2021 INTENDED USE PLAN

for the

NORTH DAKOTA DRINKING WATER STATE REVOLVING FUND

prepared by the

DRINKING WATER STATE REVOLVING FUND PROGRAM

DIVISION OF MUNICIPAL FACILITIES

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Introduction

On August 6, 1996, President Clinton signed into law the Safe Drinking Water Act (SDWA) Amendments of 1996 (P.L. 104-182). Section 1452 of the SDWA authorizes a Drinking Water State Revolving Loan Fund (DWSRF) Program. It further requires the U.S. Environmental Protection Agency (EPA) to enter into agreements with and make capitalization grants to eligible states to assist public water systems (PWSs) in financing the costs of infrastructure needed to achieve or maintain compliance with the SDWA and to protect public health.

North Dakota's legislature, under North Dakota Century Code (NDCC) section 61-28.1-11, established a drinking water revolving loan fund that would be administered by the North Dakota Department of Environmental Quality (NDDEQ). The powers and duties of the department include applying for grants from the EPA to be used for purposes authorized under SDWA, administering the fund, disbursing funds, establishing assistance priorities, and adopting rules necessary for the administration of the fund.

North Dakota's DWSRF federal allotments for fiscal years (FY) 1997 through 2020 totaled $226,945,767, and the 2021 allotment is $11,001,000. Allotted funds are provided by the EPA through capitalization grants and matched 20 percent by North Dakota.

DWSRF funds may be used for:

- Loans.
- Loan guarantees.
- A source of reserve and security for leveraged loans (the proceeds of which must be placed in the DWSRF).
- Buying or refinancing existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993.
- Earning interest prior to disbursement of assistance.

To the extent that there are enough eligible projects, at least 15 percent of the funds available for construction must be used annually to provide loan assistance to PWSs that serve fewer than 10,000 persons. Up to 30 percent of the funds available for construction may also be used to provide subsidized loans to disadvantaged communities. A portion of the DWSRF allotments may also be used for non-project set-aside activities such as:

- DWSRF Program administration (the maximum of the following: $400,000, 1/5 percent of the current valuation of the fund, or 4 percent of all grant awards to

the fund for the fiscal year).
- State program assistance (up to 10 percent).
- Small system technical assistance (up to 2 percent).
- Local assistance and state programs, including the delineation and assessment of source water protection areas (up to 10 percent for any one activity with a maximum of 15 percent for all activities combined).

PWSs eligible for DWSRF assistance include community water systems (both publicly- and privately-owned) and nonprofit noncommunity water systems. Federally-owned PWSs are not eligible to receive DWSRF assistance. Appendix A depicts the types of projects and project-related costs that are eligible and ineligible for DWSRF assistance.

Section 1452(b) of the SDWA requires each state to annually prepare an Intended Use Plan (IUP). The IUP must describe how the state intends to use the DWSRF funds to meet the objectives of the SDWA and further the goal of protecting public health. The IUP must be made available to the public for review and comment prior to submitting it to the EPA as part of the capitalization grant application. Specifically, the IUP must include a:

- Priority list of projects, including a description of the projects and the present size of the PWSs served.
- Description of the criteria and methods to be used for the distribution of funds.
- Description of the financial status of the DWSRF Program, including the use of set-asides along with funds reserved, and the amount of funds that will be used to assist disadvantaged communities.
- Description of the short- and long-term goals of the DWSRF Program, including how the capitalization grant funds will be used to ensure compliance and protect public health.

This document is intended to serve as the state of North Dakota's IUP for 2021 and will stay in effect until superseded by a subsequent IUP. In accordance with the authority granted to the NDDEQ under North Dakota Century Code (NDCC) Chapter 61-28.1, this document, based on comments received from the public, will be incorporated into a capitalization grant application and submitted to the EPA to further capitalize the state's DWSRF Program in the amount of $11,001,000. State match bonds were issued in 2015 and 2018 to provide the 20 percent match for the capitalization grant**.** Bonds are anticipated to be issued in 2021 to provide state match. If state match bonds are not issued, up to $5 million could be transferred from the SRF state administrative account in FY2021 for state match funds.

Priority List of Projects

States are required to develop and maintain a comprehensive priority list of eligible projects for funding and to identify projects that will receive funding in the first year after the capitalization grant award. In determining funding priority, states must ensure to the maximum extent practicable that priority for the use of funds be given to projects that: (1) address the most serious risks to human health; (2) are necessary to ensure compliance under the SDWA; and (3) assist systems most in need on a per household basis (i.e., affordability).

A DWSRF Program may provide assistance only for expenditures (excluding operation, maintenance, and monitoring) of a type or category which will facilitate compliance or otherwise significantly further health protection under the SDWA. Projects eligible for DWSRF financial assistance include investments to:

- Address present SDWA exceedances.
- Prevent future SDWA exceedances (of regulations presently in effect).
- Replace aging infrastructure.
- Restructure or consolidate water supplies.
- Buy or refinance existing debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993.

Development Process

As part of the IUP development process, all potential DWSRF loan recipients were requested to notify the NDDEQ if they had a drinking water project not presently on the list and for which they were interested in pursuing DWSRF financial assistance. Systems with previously ranked and listed projects were requested to provide the NDDEQ with a written update for each project either not yet under construction or under construction using funds other than DWSRF funds. The updates were to include a detailed project description and cost estimate, the amount of DWSRF funds needed, and the anticipated construction start date. In lieu of this information, systems were asked to inform the NDDEQ if they no longer intended to complete a project or no longer intended to complete a project using DWSRF assistance. Systems requesting ranking of new projects were provided ranking questionnaires. Requests for project re-ranking or deletion were evaluated on a case-by-case basis, with ranking questionnaires provided as needed. Several projects were deleted due to completion (with or without DWSRF assistance) or the acquisition of other funding sources.

