA	Environmental Protection Agency (Federal)
EPGP	Emergency Power Generator Program
ETT	Enforcement Targeting Tool
FFATA	Federal Funding Accountability and Transparency Act
FFY	Federal Fiscal Year
FR	Federal Register
GIS	Geographic Information System
IUP	Intended Use Plan
MOU	Memorandum of Understanding
NEIWPPCC	New England Interstate Water Pollution Control Commission
NEPA	National Environmental Policy Act
NTNC	Non-Transient Non-Community (Public Water System)
OA	Operating Agreement
OPM	Office of Policy and Management (CT)
OTT	Office of the State Treasurer (CT)
PBR	Project Benefits Reporting database
PPL	Project Priority List
PRS	Priority Ranking System
PURA	Public Utility Regulating Authority (within CT DEEP)
PWS	Public Water System(s)
PWSID	Public Water System Identification Number
PWSS	Public Water System Supervision grant
RCSA	Regulations of Connecticut State Agencies
SBC	State Bond Commission
SDWA	Safe Drinking Water Act
SERP	State Environmental Review Process
SFY	State Fiscal Year
TNC	Transient Non-Community (Public Water System)
ULO	Unliquidated Obligations
USC	United States Code

## I. INTRODUCTION

### A. State of Connecticut's Drinking Water State Revolving Fund

In 1996, Congress passed amendments to the Safe Drinking Water Act (SDWA) establishing the Drinking Water State Revolving Fund (DWSRF). Section 1452 of the SDWA authorizes the Administrator of the United States Environmental Protection Agency (EPA) to award capitalization grants to states. Each state annually receives a minimum of 1% of the funds available for the total allotment. From the inception of Connecticut's DWSRF program to Federal Fiscal Year (FFY) 2013, Connecticut's annual allocation has been 1% of the national allotment. Our participation in the 2011 Drinking Water Infrastructure Needs Survey and Assessment (DWINSA) identified increased need from the state's public water systems (PWS) for infrastructure improvement projects, which resulted in an increase in the annual allocation. Starting with the FFY 2014 DWSRF Capitalization Grant and ending with FFY 2017 grant, Connecticut's allocation increased from 1% to 1.01%. The 2015 DWINSA will determine the allocation after FFY 2017. Connecticut is eligible to receive \$8,962,000 from the \$906,896,000 appropriated by Congress for FFY 2015.

The Department of Public Health (DPH) is the primacy agency for Connecticut's drinking water program and the designated agency that is authorized to enter into capitalization grant agreements with the EPA, accept capitalization grant awards, and otherwise manage the DWSRF. This Intended Use Plan (IUP) is part of our application for the FFY 2015 Capitalization Grant. The SDWA requires that each State annually prepare an IUP to describe how the State intends to use DWSRF program funds to support the overall goals of the DWSRF program and meet the SDWA objectives. This IUP highlights the State of Connecticut's ongoing improvement of the DWSRF program and seeks to further maximize the program's resources. The DWSRF program is an essential component of Connecticut's efforts to protect public health and improve the quality and availability of water to all its citizens. The IUP communicates our plans to stakeholders who include: public water systems, the public, EPA and other state agencies.

The IUP discusses how DPH intends to utilize its allotment of FFY 2015 funds, state legislative funding authorizations, and unobligated project funds carried forward from previous IUPs during the State Fiscal Year (SFY) 2016 time period (July 1, 2015 – June 30, 2016). The available funding includes unliquidated obligations (ULO) from previous federal capitalization grants. The IUP details the short-term and long-term goals that the DPH has developed to support the overall objectives of the DWSRF program of ensuring public health protections, complying with the SDWA, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The IUP also provides the financial status of the DWSRF. Finally, the IUP describes the criteria and methods that DPH will use to distribute the funds, including the ranking criteria under which the eligible projects were ranked and placed on the fundable and comprehensive project lists and the procedures that allow DPH to bypass projects on the fundable list.

During State Fiscal Year (SFY) 2016, the DPH will continue to focus on implementing the public health aspects of the SDWA and will work to ensure that funds move expeditiously and responsibly from the time the State of Connecticut is awarded the capitalization grant to the time the funds are awarded to projects. These efforts are instrumental in achieving the requirements of the SDWA. The DPH works closely together with other state and federal agencies to identify opportunities for funding specific projects and to coordinate funding efforts.

Connecticut has legislation enabling it to establish and operate a DWSRF program and to apply for and receive federal funds, which is contained in Connecticut General Statutes (CGS) Sections 22a-

475 through 22a-483, inclusive. As the administrator of the DWSRF program for the State of Connecticut, the DPH coordinates the activities of two different state agencies, which are the Office of the State Treasurer (OTT), the Department of Energy and Environmental Protection (DEEP), and within DEEP, the Public Utilities Regulatory Authority (PURA), with the charge of implementing certain aspects of and overseeing the DWSRF program. The DPH, DEEP, OTT, and PURA entered into a DWSRF Interagency Memorandum of Understanding (DWSRF Interagency MOU), which details the roles and responsibilities of each agency. The DWSRF Interagency MOU is an attachment to the Operating Agreement (OA) between the State of Connecticut and the EPA. The OA was filed with the EPA as part of the DPH's 1997 Capitalization Grant application and established the basic framework and procedures of the DWSRF program that are not expected to change annually.

The DPH is responsible for programmatic and fiscal administration of DWSRF projects, programmatic and fiscal administration of set-aside projects and accounts, and administration of planning, design and construction projects. The DPH provides the bi-annual capital budget request and the State Bond Commission (SBC) authorization requests for DWSRF projects to the DEEP for processing under the Clean Water Fund (CWF). The DEEP is responsible for administration of the CWF, of which the DWSRF is a sub-account. The DEEP processes the DPH's biennial DWSRF capital budget request and processes DWSRF SBC authorization requests for projects as part of the CWF, with the exception of any state subsidy funds, which are processed by the DPH. The PURA is responsible for programmatic and fiscal input for those water companies that it regulates. The OTT is responsible for the fiscal administration of all DWSRF accounts, oversight of loans, oversight of the bonding process, and administration of a DWSRF financial plan, as well as reviewing the financial viability of borrowers.

Figure 1 on page 3 displays the role the IUP plays in the DWSRF funding process.

## **B. What's New for SFY 2016?**

During SFY 2015, a state law took effect that provides for up to \$50 million for the subsidization of certain qualifying DWSRF applicants and projects. This law requires a recipient to have an asset and fiscal management plan to receive any of these funds, which can subsidize up to 30% or 50% of the eligible project costs, depending on the size of the PWS.

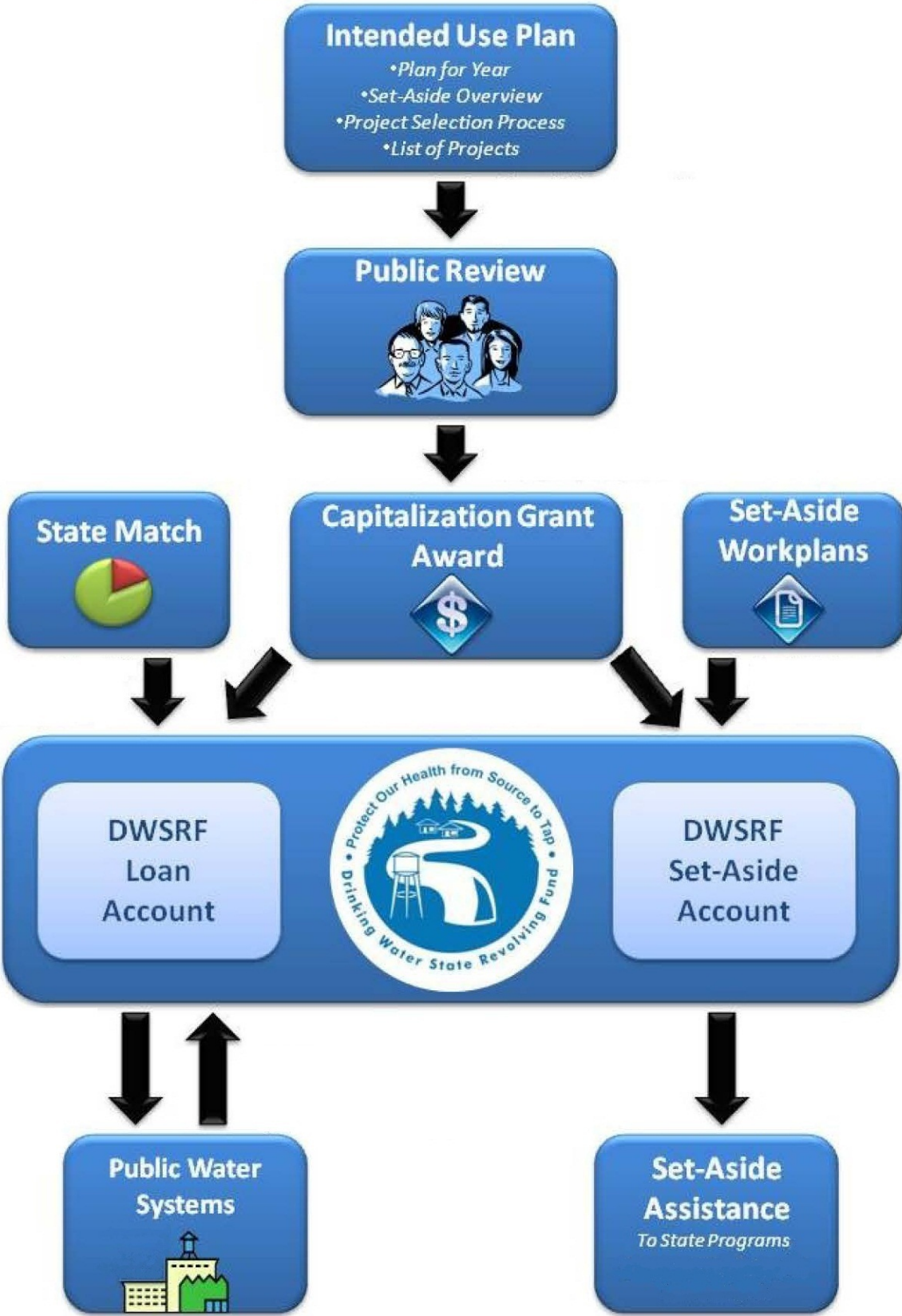
Since the inception of the Emergency Power Generator Program (EPGP), the DPH has seen a marked increase in the number of very small loans under \$100,000 being executed. As a result, the DPH and OTT have made adjustments in the maximum term a loan may be, dependent on the size of the loan.

In an effort to more quickly execute funding agreements and disburse funds, the readiness criterion outlined in the Priority Ranking System (PRS) has been tied more closely to the generation of the Fundable Project Priority List (PPL).

The DPH has chosen to change the Local Assistance Set-aside percentage split it will take. Rather than 10% for Capacity Development and 5% for Wellhead Protection, as has been done for many years, the 15% will be split equally at 7.5% for each. This is being done in an effort to make ULOs more uniform amongst the set-asides.



Figure 1 - The DWSRF Funding Process



## II. STRUCTURE OF THE DWSRF

### A. Eligibility for Projects for Planning, Design, and Construction

The DWSRF provides funding assistance for the planning, design, and construction of water infrastructure improvement projects to eligible PWSs, which include all community PWSs and non-profit, non-community PWSs. Projects must meet federal DWSRF eligibility requirements. Eligible projects include:

- Installation or upgrade of facilities to improve the quality of drinking water to comply with primary or secondary standards and point of entry or central treatment;
- Rehabilitation of wells or development of eligible sources to replace contaminated sources;
- Installation or replacement of transmission and distribution pipes to improve water pressure to safe levels or to prevent contamination caused by leaks or breaks in the pipes;
- Installation or upgrade of eligible storage facilities to prevent microbiological contaminants from entering a PWS;
- Those needed to consolidate water supplies where, for example, a supply has become contaminated or a system is unable to maintain compliance for technical, financial, or managerial reasons;
- Creation of a community water system to address existing public health problems with serious risks caused by unsafe drinking water provided by individual wells or surface water sources.

Federal DWSRF regulations specify that funding may not be used for projects that are primarily intended to serve growth. The focus of DWSRF assistance is to ensure safe drinking water for the current PWSs population. Eligible projects may be sized to accommodate for reasonable growth during the expected life of the infrastructure. However, the State of Connecticut will not fund projects intended to serve future growth outside of reasonable expectations and remains vigilant to ensure the limited DWSRF funds available are directed to serve the existing population.

Additionally, the DWSRF may not provide assistance to any system that has an Enforcement Targeting Tool (ETT) score of 11 or greater unless DPH determines that the system will return to compliance and will maintain an adequate level of technical, managerial and financial capability to maintain compliance.

Assistance provided to a PWS from the DWSRF program may be used only for expenditures that will facilitate compliance with national primary drinking water regulations or otherwise significantly further the public health protection objectives of the SDWA.

### B. Set-Asides

The State of Connecticut will use the amount of its capitalization grant set-asides to provide additional support to promote and implement the State's safe drinking water efforts and for activities to assist water systems in developing enhanced capabilities for the future. The set-asides help systems build capacity to assist in compliance with the SDWA and may aid their readiness to proceed to an infrastructure project. Additional information may be found in Section VII.

**Administration** - to support administrative and fiscal management of the DWSRF accounts and provide assistance to borrowers in preparing their loan applications and satisfying program requirements



**Small system technical assistance** - for assistance to small systems serving less than 10,000 people through state personnel or agreements with third party assistance providers

**State program management** – for Public Water System Supervision program support and implementation of the Operator Certification program

**Local assistance and other state programs** – for assistance for Capacity Development and for source water protection activities

### III. DWSRF GOALS

The DPH has developed short-term and long-term goals to support the overall goals for the DWSRF program of ensuring public health protection, complying with the SDWA, ensuring affordable drinking water, and maintaining the long-term financial health of the DWSRF. The DPH is committed to continuous program improvement by assuring that program measures are tracked and achieved, fiscal oversight and coordination continues to improve, Connecticut's public water systems are continuously aware of DWSRF opportunities, the DPH's DWSRF program is adequately staffed, and the public drinking water infrastructure needs for the State of Connecticut are adequately addressed, documented and shared with the public to the greatest extent possible.

Following lessons learned from the American Recovery and Reinvestment Act of 2009, in mid-2011 the DPH initiated a section-wide strategy to prioritize increasing the pace of the DWSRF program and creating a pipeline of projects for future funding years. Within this strategy, the DPH moved from a one year PPL to a two year PPL. This change allowed the DPH to fund projects that were ready to proceed in the first year while getting other projects ready for funding in the second year. The two year PPL also reduced the DPH's administrative burdens associated with an annual project solicitation period, PPL preparation and the public hearing process. In addition, changes were made to the Priority Ranking System (Attachment B) used to establish the PPLs. The Priority Ranking System is discussed in more detail in Section IV. These changes were outlined in a January 20, 2012, letter from DPH Commissioner Dr. Jewel Mullen to EPA Administrator Jackson (Attachment K), in response to EPA's letter of December 2, 2011 (Attachment J). On June 17, 2013, the DPH sent a letter to EPA Region 1 with an update on the progress that has been made to increase the pace of the program (Attachment L). "Pace" is a federal measure of the DWSRF assistance provided as a percentage of available funding.

This strategy continues to be reviewed and improvements made as needed. The changes that have been made to help maximize the use of available funding each year include:

- Providing additional staff resources to the program
- Reducing program administration costs and delays associated with the development of an annual Call for Projects by moving to a two year Call for Projects and planning period
- Revising the DWSRF Priority Ranking System to place greater emphasis on ready-to-proceed projects in the first year of the two-year planning period
- Working more closely with DWSRF loan applicants and improving coordination of regulatory review and loan preparation activities to keep projects and funding commitments on schedule
- Creating a pipeline of projects through close interaction with public water systems concerning their system needs during the data gathering process for the 2011 EPA Drinking Water Infrastructure Needs Survey and Assessment (DWNSA), and working to better promote and explain the DWSRF process; this is continuing with the 2015 DWNSA

- Using the results of LEAN activities in 2010 and 2014 to understand program requirements across agencies and institute streamlining techniques
- Creating a unit that is responsible for administering the federal grant applications, working directly with the DPH Fiscal Office on federal cash management, and working closely with and fully support the efforts of the DWSRF program.

The DWSRF short-term goals are focused on continued development and implementation of all facets of the DWSRF program, including moving eligible fundable projects through the loan process to ensure that all monies are committed in a timely manner. The short-term goals as indicated below are benchmarks for measuring overall success and effectiveness of the program.

#### A. Short-Term Goals

1. Apply for the FFY 2015 capitalization grant award by June 30, 2015. Upon award, implement the provisions of the FFY 2015 federal appropriation, including the capitalization grant terms and conditions.
2. Approve financial assistance agreements for projects funded in accordance with this IUP with an overall goal of committing all available project funds during the IUP period and increasing the pace of the DWSRF program.
3. Continue to implement existing DWSRF elements, including re-evaluation and improvement when necessary:
  - a. Effective and efficient fiscal management of DWSRF funds;
  - b. Routine procedures for entering into project funding agreements with recipients;
  - c. Effective and efficient communications between State agencies for all components of the DWSRF program;
  - d. Improve the efficiency of review of project submittals and execution of funding agreements, where possible.
  - e. Review of the PRS;
  - f. Responsibilities delineated in the DWSRF Interagency MOU;
  - g. Routine procedures for monitoring oversight and contract compliance of DWSRF set-aside projects;
  - h. Procedures for evaluating technical and managerial capacity of DWSRF applicants and sustainability aspects of proposed projects.
4. Input project information into the DWSRF Project Benefits Reporting (PBR) and the Drinking Water National Information Management System (DWNIMS) on-line databases and continue to monitor program pace to assure meeting or exceeding national goals and measures for awarding funds in a timely manner.
5. Maintain a financing plan that secures the perpetuity of the DWSRF and meets loan demand.
6. Provide oversight, tracking, and continued implementation of the DPH's January 2013 Cash Management Plan.
7. Continue to reduce the DPH's ULOs associated with capitalization grant awards (project funds and set-asides) received from EPA and work towards achieving EPA's ULO goals. This effort includes the implementation of improved project readiness criteria.

8. Maintain a pipeline of projects through frequent interaction with public water systems.
9. Continue using a 2-year project planning period to coincide with the biennial State of Connecticut budget cycle.
10. Continue to implement improvements identified during the 2014 DWSRF LEAN process, including:
  - a. Revise the DWSRF Interagency MOU to reflect modifications made with respect to each agency's responsibilities to the DWSRF program to reflect the statutory changes approved in 2010.
  - b. Revise the OA to reflect revisions that have been made to the DWSRF program.
11. Continue to utilize the EPGP as a model for streamlining DWSRF requirements for small systems that undertake other projects with a total project cost of less than \$100,000.
12. Provide education to PWSs to improve the sustainable infrastructure and asset management programs of PWSs.
13. Continue transitioning into the Loans and Grants Tracking System (LGTS) database that will improve communication between State agencies and information sharing with the EPA for projects funded through the DWSRF program.
14. Manage the 2015 DWINSA for the State of Connecticut, including frequent interaction with the selected PWSs. The goal is to accurately reflect the infrastructure needs for the State of Connecticut.

## B. Long-Term Goals

The DWSRF long-term goals express strategic principals for guiding the DWSRF program into the future. These long-term goals are:

1. Make a commitment to monitor, track, and continue to improve the pace of the DWSRF program.
2. Maintain low levels of ULOs associated with capitalization grant awards received from the EPA.
3. Continue to reach out to State of Connecticut PWSs in an effort to educate and better promote the DWSRF Program, in order to maintain a pipeline of projects that are eligible to receive DWSRF funding.
4. Coordinate within the DPH, and continue to collaborate with other State agencies where possible and advantageous, to maximize the effectiveness of the program and meet the State of Connecticut's public health and water quality and quantity goals.
5. Use set-aside funds to effectively improve the State of Connecticut's aging drinking water infrastructure, drinking water regulatory compliance, the technical, managerial and financial capacity of PWS and drinking water service to Connecticut's residents. Areas of concern include PWS sustainable infrastructure programs, long-term water supply planning, source water protection and small water systems.

6. Continue to improve on documenting the PWS infrastructure needs for Connecticut through on-going participation and support for the EPAs Drinking Water Infrastructure Needs Survey and Assessment.
7. Offer a long-term low-interest financing program to eligible PWSs to undertake infrastructure improvement projects.
8. Commit to maintaining cash management policies, procedures and records for DWSRF funding.

#### IV. CRITERIA AND METHOD FOR DISTRIBUTION OF PROJECT FUNDS

##### A. Priority Ranking System

A state's priority system is required to provide, to the extent practicable, priority to projects that: address the most serious risk to human health; are necessary to ensure compliance with the requirements of the SDWA; and assist systems most in need, on a per household basis, according to State affordability criteria. The DPH has statutory and regulatory jurisdiction over all statewide matters related to the purity and adequacy of drinking water. The DPH considers quantity as important as quality in the protection of public health. The PRS developed by the DPH for its DWSRF program specifies the criteria that the DPH uses to determine the distribution of funds and is found in Attachment B of this IUP. The primary objective of the ranking system is to award the highest points to projects that protect public health through improvements designed to address PWS performance in the areas of water quality and water quantity. The DPH is also responsible for the timely distribution of available DWSRF funds and must take into consideration each project's "readiness to proceed" when preparing the PPLs.

