

VI. Criteria and Method for Distribution of Funds

Idaho drinking water systems will be queried regularly to obtain information regarding projects for which loan monies could be used. Additional information about potential projects will be obtained from DEQ regional office engineers, privately retained consulting engineers, and other state and federal agencies. DWSRF monies will be distributed according to the methods, criteria, and eligible activities as identified and described in IDAPA 58.01.20.

The criteria and methods for distribution of funds are designed to allow maximum flexibility in providing assistance, thereby enhancing the long-term viability and revolving loan aspect of the DWSRF program.

DEQ will use the priority rating system outlined here for managing the DWSRF program. Only projects on the joint Fundable/Priority List are eligible for funding.

DEQ reserves the right to fund lower priority projects over higher priority projects that are not ready to proceed. In such instances, DEQ will comply with established bypass procedures. DEQ may add projects to the Fundable List due to emergencies such as an unanticipated system failure or a project that is needed to prevent an imminent health threat.

No funding commitment will be made to a project until an engineering report, environmental review, and a financial, managerial, and technical assessment have been completed, although any project without a repayment obligation would not require underwriting.

The rating criteria used for the SFY 2019 Fundable/Priority List are as follows:

	Maximum Points
PUBLIC HEALTH HAZARD (Maximum section points is 100)	
❖ Microbiological violations	26
❖ Chemical violations	12
❖ Surface water treatment technique	12
❖ Low pressure events	24
❖ Reduction in source capacity	24
❖ Significant system deficiencies	18
GENERAL CONDITIONS OF EXISTING FACILITY (Maximum section points = 60)	
❖ Treatment deficiencies	21
❖ Source deficiencies	20
❖ Distribution deficiencies	14
❖ Redundancy and standby power	5
SUSTAINABILITY EFFORTS (Maximum section points = 50)	

❖ Management-based efforts	30
❖ Technology-based efforts	80
❖ Construction practices	10
CONSENT ORDER, COMPLIANCE AGREEMENT SCHEDULE, OR COURT ORDER (Maximum section points = 30)	
❖ Funding solves technical issues	30
INCENTIVES (Maximum section points = 10)	
❖ Current source water protection plan	2
❖ Cross-connection control program	2
❖ No significant deficiencies in last sanitary survey	2
❖ Using properly licensed Substitute Responsible Charge Operator	2
❖ No more than one failure to monitor violations in past 5 years for all analyses	2
AFFORDABILITY (Maximum section points = 10)	
❖ Project user charge exceeds affordable criteria	10

VII. Additional Information Requirements

A. Public Review and Comment

The IUP contents, including the Priority List, are subject to a thorough public participation process. Regional office staff made personal contact with drinking water systems in their respective areas that had indicated interest and rated the projects. Priority Lists were also disseminated to all state and federal agencies involved in infrastructure financing. Those agencies, including United States Department of Agriculture-Rural Development, Rural Community Assistance Corporation, and Idaho Department of Commerce (Community Development Block Grants) meet periodically to discuss potential projects.

In addition to the above, the IUP, including the Fundable List and the Priority List, was posted on the DEQ website, and notices inviting comment were published in the state's major newspapers during the comment period.

A summary of the public participation process is included as Attachment III.

Projects from the SFY 2019 Priority List for which DEQ intends to provide loan funding are identified in Attachment I. These projects will be considered for approval by the DEQ Board at the May 17, 2018, meeting.

B. Bypass Procedures

A project that does not or will not meet the project target date or a DEQ schedule that allows for timely use of loan funds may be bypassed, substituting the next highest