Finalized project priority lists may be amended to include new non-emergency projects. Amendments are subject to public review and comment and may require North Dakota

State Water Commission approval. North Dakota plans to amend its 2021 IUP in June 2021. Projects added to the priority list during the mid-year amendment will not be eligible for loan forgiveness until the subsequent year.

Priority Ranking System

The priority ranking system was developed by the NDDEQ, the state agency with primary enforcement authority for the SDWA. The priority ranking system is designed to ensure that DWSRF funds are focused on solutions to address the most serious risks to human health, rectify SDWA compliance problems, and assist those systems most in need based on affordability considerations. The priority ranking system has received both EPA Region VIII and Headquarter concurrence. The priority ranking system will be amended as needed to reflect the changing nature of the SDWA and the DWSRF Program. Any significant amendments will be presented for public review and comment in an IUP.

Comprehensive Project Priority List and Fundable List

Appendix B contains the comprehensive project priority list. The fundable list represents those projects from the comprehensive project priority list anticipated to receive loan assistance this year. The list of projects is based on anticipated start dates, projected funding needs, and expected available loan funds (see Financial Status section of this document). The list will change if such information or assumptions vary, if higher ranked projects not on the list become ready to proceed, or if projects on the list are bypassed (see Criteria and Methods for the Distribution of Funds section of this document).

Criteria and Methods for the Distribution of Funds

To the maximum extent possible, states are required to prioritize projects needed for SDWA compliance, projects that provide the greatest public health protection, and those projects that assist systems most in need based on affordability. The information below describes the process used by the NDDEQ to select projects for potential DWSRF assistance.

Ranking and Project Bypass Considerations

It is the intent of the NDDEQ that DWSRF funds are directed toward North Dakota's most pressing SDWA compliance problems and public health protection needs. To this end, the NDDEQ reserves the right to require the separation of project components into separate projects, if feasible and necessary, to focus on critical water supply problems. Project components which are separated will be ranked independently. Projects for existing PWSs, including refinancing projects, will be given preference over projects for the development of new water systems.

Under the SDWA, DWSRF funds may be used to buy or refinance existing local debt obligations (for publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993. Cross-cutter requirements, including American Iron and Steel and Davis Bacon wage rate requirements, apply to these projects. American Iron and Steel requirements apply to projects with construction after December 16, 2014. Davis Bacon wage rate requirements apply to projects with construction after October 30, 2009. DWSRF assistance requests of this type, if eligible, will be ranked based on the original purpose and success of the constructed improvements. In the event of a tie in project rankings, new projects for existing systems will be given preference over refinancing projects.

The NDDEQ reserves the right to fund lower-ranked projects ahead of higher-ranked projects based on the considerations below. To the maximum extent possible, the NDDEQ will work with bypassed projects to ensure that they will be eligible for funding in the following fiscal year. Criteria reviewed in bypassing a project include:

- Readiness to proceed (i.e., applicant is prepared to begin construction and is immediately ready or poised to be ready to enter into assistance agreements).
- Willingness to proceed (e.g., applicant withdraws project from consideration, obtains other funding sources, or is nonresponsive).
- Emergency conditions (i.e., an unanticipated failure occurs requiring immediate attention to protect public health).
- Financial (includes inability to pay and loan repayment issues), technical, or

managerial capability.

- Meets the 15 percent requirement (i.e., funding lower-ranked project would satisfy the requirement that at least 15 percent of the funds available for construction be used annually to provide loan assistance to PWSs that serve populations of fewer than 10,000 persons).
- Inability to verify initial ranking score.

The NDDEQ reserves the right to fund unanticipated, non-ranked emergency projects requiring immediate attention to protect public health without going through a public review process. Such assistance will be limited to (1) eligible PWS types and project features and (2) situations involving acute contaminants, loss or potential loss of a water supply in the near future, or that otherwise represent an unreasonable risk to health.

Capacity

Section 1452 of the 1996 SDWA Amendments precludes states from providing DWSRF assistance to any eligible PWS that lacks the capacity to maintain SDWA compliance, unless the PWS owner or operator agrees to undertake feasible and appropriate changes to ensure compliance over the long term. States are also precluded from providing DWSRF assistance to any eligible PWS that is in significant noncompliance with any requirement of a National Primary Drinking Water Regulation (NPDWR) or variance, unless such assistance will ensure compliance. In the context of the SDWA, PWS capacity refers to the overall technical, managerial, and financial capability of a PWS to consistently produce and deliver drinking water meeting all NPDWRs. The NDDEQ has the legal authority and responsibility under NDCC Chapter 61-28.1 to ensure PWS capacity.

The NDDEQ will use the DWSRF loan application as the principal control point for capacity assessment. Information from the loan application and other available and relevant information (such as SDWA compliance data, sanitary survey reports, and operator certification status) will be evaluated to assess capacity at present and for the foreseeable future. The North Dakota Public Finance Authority (PFA), as financial agent for the DWSRF Program through formal agreement, will evaluate the financial information provided in the loan application. Based upon input provided by the NDDEQ regarding technical and managerial capability, the PFA will make recommendations to the NDDEQ concerning financial capability. The final decision regarding overall capacity will be made by the NDDEQ.

As required by the SDWA, DWSRF assistance will be denied to applicants considered priority systems because they score 11 or higher in the Enforcement Tracking Tool if it is

determined that the project will not ensure compliance. Likewise, DWSRF assistance will be denied to applicants that lack capacity if they are unwilling or unable to undertake feasible and appropriate changes to ensure capacity over the long term. The lack of capacity at the time of loan application will not preclude DWSRF assistance if the project will ensure compliance, or the applicant agrees to implement changes that will rectify capacity problems. On a case-by-case basis, special conditions may be included in loan agreements to rectify compliance and/or capacity problems. As needed and appropriate, the NDDEQ will utilize other specific legal authorities as control points to ensure capacity. This includes the review and approval of plans and specifications. Under NDCC Chapter 61-28.1 and North Dakota Administrative Code (NDAC) Chapters 33.1-03-08 and 33.1-18-01, the NDDEQ is both empowered and required to review and approve plans and specifications for all new or modified drinking water facilities prior to construction.