Modifications were made to Connecticut's PRS for the SFY 2016 and 2017 funding cycle. The PRS was made available to all applicants for their reference in completing and submitting project eligibility applications. These changes include the following:

- Utilization of the "Distressed Municipalities" list maintained and updated annually by the Connecticut Department of Economic and Community Development (DECD) as the source for cities or towns that qualify for affordability points.
- Increased the point value for generator projects in the EPGP.
- Added a point category for projects strictly for new or replacement generators costing more than \$100,000.

Within the parameters set by the PRS, the DPH intends to exercise considerable flexibility in the types of projects the DWSRF will fund with protection of public health and compliance with Federal and State drinking water mandates as the predominate concerns. Exclusions for growth and other non-eligible elements as described in PRS stand as limitations on project funding.

All projects deemed eligible are shown in alphabetical order by the town of the PWS in a Comprehensive Project List (Attachment C). This list of projects is also shown in order of ranking points assigned by the SFY during which the project is expected to proceed (Attachment D). From this comprehensive list, the SFY 2016 Fundable PPL (Attachment F) was developed based on the total amount of funding made available for SFY 2016. Projects that are determined by the DPH as not ready to proceed during SFY 2016 will not be considered in preparing the SFY 2016 PPL

regardless of the priority points that the project received. These projects will be maintained on the comprehensive list and will be considered for funding during SFY 2017, or may bypass a project on the SFY 2016 fundable PPL according to the bypass procedure explained in Section IV.

Projects identified on the SFY 2016 Fundable PPL may be bypassed by a project identified on the comprehensive list if the fundable project is not progressing. In the event that one or more projects are tied in the number of points, the tie-breaker provisions outlined in Section V will be used to determine which project will be ranked higher on the PPL. The lowest ranking project on the SFY 2016 Fundable PPL may be only partially funded based on the amount of total funds that remain available.

## **B. Capacity Assessments**

The SDWA requires that a PWS applying for a DWSRF loan must show that it has the technical, financial and managerial capacity to ensure compliance. If a system does not have adequate capacity, assistance may only be provided if it will help the system to achieve capacity. The goal of this requirement is to ensure that DWSRF assistance is not used to create or support non-viable systems. The DPH is in the process of developing Capacity Development Assessment Scorecards for PWSs serving fewer than 1,000 people to better evaluate their overall capacity. PWSs serving 1,000 or more are required to develop and maintain a Water Supply Plan, which are reviewed and approved by the DPH.

Incentives for PWS to improve their capacity have been built into the distribution of the required subsidy, as described in Section IV. Starting in SFY 2014 additional subsidy was offered to small PWSs which developed an asset management plan. This will continue in SFY 2016. Beginning in SFY 2015, qualified applicants of all sizes that wish to qualify to receive state subsidy must have asset and fiscal management plans. The criteria for these plans were developed by referencing EPA guidance. Checklists of required information for each plan were developed and are included as Attachments G and H. The criteria were chosen so that these plans would address all three areas of capacity.

While the DPH intends to fund a wide range of drinking water projects, it will do so only after careful consideration of an applicant's technical, managerial and financial capabilities and readiness to proceed with their project. An assessment of an applicant's overall capacity, including the long-term capacity to operate and maintain the water system and the infrastructure to be funded by the DWSRF, will be conducted before any funding commitment is made.

### **Technical Capacity**

To demonstrate technical capacity, DWSRF applicants must show that drinking water sources are adequate, that the PWS's source, treatment, distribution, pumping, and storage infrastructure are adequate and that personnel have the technical knowledge to efficiently operate and maintain the system, as well as any additional infrastructure funded by the DWSRF. All community and non-transient non-community (NTNC) PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the state's operator certification program. As part of reviewing an applicant's technical capacity, the DPH will review the PWS's regulatory compliance records and most recent sanitary survey report to assure that the system is being properly operated and maintained. The PWS must not have outstanding regulatory compliance problems unless the PWS is actively working to correct or resolve those problems. The engineering

reports, plans, and specifications for the proposed DWSRF-funded project will be evaluated during the loan application process.

### **Financial Capacity**

To demonstrate financial capacity, the applicant must show that the PWS has sufficient revenues to cover necessary costs to operate and maintain the system and demonstrate credit worthiness and adequate fiscal controls. The OTT is responsible for reviewing the financial viability of borrowers, including a review of the project budget, annual financial reports, and other pertinent financial information.

### **Managerial Capacity**

To demonstrate managerial capacity, the PWS must have personnel with expertise to manage the entire water system operation. Managerial capacity of a PWS is evaluated during a sanitary survey. All community and NTNC PWS are required to have a Certified Operator responsible for the operation of the water system, in accordance with the State's operator certification program. As part of reviewing an applicant's managerial capacity, the DPH will review the PWS's records and most recent sanitary survey report to assure that the PWS is being properly operated and maintained.

### **C. Small System Funding**

The SDWA Amendments of 1996 also require that, to the extent that there are sufficient number of eligible project applications, not less than 15% of the available funding shall be dedicated to small PWSs, which are PWSs that regularly serve less than or equal to a population of 10,000. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned PWSs.

The SFY 2016 Fundable PPL does not achieve the EPA goal of dedicating at least 15% of the available DWSRF funding, or approximately \$6,173,432, to small PWSs. This was due to a lack of sufficient funding requests received for projects expected to proceed during SFY 2016. In response to the Call for Projects, the DPH received applications for 22 small system projects, including 6 EPGP projects, totaling approximately \$25.5 million in eligible project costs for the 2-year funding period, but only approximately \$2.7 million for SFY 2016. All eligible small system projects are expected to receive funding.

### **D. Emergency Power Generator Program**

The EPGP was established in SFY 2012 in response to two extreme weather events that occurred in the late summer and fall of 2011. These events left many customers, in particular customers of small PWSs, throughout Connecticut without water service for extended periods of time due to power outages. During 2012 and 2013 two additional severe weather events occurred furthering the need to ensure that all PWSs have back-up power systems capable of providing continued water service to customers during prolonged power outages. The EPGP allows eligible PWSs with projects costing less than \$100,000 to obtain low-interest loans and subsidies to purchase and install generators to be used in the event of power outages.

The EPGP includes streamlined procurement procedures for projects costing less than \$100,000 in an effort to make it easier for small PWSs to proceed through the DWSRF process. PWSs that



currently do not have back-up power for a drinking water facility are eligible to receive up to 45% of the total DWSRF eligible project cost as subsidization with a maximum amount of \$45,000 for each facility. PWSs that already have back-up power systems installed in their facilities are eligible to receive up to 25% of the total DWSRF eligible project cost as subsidization with a maximum amount of \$25,000 per project for replacement generators. These generator projects are ranked along with all other projects in accordance with the PRS.

#### E. Projects Expected to be Funded

Funding for new projects is limited to eligible PWSs that submitted eligible project applications in response to the DPH's SFY 2016 and SFY 2017 Call for Projects. The Call for Projects solicitation period ended on January 31, 2015. The total amount of funding available for new projects during SFY 2016 is approximately \$41.1 million. Projects on the SFY 2016 Fundable PPL are expected to receive funding under this IUP. Funds will also be made available to projects carried forward from a prior IUP, but for which binding commitments (i.e. financial assistance agreements) with the DPH have not yet been executed. These projects are being carried over, in accordance with the procedure described in Section V, and are listed in Attachment E. These carryover projects went through public comment and ranking for during the year in which they appeared on the PPL and are not being re-ranked.

It is the goal of the DPH to fund as many eligible projects as it can with the available DWSRF funding. The projects that are ultimately funded may differ from those outlined in the IUP for various reasons, which include:

- A project on the Fundable PPL receives full or partial funding from another source;
- A project on the Fundable PPL is bypassed, as described in the PRS and Section IV of this document;
- An applicant is unable to comply with all applicable state and federal program requirements for DWSRF funding;
- An applicant withdraws its DWSRF funding application; or
- A project, or a portion of a project, is determined to be ineligible for DWSRF funds.

The DPH utilized the PRS and readiness criteria to determine the SFY in which the project can reasonably be expected to proceed. The SFY 2016 Fundable PPL identifies projects, or portions of projects, for which funding is expected to be available and that can reasonably be expected to proceed during SFY 2016 based on project readiness information provided by the applicants in their DWSRF Eligibility Application or Emergency Power Generator Eligibility Application.

All project eligibility applications were reviewed and evaluated to ensure that the proposed projects meet the eligibility criteria and that the applicant is prioritizing projects based on their identified needs and any applicable regulatory compliance concerns. All projects were awarded appropriate points based on the current PRS, as discussed previously. DPH put an increased emphasis on project readiness in development of the Comprehensive Project List and which projects are expected to proceed during SFY 2016, in response to the December 22, 2014 memo from EPA (Attachment I), which included guidance on applying project readiness-to-proceed criteria.

The Comprehensive Project List includes all projects submitted in response to the Call For Projects. A total of 77 projects are on this comprehensive project list. Some applicants have requested funding for planning, design, and construction phases of a project; however all phases may not

necessarily receive funding. Projects which requested funding for multiple phases may be listed more than once, with the phases identified. The SFY 2016 Fundable PPL includes those projects proposed to move forward during the SFY ranked by priority points awarded, and for which sufficient funds are expected to be available. The Comprehensive Project List includes two unranked projects at the bottom which were determined to be ineligible for DWSRF assistance. The total amount requested for all eligible projects is \$201,916,960.

Projects to be considered for funding during SFY 2017 will be those from the Comprehensive Project List that are still in need of funding. These projects will be identified in the SFY 2017 IUP.

## F. Additional Subsidization

### Federal Subsidy Funds

The DPH has the statutory authority to provide subsidization in the form of grants, principal forgiveness, negative interest rates, or any combination thereof under CGS Section 22a-477(s)(2)(F). The federal DWSRF appropriation for FFY 2015 requires that not less than 20%, but not more than 30%, of the capitalization grant amount be used by the State to provide additional subsidization to eligible recipients in the form of grants, principal forgiveness, or negative interest loans, or any combination thereof. The DPH is therefore required to provide an equivalent of at least \$1,792,400, but not more than \$2,688,600, in subsidization. All subsidization will be provided in the form of loan principal forgiveness.

The DPH expects to use at least 20% of the capitalization grant to subsidize certain qualifying drinking water projects. All federal subsidy is expected to be distributed on a first come, first served basis until all the available funding has been awarded, based on the readiness of a project to proceed and the PWS to execute a funding agreement, with the exception of small systems, as described below. There is no guarantee that every project eligible for subsidy will actually receive subsidy. Projects funded under the EPGP are eligible to receive up to 25% or 45% of their total eligible project cost in subsidization, as described in Section IV. Other drinking water infrastructure projects on the SFY 2016 Fundable PPL are also eligible for subsidization, as outlined below:

- a) Subsidization for small PWSs with EPGP projects, as described in Section IV, shall be reserved as long as funding agreements are drafted with DPH for those projects during SFY 2016.
- b) Small PWSs will be eligible for up to 20% of the total eligible project cost in subsidization, as follows:
  - 1) A 10% subsidy, not to exceed a total of \$125,000 per project. These funds will not be reserved unless the PWS is pursuing an Asset Management Plan, as described in item 2 below.
  - 2) An additional 10% subsidy, not to exceed a total of \$125,000 per project, will be available to small systems on the SFY 2016 Fundable PPL that have an Asset Management Plan in place, or agree to prepare and implement such a plan as part of their DWSRF financial assistance agreement. In order to assist small PWS with producing a plan, the DPH will provide training opportunities at no cost to the system, as well as free onsite technical assistance, as needed, to complete and implement the Asset Management Plan. Subsidization shall be reserved for small PWSs that need and

agree to prepare an Asset Management Plans as long as a funding agreement with DPH is drafted during SFY 2016 and that plan is completed.

- c) Large systems, defined as PWSs serving more than 10,000 people, with projects on the SFY 2016 Fundable PPL which meet the “Sustainability Planning” criteria (i.e. Water Supply Plans and/or Asset Management Plans) and “Affordability” criteria, as outlined in Sections IV and VI, respectively, of the PRS, will be eligible to receive up to 15% of their total eligible project cost, not to exceed \$450,000 per project, in subsidy.

For a project which receives subsidy, the actual amount of subsidization will be determined at the time the financial assistance agreement for that individual project is drafted.

The purpose of this plan for the distribution of subsidy is to meet the DPH’s obligations to quickly commit and disburse federal DWSRF funds. The DWS may reevaluate subsidization levels based on the available project cost and readiness information, if necessary. Projects which are eligible to receive federal subsidization are identified on the Comprehensive Project List. Not all eligible projects will receive federal subsidy. Projects listed as eligible for federal subsidization from the FFY 2015 capitalization grant on the SFY 2016 Fundable PPL will not be eligible for federal subsidization from the FFY 2016 capitalization grant for SFY 2017.

### State Subsidy Funds

On May 22, 2014, [Public Act 14-98](#) (PA 14-98) was signed into law, which under Section 46 provides the SBC the power to authorize bonds up to an aggregate \$50 million to be used by the DPH to implement a public water system improvement program. This program provides grants-in-aid, in the form of loan principal forgiveness, to certain eligible PWSs for DWSRF projects. A project which is eligible for any subsidy from the DWSRF must execute a loan for the remaining amount of principal in order to receive the grants-in-aid.

Eligibility criteria for the supplemental grants-in-aid contained within PA 14-98 follows the same eligibility criteria for DWSRF loans with the following exceptions, which are explicitly contained within PA 14-98:

- Public service companies, as defined in Section 16-1 of the CGS, **are not** eligible for grants-in-aid.
- For-profit companies **are not** eligible for grants-in-aid.
- Grants-in-aid may only be provided to eligible PWSs for eligible drinking water projects for which a DWSRF project funding agreement is executed **after July 1, 2014**.

PA 14-98 also requires eligible PWSs to submit an Asset and Fiscal Management Plan with their DWSRF application. The DWS will review these plans and determine if they are satisfactory before a PWS may receive a grant-in-aid. Eligible PWSs that serve 10,000 or fewer persons may receive up to 50% grant-in-aid for project costs that qualify for funding through the DWSRF. Eligible PWSs that serve more than 10,000 persons may receive up to 30% grant-in aid for project costs that qualify for funding through the DWSRF. This funding is expected to be distributed on a first come, first served basis until all the available funding has been awarded based on the readiness of a project to proceed and execute a funding agreement.

As of June 30, 2015, the DPH still has not received the allocation of these funds from the SBC, which is necessary to commit the funds in executed funding agreements. As a result, the execution of several funding agreements has been delayed.

Certain PWSs may be eligible to receive both Federal and State subsidies for a particular project. In these cases, the project may not receive more than the maximum amount of subsidy noted for the State Subsidy, with the exception of projects for PWSs serving more than 10,000 persons funded through the EPGP. Projects that are eligible to receive federal subsidization based on available funding are identified on the SFY 2016 Fundable PPL. It is not currently known how much state subsidy may be available to eligible projects during SFY 2016.

### **Prior Years' Federal Subsidization**

EPA Region 1 requested that the status of prior years' federal subsidization be addressed by the DPH in the IUP for the FFY 2015 capitalization grant. The status of the commitment and disbursement for the FFY 2010 through FFY 2014 grants are individually identified below, along with a table summarizing the amounts. The actual projects and individual subsidy amounts will be identified in the 2015 Annual Report, along with the status of meeting the disbursement requirement. The delay in the ability to utilize the state subsidy funds has had a direct impact on the commitment of federal subsidy funds. Funding agreements that would have otherwise been executed and would commit federal subsidy are being delayed to include the state subsidy, if and when it becomes available.

#### **FFY 2010**

The minimum required subsidization has been committed and disbursed for FFY 2010. As of August 31, 2015, \$4,723,405 is committed under executed funding agreements and \$4,499,228 has been disbursed.

#### **FFY 2011**

The minimum required subsidization has been committed for FFY 2011. As of August 31, 2015, \$2,926,890 is committed under executed funding agreements and \$2,620,093 has been disbursed. These projects are continuing to progress towards completion with a goal to complete the minimum required disbursements by 1/31/2016.

#### **FFY 2012**

The minimum required subsidization has been committed for FFY 2012. As of August 31, 2015, \$2,096,471 is committed under executed funding agreements and \$1,619,285 has been disbursed. These projects are continuing to progress towards completion with a goal to complete the minimum required disbursements by 9/30/2016.

#### **FFY 2013**

The minimum required subsidization has not yet been committed for FFY 2013. As of August 31, 2015, \$340,795 is committed under executed funding agreements and \$194,853 has been disbursed. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by 12/31/2015, and complete the minimum required disbursements by 9/30/2016.

#### **FFY 2014**

The minimum required subsidization has not yet been committed for FFY 2014. As of August 31, 2015, none of the federal subsidy has been committed under executed funding agreements. The funding agreements that will commit the required funds are pending, with the goal for them to be executed by 12/31/2015, and complete the minimum required disbursements by 9/30/2016.

The table below summarizes the federal subsidies from previous years' capitalization grants:

Cap Grant FFY	Minimum Amount of Federal Subsidy to Disburse	Maximum Amount of Federal Subsidy to Disburse	Total Federal Subsidy Amount Committed as of August 31, 2015	Additional Federal Subsidy Expected to be Committed	Federal Subsidy Amount Disbursed as of August 31, 2015	Remaining Federal Subsidy Amount Expected to be Disbursed	Estimated Month for Full Disbursement of Federal Subsidy	Estimated Month for Disbursement of Minimum Federal Subsidy
2010	\$4,071,900	N/A	\$4,723,405	\$0	\$4,499,228	\$224,177	May 2016	Achieved
2011	\$2,825,400	N/A	\$2,926,890	\$118,227	\$2,620,093	\$425,024	May 2016	January 2016
2012	\$1,795,000	\$2,692,500	\$2,096,471	\$390,941	\$1,619,285	\$868,126	December 2016	September 2016
2013	\$1,684,200	\$2,526,300	\$340,795	\$1,764,455	\$194,853	\$1,910,397	December 2016	September 2016
2014	\$1,792,400	\$2,688,600	\$0	\$2,240,500	\$0	\$2,240,500	December 2016	September 2016

**G. Readiness-To-Proceed**

Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF funding agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that are not expected to result in executed contracts and DWSRF funding agreements may be eligible to receive funding in future funding cycles. The Fundable PPL for SFY 2016 was generated based on the readiness of an element of a project to proceed to a loan agreement during SFY 2016, and its number of priority points.

The DPH has developed objective criteria to determine those elements of projects for which a funding agreement is expected to be executed during SFY 2016. This readiness determination process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.

The factors in these criteria are:

- Local funding resolutions and any other necessary approvals have been identified and will be secured;
- Required local permits or approvals have been identified and will be secured;
- Required State permits or approvals have been identified and will be secured;
- Project is consistent with the State of Connecticut Plan of Conservation and Development
- (For Planning/Design Projects) professional services qualification-based selection process followed and will be completed, with the exception of actual award of the contract, pending DPH authorization to award the contract;
- (For Planning/Design Projects) Consultant is scheduled to be under contract during the current SFY;
- (For Construction Projects) Status of final design;
- (For Construction Projects) Status of bid specifications;
- (For Construction Projects) All necessary sites, easements and rights-of-way have been identified and will be secured;
- (For Construction Projects) Construction is scheduled to begin during the current SFY.

Projects, or project phases, will be grouped by the calendar quarter (i.e. 9/30/15, 12/31/15, and 3/31/16) during which it is expected a project will have satisfied the above criteria and be able to submit to the DPH the all information necessary to proceed with that phase of a project.

The information that the DPH used to make a determination on project readiness is included in the DWSRF Eligibility Application and Emergency Power Generator Eligibility Application. If for some reason a project is not ready to proceed in a timely fashion, the DPH may bypass that project and select the next highest-ranked and eligible project that is ready-to-proceed for funding based on that PWS's ability to initiate the project during the current SFY.

## H. Project Bypass Procedures

### **Bypass for Readiness-to-Proceed, etc.**

The DPH utilizes procedures to bypass projects that are not progressing at a rate that will ensure the timely execution of a funding agreement and distribution of available DWSRF funds. Funds made available from a bypassed project will be made available to another project or may be used for cost increases on other projects previously approved.

- a. If for some reason a project is not ready to proceed in a timely fashion, the DPH may bypass that project and select the next-highest-ranked eligible project that is ready-to-proceed for funding based on that PWSs ability to initiate the project during the current SFY funding cycle. A project will also be bypassed if the applicant has withdrawn its DWSRF application. This bypass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion.
- b. Only those elements (planning, design, construction) of eligible projects that are expected to result in executed contracts and DWSRF loan agreements within the current SFY funding cycle may receive funding during that cycle. Elements of eligible, fundable projects that are not expected to result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles, based on the rollover procedure in Section V.

### **Emergency Bypass**

The DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Sec 25-32b, which requires that the eligible drinking water project be undertaken to protect the public health and safety. In such cases there may be a need to by-pass projects on the project priority list.

## I. Other DWSRF Provisions

### **Davis-Bacon Prevailing Wage Requirements**

The FFY 2013 DWSRF appropriation made the application of Section 1450(e) of the Safe Drinking Water Act (42 U.S.C. 300j-9(e)) a permanent provision for all future federal DWSRF appropriations. Congress mandated that the requirements of this section apply to any construction project carried out in whole or in part with assistance made available by the DWSRF. Section 1450(e) of the SDWA requires compliance with federal labor laws regarding prevailing wages, hours of work, and rates of pay. These requirements are collectively known as the Davis-Bacon Act.



**Federal Cross-Cutting Authorities, Equivalency Projects, and Environmental Reviews**

A number of Federal laws, executive orders, and government-wide policies apply by their own terms to projects and activities receiving federal financial assistance, regardless of whether the statute authorizing the assistance makes them applicable (cross-cutters). All projects for which the DPH provides DWSRF assistance in amounts up to the amounts of the capitalization grant deposited into the DWSRF (i.e. equivalency) are required to comply with these requirements. The DPH is responsible for ensuring that DWSRF assistance recipients comply with the requirements of cross-cutters, including initiating any required consultations with state or federal agencies responsible for individual cross-cutters.

The DPH is required to identify projects that will be used to satisfy federal equivalency requirements, including project signage that will be required beginning with the FFY 2015 capitalization grant award. The DPH has elected to also impose federal equivalency requirements to all projects and activities for which the DPH provides DWSRF assistance. The only exception to this is for federal Disadvantage Business Enterprise (DBE) requirements which the DPH will only apply to PWS infrastructure projects costing \$100,000 or more and DPH will only report to EPA on DBE compliance in an amount equivalent to the federal capitalization grant. All PWS infrastructure projects funded by the DWSRF are reviewed under a State Environmental Review Process (SERP) administered by the DPH and considered by the EPA to be equivalent to a National Environmental Policy Act (NEPA) review.

For the purposes of satisfying capitalization grant reporting requirements under the Federal Financial Accountability and Transparency Act (FFATA), the DPH will only report on DWSRF projects in an equivalent amount of each capitalization grant as requested by EPA. A list of projects that may be used to satisfy the FFATA reporting requirements is shown below. The actual projects reported under FFATA will be stated in the DWSRF annual report. Any contracts over \$25,000 utilizing set-aside funds will also be reported under FFATA.

SFY 2016 Potential Project to be used for FFATA Reporting				
PWSID	PWS Name	Town of PWS	Project Name	Amount
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Design)	\$700,000
CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Elmere WTP & Storage Tank Rehab (design)	\$1,440,000
CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Williams St. PS (new) (design)	\$120,000
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - AMI Water Meter Replacement Program	\$3,600,000
CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Merimere Storage Tank Rehab (Design)	\$120,000
CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design)	\$200,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	\$3,000,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Gaillard WTP Generator	\$2,200,000

SFY 2016 Potential Project to be used for FFATA Reporting, cont.				
PWSID	PWS Name	Town of PWS	Project Name	Amount
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design)	\$291,280
CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Hydroelectric Turbine and Generator (Design)	\$169,000
CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016)	\$1,600,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	\$3,904,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Buckingham St. area, Hartford	\$5,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Church Street Water Main Replacement Phases I & II	\$8,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington Ave #11 Water Main Replacement	\$3,500,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Madison Avenue Area Water Main Replacement, Hartford	\$3,600,000

### Use of American Iron and Steel

On January 17, 2014, federal Public Law 113-76 was enacted, which added a new federal Use of American Iron and Steel (AIS) requirement in Section 436. The FFY 2015 appropriation also requires that DWSRF assistance recipients use iron and steel products produced in the United States for the construction, alteration, maintenance or repair of a public water system or treatment works if the project is funded through an assistance agreement executed through the end of FFY 2015 (September 30, 2015). The EPA has issued guidance on the implementation of this provision and created a [State Revolving Fund American Iron and Steel Requirement website](#). The DPH has also created a [Use of American Iron and Steel](#) webpage to assist DWSRF applicants in understanding and complying with AIS requirements.

### J. Connecticut Plan of Conservation and Development

CGS Section 16a-31(e) requires that whenever a state agency is required by state or federal law to prepare a plan, it shall consider the Plan of Conservation and Development (C&D Plan) in the preparation of such plan. The DPH has considered the C&D Plan in the preparation of this Draft IUP and submitted the Draft IUP to the Secretary of the Office of Policy and Management (OPM) for an advisory report commenting on the extent to which the proposed plan conforms to the C&D Plan.

The advisory report on the IUP's conformance with the C&D Plan is important because CGS Section 16a-31(c) also requires the OPM to advise the SBC prior to the allocation of funding to the DPH for these DWSRF projects. Finally, CGS Section 16a-31(a)(3) requires the DPH to determine the consistency with the C&D Plan of individual actions regarding the acquisition, development, or improvement of real property, it undertakes using state or federal funds, such as the drinking water infrastructure improvement projects contained in the SFY 2016 IUP, when those costs are in excess of two hundred thousand dollars.

## V. DWSRF POLICIES and REQUIREMENTS

### A. Letter of Authorization to Award for Eligible Projects

The DPH may issue a letter authorizing the PWS to award a contract for a project if sufficient information has been submitted. Typically, this letter indicates to the applicant that the materials that they have submitted to the DPH satisfy the rules and regulations for the DWSRF program. Pursuant to the regulations, the applicant must submit a request for authorization to award a contract to the DPH and receive such authorization prior to any contract execution in order to keep a project eligible. The applicant may award the contract(s) subject to conditions set forth in the letter. The authorization letter does not constitute a commitment by the DPH to make a project loan under the DWSRF program.

### B. Project Application Carryovers and Rollovers

#### **Project Progressing Towards a Loan Agreement (Carryover)**

A project that has been identified as fundable on the PPL, or for which funds are now available through the bypass procedure, and is progressing through the DWSRF process toward a financial assistance agreement, but for which an agreement is not executed during the IUP period/funding cycle for its PPL, may be carried over to the subsequent IUP period/funding cycle with respect to allotment and use of project funds. Projects in this category are considered to have already gone through the public hearing process and will not be re-ranked on the subsequent PPL. These projects are identified on the SFY 2016 Carryover Project List. If a project or portion of a project from the previous IUP has not yet executed a funding assistance agreement and is not listed on the carryover list or comprehensive list, then that project is considered to have been withdrawn and is no longer being considered for funding. A PWS will be notified in writing by the DPH if their project is considered withdrawn. Any federal subsidy that may be provided to a project on the Carryover List is also carried forward under the criteria associated the IUP under which the project was identified as fundable.

#### **Project on the PPL, but not Progressing Towards a Loan Agreement (Rollover)**

A project that has not been withdrawn, but which is not progressing towards a loan agreement during the IUP period/funding cycle, can be rolled over for consideration in the subsequent IUP period/funding cycle upon written request to the DPH by the applicant. Any PWS seeking to rollover a project is required to update its DWSRF application upon request by the DPH. These projects will be ranked with all new applications received for the fiscal year into which the project is being rolled over and in accordance the then-current PRS. Any project that is rolled over must continue to comply with all requirements of the DWSRF program.

### C. Multi-Year Projects on the Fundable Portion of the Priority List

The construction of some of the projects on a particular PPL may take place over multiple years. For such multi-year projects, the DPH reserves the right to require the applicant to break the project into phases and to limit the amount of funding reserved for the project on a PPL to the amount of funds the PWS reasonably projects it will need for the phase to be designed and/or constructed during the SFY of the PPL. This allows the timely access to DWSRF funds by other DWSRF applicants that are ready to use them. Subsequent phases of these multi-year projects will automatically be rolled over to the PPL for the next IUP and will retain its assigned ranking points,

subject to changes in the “Affordability” criteria. These subsequent phases will not automatically receive DWSRF funding in the next IUP but will be ranked against other new and rolled-over projects on the PPL.

#### **D. Tie-Breaking Procedures**

The total numeric score for a project is determined by summing the points awarded based on the PRS and detailed in the DWSRF Eligibility Application. In circumstances where more than one project has an equivalent ranking score, the following tiered approach will be implemented to break the tie:

1. The size of the population served by the project; the project with the larger population served will be given preference.
2. The percentage of total system population served by the project; the project serving a higher percentage of the overall system population will be given preference.
3. The size of the total population served by the system applicant; the system with the larger population will be given preference.

If two or more projects remained tied after implementation of tie-breaker #1, then #2 will be applied. If two or more projects remain tied after implementation of tie-breakers #1 & #2, then #3 will be applied.

#### **E. Pre-Review Policy (Construction Only)**

The DWSRF Program operates on a SFY basis from July 1 to June 30, and cannot provide funding prior to the start of a specific SFY for that year’s Fundable PPL. It is acknowledged, however, that the construction season begins in the spring and generally lasts through the end of the calendar year. The DPH has determined that it is not in the best interest of the Program to delay project schedules to begin construction after the start of the SFY for which a project has submitted an Eligibility Application and requested funding, which is several months into the construction season. As a result, certain projects may begin construction before the start of the SFY and remain eligible for DWSRF funding after the start of the SFY. The DWS may include these projects on a Fundable PPL provided that all of the following conditions are met:

- The PWS has submitted a DWSRF Eligibility Application to the DPH during the Call for Projects for the SFY
- The funding agreement will be drafted during the SFY under which the project is listed on the Comprehensive Project List
- The project cannot begin and be completed prior to the start of the SFY
- The project is consistent with the C&D Plan
- The project is considered an action that does not require an environmental review under the Connecticut Environmental Policies Act and qualifies for a categorical exclusion from the National Environmental Policies Act
- The project has satisfied all other state and federal DWSRF requirements prior to placing the construction contract out to bid
- The project has received written authorization from the DPH to award a construction contract prior to the execution of the contract
- The project continues to adhere to all state and federal DWSRF requirements during construction

If the DWS includes such a project, it will be included on the Comprehensive Project List and ranked as outlined in this IUP. Any project that meets the above conditions and elects to start construction prior to the SFY shall understand that:

- The DPH provides no guarantee of DWSRF funding for their project
- The PWS shall be responsible for paying all costs associated with their project and will only be eligible for reimbursement from the DWSRF if their project is on the fundable PPL
- A project may be able to bypass a higher-ranked project, if that higher-ranked project is not sufficiently ready to proceed, per the procedures outlined in this IUP
- A DWSRF funding agreement cannot be executed until after Fundable PPL for the SFY is finalized

#### **F. Reimbursement**

The DPH implements the EPA policy on eligibility of reimbursement of incurred costs for approved projects (Eligibility of Reimbursement of Incurred Cost for Approved Projects 64 F.R. 1802 (Jan. 12, 1999)). Consistent with this policy, an eligible PWS must receive written authorization from the DPH prior to commencement of construction in order to be eligible to receive reimbursement at the financial assistance agreement closing for any construction costs incurred prior to the loan closing.

#### **G. Refinance Existing Loans**

The DWSRF may be used to buy or refinance debt obligations for DWSRF projects, if the DPH determines the refinance is in the best interest of public health. The SDWA and DWSRF regulations only permits use of the DWSRF for refinancing for municipal projects incurring debt and initiating construction after June 30, 1993. Projects will still have to be eligible for DWSRF funding and meet project review requirements, including an environmental review, and must receive written authorization from the DPH prior to commencement of construction. Private systems are not eligible for refinancing. The project must adhere to all state and federal DWSRF requirements during construction. Consideration for refinance applications will be entertained only after projects addressing public health protection and compliance have been funded.

Such projects will be ranked below any projects that are not for refinance according to the PRS. If it is determined after the initial eligibility review that a project is seeking DWSRF funds solely for refinance, the DPH reserves the right to adjust the ranking accordingly. A refinance project may be able to bypass a higher-ranked project, if that higher-ranked project is not sufficiently ready to proceed, per the procedures outlined in this IUP.

#### **H. Withdrawal of Project from Funding Consideration**

If a PWS chooses not to pursue funding of a project through the DWSRF, or chooses to not go forward with the implementation of a project, the PWS shall be requested to submit a letter to the DPH indicating the withdrawal of the project. The letter should include a statement as to why the project was withdrawn. Upon receipt, the project will be removed from the appropriate SFY PPL and no longer considered for funding. Withdrawal of a project will not preclude a PWS from continuing to pursue funding for other projects or from submitting the same project for consideration during a subsequent DWSRF funding cycle. If a PWS does not submit a letter as requested, the DPH may withdraw the project based on the initial notification. A PWS will be notified if their application is withdrawn by the DPH.

Projects for which an Eligibility Application is received and the project is placed on the SFY 2016 Fundable PPL, but for which the DPH does not receive a Financial Assistance Application by the established deadline will be considered withdrawn. A PWS will be notified if their application is withdrawn by the DPH.

## **VI. FINANCIAL MANAGEMENT**

### **A. Rationale for Determining Amounts of Capitalization Grant Intended for Project and Set-Aside Funds**

Section 1452 of the SDWA authorizes states to use a portion of the capitalization grant to support various drinking water programs through set-asides funds. The DPH has chosen to take the maximum amount allowable and uses these set-aside funds to promote and implement safe drinking water efforts integral to Connecticut's multiple barrier approach to protection of public drinking water supplies and public health. Additionally, the DPH uses these funds to foster greater appreciation of drinking water among the general public and the regulated community. Both of these intended uses address proactive and preventive measures endorsed by Congress in its authorization of the SDWA.

Section VII provides an overview of how the DPH will use the funds allocated for each set-aside.

### **B. Sources and Uses of DWSRF Funds**

#### **Sources**

The total DWSRF funding available for direct loans and subsidization to PWSs in SFY 2016 is approximately \$200,905,943. Attachment A provides a breakdown of the sources of these funds. These sources include carry-over revenue bond authorizations from previous IUPs that were not allocated to projects and new requested bond authorizations for SFY 2016. Funds from previous bond authorizations will be used for the carryover projects. The total amount that may be used to fund drinking water projects is limited to the total amount authorized by the state legislature as part of the state budget. For the SFY 2016 and 2017 biennial budget period, no revenue bonds were authorized for SFY 2017. As a result, the DPH is reserving a portion of the total available funds to be used for projects during SFY 2017.

Attachment A also identifies the amount of set-asides from DWSRF capitalization grants and state match amounts. The Federal capitalization grant, principal repayments, interest repayments, and funds earned through leveraging are used to support our overall bond authorization and as such are not individually identified.

The funds authorized by PA 14-98, as discussed in Section IV.F., have not yet been made available by the SBC to the DPH to commit to projects. The DPH has submitted a request to the SBC for those funds to be allocated, however it is not certain when or if the funds will be approved. This IUP is written with the expectation that the funds will be available and used for projects during SFY 2016.

The breakdown of sources and uses reflects the total amounts projected for the DWSRF project fund and set-aside accounts that will be made available to the DPH upon EPA approval of the DPH's FFY 2015 capitalization grant application. The amount of the bond authorization for SFY 2016 reflects the amount requested by the DPH.



**Uses**

Projects that are currently anticipated to be funded during SFY 2016 include all projects that are being carried forward from the previous IUP and projects appearing on the SFY 2016 Fundable PPL. The SFY 2016 Fundable PPL identifies 29 projects for a total of \$41,156,216. The Comprehensive Project List identifies the SFY during which a project is expected to proceed and execute a funding agreement.

The ULO project balance is \$6,834,485.40 as of September 1, 2015. Due to program requirements, all monies provided as federal subsidy must come directly from the federal capitalization grant. As a result, a balance of project ULOs must be maintained in an amount sufficient to fund federal subsidy payments for qualifying projects currently under funding agreements and those for which funds are being carried over.

The DPH closely monitors DWSRF ULOs to ensure it will meet an unofficial EPA goal of fully expending FFY2013 and prior capitalization grants by September 30, 2016. Additionally, EPA expects FFY2014 and subsequent capitalization grants to be expended within two years of their award date. In September 2013, the DPH developed a CT ULO Reduction Plan outlining strategies to reduce DWSRF project and set-aside ULOs. The DPH expects that once desirable ULO percentages are achieved, they will be maintained. The practice of spending the capitalization grants down on a yearly basis will lead to very low, sustainable ULO percentages. This will present new challenges, however, as additional funding sources are required in the near future in order to sustain current drinking water program operating costs, primarily to retain current staffing levels.

The sources and uses amounts for set-aside activities are explained in detail in Section VII.

**C. The DWSRF Financing Plan and Issuance of Bonds for Leveraging**

The DWSRF financing plan is similar to the plan for the State's CWF program. This plan includes leveraging, when appropriate, where project funding comes from the proceeds of revenue bonds supported by the capitalization grants. A more detail financial analysis of the DWSRF program can be found in the [DWSRF Annual Reports](#), which are available on the OTT's website.

States may issue bonds through the DWSRF program using the federal capitalization grant as security to provide for higher funding levels in the current year of the program. Leveraging of federal funds is a useful financial option available to states with a high demand of shovel ready projects for immediate DWSRF funding. Consistent with Connecticut's financing strategy for the CWF, the DWSRF includes leveraged financing. Since 2001, with the EPAs approval, bonds have been issued on an as-needed basis to fund DWSRF projects. Leveraged financing allows the DWSRF to maximize the available project funding because the revenue bond proceeds can be two to three times the amount of the available capitalization grants and state match contributions. This strategy also allows the State to provide more loans with a lower interest rate at favorable terms to more of the PWS applicants.

Connecticut's program is a leveraged program and has established itself as a highly rated (AAA) borrower in the bond market. We have used capitalization grants to leverage multiple series of bonds, aggregating over \$89.9 million in outstanding principal for the DWSRF program as of May 31, 2015 to fund loans.

The leveraging process has been successful because it has allowed the State of Connecticut to fund projects that would not be normally funded using capitalization grant funds alone. Examples

include: The \$55 million New Britain Water Treatment project, which was built using \$36.6 million in DWSRF funds. This project, which replaced an antiquated system, provides excellent quality water to its over 90,000 customers, and keeps the water rates relatively low. The \$29 million water treatment plant upgrade for the South Norwalk Electric and Water utility was built using \$24.7 million in DWSRF funds to replace an antiquated water treatment plant that was badly in need of upgrades. Meriden Water Division has secured over \$21 million in DWSRF funds to fund the design and construction for major improvements to Broad Brook Water Treatment Plant and Pumping Station to maintain purity and adequacy of water to its 60,000 customers. Over \$8.0 million in DWSRF funds was used to cover the cost for design and construction of the East Lyme Sewer and Water Regional Interconnection project. This project is critical for East Lyme to meet its summertime peak demands, address other public health and water system operational needs, and provide fire protection for enhanced public safety. Another major project that is expected to be funded using DWSRF funding is the proposed Water Treatment Plant upgrade of Groton Utilities. Groton proposes to make significant improvements to its plant to address water quality issues. The majority of the existing components are antiquated (originally constructed in 1938), and improvements to the facility are crucial for infrastructure sustainability. Approximately \$42.0 million in DWSRF funding is expected to be used to cover the construction and project oversight. Without leveraging, the DPH would not be able to fund larger projects like these.

In SFY 2015 bonds were issued for the CWSRF and the DWSRF in anticipation of several significant projects moving forward over the next two years, including the Groton Utilities Water Treatment Plant upgrade project. The state does not plan to issue bonds again until SFY 2017.

#### **D. State Matching Requirement**

The required 20% state match for the FFY 2015 capitalization grant is \$1,792,400. These funds are required to be in place prior to drawing down the award. The State of Connecticut expects to have the required state match amount deposited prior to the expenditure of any federal FFY 2015 capitalization grant dollars. The state match is provided through the proceeds of state General Obligation Bonds issued prior to 2001 and cash contributions from the state. Since 2007, additional state match has been provided by the contribution of principal and interest payments collected from the State of Connecticut on General Obligation Bonds issued to provide interest subsidy for the CWF and held outside the CWF until payments are received by Connecticut. These funds are no longer needed by the CWF for debt service because of the issuance of lower cost refunding bonds and additional contributions by Connecticut. These payments are held and deposited as cash contributions for the DWSRF state match. As of March 31, 2015, the DWSRF has received and deposited \$34.3 million for the required match.

#### **E. Federal Cash Draw Proportionality**

The DPH must draw down project funds from the federal capitalization grant award at a proportional rate not to exceed the rate of use for the state matching funds that will be used to secure the grant. The DPH intends to use all of the state match funds prior to drawing down the federal capitalization grant funds. This approach will ensure compliance with the proportionality requirement.

**F. Financial Terms of Loans**

Connecticut has instituted a tiered schedule of interest rates for DWSRF loans derived from the market costs of debt financing for the DWSRF program. The tier applicable to a specific project will be based on the financial and legal status of the recipient as well as on the type of project. CGS Sections 22a-475 through 22a-483, inclusive, allows for amortization to begin one year from the project’s scheduled completion date and provides a formula, based on Connecticut’s prevailing taxable or tax-exempt bond market rates, for setting interest rates. Connecticut may adjust these terms based on the financial viability of the borrower.

CGS Sections 22a-475 through 22a-483, inclusive, also allows Connecticut to offer project loans with reduced interest rates or an extended term, if permitted by Federal law, to eligible PWSs that qualify as disadvantaged communities. Attachment 10 to the OA contains an explanation of what a disadvantaged community is. Connecticut does not currently offer a disadvantaged community assistance program for the DWSRF.