Set-Aside and Fee Activities

Under the SDWA, states are required to set aside a percentage of their available DWSRF loan funds to provide financial assistance to small systems. States, at their option, may also set aside a portion of their federal DWSRF allotment for other project and non-project activities and assess fees on loans to assist with administration costs. A description of the different set-asides and past/proposed activities related to set-asides and fees follows.

Mandatory Small System Project Set-Aside

To the extent that there are enough eligible projects to fund, states must annually use at least 15 percent of all funds credited to the DWSRF loan fund to provide loan assistance to PWSs that serve fewer than 10,000 people. States that exceed the 15 percent requirement in any one year are permitted to reserve the excess for future years.

A total of 279 loans totaling $685,862,174 have been approved as of June 30, 2020. Of these, 232 loans (totaling $295,540,855 or 43.1 percent of loan total) represent PWSs that serve fewer than 10,000 people. The NDDEQ envisions that additional loans will be made to small PWSs based on the comprehensive project list and fundable list (See Appendix B).

Mandatory Additional Subsidization Set-Aside

Congress has mandated in previous appropriations bills that 14 to 30 percent of assistance provided from DWSRF capitalization grants be in the form of additional subsidies. The DWSRF program provides these additional subsidies as loan forgiveness. The NDDEQ has the authority under state law (NDCC Chapter 61-28.1) to provide financial assistance through the DWSRF as authorized by federal law and EPA.

Mandatory additional subsidization of 14 percent applies to the FY 2021 DWSRF allotment. To address this requirement, 14 percent (the minimum required) plus $100,000 additional subsidization will be made available as loan forgiveness.

For 2021, projects that contain lead service line replacement activities will qualify for up to 90 percent loan forgiveness for the lead service line replacement portions of the project. Loan forgiveness will be allocated based on position on the project priority list for loan applications submitted until April 1, 2021 and then will be allocated on a first-come first-serve basis of loan application submittal, thereafter. DWSRF loan and loan forgiveness can be bundled together with funding from other sources to form funding packages for projects. The combined loan forgiveness and grant in a bundled funding package must be less than or equal to 90 percent of all project costs.

The 2021 capitalization grant allows states to use additional subsidization for debt incurred prior to December 27, 2020 if the state, with concurrence from the EPA Region, determines that such funds could be used to help address a threat to public health from heightened exposure to lead in drinking water. Priority will be given to financing new construction, then remaining funds will be used to finance prior construction.

Timely progression of additional subsidization projects is required. To ensure this, there will be a first loan draw deadline, a construction contract notice of award deadline, and a loan forgiveness disbursement deadline. If projects identified as receiving additional subsidization do not meet these deadlines, the additional subsidization set-aside will be used to fund lower-ranked projects on the project priority list.

Disadvantaged Community Set-Aside

States shall provide additional loan subsidies (i.e., reduced interest or negative interest rate loans, principal forgiveness) to benefit communities meeting the definition of disadvantaged or which the state expects to become disadvantaged as the result of the project. A disadvantaged community is one in which the entire service area of a PWS meets affordability criteria established by the state following public review and comment. The value of the subsidies may not be less than 6 percent or more than 35 percent of the amount of the federal capitalization grant for any fiscal year. For 2021, the DWSRF will distribute at least 20 percent but not more than 21 percent of the amount of the capitalization grant.

Criteria for determining the amount of loan forgiveness is on a project-specific basis. Loan forgiveness will be based on the relative future water cost index (RFWCI). The RFWCI is defined as the ratio of the expected average annual residential water user charge resulting from the project, including costs recovered through special assessments, to the local median household income (based on the most-recent American Communities Survey 5-Year Estimate).

For 2021, projects with a RFWCI of 2.0 percent or greater will qualify for 75 percent loan forgiveness. Projects with a RFWCI of 1.5 percent to 1.9 percent will qualify for 40 percent loan forgiveness. Projects with a RFWCI of less than 1.5 percent will not qualify for any loan forgiveness. Projects that do not qualify for loan forgiveness still qualify for a traditional DWSRF loan.

Loan forgiveness will only be used to finance new construction. DWSRF loan and loan forgiveness can be bundled together with funding from other sources to form funding packages for projects. The combined loan forgiveness and grant in a bundled funding package must be less than or equal to 90 percent of project costs.

Timely progression of additional subsidization projects is required. To ensure this, there will be a first loan draw deadline, a construction contract notice of award deadline, and a loan forgiveness disbursement deadline. If projects identified as receiving additional subsidization do not meet these deadlines, the additional subsidization set-aside will be used to fund lower-ranked projects on the project priority list.

The fundable portion of the comprehensive project priority list depicts 20 percent plus $100,000 additional subsidization through loan forgiveness.

Optional Non-Project Set-Asides

States may use a portion of their federal DWSRF allotment (up to specified ceilings) for the following non-project set-aside activities:

- DWSRF Program administration - the maximum of $400,000, 1/5 percent of the current valuation of the fund, or 4 percent of all grant awards to the fund for the fiscal year.
- State program administration - up to 10 percent.
    - Public Water Supply Supervision (PWSS) Program
    - Source water protection program(s)
    - Capacity development program
    - Operator certification program
- Small system technical assistance (serving 10,000 or fewer people) - up to 2 percent.
- Local assistance and other state programs - up to 10 percent for any one activity with a maximum of 15 percent for all activities combined.
    - Loans to PWSs to acquire land or conservation easements for source water protection programs.
    - Loans to community water systems to implement source water protection measures or to implement recommendations in source water petitions.
    - Assist PWSs in capacity development.
    - Assist states in developing/implementing EPA-approved wellhead protection programs.