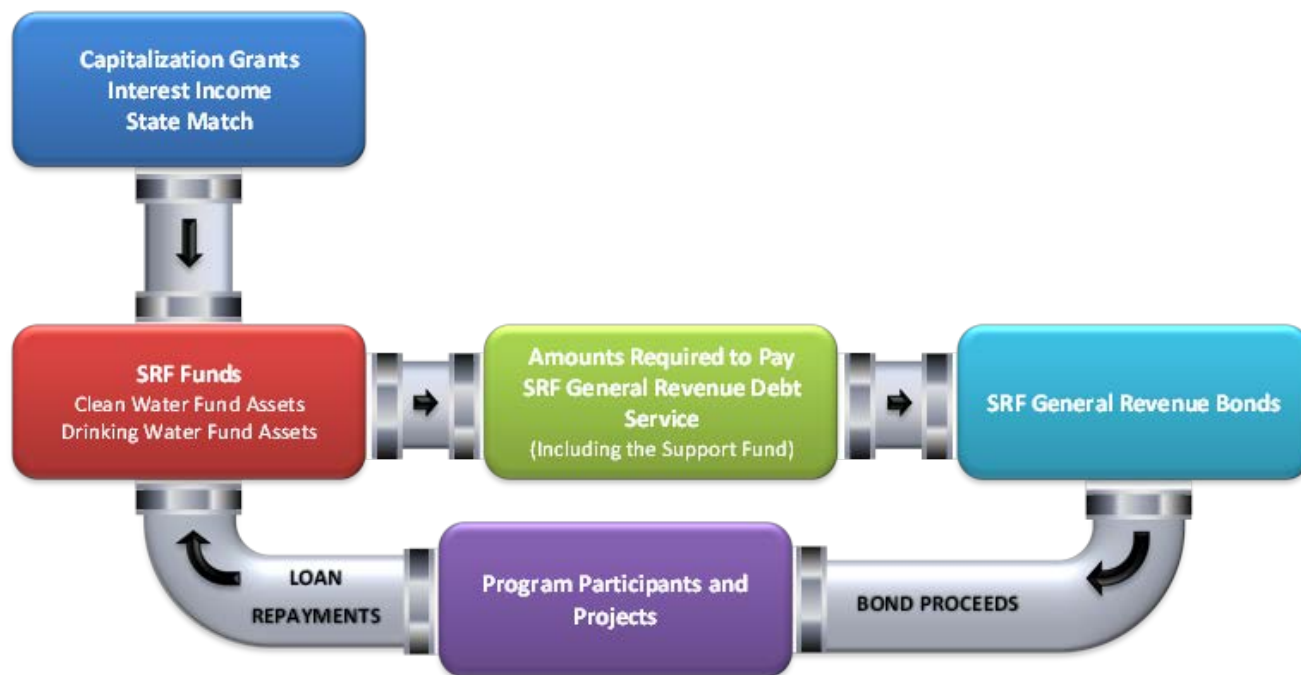
Within the provisions of CGS Sections 22a-475 through 22a-483, inclusive, Connecticut will consider appropriate financial terms for refinancing and the acquisition of land and sanitary easements on a case-by-case basis. The DPH policy for refinancing is discussed in Section V. Additional lending policies pertaining to the DWSRF program are found in Attachment 6 (last revised April 1999) to the OA.

The term of a loan (in years) may be determined based on the dollar amount of the loan (not including any subsidy) as outlined in the table below.

<b>Loan amount</b>	<b>Maximum loan repayment term</b>
up to \$10,000	3 years
\$10,000 - \$25,000	5 years
\$25,000 - \$100,000	10 years
More than \$100,000	20 years

Projects with loans of \$100,000 or less may be treated as reimbursement only. The borrower may be expected to pay their contractors with their own funds as necessary to complete the project. The financing agreement with DPH will allow PWSs to be reimbursed for those eligible expenses once the DPH receives a reimbursement payment request from the PWS along with all of the contractor’s invoicing.

Figure 2 – The Revolving Flow of Funds



**G. Transfer of Capitalization Grant Funds between the DWSRF and CWSRF**

The DPH has not transferred funds between the DWSRF and the CWSRF programs. While such a transfer is permitted under the SDWA, the DPH does not anticipate making such a transfer under the current IUP, but reserves the right to do so if necessary.

**H. Expected Loan Demand**

Connecticut’s participation in the EPA-sponsored Drinking Water Infrastructure Needs Survey and Assessments (DWINSAs) for 1999, 2003, 2007, and 2011 evidenced that a significant need continues to exist throughout the state for funding capital improvements. The results of these surveys are used by the EPA to determine the percentage of the DWSRF appropriation that each state will receive each year for the 4-year period interval following release of each survey’s report.

The 2011 DWINSA assessed the cost and types of drinking water needs throughout the nation for the period January 1, 2011 to December 31, 2030. The results of the survey were used to determine the DWSRF allocation for FFYs 2014 through 2017. The results of the 2011 survey, which were released in June 2013, showed that the State of Connecticut’s estimated need had grown from \$1.394 billion in 2007 to \$3.587 billion in 2011. Starting with the FFY 2014 capitalization grant, the state’s allotment has increased from 1% to 1.01%. The breakdown was as follows:

Transmission and Distribution	\$2.584 billion
Treatment	\$545.1 million
Storage	\$267.3 million
Source	\$146.6 million
Other	\$35.0 million

As the cost and need for infrastructure projects continue to increase, the demand for low-cost loans will most likely also increase. The availability of federal subsidization since 2009 for DWSRF projects has also increased the demand for loans. For SFY 2016 and SFY 2017, the DPH received requests for loans for 77 infrastructure projects totaling approximately \$205 million in project costs, including approximately \$202 million in eligible costs. This includes 6 applications under the EPGP and 7 larger generator projects totaling approximately \$6.7 million in eligible project costs. This is the highest amount of requests ever received.

**I. Impact of Program on Long-Term Financial Status of the DWSRF**

The main features of the DWSRF program – the PRS, the leveraging plan, and the maximization of set-aside monies – will be implemented and managed in a prudent and responsible manner. This will allow the DPH to meet the public health and compliance goals of the DWSRF, while simultaneously preserving the integrity and perpetuity of the fund itself. Loan terms will be attractive, while lending procedures will include safeguards structured to minimize unforeseen losses to the fund. The use of federally allowed subsidization from the capitalization grants will be managed to ensure that these non-repayment funds enhance the program rather than result in detrimental long term consequences.

The DWSRF also produces numerous opportunities for strengthening water supply mechanisms (i.e., source protection, PWSS program) that will ultimately result in improvements to safe and adequate supplies of drinking water for Connecticut residents. Additionally, the placement of the DWSRF within the financial structure of Connecticut’s CWF guarantees that the DWSRF will benefit in the long term from the same management and financial planning mechanisms that have marked the success of Connecticut’s CWF Program.

**VII. SET-ASIDE ACTIVITIES**

Taken together, 31 percent of a Connecticut’s DWSRF capitalization grant is used for set aside activities. The DPH DWS receives funds under four set-asides to support various drinking water and DWSRF program activities. They include the Administration, State Program Management, Small Systems Technical Assistance, and Local Assistance set-aside funds. The following pages provide anticipated set-aside activities during the time period covered in this IUP. Prior to requesting disbursement of these funds, the DPH submits work plans to EPA Region 1 as part of the FFY 2015 capitalization grant application, which provides specific details for each set-aside fund request. At any time in which a modification is necessary, the DPH contacts EPA Region 1 to discuss, submit an amendment if deemed necessary, and seek approval. The DPH DWS expects to meet all set-aside reporting requirements as detailed in the capitalization grant award conditions.

**A. DWSRF Administrative Funds**

<b>Maximum Percentage Allowed:</b>	4% of the Capitalization Grant
<b>Taking from FFY 2015 Grant:</b>	4% (\$358,480)

The DPH intends to use funds in the Administrative set-aside to support existing staff at DPH and OTT dedicated to administrative and fiscal management of the DWSRF accounts, oversight and tracking of the DPH’s January 2013 Cash Management Plan, as well as providing assistance to borrowers in preparing their loan applications and satisfying program requirements. In addition, the DPH intends to utilize funds from this set-aside for the development and use of a state specific project financing, loan and accounting management system for the DWSRF program.

**B. State Program Management**

**Maximum Percentage Allowed:** 10% of the Capitalization Grant  
**Taking from FFY 2015 Grant:** 10% (\$896,200)

Funding under this set-aside will be used primarily to support and administer the Public Water System Supervision (PWSS) program, which includes administering and providing technical assistance to PWSs in Connecticut. Staff supported by this fund also perform the following in support of both the PWSS and DWSRF programs:

- Coordinate DWS grant administration/lead interaction with EPA for grant administration, applications and reporting
- Prepare guidance documents, work plans and long-term strategies for DWSRF program management and EPA required program management reports (i.e. QAPP, PPA),
- Prepare contracts related to technical assistance to PWSs to assist the DWS in capacity development efforts
- Provide direct technical assistance to PWSs regarding the required reporting of water quality and inventory/facility data utilized in Safe Drinking Water Information System and electronic data interchange; provide information and educational opportunities to PWSs via internet postings.
- Provide legal assistance to the DWS regarding the DWSRF program
- Coordinate activities with the Environmental Health Section's Laboratory Certification Program in assisting PWSs regarding water quality testing issues
- Identify water systems that would most benefit from collaboration or regionalization and assisting in developing and evaluating processes to aid in the success of DWS capacity development efforts
- Assist in coordinating long-range water supply planning by addressing water quality and quantity issues from area-wide perspectives in regional coordinated plans
- Performance of general office functions, such as reception, typing, filing, and bookkeeping in support of the PWSS and DWSRF Programs.
- Continuously update and maintain DWS's Geographic Information System(GIS) data layers in the DWS GIS system
- Review and approval of proposed sources of supply, including verification that the water system has ownership or control of the sanitary radius for proposed groundwater sources.
- Provide support for DWSRF Program Management activities by performing a wide variety of general clerical functions including basic processing, reception, filing, record keeping, bookkeeping and typing
- Review DWSRF project funding applications and perform subsequent engineering tasks as required
- Attend workshops and trainings to improve the efficiency of the DWSRF program
- Continue Memorandum of Agreements between DPH and UCONN that allows UCONN students to intern with the DPH DWS
- Coordinate the preparation of DWSRF loan agreements with the DPH Fiscal Office, Office of Grants and Contracts and the Office of the State Treasurer

**C. Small Systems Technical Assistance**

**Maximum Percentage Allowed:** 2% of the Capitalization Grant  
**Taking from FFY 2015 Grant:** 2% (\$179,240)

Activities performed under this set-aside including providing technical assistance to small PWSs serving up to 10,000 consumers and contracting with a service provider to offer technical assistance to the state's small PWSs. Technical assistance efforts include:



- Conducting sanitary surveys of community, NTNC and transient non-community (TNC) PWS serving fewer than 10,000 persons (small systems)
- Assessing existing small PWS's technical, financial and managerial capacity during sanitary surveys
- Educating and assisting small systems in applying for DWSRF loans for infrastructure projects
- Contracting with Technical Assistance Provider to provide training and direct one-on-one assistance to teach small system trustees, operators, and municipal officials the value and method of asset management to improve technical, financial and managerial capacity of those involved in managing the utility.

**D. Local Assistance**

<b>Maximum Percentage Allowed:</b>	15% of the Capitalization Grant
<b>Taking from FFY 2015 Grant:</b>	7.5% (\$672,150) – Wellhead Protection
	7.5% (\$672,150) – Capacity Development

The DPH uses this set-aside for wellhead protection and capacity development activities. The Wellhead Protection Program will use 7.5% of the set-aside funds and the Capacity Development Program will use the remaining 7.5%. Each program is described below.

a) Wellhead Protection

Program elements include coordination, management, and regulation of source protection through the proactive enhancement and oversight of existing source protection laws and regulations, integration with water supply planning, education of local land use officials, and involvement with stakeholders on a continuous basis. Efforts under this set-aside include:

- Implementing continually revised statutes and regulations for source water protection, including the provisions of the federal Groundwater Rule
- Reviewing and approving/denying all proposed sources of public water supply
- Permitting of proposed sales or changes to water company owned land (i.e. land owned by PWSs that are within source water protection areas)
- Permitting of monitored recreational activities on water company land
- Coordinating of the process of conducting annual watershed inspection; and annual submission of Watershed Survey Reports
- Active and committed involvement with the improvement of the GIS application and database which is critical for adequate source assessment and protection
- Linking the protection of public water supplies with subsurface sewage disposal system approval, maintenance, training, and repair
- Linking the Clean Water Act to the SDWA through working with EPA, DEEP, and other stakeholders
- Continually working with local, regional and state partnerships on Environmental Reviews for projects that could potentially impact drinking water quality
- Collaborating with stakeholders at the community and state level to implement source water protection concepts and best management practices to enhance drinking water source protection
- Contracting with the New England Interstate Water Pollution Control Commission (NEIWPCC) to hire a Regulatory Advisor

b) Capacity Development

The DPH will use 7.5% of the Local Assistance set-aside allocation for capacity development initiatives that are consistent with the DWS's EPA-approved Capacity Development Strategy and

help to improve the technical, financial and managerial capacity of PWSs. The DPHs strategies account for both immediate and long-term sustainability initiatives, including education, technical assistance, enforcement, consolidation, DWSRF assistance, and water system restructuring. These funds will be used primarily to support staff within the DWS that:

- Conduct sanitary surveys of community, NTNC and TNC PWSs
- Provide technical assistance to PWSs on violations and deficiencies noted during sanitary surveys
- Perform technical, financial and managerial capacity assessments of PWSs during sanitary surveys
- Provide technical assistance and enforcement referral to local health departments for maximum contaminant level violations, source water construction violations and cross-connections identified at NTNC and TNC food service establishments
- Conduct reviews of water quality and quantity of newly-developed drinking water sources and review engineering plans and specifications for new water system designs in accordance with CGS Section 16-262m, and regulations adopted thereunder, and under the authority of RCSA Section 19-13-B102
- Support the DWSRF program by soliciting for DWSRF projects; providing technical assistance to DWSRF applicants and their consultants on program requirements; determining project eligibility and reviewing and ranking project applications; reviewing project plans and specifications; tracking projects through completion including site visits; reviewing and approving DWSRF payment requests from loan recipients; entering and maintaining data in the federal DWSRF Project Benefits Reporting (PBR) system and Drinking Water National Information Management System (DWNIMS) on-line databases; preparing state and federal DWSRF reports; coordinating, conducting and attending the Public Hearing on the IUP and PPLs; meeting with stakeholders and applicants as needed; and attending workshops and trainings to improve the efficiency of the DWSRF Program.
- Provide technical assistance to PWSs that have received a significant violation as a result of a site visit or as noted in a sanitary survey report
- Participate as necessary in training programs related to the technical, managerial and financial capacity of PWSs for PWS operators and public health officials
- Work with the Connecticut drinking water industry, the Association of State Drinking Water Administrators, and the EPA with a goal of achieving optimization of existing surface water treatment plants

## VIII. AUDITS AND REPORTING

Ensuring transparency and accountability, all program materials are posted on our website ([www.ct.gov/dph/dwsrf](http://www.ct.gov/dph/dwsrf)). DWSRF Annual Reports are posted on the OTT website ([http://www.ott.ct.gov/debt\\_drinkingwaterfund.html](http://www.ott.ct.gov/debt_drinkingwaterfund.html)). Financial audits are conducted annually by the OTT and included with the Annual Report. We commit to entering project and benefits data into the DWNIMS and PBR System to evaluate the benefits of Connecticut’s DWSRF program. Among other parameters, the reporting systems will evaluate the number of DWSRF projects that provide public health benefits, including those that achieve compliance with the SDWA, those that maintain compliance with the SDWA, and those that are intended to meet future requirements of the SDWA.

Project benefits information is entered into PBR as soon as possible following execution of a funding agreement, preferably within two weeks. If a project contains “green” components, we will report on the “green” projects and/or “green” portion of projects in PBR.

**IX. PUBLIC OUTREACH AND COMMENT**

The DPH has engaged in a determined effort to prepare and provide accurate and understandable information on the DWSRF to potential loan applicants and other interested persons. The DWSRF loan applicant pool in Connecticut consists of approximately 900 PWSs. Outreach to these systems, as well as to other interested persons, has and will continue to occur simultaneously with the implementation of the DWSRF program. Outreach is accomplished through posting information on the DWS website, meeting with applicants, distributing program information, and participating in various water-related forums. In addition, during sanitary surveys PWS are encouraged to consider the DWSRF program for their infrastructure financing needs. The DPH directly solicits for DWSRF projects to all community PWSs and all NTNC public schools.

In conformance with 40 CFR 35.3555(b), the DPH sought meaningful public review and comment on the Draft IUP by providing notice to the public of the draft IUP, including the ways in which such draft IUP may be obtained, an opportunity for the public to provide both oral testimony at a hearing and written comments during a public comment period, and reviewing and responding to oral testimony and written comments received. In addition, RCSA Section 22a-482-1(c)(4) requires that a public hearing be held to allow for the opportunity to comment on the draft comprehensive project list. As has been done in previous years, the draft IUP was made available to all applicants and other interested persons for review and comment at least 30 days prior to the public hearing. A Notice of Hearing was formally advertised in newspapers of statewide and regional distribution and in two minority newspapers. The Draft IUP and Notice of Hearing were also sent to all DWSRF applicants with projects appearing on the Comprehensive Project List. Interested persons were invited to provide oral or written testimony at a public hearing and to submit written comments.

The public hearing was followed by an Open Forum where attendees or other interested parties had an opportunity to meet directly with DWSRF program staff to answer questions and learn more about the loan program. Following the public hearing, all testimony and comments were reviewed and considered by the DPH Commissioner and a Final IUP containing the SFY 2016 Fundable PPL, and a Hearing Report were published.

**X. ATTACHMENTS**

- A. Sources and Uses of Estimated Amounts of DWSRF Funds
- B. Priority Ranking System
- C. SFY 2016 Comprehensive Project List – Alphabetical Order
- D. SFY 2016 Comprehensive Project List – By Expected Funding Year and Points
- E. SFY 2016 Carryover Project List
- F. SFY 2016 Fundable Project Priority List
- G. Asset Management Plan Checklist
- H. Fiscal Management Plan Checklist
- I. December 22, 2014 EPA Memo
- J. December 2, 2011 Letter from EPA Headquarters to Governor Malloy
- K. January 20, 2012 Letter from DPH to EPA Headquarters
- L. June 17, 2013 Letter from DPH DWS to EPA Region 1

## Attachment A - Sources and Uses of DWSRF Funds

	Cumulative Total through 8/31/15	9/1/15 - 6/30/16 (This IUP)	Cumulative Total Through 6/30/16
<b>SOURCES</b>			
Funds Transferred From (to) CWSRF	\$ -	\$ -	\$ -
Federal Capitalization Grant Set-Asides	\$ 53,805,509	\$ 2,778,220	\$ 56,583,729
Previous Bond Authorization Committed to Projects <sup>1</sup>	\$ 101,309,376	-	\$ 101,309,376
Previous Bond Authorization Available for Projects <sup>2</sup>		\$ 171,485,943	\$ 171,485,943
SFY 2016 Requested General Obligation Bond Authorization <sup>3</sup> Includes FFY 2015 State Match Requirement - \$1,792,400		\$ 2,500,000	\$ 2,500,000
SFY 2016 Requested State Revenue Bond Authorization <sup>3</sup> Includes FFY 2015 Capitalization Grant Projects - \$6,183,780		\$ 26,920,000	\$ 26,920,000
State Funding Authorized by Public Act 14-98 <sup>4</sup>		\$ 50,000,000	\$ 50,000,000
<b>Sources Total</b>	<b>\$ 155,114,885</b>	<b>\$ 253,684,163</b>	<b>\$ 408,799,048</b>
<b>USES</b>			
Funds Transferred From (to) CWSRF	\$ -	\$ -	\$ -
<b>Set-Asides</b>			
Administrative	\$ 7,251,356	\$ 358,480	\$ 7,609,836
State Program Management	\$ 17,993,390	\$ 896,200	\$ 18,889,590
Small System Technical Assistance	\$ 3,618,178	\$ 179,240	\$ 3,797,418
Local Assistance / Other State Programs	\$ 24,942,585	\$ 1,344,300	\$ 26,286,885
<b>Projects</b>			
Previous Bond Authorization Committed to Projects	\$ 101,309,376		\$ 101,309,376
Previous Bond Authorization Used for Carryover Projects		\$ 120,683,284	\$ 120,683,284
Previous Bond Authorization Used for New Projects <sup>5</sup>		\$ 50,802,659	\$ 50,802,659
Requested FY 2016 Bond Authorizations to Commit to New Projects <sup>3,5</sup> Includes General Obligation and Revenue Bond Authorizations		\$ 29,420,000	\$ 29,420,000
State Funding Authorized by Public Act 14-98 Used for Projects <sup>4</sup>		\$ 50,000,000	\$ 50,000,000
<b>Uses Total</b>	<b>\$ 155,114,885</b>	<b>\$ 253,684,163</b>	<b>\$ 408,799,048</b>

**Footnotes:**

1 - The capitalization grant project funds and state match amounts are included in the amount of bond authorization. This amount also includes proceeds generated by leveraging, interest earnings, and principal repayments. Refer to the text of the IUP for an explanation. Funds have been committed to projects.

2 - Funds from previous bond authorization that have not been committed to projects

3 - Funds are subject to legislative approval as part of the Capital Budget process

4 - As of September 1, 2015 funds have not been approved by the State Bond Commission

5 - The amount shown is the total amount that is available to commit to new projects; however, since no revenue bond authorizations were approved for SFY 2017, the DPH is reserving a portion of these total funds to be used for projects during SFY 2017.

## Attachment B

### CONNECTICUT DEPARTMENT OF PUBLIC HEALTH PRIORITY RANKING SYSTEM FOR PROJECTS ELIGIBILITY FOR DRINKING WATER STATE REVOLVING FUND (DWSRF) FUNDING (Revised 10/28/2014)

#### INTRODUCTION:

The statutory authority for establishing the Drinking Water State Revolving Fund (DWSRF) is embodied in the Connecticut General Statutes (CGS) Sections 22a-475 to 22a-483 inclusive. The Connecticut Department of Public Health (DPH) shall establish and maintain a priority list of eligible drinking water projects and shall establish a system setting the priority for making project loans to eligible public water systems (PWSs). In establishing such priority list and ranking system, the Commissioner of DPH shall consider all factors which are deemed relevant, including but not limited to the following:

1. Public health and safety
2. Protection of environmental resources
3. Population affected
4. Risk to human health
5. PWSs most in need according to applicable state affordability criteria;
6. Compliance with the applicable requirements of the Federal Safe Drinking Water Act (SDWA) and other related Federal acts
7. Applicable State and Federal regulations, including the Regulations of Connecticut State Agencies (RCSA)
8. Consistency with the plan of conservation and development
9. Consistency with the water resources policies delineated in CGS Section 22a-380
10. Consistency with the coordinated water system plan in accordance with subsection (f) of CGS Section 25-33d

The ranking system used to prepare the priority list of eligible drinking water projects is delineated in this document.

#### ELIGIBILITY FOR DWSRF LOANS

Project eligibility applications must be submitted by the deadline specified in the biennial Call for Projects announcement issued. Applications must include sufficient technical documentation, data, reports, certifications, etc. for the DWS to make a determination on project eligibility and project readiness. Incomplete or inadequate information may result in a determination that the project is not eligible or affect its ranking. The DPH will utilize the State and Federal regulations and drinking water industry standards in evaluating projects for eligible funding.

The following public water systems are **NOT ELIGIBLE** for assistance:

1. Federally-owned public water systems and for-profit non-community water systems.
2. Systems that lack the technical, financial and managerial capability to ensure compliance with the requirements of the SDWA unless such assistance will ensure compliance and the owner(s) and/or operator(s) of the systems agree to undertake feasible and appropriate changes in operations to ensure compliance over the long term.
3. Systems that are in significant noncompliance with any state regulation, national primary drinking water regulation or variance unless such assistance will ensure compliance.

## Attachment B

The following projects and costs are **NOT ELIGIBLE** for assistance:

1. Dams or rehabilitation of dams
2. Water rights, except if the water rights are owned by a system that is being purchased through consolidation as part of a capacity development strategy
3. Reservoirs or rehabilitation of reservoirs, except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located
4. Projects needed primarily for fire protection
5. Projects needed primarily to serve future growth
6. Projects that have received assistance under the national set-aside for Indian Tribes and Alaska Native Villages pursuant to section 1452(i) of the SDWA
7. Cost of laboratory fees for routine monitoring
8. Cost of operation and maintenance expenses

### **SUBSIDIZATION**

The DPH may provide subsidization to eligible projects in the form of principal forgiveness to the extent allowed by Federal and/or State law. The amounts of subsidization, if available, and method of distributing such subsidies will be determined annually and detailed in the Intended Use Plan. A project which is eligible for subsidy must execute a loan for the remaining amount of principal in order to receive the subsidy.

### **INTENDED USE PLAN (IUP)**

Annually the DPH will prepare an Intended Use Plan (IUP) that identifies how the State intends to use available DWSRF funds. The IUP will be submitted to the U.S. Environmental Protection Agency (EPA) as part of the DPH's annual capitalization grant application for DWSRF funds. The IUP will identify the ranked eligible projects in a priority list and will include specific detail on how the State intends to use set-aside funds designated under the DWSRF program.

### **PRIORITY RANKING SYSTEM**

Every two years the DPH will solicit planning, design, and construction projects from community water systems, both privately and publicly owned, and non-profit, non-community water systems for funding under the DWSRF program.

DPH may fund planning and design projects which may lead to construction projects. Planning and design projects will be included in the ranked priority list and will be given ranking points in accordance with the appropriate activity that the project intends to address (e.g. treatment would get points for addressing various water quality problems). DPH may also fund planning and/or feasibility studies.

In developing the ranking system, the DPH has made quality and adequate quantity of drinking water the highest priority in an effort to provide maximum public health benefits. Projects for regulatory compliance with water quality standards and adequate quantity of drinking water are given the highest points within the ranking system. Projects which are planned to address/resolve a quality or quantity regulatory violation will not receive additional points in the Proactive Infrastructure category.

This approach is consistent with the SDWA Amendments of 1996, which indicate that the IUP shall provide, to the maximum extent practicable, priority for the use of funds be given to projects that:



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- addresses the most serious risk to human health
- are necessary to ensure compliance with the requirements of the SDWA including requirements for filtration
- assist systems most in need according to state affordability criteria

Connecticut's ranking system capitalizes on the SDWA by ensuring that all projects are reviewed from the perspective of risk to health and compliance with regulations. Connecticut's DWSRF priority ranking system assigns criteria points for each project deemed eligible for funding. The eight major point categories are as follows:

- Category I (Quality) deals with various water quality risks
- Category II (Quantity) deals with the need to maintain adequate supply so that lack of pressure does not create health risks by introducing contamination from the distribution system
- Category III (Acquisition/Transfer) allows water systems to be restructured financially, managerially or technically so that they operate in compliance with State and Federal regulations.
- Categories IV (Proactive Infrastructure) and V (Water System Protection) allow for improvements in source, treatment and distribution to achieve long term infrastructure sustainability so that health risks from infrastructure failure are averted.
- Category VI (Affordability) awards an additional 10 points to those systems having projects in towns that have been identified by the Connecticut Department of Economic and Community Development as "distressed municipalities."
- Category VII awards points to projects that will address Significant Deficiencies under the Ground Water Rule.
- Category VIII awards points to projects for emergency power generators, whether a new installation or replacement

The SDWA Amendments of 1996 also requires that, to the extent that there are sufficient number of eligible project applications, not less than 15% of the available funding shall be dedicated to small systems serving less than or equal to a population of 10,000. Unless otherwise justified to DPH, the population number the DPH currently has on inventory for that water system will determine which population category the project falls under with respect to funding small systems. In cases where an applicant owns more than one community PWS, the applicant's population will be determined on the combined population of all of its individually owned community PWSs.

Every two years, the DPH will compile a comprehensive priority list of drinking water projects which applied for DWSRF assistance in the IUP. The IUP will identify which projects are expected to receive funding during the biennial funding cycle. Some projects on the list may include planning, design and construction elements (i.e. multi-phase projects). For these multi-phase projects, the DPH will only fund those phases of the project that can be started during the biennial DWSRF funding cycle. The non-funded phases of these projects will be eligible for DWSRF assistance in future years.

Every project submitted to DPH will be identified by the PWS identification number utilized by the State and Federal Government for the inventory of PWS, and other identifiers to note the FFY and differentiate it from other projects submitted by the same PWS.

There will be 4 factors taken into consideration when compiling the final draft Project Priority List. Those factors are:

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1. The total numerical points assigned to a project which is arrived at by tallying points from each of the 8 priority point categories.
2. A PWS's readiness to proceed with the activities they have requested funding for during the biennial DWSRF funding cycle.
3. To the extent that there are sufficient eligible project applications, not less than 15% of the available funding shall be dedicated to small systems serving less than or equal to a population of 10,000.
4. To the extent required by federal law, a portion of DPH's capitalization grant shall be dedicated to projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities.

### **GREEN PROJECT RESERVE (GPR)**

Applicants for DWSRF financial assistance are also strongly encouraged to submit projects that address green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities. To the extent required by Federal law, which may vary from year to year, the DPH will establish a Green Project Reserve to reserve certain DWSRF funds for projects that include qualifying "green" components. The GPR is typically equal to a percentage of the DPH's annual federal capitalization grant award. GPR requirements, as applicable, will be announced by the DPH during the biennial DWSRF application solicitation process if they are known at the time of the announcement. The GPR will also be described in the DPH's IUP.

### **ELEMENTS FOR ESTABLISHING THE PRIORITY POINTS ASSIGNED TO DWSRF PROJECTS:**

The following Categories describe in detail the elements involved in assigning priority points to eligible projects. Actual point values for common qualifying project elements associated with each Category are provided in Appendix A.

- I. **Water Quality**: Violations of Water Quality are divided into five subcategories:
  - A. **Immediate**: Water quality violations requiring immediate action include surface water treatment rule violations and acute microbiological and inorganic chemical Maximum Contaminant Level (MCL) violations. These violations pose health risks which must be brought into compliance expeditiously.
  - B. **Long-term**: Violations of water quality which have health risk ramifications over extended periods of time include the following subcategories: non-acute inorganic chemical, pesticides, herbicides, PCB's, organic chemicals and radioactivity and treatment technique's (e.g. fluoride, chlorine residual, and phosphates). Violations sufficiently severe as to present acute health risks may be elevated to Category I A. Sodium exceedance is a Notification process and is not a MCL.
  - C. **Goals**: Include water quality parameters for which DPH has determined a health risk exists even though the parameter is not yet regulated. For these parameters DPH has set formal action levels prior to development of a federal regulation. This category also includes a preventative measure by allowing ranking points for systems which have not exceeded MCLs but nonetheless have determined that steps are necessary to reduce human exposure and risk associated with a water quality concentration that is elevated and approaching an MCL.
  - D. **Physical**: The physical element of the water quality category allows points for parameters that are primarily deemed aesthetic/physical rather than having significant health ramifications.
  - E. **Private Wells**: Wells that are currently not being served by a PWS yet are experiencing contamination which may cause the private well to violate RCSA Section 19-13-B101, can be

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assigned ranking points, if the solution is to extend water service to the affected wells from the applicant's public water supply.

**II. Water Quantity:** The quantity category includes violations for quantity of supply deficiencies and problems where the water system is unable to sustain the adequacy of water as prescribed by the RCSA including: source deficit, system capacity deficits, lack of source (production) meters, pressure violations, and supply deficiencies including insufficient margin of safety.

Source deficit or insufficient margin of safety recognizes that new source development is necessary now to comply with RCSA Section 19-13-B102(o). Whole system capacity deficit refers to the issue that the PWS cannot meet projected or anticipated demands which have been approved by the DPH under a currently acceptable process to comply with RCSA Section 19-13-B102(p).

Source development recognizes that the PWS needs to develop additional supplies to augment and/or replace existing sources. This effort may be a result of providing alternative supplies for emergencies and/or carrying out sound engineering practices. Implementation of conservation measures is also given ranking credits. This recognizes conservation as an effective means for efficient utilization of drinking water sources for both supply and demand.

Connecticut has always considered quantity a very important issue which has health implications. Inadequate supply translates to poor or inadequate pressure which can lead to back siphonage and potential contamination of the water distribution. Even with active cross connection programs to correct the possibility of contamination, lack of pressure may result in accidental contamination events.

**III. Acquisition/Transfer and Consolidation:** Acquisition ranking points gives acquiring systems additional points for projects which include acquisition of other systems. Acquisitions can be by direct interconnections or satellite ownership (own and operate smaller public water systems).

Interconnection of PWSs in general is prudent. When two PWSs interconnect yet there is no acquisition or transfer, then the applicant (PWS) may also receive priority point for the consolidation of systems.

**IV. Proactive Infrastructure Upgrades:** Proactive or elective infrastructure upgrades include upgrades to physical facilities that have or shortly will have served their useful life span, or the construction of new and more efficient facilities. In many cases, these facilities need replacement and/or major reconstruction even though their condition has not resulted in a violation. These types of facilities include but are not limited to:

- treatment facilities
- pumping facilities
- water main replacement/improvement projects
- treatment residuals management
- storage tank repair/replacement projects
- source development
- inter-connection of two or more existing public water systems through water main extensions (not intended for system growth)
- system automation
- posting, fencing and other security measures
- water main extensions to existing private wells with public health concerns

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To encourage public water systems to develop or maintain plans for existing drinking water infrastructure improvements, additional priority points will be given to proactive water system improvements that:

- are consistent with improvements identified in a DPH approved individual Water Supply Plan for the most recent planning period as described in RCSA Section 25-32d-3(e)
- are consistent infrastructure priorities established within an on-going Asset Management Plan

V. **Water System Protection:** Water system protection projects reinforce protective measures necessary to ensure the safe delivery of drinking water. These measures must be directly related to a construction project being funded by the DWSRF. The protection measures include:

- the purchase of land expressly needed for the new source(s) as to what is needed to construct treatment facilities, or pumping stations, etc.
- the implementation of Best Management Practices (BMPs) on watersheds
- source distribution violations of the PHC to address well construction violations and/or other violations that are not included in other categories. A partial list of types of violations are as follows:
  - casing extension
  - eliminate surface ponding around wellhead
  - pitless adapters
  - well repairs/replacement
  - well seal replacement
  - storage tank ventilation
  - storage tank protection
  - cross-connection
- other source protection improvements including activities that are associated with construction projects. In order to improve source protection, activities like the removal of septic systems, prevention of spillage by diverting drainage, etc. can be utilized

VI. **Affordability:** A PWS may receive additional points for undertaking a project that serves a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

VII. **Ground Water Rule:** Projects in this category will correct a “Significant Deficiency”, as referenced in the DPH DWS “Significant Deficiencies Guidance Document”. If a “Significant Deficiency” condition exists, but has not yet been documented by DPH, sufficient justification must be submitted to warrant these points. The assignment of these points is subject to DPH review and approval of the justification and based on the percentage of the eligible DWSRF project determined to result in the correct of a Ground Water Rule deficiency.

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### **VIII. EMERGENCY GENERATORS**

#### **Emergency Power Generator Program (EPGP)**

As result of the widespread and prolonged power outages caused by two major statewide storms in the fall of 2011, the DPH DWS introduced an Emergency Power Generator Program (EPGP) to provide subsidized loans for the purchase and installation of emergency power generator systems costing less than \$100,000. Projects eligible to be funded through this program will be confirmed by the DPH. This program is open to all public water systems eligible for DWSRF funding. Eligible projects under this program will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

If a public water system incorporates an emergency power generator system installation project into a larger scale project then the combined project will only receive an additional 5 points for “emergency power provisions” under Category IV (Proactive Infrastructure Upgrades) for the generator system installation. This is intended to prevent a public water system from using the EPGP program as a mechanism to gain a significant priority ranking advantage for a larger scale higher cost project. By keeping EPGP project costs low the DPH hopes to be able to provide funding for a large number of generator projects during each funding cycle.

#### **Generators Projects Costing over \$100,000**

Generator projects with costs estimated at \$100,000 or greater will be required to follow the guidelines as part of the full DWSRF program. Such projects will receive 25 points for replacement generators or 50 points for new generators, and will be eligible to receive additional points under Category VI (Affordability) if the project serves a qualifying town or city, and/or Category IV (Sustainability Planning) is to be used if the PWS has an approved water supply plan or on-going asset management plan.

#### **GREEN PROJECT RESERVE (GPR)**

Green projects include those that promote green infrastructure and energy or water efficiency, as well as projects that demonstrate new or innovative ways to manage water resources in a sustainable way. To the extent required by Federal law, which may change from year to year, priority may be given to eligible projects where sufficient documentation has demonstrated to the satisfaction of DPH that the project achieves identifiable and substantial benefits that qualify as green project benefits. A “business case” is required of all green project applications unless the project is categorically excluded from this requirement under federal guidelines. Business cases shall include supporting documentation of how the project or portion of the project achieves green project benefits. Specific GPR amounts available each year will be identified in the DPH’s IUP. The DPH will solicit for qualifying GPR projects during the biennial DWSRF application process.

#### **TOTAL POINTS AND TIE-BREAKERS**

The total numeric score for a project is determined by summing the points from each of the eight categories above. In circumstances where more than one project has an equivalent ranking score, the following tiered approach will be implemented to break the tie:

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1. The size of the population served by the project; the project with the larger population served will be given preference.
2. The percentage of total system population served by the project; the project serving a higher percentage of the overall system population will be given preference.
3. The size of the total population served by the system applicant; the system with the larger population will be given preference.

If two or more projects remained tied after implementation of tie-breaker #1, then #2 will be applied. If two or more projects remain tied after implementation of tie-breakers #1 & #2, then #3 will be applied.

The DWSRF Eligibility Application provides details of the point values that are available for specific elements under each of the eight categories.

### **PROJECT BY-PASS AND READINESS TO PROCEED**

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current biennial funding cycle may receive funding during that cycle. Elements of eligible projects that cannot result in executed contracts and DWSRF loan agreements may be eligible to receive funding in future funding cycles. The information that the DPH will use to make a determination on project readiness is included in the DWSRF Eligibility Application.

If for some reason a project is not ready to proceed in a timely fashion, the DPH may bypass that project and select the next highest ranked eligible project for funding based on that PWS's ability to initiate the project during the current SFY funding cycle.

Only those elements (planning, design, construction) of eligible projects that can result in executed contracts and DWSRF loan agreements within the current July 1, 2015 to June 30, 2017 funding cycle may receive funding. The DPH has developed objective criteria to determine those elements of projects that can be completed in the current funding cycle. This By-Pass process is necessary to ensure that available DWSRF funds will be disbursed in a timely fashion. The factors in these criteria are:

1. Local resolutions are in place.
2. Required local permits or approvals have been identified.
3. Required State permits or approvals have been identified.
4. Project is consistent with the State of Connecticut Plan of Conservation and Development
5. (For Construction Projects) Status of final design.
6. (For Construction Projects) Status of bid specifications.
7. (For Construction Projects) All necessary sites, easements and rights-of-way have been identified

### **EMERGENCY BY-PASS PROCEDURE**

The DPH Commissioner may make a project loan or loans with respect to an eligible drinking water project without regard to the priority list of eligible drinking water projects if a public drinking water supply emergency exists, pursuant to CGS Section 25-32(b), which requires that the eligible drinking water project be undertaken to protect the public health and safety. In such cases of unexpected public drinking water supply emergencies which develop into severe public health risk, there may be a need to by-pass projects on the project priority list. Note that any loan made under the Emergency By-Pass Procedure must also follow all program requirements.



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### Appendix A

#### Connecticut Department of Public Health – Drinking Water Section Drinking Water State Revolving Fund Priority Point Values for Common Qualifying Elements of Projects

<b>Category I: Water Quality</b>	<b>Points</b>
A. Immediate: Surface Water Treatment Rule Violation(s)	50
Microbiological Violation	50
Inorganic Violation	
Nitrate/Nitrite/Nitrogen	50
Lead/Copper Exceedance	40
Arsenic	40
B. Long-Term: Radioactivity Violations	40
Inorganic Chemical Violations	30
(other than lead, copper, arsenic, sodium, nitrate)	
Organic Chemical Violations	30
Pesticides, Herbicides & PCBs Violations	30
Treatment Technique Violations	20
(Fluoride, Chlorine Residual, Phosphates)	
Sodium Exceedance	10
C. Goals: Exceeding DPH Action Levels	15
Approaching MCL (50% of current MCL)	25
(does not include physical parameters)	
D. Physical: Color Violation	10
PH Violation	10
Odor Violation	10
Turbidity (Ground Water) Violation	10
E. Private Wells: Water main extension to existing private wells with RCSA Violations (20 points maximum)	20
<b>Category II: Water Quantity:</b>	
A. Source Deficit or Insufficient Margin of Safety	40
B. System Capacity Deficits	20
C. Lack of Source (production) Meters	20
D. Pressure Violation (pressure drops to less than 25 psi)	20
E. Source Development (additional and/or replacement)	20
F. Implementation of Conservation Measures	15
<b>Category III: Acquisition/Transfer</b>	
A. Acquisition / Transfer of System	25
B. Interconnection:	
PWS Absorbed (15 points per each PWS)	15
System remains as consecutive	15

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**Category IV: Proactive Infrastructure** **Points**

A. Upgrades (maximum of 25 points from this category):	
Treatment Facilities (facility structures, treatment process, etc.)	15
Pumping Facilities	5
Main Replacement/Improvement	5
Treatment Residuals Management	5
Storage Tanks (replace, repair, repaint, new, etc.)	5
Main Extension for Interconnection	5
System Automation	5
Leak Detection	5
Distribution Meters	5
Posting/Fencing/Security Measures	10
B. Emergency Power Provisions (as part of a larger project)	5
C. Sustainability Planning (maximum of 10 points from this category):	
Project identified in approved Water Supply Plan	10
Project prioritized within on-going Asset Management Plan	10

**Category V: Water System Protection\***

A. Source/Distribution Violations	10
B. Implementation Best Management Practices (BMP) on watersheds as a result of construction	10
C. Source Protection improvements	5
D. Purchase of Land	5
* (must relate to a construction project to qualify for points)	

**Category VI: Affordability** 10

A. Systems having projects that serve a city or town determined to be a “distressed municipality” by the Department of Economic and Community Development (DECD) according to C.G.S. Section 32-9p. The following towns and cities currently qualify under this category: Ansonia, Bridgeport, Bristol, Derby, East Hartford, Enfield, Groton, Hartford, Killingly, Meriden, Montville, Naugatuck, New Britain, New Haven, New London, North Canaan, Plainfield, Plymouth, Putnam, Sprague, Torrington, Waterbury, West Haven, Windham, and Winchester.

**Category VII: Ground Water Rule**

A. Project corrects Significant Deficiencies	
Points awarded based on percentage of total eligible project cost that corrects Significant Deficiencies as shown below (rounded to nearest 10%)	
100%	20
90%	18
80%	16
70%	14
60%	12
50%	10
40%	8
30%	6
20%	4
10% (>0 & up to 10%)	2

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### **Category VIII: Emergency Generator** (maximum of 50 points from this category)

Note: If points are awarded under Category IV B (Emergency Power Provisions) above, no points will be awarded under this category.

#### A. Emergency Power Generator Program

This category is for projects estimated to cost less than \$100,000. Either 25 or 50 points will be awarded for this category.

New generator installation	50
Replacement generator	25

#### B. Emergency Power Generator

This category is for projects with estimated costs of \$100,000 and over. Either 25 or 50 points will be awarded for this category.