States may transfer funds among the non-project set-aside categories or between the loan fund and such set-aside categories, provided that the statutory set-aside ceilings are not exceeded. Non-project set-aside funds may be transferred at any time to the loan fund. However, loan commitments must be made for the transferred funds within one year of the transfer of payments that have already been taken for the set-aside funds. Monies intended for the loan fund may be transferred to non-project set-asides

only if no payments have yet been taken for the monies to be transferred. Otherwise, funds in or transferred to the loan fund must remain in the loan fund. Transfers may be done only if described in an IUP and approved by the EPA as part of a capitalization grant agreement or amendment.

Non-Project Set-Aside and Fee Activity

Appendix D depicts non-project set-aside and fee activity. The FY2021 federal DWSRF allotment for North Dakota is $11,001,000. The NDDEQ intends to set aside none of the allotment for non-project activities and will instead utilize existing open capitalization grants and/or its 0.5 percent administration fee for funding these activities. The NDDEQ will reserve $1,100,100 of PWSS Program set-aside funds from the FY2021 capitalization grant for use in future years, in addition to funds held in reserve from previous years. The NDDEQ will reserve its 2 percent set-aside for small system technical assistance ($220,020) for use in future years. The DWSRF administration set-aside method used is the 1/5 percent of the current valuation of the fund option. The current valuation of the fund as of December 31, 2019 was $256,978,000 according to audited financial statements, which results in an administration set-aside of $513,956. All of this amount will be held in reserve for future years as the DWSRF Program will use the SRF administrative set-aside to fund DWSRF administrative activities.

Under the SDWA, states are permitted to assess fees on loans to support DWSRF administration costs. North Dakota DWSRF loan recipients are required to pay an annual loan administration fee presently set at 0.5 percent of the outstanding loan principal balance. This loan administration fee is payable semiannually on each loan payment date. The fees are held under the master trust indenture and are available to pay DWSRF administration costs allowable under the SDWA. Fees will also be used to fund Planning Assistance Reimbursement Grants as described below. To enable continued management of the DWSRF once the DWSRF is no longer annually capitalized through federal grants, loan administration fees will be held and used for loan-bond servicing and DWSRF administration as allowed under the SDWA. The loan administration fees were also used from 2008 to 2016 as a source of 1:1 match that is required when using the state program administration set-aside to administer the PWSS Program.

To meet congressional and EPA capitalization grant spend-down intent for the DWSRF Program, funds from any of the set-asides may be moved to the construction loan fund during 2021. This amount will also be held in reserve for use from future capitalization grants.

Planning Assistance Reimbursement (PAR) Grants

The DWSRF Program plans to offer grants to assist communities in developing shovel-ready projects. For 2021, grants will be awarded to communities with populations of less than 2,500 people on a first-come first-served basis. Applications will be sent to systems with projects that have been identified by the Intended Use Plan as potential loan forgiveness recipients in future years. Also, applications will be distributed to potential projects that plan to be included on future IUPs. Planning grants will be awarded to systems that intend to follow through with the study's recommendations and anticipate seeking a DWSRF loan to do so. The grant may cover up to 80% of the costs (for a maximum of $15,000) for completion of a project-specific engineering report. Grants will be funded from the SRF administrative account.

Financial Status

The information presented below describes the financial structure of the North Dakota DWSRF, the method used to generate the required state match, transfers between state revolving loan funds (SRFs), the basis for approving loans, loan assistance terms (including a discussion concerning market interest rates in North Dakota), sources and intended use of funds, and special considerations for State and Tribal Assistance Grants (STAG) grants.

Financial Structure

Bonds for the 20 percent state match are issued by the PFA under a master trust indenture adopted by the Industrial Commission of North Dakota. The PFA may also issue leveraged bonds under the master trust indenture, the proceeds of which can be used to fund loans.

The current demand for DWSRF loan assistance in North Dakota exceeds authorized federal DWSRF allotments and the required state match for those allotments. Under the financial structure initially established for the DWSRF, excess leveraging and higher loan interest rates would be needed to satisfy this excess demand.

A modified financial structure within the existing master trust indenture has been implemented to better satisfy the continuing high demand for DWSRF financial assistance, yet avert excessive leveraging and higher loan interest rates. Under the modified structure, DWSRF allotments and state match bond proceeds will be used first to fund loans. Leveraged bonds will be issued only if (1) loan demand exceeds the amount of DWSRF allotments and state match available for loans or (2) deemed in the best interest of the program. If leveraged bonds are issued, they will be sized together with DWSRF allotments and state match to satisfy current cash flow needs as represented by the projected annual construction costs of eligible projects. This funding approach will expedite loan assistance to more projects that are ready to proceed to construction, avert premature or unnecessary bond issuances, and ensure a more reliable loan repayment stream to satisfy both bond debt service requirements and future loan demand.

In the event there are insufficient amounts available to make scheduled principal and interest payments on outstanding DWSRF bonds when payments are due, the master trust indenture for the DWSRF provides the trustee may transfer available excess revenues from the Clean Water State Revolving Fund (CWSRF) to the DWSRF bond fund to meet the deficiency. Following such a transfer, the DWSRF has an obligation to reimburse the CWSRF with future available DWSRF excess revenues.

State 20 Percent Match Requirement

Under the SDWA, states are required to match their DWSRF allotment at an amount at least equal to 20 percent. North Dakota has issued state match bonds to satisfy match requirements through FY2025. It is anticipated that additional State Match bonds will be issued in 2021.

Anticipated Proportionality Ratio

Leveraged and state match bonds were sold in 2018. The required 20 percent state match has been provided through approximately FY2025. Payments were made using 100 percent state match funds until all of the match funds were disbursed. The program is in an over-matched condition at this time.