New generator installation	50
Replacement generator	25

Project #	PWSID	Public Water System	Town of PWS	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
2015-0036	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Hoyts Hill Booster Pump	2016	55	\$1,063,836	No	Yes
2015-0038	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Maple Avenue Well #1 and #2	2016	25	\$689,000	No	Yes
2015-0039	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - New East Swamp Well Field	2017	30	\$2,600,000	No	Yes
2015-0034	CT0279044	INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton)	CLINTON	DWSRF - Rocky Ledge Area Water Main Extension	2017	30	\$3,000,000	No	Yes
2015-0084	CT0320292	COVENTRY HIGH & NATHAN HALE SCHOOLS	COVENTRY	DWSRF - Water main ext for consolidation (Planning/Design)	2016	40	\$550,000	No	Yes
2015-0084	CT0320292	COVENTRY HIGH & NATHAN HALE SCHOOLS	COVENTRY	DWSRF - Water main ext for consolidation (Construction)	2017	40	\$5,550,000	No	Yes
2015-0040	CT0330011	CROMWELL FIRE DISTRICT WATER DEPARTMENT	CROMWELL	DWSRF - Raymond Place Neighborhood Water Main Replacement	2016	15	\$1,500,000	No	No
2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Design)	2016	25	\$500,000	No	No
2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - Wells 1A & 2A (Construction)	2017	25	\$5,500,000	No	No
2015-0035	CT0609094	BITTNER PARK (Town of Guilford)	GUILFORD	DWSRF - Mulberry Point Water Main Extension	2017	30	\$2,716,880	No	Yes
2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Buckingham St. area, Hartford	2016	25	\$5,000,000	Yes	No
2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	2016	25	\$3,904,000	Yes	No
2012-0036	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Simmons Rd, East Hartford	2016	25	\$2,520,000	Yes	No
2012-0038	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline-Phase I - Res#6 to Res #5	2017	25	\$5,000,000	Yes	No
2015-0037	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	2016	15	\$3,000,000	No	No
2015-0043	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Various Storage Tank Rehab	2017	40	\$4,000,000	Yes	No
2015-0044	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Simsbury Road Pump Station Rehabilitation	2016	15	\$2,677,000	No	No
2015-0045	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5	2017	25	\$5,000,000	Yes	No
2015-0046	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Church Street Water Main Replacement Phases I & II	2016	25	\$8,000,000	Yes	No
2015-0047	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various East Hartford (2017)	2017	25	\$3,300,000	Yes	No
2015-0052	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bloomfield Transmission Main Extension	2016	15	\$13,000,000	No	No
2015-0053	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Madison Avenue Area Water Main Replacement, Hartford	2016	25	\$3,600,000	Yes	No
2015-0056	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury	2016	15	\$2,800,000	No	No
2015-0060	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	2016	35	\$3,000,000	Yes	No

Project #	PWSID	Public Water System	Town of PWS	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
2015-0063	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington Ave #11 Water Main Replacement	2016	25	\$3,500,000	Yes	No
2015-0064	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension	2017	35	\$1,800,000	No	No
2015-0066	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Transmission Main Extension - Long Hill Road	2017	15	\$3,400,000	No	No
2015-0067	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Hartford (2016)	2017	25	\$13,000,000	Yes	No
2015-0068	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2016)	2016	15	\$4,500,000	No	No
2015-0068	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2017)	2017	15	\$4,500,000	No	No
2015-0008	CT0690141	CRANBERRY BOG APARTMENTS	KILLINGLY	DWSRF - Generator	2016	50	\$20,000	No	Yes
2015-0116	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	2017	15	\$1,000,000	No	No
2015-0117	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - New State Rd. Well #7 replacement	2016	20	\$250,000	No	No
2015-0032	CT0790021	HILLSIDE CORPORATION	MARLBOROUGH	DWSRF - Storage Tank & Pump House Improvements	2017	25	\$115,000	No	Yes
2015-0092	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Elmere WTP & Storage Tank Rehab (design)	2016	45	\$1,440,000	Yes	No
2015-0093	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Williams St. PS (new) (design)	2016	45	\$120,000	Yes	No
2015-0094	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Merimere Storage Tank Rehab (Design)	2016	40	\$120,000	Yes	No
2015-0094	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Merimere Storage Tank Rehab (Construction)	2017	40	\$840,000	Yes	No
2015-0095	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design)	2016	40	\$200,000	Yes	No
2015-0095	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Construction)	2017	45	\$880,000	Yes	No
2015-0112	CT0860302	MONTVILLE HIGH SCHOOL	MONTVILLE	DWSRF - Montville Center Waterline Interconnection	2017	20	\$6,800,000	No	Yes
2015-0030	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Design)	2016	25	\$50,000	Yes	No
2015-0030	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Construction)	2017	25	\$600,000	Yes	No
2015-0048	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Design)	2016	60	\$700,000	Yes	No
2015-0048	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Construction)	2017	60	\$2,800,000	Yes	No
2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design)	2016	30	\$291,280	Yes	No
2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction)	2017	30	\$1,960,864	Yes	No
2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Hydroelectric Turbine and Generator (Design)	2016	25	\$169,000	Yes	No

Project #	PWSID	Public Water System	Town of PWS	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Hydroelectric Turbine and Generator (Construction)	2017	25	\$1,131,000	Yes	No
2014-0234	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Saltonstall Intake and Raw Water PS Improvements	2017	40	\$2,400,000	Yes	No
2014-0245	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Gaillard WTP Generator	2016	35	\$2,200,000	Yes	No
2015-0085	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - West River WTP DAF	2017	40	\$4,000,000	Yes	No
2015-0086	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Tank Painting (various)	2017	35	\$2,000,000	Yes	No
2015-0087	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	2017	25	\$3,000,000	Yes	No
2015-0088	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Adv Metering Infrastructure Phase IVb	2017	50	\$4,200,000	Yes	No
2015-0089	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	2017	40	\$2,500,000	Yes	No
2015-0090	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	2017	70	\$1,000,000	Yes	No
2015-0054	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Deep River Trans Main Rehab - East Section (Design)	2016	15	\$579,000	No	No
2015-0054	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Deep River Trans Main Rehab - East Section (Construction)	2017	15	\$8,621,000	No	No
2015-0057	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Deep River Trans Main Rehab - Central Section	2017	15	\$9,400,000	No	No
2015-0058	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - AMI Water Meter Replacement Program	2016	40	\$3,600,000	No	No
2015-0102	CT1050141	LYME REGIS, INC.	OLD LYME	DWSRF - Generator	2016	50	\$20,000	No	Yes
2015-0103	CT1220061	SALISBURY SCHOOL	SALISBURY	DWSRF - Generator Salisbury School	2016	50	\$37,300	No	Yes
2015-0061	CT1280011	TARIFFVILLE FIRE DISTRICT WATER DEPT	SIMSBURY	DWSRF - Wellhead Protection Improvements	2016	30	\$200,000	No	Yes
2015-0172	CT1280011	TARIFFVILLE FIRE DISTRICT WATER DEPT	SIMSBURY	DWSRF - Water Main Improvements	2017	5	\$300,000	No	Yes
2015-0091	CT1310011	SOUTHINGTON WATER DEPARTMENT	SOUTHINGTON	DWSRF - AMR/AMI Upgrade	2017	40	\$3,600,000	No	No
2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements (Planning/Design)	2016	25	\$30,000	No	Yes
2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements (Construction)	2017	25	\$70,000	No	Yes
2015-0071	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016)	2016	25	\$1,600,000	Yes	No
2015-0072	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	2017	25	\$1,600,000	Yes	No
2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Construction)	2017	70	\$140,000	Yes	No
2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Construction)	2017	70	\$285,000	Yes	No
2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Construction)	2017	70	\$185,000	Yes	No



Project #	PWSID	Public Water System	Town of PWS	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>	
2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Construction)	2017	70	\$140,000	Yes	No	
2015-0077	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	2017	45	\$2,250,000	Yes	No	
2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Planning/Design)	2016	45	\$500,000	Yes	No	
2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	2017	45	\$2,300,000	Yes	No	
2015-0042	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Bunker Hill Sewer & Water Extension	2017	30	\$4,000,000	No	No	
2015-0050	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	2017	15	\$700,000	No	No	
2015-0011	CT1600061	NORTH WILLINGTON VILLAGE CONDO ASSOC.	WILLINGTON	DWSRF - Generator	2016	50	\$11,800	No	Yes	
2015-0055	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Generator IMF Bldg	2016	25	\$58,000	No	Yes	
2015-0059	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Generator Pre Treatment Bldg	2016	25	\$32,000	No	Yes	
2015-0065	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Distribution System Improvements & Trans Line Cleaning	2017	20	\$75,000	No	Yes	
2015-0069	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Replacement of Bedrock Supply Well PW-7	2017	30	\$85,000	No	Yes	
2015-0070	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Treatment System Improvements & Water System Automation Project	2017	35	\$940,000	No	Yes	
2015-0062	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Solar Panel Installation <sup>3</sup>	2017	0	\$600,000	No	Yes	
<b>Total amount of eligible funds requested:</b>								<b>\$201,916,960</b>		

Project #	PWSID	Public Water System	Town of PWS	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
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**The following projects have been withdrawn from DWSRF funding consideration by the applicant:**

2015-0041	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Water Main Replacement	2016	15	\$580,000	No	Yes
2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Planning/Design)	2016	70	\$10,000	Yes	No
2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Planning/Design)	2016	70	\$15,000	Yes	No
2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Planning/Design)	2016	70	\$15,000	Yes	No
2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Planning/Design)	2016	70	\$10,000	Yes	No
<b>Total amount of eligible funds withdrawn:</b>							<b>\$630,000</b>		

**The following projects were determined to be ineligible for DWSRF funding:**

2015-0031	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Shadow Meadow Reservoir West Canal Leakage	-	0	\$990,600		
2015-0111	CT1051021	MIAMI BEACH WATER COMPANY	OLD LYME	DWSRF - Water Main Replacement	-	0	\$2,400,000		

**Footnotes:**

1	Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy.
2	These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy.
3	This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded.

Project #	PWSID	Public Water System	Town	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
<b>Projects Expected to be Ready to Proceed During SFY 2016</b>									
2015-0048	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Design)	2016	60	\$700,000	Yes	No
2015-0036	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Hoyts Hill Booster Pump	2016	55	\$1,063,836	No	Yes
2015-0008	CT0690141	CRANBERRY BOG APARTMENTS	KILLINGLY	DWSRF - Generator	2016	50	\$20,000	No	Yes
2015-0102	CT1050141	LYME REGIS, INC.	OLD LYME	DWSRF - Generator	2016	50	\$20,000	No	Yes
2015-0103	CT1220061	SALISBURY SCHOOL	SAILS BURY	DWSRF - Generator Salisbury School	2016	50	\$37,300	No	Yes
2015-0011	CT1600061	NORTH WILLINGTON VILLAGE CONDO ASSOC.	WILLINGTON	DWSRF - Generator	2016	50	\$11,800	No	Yes
2015-0092	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Elmere WTP & Storage Tank Rehab (design)	2016	45	\$1,440,000	Yes	No
2015-0093	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Williams St. PS (new) (design)	2016	45	\$120,000	Yes	No
2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Planning/Design)	2016	45	\$500,000	Yes	No
2015-0084	CT0320292	COVENTRY HIGH & NATHAN HALE SCHOOLS	COVENTRY	DWSRF - Water main ext for consolidation (Planning/Design)	2016	40	\$550,000	No	Yes
2015-0094	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Merimere Storage Tank Rehab (Design)	2016	40	\$120,000	Yes	No
2015-0095	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design)	2016	40	\$200,000	Yes	No
2015-0058	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - AMI Water Meter Replacement Program	2016	40	\$3,600,000	No	No
2015-0060	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	2016	35	\$3,000,000	Yes	No
2014-0245	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Gaillard WTP Generator	2016	35	\$2,200,000	Yes	No
2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design)	2016	30	\$291,280	Yes	No
2015-0061	CT1280011	TARIFFVILLE FIRE DISTRICT WATER DEPT	SIMSBURY	DWSRF - Wellhead Protection Improvements	2016	30	\$200,000	No	Yes
2015-0038	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Maple Avenue Well #1 and #2	2016	25	\$689,000	No	Yes
2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - wells 1A & 2A (Design)	2016	25	\$500,000	No	No
2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Buckingham St. area, Hartford	2016	25	\$5,000,000	Yes	No
2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	2016	25	\$3,904,000	Yes	No
2012-0036	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Simmons Rd, East Hartford	2016	25	\$2,520,000	Yes	No
2015-0046	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Church Street Water Main Replacement Phases I & II	2016	25	\$8,000,000	Yes	No
2015-0053	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Madison Avenue Area Water Main Replacement, Hartford	2016	25	\$3,600,000	Yes	No
2015-0063	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington Ave #11 Water Main Replacement	2016	25	\$3,500,000	Yes	No

Project #	PWSID	Public Water System	Town	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
2015-0030	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Design)	2016	25	\$50,000	Yes	No
2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements (Planning/Design)	2016	25	\$30,000	No	Yes
2015-0071	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016)	2016	25	\$1,600,000	Yes	No
2015-0055	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Generator IMF Bldg	2016	25	\$58,000	No	Yes
2015-0059	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Generator Pre Treatment Bldg	2016	25	\$32,000	No	Yes
2015-0117	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - New State Rd. Well #7 replacement	2016	20	\$250,000	No	No
2015-0040	CT0330011	CROMWELL FIRE DISTRICT WATER DEPARTMENT	CROMWELL	DWSRF - Raymond Place Neighborhood Water Main Replacement	2016	15	\$1,500,000	No	No
2015-0037	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Garden Street Area Water Main Replacement, Wethersfield	2016	15	\$3,000,000	No	No
2015-0044	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Simsbury Road Pump Station Upgrade	2016	15	\$2,677,000	No	No
2015-0052	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bloomfield Transmission Main Extension	2016	15	\$13,000,000	No	No
2015-0056	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Eastbury Water Storage Basin Improvements, Glastonbury	2016	15	\$2,800,000	No	No
2015-0068	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2016)	2016	15	\$4,500,000	No	No
2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Hydroelectric Turbine and Generator (Design)	2016	25	\$169,000	Yes	No
2015-0054	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Deep River Trans Main Rehab - East Section (Design)	2016	15	\$579,000	No	No
<b>Total requested for SFY 2016</b>							<b>\$72,032,216</b>		

**The following projects have been withdrawn from DWSRF funding consideration by the applicant:**

2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Planning/Design)	2016	70	\$10,000	Yes	No
2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Planning/Design)	2016	70	\$15,000	Yes	No
2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Planning/Design)	2016	70	\$15,000	Yes	No
2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Planning/Design)	2016	70	\$10,000	Yes	No
2015-0041	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Water Main Replacement	2016	15	\$580,000	No	Yes
<b>Total amount of withdrawn projects for SFY 2016</b>							<b>\$630,000</b>		

Project #	PWSID	Public Water System	Town	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
<b>Projects Expected to be Ready to Proceed During SFY 2017</b>									
2015-0073	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Hamilton Avenue Pump Station (Construction)	2017	70	\$140,000	Yes	No
2015-0074	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator North Main Street Pump Station (Construction)	2017	70	\$285,000	Yes	No
2015-0075	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Pierpont Road Pump Station (Construction)	2017	70	\$185,000	Yes	No
2015-0076	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator Rumford Street Pump Station (Construction)	2017	70	\$140,000	Yes	No
2015-0048	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Construction)	2017	60	\$2,800,000	Yes	No
2015-0088	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Adv Metering Infrastructure Phase IVb	2017	50	\$4,200,000	Yes	No
2015-0090	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - North Sleeping Giant Well Replacement	2017	50	\$1,000,000	Yes	No
2015-0077	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Generator at the Water Treatment Plant	2017	45	\$2,250,000	Yes	No
2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Construction)	2017	45	\$2,300,000	Yes	No
2015-0084	CT0320292	COVENTRY HIGH & NATHAN HALE SCHOOLS	COVENTRY	DWSRF - Water main ext for consolidation (Construction)	2017	40	\$5,550,000	No	Yes
2015-0043	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Various Storage Tank Rehab	2017	40	\$4,000,000	Yes	No
2015-0094	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Merimere Storage Tank Rehab (Construction)	2017	40	\$840,000	Yes	No
2015-0095	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Construction)	2017	40	\$880,000	Yes	No
2014-0234	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Saltonstall Intake and Raw Water PS Improvements	2017	40	\$2,400,000	Yes	No
2015-0085	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - West River WTP DAF	2017	40	\$4,000,000	Yes	No
2015-0089	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Ansonia-Derby Atm Storage Tank	2017	40	\$2,500,000	Yes	No
2015-0091	CT1310011	SOUTHINGTON WATER DEPARTMENT	SOUTHINGTON	DWSRF - AMR/AMI Upgrade	2017	40	\$3,600,000	No	No
2015-0064	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Bear Ridge Drive - Pump Station Upgrade & Water Main Extension	2017	35	\$1,800,000	No	No
2015-0086	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Tank Painting (various)	2017	35	\$2,000,000	Yes	No
2015-0070	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Treatment System Improvements & Water System Automation Project	2017	35	\$940,000	No	Yes
2015-0039	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - New East Swamp Well Field	2017	30	\$2,600,000	No	Yes
2015-0034	CT0279044	INDIAN RIVER RECREATIONAL COMPLEX (Town of Clinton)	CLINTON	DWSRF - Rocky Ledge Area Water Main Extension	2017	30	\$3,000,000	No	Yes
2015-0035	CT0609094	BITTNER PARK (Town of Guilford)	GUILFORD	DWSRF - Mulberry Point Water Main Extension	2017	30	\$2,716,880	No	Yes

Project #	PWSID	Public Water System	Town	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Construction)	2017	30	\$1,960,864	Yes	No
2015-0042	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Bunker Hill Sewer & Water Extension	2017	30	\$4,000,000	No	No
2015-0069	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Replacement of Bedrock Supply Well PW-7	2017	30	\$85,000	No	Yes
2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - wells 1A & 2A (Construction)	2017	25	\$5,500,000	No	No
2012-0038	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline-Phase I - Res#6 to Res #5	2017	25	\$5,000,000	Yes	No
2015-0045	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Raw Water Pipeline - Phase II - Res 6 to Res 5	2017	25	\$5,000,000	Yes	No
2015-0047	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various East Hartford (2017)	2017	25	\$3,300,000	Yes	No
2015-0067	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Hartford (2016)	2017	25	\$13,000,000	Yes	No
2015-0032	CT0790021	HILLSIDE CORPORATION	MARLBOROUGH	DWSRF - Storage Tank & Pump House Improvements	2017	25	\$115,000	No	Yes
2015-0030	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Water Main Improvement on Batterson Park Road (Construction)	2017	25	\$600,000	Yes	No
2015-0087	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Burwell Hill Tank Replacement	2017	25	\$3,000,000	Yes	No
2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements (Construction)	2017	25	\$70,000	No	Yes
2015-0072	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2017)	2017	25	\$1,600,000	Yes	No
2015-0112	CT0860302	MONTVILLE HIGH SCHOOL	MONTVILLE	DWSRF - Montville Center Waterline Interconnection	2017	20	\$6,800,000	No	Yes
2015-0065	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Distribution System Improvements & Trans Line Cleaning	2017	20	\$75,000	No	Yes
2015-0066	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Transmission Main Extension - Long Hill Road	2017	15	\$3,400,000	No	No
2015-0068	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacements - Various West Hartford (segments progressing in 2017)	2017	15	\$4,500,000	No	No
2015-0116	CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Water Main Replacement - Valley St. area	2017	15	\$1,000,000	No	No
2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Hydroelectric Turbine and Generator (Construction)	2017	25	\$1,131,000	Yes	No
2015-0054	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Deep River Trans Main Rehab - East Section (Construction)	2017	15	\$8,621,000	No	No
2015-0057	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Deep River Trans Main Rehab - Central Section	2017	15	\$9,400,000	No	No
2015-0050	CT1530021	WATERTOWN WATER & SEWER AUTHORITY	WATERTOWN	DWSRF - Davis Street Water Main Replacement: Maple to Russel	2017	15	\$700,000	No	No
2015-0172	CT1280011	TARIFFVILLE FIRE DISTRICT WATER DEPT	SIMSBURY	DWSRF - Water Main Improvements	2017	5	\$300,000	No	Yes
2015-0062	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Solar Panel Installation <sup>3</sup>	-	0	\$600,000	No	Yes
<b>Total requested for SFY 2017</b>							<b>\$129,884,744</b>		

Project #	PWSID	Public Water System	Town	Project Name	Estimated SFY for Funding	Points	Amount Requested	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
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**The following projects were determined to be ineligible for DWSRF funding**

2015-0031	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Shadow Meadow Reservoir West Canal Leakage	-	0	\$990,600		
2015-0111	CT1051021	MIAMI BEACH WATER COMPANY	OLD LYME	DWSRF - Water Main Replacement	-	0	\$2,400,000		

**Footnotes:**

1	Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy.
2	These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are qualified to receive federal subsidy.
3	This project is eligible for DWSRF under federal rules, however, there is no point category in the current Priority Ranking System for which this project qualifies, therefore, no ranking points have been awarded.



## Attachment E - SFY 2016 Carryover Project List

PWSID	PWS Name	Town of PWS	Project Name	Amount requested
CT0090011	BETHEL WATER DEPARTMENT	BETHEL	DWSRF - Euerka Water Storage Tank	\$1,952,066
CT0110031	SHARON HEIGHTS WATER ASSOCIATION	BLOOMFIELD	Emergency Power Generator Program	\$14,000
CT0170011	BRISTOL WATER DEPARTMENT	BRISTOL	DWSRF - Dewitt Drive Storage Tank Improvements	\$531,000
CT0330011	CROMWELL FIRE DISTRICT	CROMWELL	Emergency Power Generator Program	\$250,000
CT0340111	AQUA VISTA ASSOC., INC - UPPER SYSTEM	DANBURY	Emergency Power Generator Program	\$10,000
CT0347051	AQUA VISTA ASSOC., INC - LOWER SYSTEM	DANBURY	Emergency Power Generator Program	\$12,000
CT0400051	OLD NEWGATE RIDGE WATER COMPANY	EAST GRANBY	Emergency Power Generator Program	\$45,000
CT0450011	EAST LYME WATER DEPARTMENT	EAST LYME	DWSRF - Meter Replacement Program	\$2,607,354
CT0490021	HAZARDVILLE WATER COMPANY	ENFIELD	Emergency Power Generator Program - Town Farm Road Well	\$80,000
CT0490021	HAZARDVILLE WATER COMPANY	ENFIELD	Emergency Power Generator Program - Queens Street, Avery Wells	\$145,000
CT0590011	GROTON UTILITIES	GROTON	DWSRF - Water Treatment Plant Upgrade	\$42,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Reservoir #6 Water Treatment Facility Filtered Water Basin Rehab	\$3,050,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - RF Automated Meter Reading - Phase IV	\$5,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Trans. Main replacement - Hartford; Hamilton & Park Phase II	\$3,433,119
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement -Farmington 10, Hartford	\$2,516,325
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Center & Fairmont, Hartford	\$1,461,512
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Montclair & Linbrook, West Hartford	\$3,000,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Jerome & Pheasant, Bloomfield	\$825,335
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Cottage Grove & Talcottville, Bloomfield	\$2,500,000
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replacement - Byrd & Chamberlin, Wethersfield	\$2,516,021
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - North Storage Basin Tank Construction	\$2,781,872
CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Valves & Pitkin	\$1,619,547
CT0720041	SCWA TOWER - FERRY VIEW DIVISION	LEDYARD	Emergency Power Generator Program	\$33,000
CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF Globe Hollow Water Treatment Plant Improvements - Phase 2	\$450,000
CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF - Pipe Rehabilitation and Replacement	\$669,887
CT0770021	MANCHESTER WATER DEPARTMENT	MANCHESTER	DWSRF New State Road Wellfield Chlorine Conversion	\$150,000
CT0780041	WHITE OAK CONDOMINIUM	MANSFIELD	Emergency Power Generator Program	\$10,000
CT0790021	HILLSIDE WATER CORPORATION	MARLBOROUGH	Emergency Power Generator Program	\$12,000
CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Swain Avenue Water Main Replacement Project	\$1,721,021
CT0815051	MIDDLEBURY COMMONS	MIDDLEBURY	Emergency Power Generator Program	\$15,000
CT0860011	SCWA - MONTVILLE DIVISION	MONTVILLE	Emergency Power Generator Program	\$33,000
CT0860051	DEER RUN WATER SUPPLY	MONTVILLE	Emergency Power Generator Program	\$8,000
CT0860081	SCWA - CHESTERFIELD DIVISION	MONTVILLE	Emergency Power Generator Program	\$33,000
CT0861111	FOX LAUREL MOBILE HOME PARK LLC	MONTVILLE	Emergency Power Generator Program	\$22,000
CT0878011	BREEZY KNOLL ASSOCIATION	MORRIS	Emergency Power Generator Program	\$15,000
CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Automated Meter Reading Phases III & IVa	\$8,400,000
CT0970512	CEDARHURST ASSOCIATION	NEWTOWN	Emergency Power Generator Program	\$15,000
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Stony Brook DAF	\$3,500,000
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Royal Oaks Project	\$1,657,560
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Mohegan Park Water Tank	\$2,376,923

PWSID	PWS Name	Town of PWS	Project Name	Amount requested
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Northern Stony Brook Transmission Main Renewal & Micro-Turbine	\$2,358,463
CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - Southern Stony Brook Transmission Main renewal	\$2,259,188
CT1050732	CONNECTICUT WATER COMPANY - SHORELINE REGION - SOUND VIEW	OLD LYME	DWSRF - Old Lyme Beach Shores Association Water Main Replacement	\$812,000
CT1099141	ARNIO DRIVE LLC	PLAINFIELD	Emergency Power Generator Program	\$5,000
CT1120264	WINDHAM 4H CAMP	POMFRET	Emergency Power Generator Program	\$24,500
CT1160011	PUTNAM WATER POLLUTION CONTROL AUTHORITY	PUTNAM	DWSRF - Water Main Replace/Reline	\$10,600,000
CT1210011	SALEM MANOR SYSTEM #1	SALEM	Emergency Power Generator Program	\$60,000
CT1211911	SALEM MANOR SYSTEM #2	SALEM	Emergency Power Generator Program	\$60,000
CT1280011	TARIFFVILLE FIRE DISTRICT WATER DEPARTMENT	SIMSBURY	DWSRF - Water Storage Tank Improvements	\$1,580,660
CT1310011	SOUTHINGTON WATER DEPARTMENT	SOUTHINGTON	DWSRF - Well #2A Construction Project (Well #2 Back-up)	\$1,525,000
CT1310011	SOUTHINGTON WATER DEPARTMENT	SOUTHINGTON	DWSRF - East Side Water Storage Tank and Pump Station	\$5,755,000
CT1420021	BAXTER FARMS	TOLLAND	Emergency Power Generator Program	\$27,581
CT1501111	RUMSEY HALL SCHOOL	WASHINGTON	Emergency Power Generator Program	\$1,800
CT1620011	WINSTED WATER WORKS	WINCHESTER	Emergency Power Generator Program	\$49,000
CT1680021	TOWN IN COUNTRY CONDOMINIUM - UPPER	WOODBURY	Emergency Power Generator Program	\$20,000
CT1680041	QUASSUK HEIGHTS GARDENS	WOODBURY	Emergency Power Generator Program	\$25,000
CT1680051	WOODBURY KNOLL, LLC	WOODBURY	Emergency Power Generator Program	\$28,550
CT1686091	TOWN IN COUNTRY CONDO - LOWER	WOODBURY	Emergency Power Generator Program	\$20,000
Amount of Carryover Projects:				\$120,683,284

Rank	Project #	PWSID	Public Water System	Town	Project Name	Points	Amount Requested	Population Served by Project	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
1	2015-0048	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Redevelopment of the Lower White Bridge Well (Design)	60	\$700,000	73,164	Yes	No
2	2015-0036	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Hoyts Hill Booster Pump	55	\$1,063,836	375	No	Yes
3	2015-0103	CT1220061	SALISBURY SCHOOL	SALISBURY	DWSRF - Generator Salisbury School	50	\$37,300	520	No	Yes
4	2015-0008	CT0690141	CRANBERRY BOG APARTMENTS	KILLINGLY	DWSRF - Generator	50	\$20,000	72	No	Yes
5	2015-0011	CT1600061	NORTH WILLINGTON VILLAGE CONDO ASSOC.	WILLINGTON	DWSRF - Generator	50	\$11,800	66	No	Yes
6	2015-0102	CT1050141	LYME REGIS, INC.	OLD LYME	DWSRF - Generator	50	\$20,000	32	No	Yes
7	2015-0078	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Water Treatment Plant Sludge Removal Equipment (Planning/Design)	45	\$500,000	109,676	Yes	No
8	2015-0092	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Elmere WTP & Storage Tank Rehab (design)	45	\$1,440,000	36,500	Yes	No
9	2015-0093	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Williams St. PS (new) (design)	45	\$120,000	2,000	Yes	No
10	2015-0058	CT1040011	NORWICH PUBLIC UTILITIES	NORWICH	DWSRF - AMI Water Meter Replacement Program	40	\$3,600,000	42,000	No	No
11	2015-0094	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Merimere Storage Tank Rehab (Design)	40	\$120,000	10,000	Yes	No
12	2015-0095	CT0800011	MERIDEN WATER DIVISION	MERIDEN	DWSRF - Fleming Road Storage Tank Rehab/ Replacement (Design)	40	\$200,000	10,000	Yes	No
13	2015-0084	CT0320292	COVENTRY HIGH & NATHAN HALE SCHOOLS	COVENTRY	DWSRF - Water main ext for consolidation (Planning/Design)	40	\$550,000	1,753	No	Yes
14	2015-0060	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - West Hartford Water Treatment Facility - Rehab of 6 MG Basin	35	\$3,000,000	390,887	Yes	No
15	2014-0245	CT0930011	REGIONAL WATER AUTHORITY	NEW HAVEN	DWSRF - Lake Gaillard WTP Generator	35	\$2,200,000	264,000	Yes	No
16	2015-0051	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Whtbrg Raw Water Supply (Pond) Station Electric, Mechanical & SCADA (Design)	30	\$291,280	73,164	Yes	No
17	2015-0061	CT1280011	TARIFFVILLE FIRE DISTRICT WATER DEPT	SIMSBURY	DWSRF - Wellhead Protection Improvements	30	\$200,000	1,477	No	Yes
18	2015-0134	CT0890011	NEW BRITAIN WATER DEPARTMENT	NEW BRITAIN	DWSRF - Hydroelectric Turbine and Generator (Design)	25	\$169,000	73,164	Yes	No
19	2015-0114	CT0450011	EAST LYME WATER & SEWER COMMISSION	EAST LYME	DWSRF - Greensand Filtration - wells 1A & 2A (Design)	25	\$500,000	15,245	No	No
20	2015-0038	CT0090011	BETHEL WATER DEPT	BETHEL	DWSRF - Maple Avenue Well #1 and #2	25	\$689,000	9,507	No	Yes
21	2015-0071	CT1510011	WATERBURY WATER DEPARTMENT	WATERBURY	DWSRF - Rehabilitations and Replacement of Water Mains (Fiscal year 2016)	25	\$1,600,000	4,500	Yes	No
22	2012-0030	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Bond Street, Hartford	25	\$3,904,000	2,200	Yes	No
23	2012-0029	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Water Main Replace Buckingham St. area, Hartford	25	\$5,000,000	2,040	Yes	No
24	2015-0046	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Church Street Water Main Replacement Phases I & II	25	\$8,000,000	1,250	Yes	No

Rank	Project #	PWSID	Public Water System	Town	Project Name	Points	Amount Requested	Population Served by Project	Received Sustainability and Affordability Points <sup>1</sup>	Small System <sup>2</sup>
25	2015-0055	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Generator IMF Bldg	25	\$58,000	912	No	Yes
26	2015-0059	CT1680031	WOODLAKE TAX DISTRICT	WOODBURY	DWSRF - Generator Pre Treatment Bldg	25	\$32,000	912	No	Yes
27	2015-0063	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Farmington Ave #11 Water Main Replacement	25	\$3,500,000	800	Yes	No
28	2015-0053	CT0640011	METROPOLITAN DISTRICT COMMISSION	HARTFORD	DWSRF - Madison Avenue Area Water Main Replacement, Hartford	25	\$3,600,000	604	Yes	No
29	2015-0115	CT1420041	WOODLAND SUMMIT COMMUNITY WATER ASSN	TOLLAND	DWSRF - Infrastructure Improvements (Planning/Design)	25	\$30,000	216	No	Yes
<b>Total amount of SFY 2016 Fundable PPL</b>							<b>\$41,156,216</b>			

**Footnotes:**

1	Projects which were awarded Sustainability and Affordability points are eligible to receive federal subsidy.
2	These PWSs serve a population less than or equal to 10,000 and are considered "small" for the purposes of DWSRF and are eligible to receive federal subsidy.

# Attachment G

State of Connecticut - Department of Public Health  
 Drinking Water State Revolving Fund (DWSRF)  
 Asset Management Plan Checklist

**This form and relevant attachments must be submitted to the Drinking Water Section for review and be approved in order for the PWS to be eligible to receive any grant-in-aid pursuant to Public Act 14-98.**

Public Water System:	<input style="width: 95%;" type="text"/>	Town:	<input style="width: 95%;" type="text"/>
PWSID:	<input style="width: 95%;" type="text"/>		
PWS AM Contact person	Name : <input style="width: 95%;" type="text"/>	Relationship to PWS:	<input style="width: 95%;" type="text"/>
	Address: <input style="width: 95%;" type="text"/>		
	City: <input style="width: 25%;" type="text"/>	State: <input style="width: 25%;" type="text"/>	Zip: <input style="width: 25%;" type="text"/>
	Phone: <input style="width: 95%;" type="text"/>		Email: <input style="width: 95%;" type="text"/>

A copy of the **Asset Management (AM) Plan** must be attached to this checklist. The AM Plan should contain, at a minimum, the following information: **(check off each item that is included in the Plan) It must have been updated within the past 3 years**

**Guidance  
(Click to Download)**

1	Discussion of when plan was first created, how it gets updated, and date of most recent update.	Strategic Planning STEP
2	List of all the drinking water supply assets of the public water system including the item, location, manufacturer, model, size (if applicable), and expected useful service life	Taking Stock STEP Asset Management STEP Asset Management Best Practices Guide CUPSS
3	Description of the state of each asset, including age and condition, and any conditions that may affect the life of the asset	Taking Stock STEP Asset Management STEP CUPSS
4	A description of the service history of each asset including routine maintenance, repairs and rehabilitations	Taking Stock STEP Asset Management STEP Distribution Systems Best Practices Guide CUPSS
5	The adjusted useful service life and remaining useful service life of each asset	Taking Stock STEP Asset Management STEP CUPSS
6	Description of the intended Level of Service to be provided to customers/consumers	Taking Stock STEP Asset Management STEP Asset Management Best Practices Guide Asset Management for Local Officials
7	Evaluation of the operation of the system, including available supply vs. demand	Strategic Planning STEP Distribution Systems Best Practices Guide CUPSS Water System Operator Best Practices
8	Identification of critical assets, including discussion of how they were determined	Asset Management STEP Taking Stock STEP CUPSS
9	Ranking of each asset in terms of priority, taking into consideration the remaining useful service life, redundancy, and the importance of the asset to the operation of the water system and protection of public health	Asset Management STEP Taking Stock STEP CUPSS
10	List of capital improvements needed over the next five years (i.e. Capital Improvement Plan), including expected costs for each improvement.	Taking Stock STEP Asset Management STEP Asset Management Best Practices Guide CUPSS
11	Explanation of how decisions for water system maintenance and repairs are made	Water System Operator Best Practices Distribution Systems Best Practices Guide
12	Description of the water system maintenance plan	Strategic Planning STEP Distribution Systems Best Practice Guide CUPSS
13	Discussion of members of the Asset Management Team, including responsibilities with respect to oversight of the AM Plan, reviewing and updating	Strategic Planning STEP Building an Asset Management Team Water System Operator Best Practices CUPSS

# Attachment H

State of Connecticut - Department of Public Health  
 Drinking Water State Revolving Fund (DWSRF)  
 Fiscal Management Plan Checklist

**This form and relevant attachments must be submitted to the Drinking Water Section for review and be approved in order for the PWS to be eligible to receive any grant-in-aid pursuant to Public Act 14-98.**

Public Water System:	<input style="width: 95%;" type="text"/>	Town:	<input style="width: 95%;" type="text"/>
PWSID:	<input style="width: 95%;" type="text"/>		
PWS FM Contact person	Name :	<input style="width: 95%;" type="text"/>	Relationship to PWS:
	Address:	<input style="width: 95%;" type="text"/>	
	City:	<input style="width: 20%;" type="text"/>	State:
	Phone:	<input style="width: 95%;" type="text"/>	Zip:
		Email:	<input style="width: 95%;" type="text"/>

A copy of the **Fiscal Management (FM) Plan** must be attached to this checklist. The FM Plan should contain, at a minimum, the following information: **(check off each item that is included in the Plan)**

**Guidance  
(Click to Download)**

The EPA Reference Guide for AM Tools covers several topics

1	Discussion of when plan was first created, how it gets updated, and date of most recent update	Strategic Planning STEP
2	Discussion of how the water system budget is determined and funded; including a copy of the current budget	Water System Owner Best Practices Guide Talking to Your Decision Makers Best Practices Guide Asset Management for Local Officials Asset Management Best Practices Guide Setting Small System Rates for a Sustainable Future STEP Asset Management STEP
3	Discussion of how customers are charged for water, including billing practices and how unpaid accounts are resolved	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP Rural and Small System Guide to Sustainable Utility Management
4	Discussion of how the funding for capital improvement funding needs (based on the Asset Management Plan) of the water system are budgeted	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP Taking Stock STEP
5	Discussion of any reserve fund for water system capital improvements and how it is funded and used, and how often funds are added to the account	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP
6	How often are the water system revenues and expenses reviewed	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP
7	Are the water system revenues sufficient to meet expenses, including reserving funds for needed future capital improvements and other expenses	Setting Small System Rates for a Sustainable Future STEP Asset Management STEP Water System Owner Best Practices Guide Talking to Your Decision Makers Best Practices Guide
8	Discussion of the fiscal controls in place	





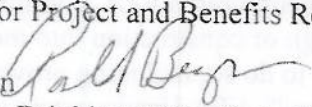
## Attachment I

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
WASHINGTON, D.C. 20460

DEC 22 2014

OFFICE OF  
WATER

**SUBJECT:** Drinking Water State Revolving Fund Program Guidance on Unliquidated Obligations Reduction Applying Project Readiness to Proceed, and Data Completeness for Project and Benefits Reporting System (PBR)

**FROM:** Ronald Bergman   
Acting Director, Drinking Water Protection Division

**TO:** Drinking Water State Revolving Fund Branch Chiefs  
Regions I-X

This memorandum addresses the issue of DWSRF unliquidated obligations (ULO) reduction, through ensuring that states are using a common approach to determine that projects are "ready to proceed" to financing project planning and design or construction at the time of assistance award, and are following recognized practices contributing to ULO reduction. In addition, this memo addresses the need for more complete data on the public health benefits of projects and on project status.

These issues arose from EPA Office of Inspector General audits of the Drinking Water State Revolving Fund, focusing on unliquidated obligations and efficiency of funds use in the first case, and the Agency's ability to report on public health benefits of DWSRF projects in the second case. The recommendations of the Inspector General regarding these audits and the associated corrective actions appear as an attachment to this memorandum. EPA's responses for the corrective action recommendations are immediately effective.

### Unliquidated Obligations Reduction: Project Readiness to Proceed

The DWSRF ULO Reduction Strategy specifies six practices that states can utilize to reduce unliquidated obligations. One of these practices is to focus on "ready to proceed" projects. The Strategy defines the status of "ready to proceed" as "prepared to begin construction and is immediately ready, or poised to be ready, to enter into assistance agreements." If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future or updated fundable list.



## Attachment I

Regions should ask their states to use this definition to guide their processes for awarding assistance to eligible water systems. This action should happen early in the fiscal year of the next grant award, prior to significant efforts of states to conduct solicitations for projects. Early communication to states is needed so that they can convey the expectation of the nature of the projects to potential applicants before they prepare their financial assistance applications.

At the time of a state's annual review, Regions should ask states about their adoption of the above definition of "ready to proceed" in the state's Intended Use Plan development process. The expectation is that the state will apply the definition in the preparation of its fundable list.

Regions must add the following question to the DWSRF State Review Checklist for 2015 and future years on this topic: "Has the state incorporated EPA's definition of "ready to proceed" as it applies to projects for planning and design or construction into the development of its fundable list; and, if not, what steps are being taken to do so, including providing funding for planning and design to get projects ready for construction?" EPA Headquarters will inquire of each Region whether each state is using the definition in the development of its next fundable list.

### States' Use of Best Practices to Reduce Unliquidated Obligations

The EPA ULO Reduction Strategy cites six best practices that states should employ to reduce ULO. During the Regions' annual reviews of states, the Regions should document factors affecting any state not meeting program requirements and objectives specified in the Strategy for the timely, expeditious, and efficient use of federal funds that capitalize the state revolving funds and provide technical assistance to water systems. A significant focus of these annual reviews, through 2016 and beyond, should be to determine the status of the states' abilities to meet the objectives of the Strategy to fully utilize legacy ULO (FY 2013 and prior years), and to draw down funds of future years' grants (beginning with FY 2014 grants) within two years of the date of grant award.

### Data Completeness for Project and Benefits Reporting System (PBR): Public Health Benefits of Projects

The DWSRF provides financial assistance to projects that enable water systems to achieve and/or maintain compliance with the National Primary and Secondary Drinking Water Standards (40 CFR 35.3520(b)(2)(i)). In future DWSRF Intended Use Plans, project descriptions must be sufficiently complete to determine which standards are being addressed by the projects to ascertain project eligibility and potential public health benefits from "address[ing] present or prevent[ing] future violations of health-based drinking water standards," including "maintain[ing] compliance with . . . regulations" and "further[ing] the public health protection objectives of the Act." The descriptions should also clearly specify the type and nature (including size or extent) of a project (40 CFR 35.3520(b)(2)) as: treatment installation or upgrade (such as for improvement of drinking water quality to comply with standards that are specified), transmission and/or distribution (such as for water pressure improvement or contamination prevention caused by leaks or breaks), source (such as rehabilitation of wells or replacing contaminated source), storage installation or upgrade (such as for prevention of microbiological contaminants from entering a PWS), consolidation (which systems and whether



## Attachment I

consolidation is due to contamination, Technical/Financial/Managerial reasons or other rationale to be specified in the description), creation of a new system (which system and whether the new system was created due to contamination, managerial reasons or other rationale to be specified in the description).

### Data Completeness for PBR: Project Status

States should have a formal quality assurance process for entering data to required fields in the PBR system. While the DWSRF list of required fields is unchanged, the recent internal audit found missing data in critical fields that contribute to determining public health outcomes.