Disbursement of Funds

Funds will be disbursed in the following order: federal capitalization grants, state match bond proceeds, leveraged bond proceeds, and FCLA. All state match funds have been disbursed and the DWSRF is currently over-matched. Set-asides are closely monitored and disbursed quickly when requests are made to ensure timely expenditure and avoid over-accumulation. All federal funds are disbursed in a first-in, first-out manner.

Transfer of Funds Between DWSRF and CWSRF

At the governor's discretion, a state may transfer up to 33 percent of its DWSRF capitalization grant to the CWSRF or an equal amount from the CWSRF to the DWSRF. In addition to transferring grant funds, states can transfer state match, investment earnings, principal and interest repayments, unrestricted cumulative excess, restricted cumulative excess, or FCLA funds between SRF programs.

Transfers were authorized by the governor in 2002, 2004, 2007, 2009, and 2015. These funds are transferred between the programs on an as-needed basis. The governor's authorizations are as follows:

- 2002 - $10 million from CWSRF to DWSRF
- 2004 - $4 million from CWSRF to DWSRF
- 2007 - $20 million from CWSRF to DWSRF (with provision to return funds to CWSRF as needed)
- 2009 - $2.6 million of American Recovery and Reinvestment Act of 2009 funds from CWSRF to DWSRF
- 2015 - $60 million from DWSRF to CWSRF (with provision to return funds to DWSRF as needed)

The NDDEQ is anticipating the transfer of funds from the CWSRF in 2021, as authorized in 2015. Approximately $20 million of non-federal funds will be transferred.

The NDDEQ transfers funds on a net basis, since prior transfers have occurred between the two SRFs. The current net transfer between programs is $23,984,447 from the CWSRF to the DWSRF. The $20 million transfer from the CWSRF in 2021 will change the net transfers between programs to $43,984,447. With this transfer, the DWSRF will be able to fund additional water projects during 2021. Transferring funds will not impact DWSRF set-aside funding. Appendix E itemizes the amount of funds transferred to and from the DWSRF Program.

Funding Process

Projects may be submitted to the NDDEQ each year for consideration and inclusion into an IUP. A new IUP is developed for public review and comment in the fall of each year. New and eligible projects for which ranking questionnaires are submitted are evaluated, ranked (if possible), and included on the comprehensive project priority list. Requests for re-ranking of previously listed and ranked projects are evaluated on a case-by-case basis and may require the completion of an updated ranking questionnaire.

Loan approvals are based on project ranking, readiness to proceed, and availability of funds based on cash flow considerations, including projected disbursements under already approved and potential new loans. The NDDEQ is prepared to issue leveraged bonds if the loan demand exceeds the amount of available DWSRF allotments and state match or if it is in the best interest of the program.

Loan Assistance Terms

The base repayment period for DWSRF loans under the SDWA is 30 years following project completion. The NDDEQ may utilize shorter repayment periods on a project-by-project basis depending on its useful life or the preference of the borrower. Candidate projects include low-cost projects for which minimal water rate increases will be required to retire the loan debt. A 30-year repayment period will be granted if it is determined that the principal portion of the loan for project components that have a useful life of 20 years or less will be paid off within 20 years. Project components considered having a 20-year or less useful life are process equipment, pumps, electrical equipment, controls, and auxiliary equipment. Project components considered to have a 30-year or more useful life are buildings, concrete, other structures, conveyance structures (piping), and earthen structures. The America's Water Infrastructure Act of 2018 authorizes loan terms of 40 years or the useful life of the project for disadvantaged communities and under certain circumstances when purchasing or refinancing debt

obligations for non-disadvantaged communities. The North Dakota DWSRF Program reserves the right to approve loan terms of up to 40 years or the useful life of the project.

The loan interest rate will be 1.5 percent for PWSs that qualify for tax-exempt financing and 2.5 percent for those that do not qualify for tax-exempt financing and/or require the program to issue leverage bonds, except for projects that use leveraged bond proceeds. Leveraged bonds will be discussed later in this section. As discussed under Set-Aside and Fee Activities, an annual loan fee of 0.5 percent is assessed on all loans to support DWSRF administration.

The SDWA requires that the interest rate for a loan be less than or equal to the market interest rate and will adjust as necessary. The NDDEQ will establish as the market interest rate the average interest rate received by North Dakota political subdivisions on bond issues with a 20-year maturity and sold on a competitive or negotiated basis during the prior quarter. This rate will be calculated and updated quarterly based upon the prior quarter bond sales. If there are no qualified bond sales, the market rate for that quarter will be calculated using comparable regional bond issues. Based upon second quarter 2020 North Dakota 20-year competitive bond sales, the current market interest rate is 2.2 percent.

Leveraging the fund is appropriate where financing needs significantly exceed available funds; however, it impacts the DWSRF by reducing the interest rate subsidy provided or reducing future loan capacity. By continuing to leverage, the program will be able to assist more communities currently on the priority list and help those communities achieve or remain in compliance with the SDWA. Loans necessitating leveraging will be subject to a loan interest rate (including the 0.5 percent administration fee) of 75 percent of the current market interest rate, if needed, to maintain program viability. The interest rate on these loans will be more than the regular DWSRF interest rate which currently is 2.0 percent (including the 0.5 percent administration fee). The DWSRF Program anticipates issuing bonds to leverage the program in 2021.

The NDDEQ and the PFA strive to ensure continued long-term viability of the program to provide loans for eligible drinking water projects. To achieve this goal, the refinancing of completed DWSRF projects will not be allowed using the extended-term financing option or the latest interest rate.

Sources and Uses of Funds

Appendix F depicts a detailed breakdown of sources and uses of funds from FY1997 through FY2021. An additional $114,476,824 of new funds is anticipated to become

available in 2021, making $68,625,596 available for projects. All the funds are allocated to projects as shown in the Comprehensive Project Priority List and Fundable List (Appendix B).