EPA Headquarters will provide quarterly reports to Regions on the completeness of key fields in PBR. The following three fields have been identified as essential in determining environmental and public health benefits when combined with other water system compliance results, such as violations history. As experience is gained by states, Regions and Headquarters, these essential fields may be revised. For this initial effort, attention is focused on the following fields:

- PWS ID number
- Project Start date
- Project Completion date

The list of required fields has not been reduced to those listed above. The list above is a starting point for this quality assurance effort. As a reference, we have included the full list of PBR required fields as an attachment.

The quarterly reports will be sent out two weeks following the end of each quarterly PBR reporting period to each Region, with a list of State projects with missing data for these fields. The expectation is that Regions will work with States to ensure these fields are complete within 30 days of receiving this report. These fields were listed as required fields in the 2012 program procedures and are still applicable.

Thank you for significant efforts and dedication to the oversight of the DWSRF program. Please contact Charles Job, Chief, Infrastructure Branch, at 202-564-3941, Peter Shanaghan, DWSRF Team Lead, at 202-564-3848, or Howard Rubin, DWSRF Financial Analyst, at (202) 564-2051, if you have any questions.

## Attachment I

### ATTACHMENT 1: EPA Response to Office of Inspector General

#### 1) OIG Audit: Unliquidated Obligations Resulted in Missed Opportunities to Improve Drinking Water Infrastructure, July 16, 2014

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by FY
2	Develop guidance for states on what projects are to be included on the fundable list, including a definition for “ready to proceed.”	The EPA agrees with the recommendation. The ULO Reduction Strategy defines “ready to proceed” as prepared “to begin construction” and “are immediately ready, or poised to be ready, to enter into assistance agreements.” If projects are not ready to proceed to construction and still need planning, the state may include projects on the fundable list that are ready to proceed to planning and design to enable them to be ready to proceed to construction in a future fundable list.	Done 4/14/14
3	Require that the EPA regions, when reviewing the capitalization grant application for states with high unliquidated obligation balances, ensure states have adopted the EPA’s guidance on the definition of “ready to proceed” and use that definition in developing the fundable list.	The EPA agrees with the recommendation and will provide Regions with a question to enable determination of whether states have adopted the definition of ready to proceed from the ULO Reduction Strategy and are using it to develop their fundable lists and will include the question in the DWSRF State Review Checklist. The EPA will also inquire of each Region whether each state is using the definition in the development of its next fundable list.	Ready to proceed definition included in Review Checklist 9/30/14  Check on inclusion of the definition in state fundable list development 9/30/15
4	Communicate to states having high unliquidated obligation balances that they should adopt the best management practice of having a well-organized process to ensure that projects on the fundable list are ready to proceed to loan execution within the current IUP year.	The EPA agrees with the recommendation. The EPA ULO Reduction Strategy cites six practices that states should employ to reduce ULO. Regions conduct annual reviews of states and document concerns of states not meeting program requirements and objectives. Special attention to ULO considerations will be a focus of these annual reviews through 2016, including onsite visits to select states.	Done 4/14/14



## Attachment I

2) OIG Audit: EPA Needs to Demonstrate Public Health Benefits of Drinking Water State Revolving Fund Projects, August 1, 2014

No.	Recommendation	High-Level Intended Corrective Action(s)	Estimated Completion by FY
1	Enforce the grant requirement for states to input all necessary data in PBR (e.g., project completion, project results, project start/end dates, compliance period begin/end dates, and public water system identification numbers).	OGWDW agrees with intent of this recommendation as a path to mutual data quality objectives, which we share with the IG. We take lack of reporting seriously and will work with Regions and states to ensure receipt in PBR of complete data for projects receiving DWSRF financial assistance as provided for in grant terms and conditions. To support complete data reporting, we will also be doing further analysis of data completeness in PBR.	OGWDW will provide Regions a report of completeness of required DWSRF project data beginning in April 2015 and quarterly thereafter. The Regions will be able to identify with states, the actions needed for states to provide complete data for projects receiving DWSRF financial assistance and oversee steps to accomplish complete reporting of required data. Where incomplete reporting of required data continues to be a problem, OGWDW will consult with the Region on taking appropriate corrective action.
2	Review state-level data entry to ensure data completeness in PBR as part of the EPA's annual review of state performance.	OGWDW agrees with this recommendation and will provide guidance for the annual review process and a checklist that includes checking on completeness of the states' data reported in PBR for reviews in FY 2015.	September 2014.
3	Implement the most cost-effective method to capture public health benefit information by using information required in state annual/biennial reports and enhancing coordination with compliance monitoring programs at the federal and state levels.	OGWDW agrees with this recommendation and has initiated data integration of the PBR and SDWIS data sets to identify completed projects receiving DWSRF financial assistance which were in violation after project completion. OGWDW will develop a regular report for use by Regions and states to document the public health results of the DWSRF financial assistance.	March 2014.

## Attachment I

4	<p>Periodically evaluate program results to ensure that program goals are being achieved at water systems receiving DWSRF financial assistance and record successes, best practices and challenges to be shared among EPA regions and the states to focus and enhance program performance.</p>	<p>OGWDW agrees with this recommendation. OGWDW conducts an annual review of the program through the Regional offices' focused reviews of state program outputs for the prior year. OGWDW will continue to evaluate program results and achievement of program goals as well as determine what actions are necessary to achieve results where needed. The reviews will also record successes, best practices and challenges to share among Regions and states.</p>	<p>December 2014 and annually thereafter.</p>
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# Attachment I

## ATTACHMENT 2: DWSRF Project Reporting Requirements

<b>Attachment 8: DWSRF Project and Benefits Reporting Data Elements</b>	
Project Benefits Data Fields	Required/Option
Borrower	required
Loan Execution Date	required
PWSID Number	required
Tracking number	required
Other tracking number	optional
Assistance Type	required
Loan Interest Rate	required
State Market Interest Rate	optional
Loan Term	optional
Incremental Funding	optional
Phase #	optional
Original Tracking Number	optional
Same Health Benefits	optional
Total Assistance (Initial Amount)	required
Total Assistance (Final Amount)	required
Additional Subsidy Provided	required
Grant Amount \$	required
Negative Interest Amount \$	required
Principal Forgiveness Amount \$	required
Net Loan Amount	optional
Funding is complete and funded amount has changed from initial amount	required
Based on states criteria, could the borrower have afforded the project without additional subsidy provided	required
% Funded By DWSRF	optional
Disadvantaged Assistance	required
IUP Year	optional
Assistance applies to_ grant year requirements	required
System Name	required
System Type	required
Ownership Type	optional
Age of System	optional
Project Name	required
Project Description	required



## Attachment I

Project Benefits Data Fields	Required/Option
Project Purpose	required
Number of Projects Funded	required
Public Health Impact Description	required
Other Project Comments	optional
Project Start Date	required
Project Completion Date	Required
Project Consolidates Systems	Required
Number of System Eliminated	Optional
Project Creates New Systems	Required
Population Served by the project	Optional
Population Served by the system	Required
Borrower Population	Optional
Number of connection by the project	Optional
Number of connections by the system	Optional
Counties Served Primary	Optional
Other County 1	Optional
Other County 2	Optional
Address Line 1	Required
Address Line 2	Optional
City, State, Zip Code	Required
Congressional District	Optional
Project Includes Green Project Reserve	Required
Green Infrastructure Amount	required if green
Energy Efficiency Amount	required if green
Water Efficiency Amount	required if green
Green Innovative Amount	required if green
Amount of additional subsidy provided used to fund GPR.	required if green 2010 - 2012
NIMS project categories (Transmission, Treatment, etc...)	Required
Compliance Objectives	Optional
State set-aside information recipient	Required
State set-aside Funding Amount	Required
State set-aside Funding type	required
Grant number	required
Grant Award date	required
State Organization receiving grant	required

This list does not include FFATA requirements



## Attachment J



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**  
WASHINGTON, D.C. 20460

DEC 2 2011

THE ADMINISTRATOR

The Honorable Dan Malloy  
Governor of Connecticut  
210 Capitol Avenue  
Hartford, Connecticut 06106

Dear Governor Malloy:

This nation's water infrastructure not only protects water quality and human health, but contributes to economic vitality and quality of life. Our longstanding partnership under the Clean Water and Drinking Water State Revolving Fund programs (SRFs) has enabled us to address the largest water quality and public health threats while creating jobs and renewing communities. The US Environmental Protection Agency is interested in working with you to increase the pace of expenditures under the SRFs. To that end, I'd like to offer some ideas for your consideration.

First, however, I want to acknowledge the effort your state has made in working with your water and wastewater systems to implement the American Recovery and Reinvestment Act (ARRA). ARRA funds created jobs through expeditious implementation of SRF projects that make a difference in the health and vitality of communities. Most of the nearly \$6 billion made available to state SRFs through ARRA has been put to work.

Over the last three years, in addition to ARRA, the States and Territories have received over \$7 billion in Clean Water and Drinking Water SRF program resources. Our collective priority has been and remains moving this continuing flow of funds as quickly as possible to carry out projects on the ground, putting Americans back to work and delivering improved environmental and public health protection. We are making noteworthy progress. Within 6 months of enactment of the full Federal Fiscal Year 2011 appropriation, we have obligated 78 percent of those funds; I believe we can do better.

We appreciate the strong partnership we enjoy with Connecticut's program. Your staff members have offered many helpful insights regarding what we at the EPA can do to help facilitate the expeditious movement of the SRF funds. I have directed staff to give priority to the review and award of SRF capitalization grants and to streamline and simplify processes where possible on our end. Steps that you can take to expedite the flow of SRF dollars into your State's economy include:

- Submitting SRF capitalization grant applications as soon as possible.
  - I encourage you to apply now for your FY2011 capitalization grant awards for the Drinking Water and Clean Water SRF.
  - If you have not already, I encourage you to submit draft Intended Use Plans (IUPs) for FY2012 funding for both SRFs based on your State's allocations under the President's Budget, so that my staff can begin reviewing them early. Applications can be submitted with final IUPs following the final FY2012 appropriation, but early review will expedite grant award.

- Awarding assistance agreements as soon as money becomes available to the State.
  - I encourage you to award assistance agreements to projects being funded through repayments, interest earnings, fees, or State match as soon as those funds become available to the State.
  - I also recommend that you draft assistance agreements for projects being funded through federal capitalization so that they are ready to be signed upon award of the capitalization grant.
  - Finally, I request that you work closely with your communities to build a pipeline of projects that are ready to proceed, so that contracts can be awarded and construction can begin upon the award of assistance agreements.

I am requesting your personal involvement in ensuring that your State moves quickly to apply for and receive its capitalization grants each year and moves quickly to award assistance to local projects consistent with legislative authorities, regulations, and program guidelines. Your efforts in this regard will result in job creation benefits as well as providing important water and wastewater infrastructure that will support the long-term prosperity and well-being of communities in your State.

Please contact me if there are any issues I can help you resolve, and I will have my Regional Administrator follow up with your SRF agencies.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lisa P. Jackson', with a long horizontal flourish extending to the right.

Lisa P. Jackson

# STATE OF CONNECTICUT

## DEPARTMENT OF PUBLIC HEALTH



Jewel Mullen, M.D., M.P.H., M.P.A.  
Commissioner

Dannel Malloy  
Governor

January 20, 2012

Lisa Jackson, Administrator  
US Environmental Protection Agency Headquarters  
Ariel Rios building  
1200 Pennsylvania Avenue, N.W.  
Mail Code: 1101A  
Washington, DC 20460

**Subject: December 2, 2011 Letter from Lisa Jackson to Governor Malloy**

Dear Administrator Jackson:

The Connecticut Department of Public Health (DPH) received your letter dated December 2, 2011 to Governor Malloy requesting that Connecticut expedite the flow of Drinking Water State Revolving Fund (DWSRF) dollars into Connecticut's economy. DPH greatly appreciates the DWSRF program, views it as instrumental to public health protection and agrees that providing for robust drinking water infrastructure will support the long term prosperity and well being of Connecticut's communities.

A unique challenge in Connecticut continues to be the large number of public water systems that exist within the state. With over 2,500 public water systems and 169 municipalities with no regional or county governments, the program that administers public drinking water is faced with a complex array of issues. A proactive DWSRF program can greatly assist to address these issues.

With that, the DWSRF program is a priority for the State of Connecticut and the DPH. We agree with the need to expedite the use of DWSRF funds. We view the DWSRF program as one of the cornerstones of invigorating drinking water infrastructure investment in Connecticut and we look forward to our continued work with your staff in Region I. To that end, we can report that several key strategic initiatives are underway, in the areas of staff support, funding, and project solicitation.

Our strategy for staff support includes restructuring units and staffing levels with the DPH Drinking Water Section in order to streamline and lean the DWSRF process. We are separating duties and responsibilities in order to allow for the DWSRF program to focus on project management and program pace as well as creating a pipeline of projects. Further, we have added two additional durational staff to the DWSRF.



Lisa Jackson  
Page 2  
January 20, 2012

We are also working on a mechanism to assure that the DWSRF program is more fully supported with permanent staff. Unfortunately, these plans are impacted by the USEPA's recent reduction in CT's annual capitalization grant in FFY2011 from FFY2010 levels. We have also been informed that we should expect further cuts in future years.

Our funding strategies include the mitigation of the uncertainty around federal funding fluctuations with timely submission of grant applications and the development of plans to charge modest fees for services within the Drinking Water Section.

The submission of the FFY2011 and FFY2012 capitalization grants for the DWSRF is a priority. The DWS is currently preparing the FFY2011 capitalization grant application and expects to submit a preliminary application with a draft Intended Use Plan (IUP) and draft Priority Project List (PPL) to EPA Region 1 by the end of January 2012. Following the mandatory public participation process in order to finalize our IUP and PPL for FFY2011 and FFY2012, the documents will be finalized in the spring of 2012. The DPH also intends to prepare and submit the FFY2012 capitalization grant application prior to the finalization of the PPL and IUP.

We have also developed a fee for services legislative proposal. If passed during the next legislative session beginning in February 2012, these fees will assist the DWS in meeting federal and state mandates in future years. Although the decision has been made to exclude the DWSRF program specific services from the fee proposal, any fee income will assist us to provide an appropriate level of staffing across the entire Drinking Water Section including the DWSRF program.

The solicitation and review of potential projects continues to be a time intensive process. This year, we fully implemented a plan to expedite the solicitation and award of assistance agreements with Connecticut's public water systems. The DPH's October 2011 call for projects was a two year solicitation to establish a pipeline of projects for both FFY2011 and FFY2012. The approach reduces the delays associated with performing a solicitation and public hearing on an annual basis as was done in previous years. This process will continue in future years to ensure that the drinking water infrastructure needs to be met by the DWSRF program will be adequately reflected in each Connecticut Clean Water Fund capital budget request.

The State of Connecticut has continually demonstrated its commitment to this important program. Most recently the State Legislature approved funding for the Connecticut Clean Water Fund which included approximately \$110 million dollars in loan funds over the next two years committed to the Drinking Water Fund. This funding along with the provision of staff support and a flexible leveraged financing plan, coordinated within the Connecticut Clean Water Fund, will ensure this program's long term availability to Connecticut's public water systems.

Lisa Jackson  
Page 3  
January 20, 2012

Thank you for your letter which highlights the importance of the DWSRF program at the state and national level. The Connecticut DPH greatly appreciates the DWSRF program and its funding. This funding has provided opportunities within Connecticut for communities and public water systems to solve long standing public health issues. DPH has prioritized DWSRF and we will focus on quickening the pace of the program overall. We believe that our strategy will move Connecticut's DWSRF program forward and directly address the issues noted in your letter. We are presently moving forward with the items as outlined above and will continue to update your staff concerning the progress of our DWSRF program. Please feel free to contact Lori Mathieu, Section Chief of the Drinking Water Section at 860-509-7333 to discuss any of the above items.

Sincerely,



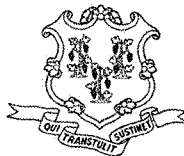
Jewel Mullen, M.D., M.P.H., M.P.A.  
Commissioner

JM/sm

## STATE OF CONNECTICUT

DEPARTMENT OF PUBLIC HEALTH

Jewel Mullen, M.D., M.P.H., M.P.A.  
Commissioner



Dannel P. Malloy  
Governor  
Nancy Wyman  
Lt. Governor

June 18, 2013

Mark Spinale, Manager  
Municipal Assistance Unit  
EPA New England  
5 Post Office Square, Suite 100  
Mail Code OEP06-3  
Boston, MA 02109-3912

**Subject:** Drinking Water State Revolving Fund (DWSRF) Program Pace

Dear Mr. Spinale:

Due to concerns recently raised by EPA Region 1, The Department of Public Health (DPH) would like to update you on the progress that has been made to improve the pace of the DWSRF Program since Commissioner Mullen's response letter to former USEPA Administrator Jackson on January 20, 2012.

As mentioned in Commissioner Mullen's letter, in October of 2012 the DPH moved to a 2 year DWSRF funding cycle in an effort to create a pipeline of projects and reduce delays associated with the annual preparation and public participation requirements of the DWSRF Intended Use Plan and Project Priority List (PPL). This strategy has also allowed us to commit funding to projects that are ready for construction in the first year while getting projects that are not fully designed, ready for construction in the second year. The DPH strongly believes that this strategy will be recognized by EPA Region 1 as a significant implementation improvement when the FY2013 and 2014 Performance Evaluation Reports (PER) are prepared.

The creation of a 2 year PPL was supplemented with changes to our Priority Ranking System which added emphasis on a project's "readiness to proceed" in preparing the PPL's for each of the 2 years. This revised criteria provided the DPH flexibility to take a project that ranked high in points and low in "readiness" and move it to the second year's PPL. Conversely, it provided DPH the ability to make DWSRF funding available to lower ranking projects that were considered "construction ready" in the first year's PPL. In previous years, many of these lower ranking "construction ready" projects were not reachable because they were below the available funding line on the annual PPL.



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With the two changes identified above, the DPH believes we have successfully achieved a balanced approach of funding high priority projects while significantly improving our ability to commit the available DWSRF funding to eligible infrastructure projects each fiscal year. It is important for EPA Region 1 to understand that although these changes were implemented during FY2012, the 2 year PPL was not finalized until June 12, 2012. Thus the improvements in program pace that these changes will demonstrate will not be recognized until FY2013. The DPH fully expects to show significant progress in the pace of our DWSRF Program as a result of these changes in FY2013. The CT DPH worked closely with EPA Region 1 to implement these changes. The attached two lists of DWSRF projects shows the anticipated loan agreements that the DPH expects to execute in FY2013 and the projects that are currently in the pipeline for FY2014. In addition, the DPH is in the early stages of finalizing our next 2 year PPL for FY2014 and FY2015 which will add approximately 120 new projects (including 60 generator projects) totaling over \$160 million to our priority list.

The DPH initiated a new Emergency Power Generator Program (EPGP) within the DWSRF during FY2013 to provide small loans to small public water systems to install back-up power systems. This initiative will provide 38 small public water systems a reliable source of power to operate their water systems during power outages. The DPH streamlined many DWSRF requirements to reduce costs and delays associated with traditional DWSRF loans. This effort took considerable time and effort to implement and is a significant benefit to Connecticut's small water systems. The total cost of these projects is expected to be approximately \$1 million when they are completed. This program will continue in the next 2 year funding cycle and the DPH has received 60 new applications for loans under this program for FY2014 and FY2015. The DPH hopes that the USEPA recognizes the benefits achieved by the EPGP, during a time when long term power outages have become a more frequent reality in the northeast, even though these loans have no significant impact on the pace of the DWSRF program because these are "low cost, high benefit" projects. The EPGP also provides a model of streamlined DWSRF requirements that reaches out to small public water systems.

The DPH also committed to EPA Headquarters in Commissioner Mullen's letter to providing additional resources to the DWSRF Program to focus on project management and the Program's pace. Since that time, the DPH has hired 2 permanent full time engineers and reassigned an additional full-time engineer within the DWS for the Program. The Program now has 4 full-time engineers and a Supervisor. The Drinking Water Section (DWS) also removed many of the administrative duties associated with managing and monitoring the DWS's federal grants from the Program and moved them to a newly formed Grants and Administrative Support Unit. The DWS is also in the process of hiring another entry level engineer for the Program. These changes demonstrate DPH's firm commitment to improving the pace of the Program.

It is also important to point out that Connecticut received legislative approval for \$108 million to be used for DWSRF projects in FY2012 and FY2013 in the State's biennial capital budget. The DPH was also approved for an additional \$135 million for DWSRF projects in FY2014 and FY2015. This level of funding approval demonstrates recognition of the importance of investing in Connecticut's drinking water infrastructure by our legislature.



Mark Spinale, USEPA Region 1

June 18, 2013

Page 3

The DPH and the Office of the State Treasurer (OTT) both understand the impact that leveraging has on the pace of the DWSRF Program. Both agencies also understand USEPA's goal of each state achieving a higher level of program pace and that our pace is significantly below that goal. The State has demonstrated its commitment to maximizing available funding while being aware of the pace goals and did not leverage the DWSRF program in 2012 or 2013. Further, the State will continue to factor our progress with the pace of the program when determining whether or not to include the DWSRF Program in future bond sales.

In summary, we believe that the DPH has made significant strides in a short period of time to ensure that the pace of the DWSRF program improves from year to year. We hope that EPA understands the level of commitment we have made to this effort and expect that it will be evident in future PERs.

If you have any questions or desire additional information do not hesitate to contact me.

Sincerely,



Lori Mathieu  
Public Health Section Chief  
Drinking Water Section

Cc: Sharon Dixon-Peay, OTT  
Susan Maheux, DPH  
Ellen Blaschinski, DPH  
Michael Hage, DPH  
Cameron Walden, DPH

Encl: Connecticut's DWSRF Project Pipeline for FY2013  
Connecticut's DWSRF Project Pipeline for FY2014