Short- and Long-Term Goals

The 1996 SDWA Amendments authorize a DWSRF Program to assist PWSs in financing the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect public health. The objectives of the NDDEQ's DWSRF Program include addressing public problems and priorities, ensuring compliance with the SDWA, assisting systems to ensure affordable drinking water, and maintaining the long-term viability of the fund. To address these objectives, the DWSRF Program will help ensure that North Dakota's public water supplies remain safe and affordable through prioritized financial assistance, enhanced source water protection activities, and increased technical assistance to small systems. The short and long-term goals set forth below are established to accomplish these objectives.

Short-Term Goals

1. On December 11, 2020, obtain North Dakota State Water Commission approval of this IUP.
2. Continue to implement the DWSRF Program for the state of North Dakota by funding projects for systems that are having problems maintaining compliance with the lead and copper rule, revised total coliform rule, ground water rule, the arsenic rule, the disinfection byproduct rule series, and the surface water treatment rule series.

Long-Term Goals

1. Help North Dakota PWSs achieve and maintain compliance with the SDWA. This is accomplished by coordinating with the PWSS Program and targeting those rules with which systems in the state are having problems maintaining compliance. These include the lead and copper rule, revised total coliform rule, ground water rule, the arsenic rule, the disinfection byproduct rule series, and the surface water treatment rule series.
2. Assist the PWSS Program in meeting goals. The DWSRF Program assistance includes providing technical support on infrastructure issues, capacity reviews, and small system technical assistance. Through the small system technical assistance set-aside, the DWSRF Program helps operators become certified and systems return to compliance and maintain capacity.
3. Administer the DWSRF Program in a manner that will maximize the long-term availability of funds for eligible and needed drinking water infrastructure improvements.
4. Assist North Dakota PWSs in improving drinking water quality, quantity, and dependability by providing reduced interest rate and long-term financial

assistance for eligible and needed drinking water infrastructure improvements. This infrastructure assistance helps with compliance of drinking water rules, regionalization/consolidation, and replacement of aging infrastructure.

5. To the greatest extent possible, continue to integrate DWSRF funding with other available funding to maximize the benefits to public water systems and needed drinking water projects statewide. The cooperating agencies include the U. S. Department of Agriculture, Community Development Block Grant Program, North Dakota Department of Land Trusts, the Bank of North Dakota, and the North Dakota State Water Commission.

Environmental Results

1. Loan Fund
    a. Through June 30, 2020, the fund utilization rate (as measured by the ratio of executed loans to funds available for projects) was 104 percent which is above the June 30, 2019 national average of 95 percent. The 2021 goal is to maintain the fund utilization rate at 90 percent or above.
    b. Through June 30, 2020, the rate at which projects progressed (as measured by disbursements as a percentage of assistance provided) was 90 percent. This is above the June 30, 2019 national average of 88 percent. The 2021 goal is to maintain the construction pace above 80 percent.
    c. The DWSRF Program funded nine projects in the first six months of 2020 totaling $21,724,000 and serving a population of 100,379. The 2021 goal is to fund 12 loans totaling $15 million and serving a population of 20,000.
2. Set-Asides, Small System Technical Assistance
    a. The goal for the number of systems receiving training is 120.
    b. The goal for the number of systems receiving on-site technical assistance is 50.

Public Participation

A state is required to make its annual IUP available to the public for review and comment prior to submitting it to the EPA as part of its capitalization grant application. States are also required to describe the public review process used and how major comments and concerns received were addressed.

Process

The public was invited to comment on the draft 2021 IUP at a public hearing held in Bismarck on November 5, 2020. Written comments were accepted until November 19, 2020.

Comments provided are as follows:

- AJ Tuck, Ulteig Engineers, spoke on behalf of the city of Riverdale about the importance of its raw water line replacement project. The project is not on the fundable list and AJ requested that it be reconsidered for inclusion on the fundable list. It was explained that projects on the comprehensive priority list can still apply for funding based on bypass procedures established in the IUP.
- A project for the city of Cavalier (Tracking Number 3400170-18-01) was added to the list.
- A project for East Central Regional Water District (Tracking Number 1801062-15-01) was added to the list.

The public was invited to comment on the draft amended 2021 IUP at a public hearing held via Microsoft Teams on April 29, 2021. Written comments were accepted until May 13, 2021.

Comments provided are as follows:

- Michelle Klose, City of Bismarck, provided an updated project cost for the WTP improvements project (Tracking Number 0800080-21-02). Appendix B was updated accordingly.

Appendix A

Eligible and Ineligible Projects and Project-Related Costs Under the Drinking Water State Revolving Loan Fund (DWSRF) Program

Examples of Eligible Projects and Project-Related Costs

- Projects that address present Safe Drinking Water Act (SDWA) exceedances.
- Projects that prevent future SDWA exceedances (applies only to regulations in effect).
- Projects to replace aging infrastructure.
- Rehabilitate or develop drinking water sources (excluding reservoirs, dams, dam rehabilitation, and water rights) to replace contaminated sources.
- Install or upgrade drinking water treatment facilities if the project would improve the quality of drinking water to comply with primary or secondary SDWA standards.
- Install or upgrade storage facilities, including finished water reservoirs, to prevent microbiological contaminants from entering the water system.
- Install or replace transmission and distribution piping to prevent contamination caused by leaks or breaks, or to improve water pressure to safe levels.
- Projects to restructure and consolidate water supplies to rectify a contamination problem, or to assist systems unable to maintain SDWA compliance for financial or managerial reasons (assistance must ensure compliance).
- Projects that purchase a portion of another system's capacity if such purchase will cost-effectively rectify an SDWA compliance problem.
- Land acquisition.
    - Land must be integral to the project (i.e., needed to meet or maintain compliance and further public health protection, such as land needed to locate eligible treatment or distribution facilities).
    - Acquisition must be from a willing seller.
- Planning (including required environmental assessment reports), design, and construction inspection costs associated with eligible projects.
- Service lines from the main to the house, including lead service lines.

Examples of Ineligible Projects and Project-Related Costs

- Dams or rehabilitation of dams.
- 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.

- 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.
- Drinking water monitoring costs.
- Operation and maintenance costs.
- Projects needed mainly for fire protection.
- Projects for systems that lack adequate technical, managerial, and financial capability, unless assistance will ensure compliance.
- Projects for priority systems in the Enforcement Tracking Tool, unless funding will ensure compliance.
- Projects primarily intended to serve future growth.

Appendix B

Comprehensive Project Priority List and Fundable List for 2021

Shaded projects are on the fundable list
Added projects in yellow

Priority Ranking	Tracking No.	System Name	Present Population	Project Description	Project Cost ($1,000)	Construction Start Date	Est. Loan Term[5]	Engineering Firm
168	1801056-21-01	Agassiz WUD	4,104	User and transmission expansion- Phase II	4,238	2021		AE2S
48	4001153-14-01	All Seasons WUD	1,575	Parallel & looped pipelines to increase flow in low pressure areas	796	2021	30	Bartlett & West
103	4001153-14-02	All Seasons WUD	754	Service to Turtle Mountains/Lake Metigoshe area	796	2021		Bartlett & West
127	4001153-15-01	All Seasons WUD	754	System 4 to system 1 interconnection	6,638	2021		Bartlett & West
5	4001153-21-01	All Seasons WUD	4,200	Refinance of projects for well, reservoir, SCADA, & pipeline improvements	3,929	-	20+	Bartlett & West
49	4001153-21-02	All Seasons WUD	4,200	Increased supply to area around and north of Rolla	371	2021	30	Bartlett & West
19	3200023-21-01	Aneta	222	Water main replacement	3,000	2022		Moore
238	2701506-20-01	Arnegard	300	Water main improvements	2,190	2021		Hyalite
90	0900035-11-01	Arthur	337	Water tower replacement	2,000	2050		Moore
52	2600038-21-02	Ashley	700	Water main replacement & looping	1,000	2021	30	Moore
53	2600038-21-03	Ashley	700	WTP upgrade	1,000	2021	20+	Moore
6	2600038-21-01	Ashley[3]	700	Water tower, well, & transmission line replacement	2,000	2021	20+	Moore
176	0201058-20-01	Barnes RWD	5,037	Additional storage at four booster stations	1,250	2021		Interstate
94	1700059-14-01	Beach	1,013	Transmission main to connect north standpipe to south end of system	2,050	2022		AE2S
167	1700059-20-01	Beach	1,013	Water tower rehab	600	2022		AE2S
31	1700059-21-01	Beach	1,013	Water main & lead service line replacement	2,700	2022		AE2S
62	1700059-18-01	Beach[4]	1,019	Water main & lead service line replacement, transmission main for looping	1,575	2021	30	AE2S
171	4500065-15-01	Belfield	1,013	Transmission main	1,402	2022		Brosz
151	4500065-18-01	Belfield	950	Water main replacement	2,530	2021		AE2S
219	4500065-18-02	Belfield	950	Water storage rehab or replacement	3,100	2021		AE2S
265	5100072-18-02	Berthold	454	Water tower improvements	250	2021		Moore
148	5100072-21-01	Berthold	454	Water main, hydrant, gate valve, & service line replacement	5,000	2021		Moore
42	2900074-20-01	Beulah	3,328	Water main, hydrant, gate valve, & service line replacement	16,630	2023		Interstate
244	0800080-21-02	Bismarck	135,000	WTP improvements	10,600	2021		-
184	0800080-21-01	Bismarck[4]	135,000	Water main & lead service line replacement	3,520	2021		-
209	0700114-20-01	Bowbells	335	Water tower site piping upgrades	177	2021		AE2S
255	0700114-20-02	Bowbells	335	Transmission line improvements	229	2021		AE2S
218	0700114-21-01	Bowbells	359	Water tower replacement	1,800	2021		AE2S
256	0700114-21-02	Bowbells	359	Water main looping	255	2021		AE2S
234	0600119-14-01	Bowman	1,700	Water main replacement (4th Ave W)	1,150	2022		Brosz
246	0600119-19-01	Bowman	1,800	Storage tank improvements	935	2021		Brosz
44	0900134-11-01	Buffalo	225	Water main, service line, gate valve & hydrant replacement	1,900	2022		Moore
210	5100138-12-01	Burlington	1,191	Storage tank	1,700	2023		Ackerman Estvold
208	5100138-18-01	Burlington[4]	1,191	Water main & gate valve replacement	140	2021		Ackerman Estvold

Priority Ranking	Tracking No.	System Name	Present Population	Project Description	Project Cost ($1,000)	Construction Start Date	Est. Loan Term[5]	Engineering Firm
71	4800152-13-02	Cando	1,115	Water main, service line, gate valve, & hydrant replacement	1,800	2022		Moore
232	1600159-20-01	Carrington	2,220	Water main replacement & rehab	1,000	2021		Interstate
15	1900162-20-01	Carson	263	Water main replacement	5,700	2021	30	Interstate
107	0901060-16-01	Cass RWD	24,000	Transmission lines for correction of water quantity & pressure issues	3,000	2022		AE2S
130	0901060-21-01	Cass RWD	16,250	Reservoir, transmission lines, & PRV vault	7,533	2021		AE2S
249	0901060-21-02	Cass RWD	16,250	Service to Brooktree Park	300	2021		AE2S
109	0900166-20-01	Casselton	2,513	Water main, gate valve, & hydrant replacement	8,000	2022		Moore
239	0900166-19-01	Casselton[4]	2,513	Lead service line replacement	550	2021		Moore
80	3400170-18-01	Cavalier	1,191	Ground storage reservoir	1,750	2021		AE2S
89	3900183-09-01	Christine	150	Water main, gate valve, & hydrant replacement	650	2021		Moore
7	2800194-20-02	Coleharbor	82	Water main & service line replacement	1,500	2022		Moore
3	2800194-20-01	Coleharbor[2]	82	Water storage & pump house improvements	700	2021	20+	Moore
240	3900196-06-01	Colfax	175	Water main replacement	478	2021		
47	0700198-16-01	Columbus	133	Water main improvements	1,537	2021	30	Ackerman-Estvold
85	2000203-21-01	Cooperstown	1,100	Water main, gate valve, & hydrant replacement	350	2021		Moore
206	2001061-21-01	Dakota RWD	2,664	Service to users on private wells	2,331	2021		AE2S
91	2001061-21-02	Dakota RWD	2,664	Well & WTP expansion for service to Hannaford	2,184	2021		AE2S
149	0900217-11-01	Davenport	275	Pump station & water storage replacement, distribution system redundancy	993	2021		Interstate
11	0200226-16-01	Dazey	104	Water main replacement & reservoir system upgrades	250	2021	20+	Interstate
259	4500242-20-01	Dickinson	25,000	State Ave South water main extension	3,000	2021		KLJ
181	4500242-21-01	Dickinson[4]	22,000	Water main, lead service line, and hydrant replacement (Sims St)	5,000	2021		Apex
75	3400269-21-01	Drayton	824	Connection to Walsh RWD, water tower, distribution improvements, & demolition of existing tower & WTP	2,100	2021		AE2S
141	1801062-15-01	East Central RWD	6,750	Transmission lines	6,775	2021		AE2S
113	1801062-21-01	East Central RWD	8,859	Transmission line & WTP improvements	7,778	2021		AE2S
14	1900303-21-01	Elgin	642	Water main replacement	2,271	2021	30	Ulteig
121	3700314-02-01	Enderlin	890	Well field & transmission line	1,650	2021		Moore
122	3700314-02-02	Enderlin	890	Water main replacement	775	2021		Moore
123	3700314-02-03	Enderlin	890	WTP improvements	4,400	2021		Moore
124	3700314-08-01	Enderlin	890	Water tower replacement	1,957	2021		Moore
160	3900333-06-01	Fairmount	367	Water main, gate valve, & hydrant replacement	700	2021		Moore
221	0900336-11-01	Fargo	155,000	High service pump station modifications	9,071	2022		AE2S
222	0900336-11-02	Fargo	155,620	WTP residuals facility	37,132	2023		AE2S
189	0900336-20-03	Fargo	155,620	Water main replacement	40,000	2021		AE2S
223	0900336-21-01	Fargo	155,000	Sheyenne River Fargo emergency water supply	5,000	2021		AE2S
129	TBD-20-01	Fargo Moorhead Diversion Authority	19,500	Relocation of existing drinking water infrastructure for flood resiliency	30,000	2021		AE2S

Priority Ranking	Tracking No.	System Name	Present Population	Project Description	Project Cost ($1,000)	Construction Start Date	Est. Loan Term[5]	Engineering Firm
190	0900336-18-02	Fargo[4]	115,620	Lead service line replacement	1,200	2021		AE2S
34	0700344-13-02	Flaxton[4]	74	Water main, gate valve, & hydrant replacement	455	2021	30	Ackerman-Estvold
22	1100346-15-01	Forbes	53	Water main, service line, meter, gate valve, & hydrant replacement	1,500	2022		Moore
70	4100357-08-01	Forman	504	Water tower replacement	1,200	2021		Moore
26	4100357-14-01	Forman	504	Well improvements, transmission line replacement	750	2021	20+	Moore
36	4100357-15-01	Forman	504	Distribution system upgrades	900	2022		Moore
1	2400380-19-01	Gackle[3]	310	Well, water meter, pump house, water tower, & water main replacement	1,300	2021	20+	Moore
55	0900387-06-01	Gardner	80	Water main replacement	400	2023		Moore
96	2800389-13-01	Garrison	1,453	WTP improvements	5,000	2021		Moore
143	2800389-15-01	Garrison	1,453	Intake structure replacement	2,000	2021		Moore
110	2801430-19-01	Garrison RWD	1,480	Pump station, ground storage tank, water main, hydrants, & gate valves	1,346	2021		Ackerman Estvold
66	2800389-13-02	Garrison[4]	1,453	Water main replacement & looping	4,500	2021		Moore
8	3000400-19-02	Glen Ullin	807	Water main replacement & looping	2,000	2021	30	Moore
77	3800397-13-01	Glenburn	380	Water main, gate valve, & hydrant replacement	5,500	2021		Moore
144	5000408-02-01	Grafton	4,913	WTP improvements	5,000	2040		AE2S
145	5000408-03-01	Grafton	4,913	Park River water intake improvements	2,000	2036		AE2S
100	5000408-16-01	Grafton	4,913	Raw water transmission line	6,600	2029		AE2S
101	5000408-16-02	Grafton	4,913	Red River water intake improvements	6,600	2029		AE2S
165	1800410-20-01	Grand Forks	56,556	Existing WTP decommissioning	5,000	2021		AE2S
166	1800410-21-01	Grand Forks[4]	57,365	Lead service line replacement	375	2021		-
211	0900412-20-01	Grandin	173	Water tower replacement	1,200	2021		Bolton & Menk
215	2500415-12-01	Granville	330	Water main & gate valve replacement	476	2021		Ackerman-Estvold
212	5300425-20-01	Grenora	350	Water main replacement (Main St)	1,639	2022		Ackerman Estvold
220	5300425-20-02	Grenora	350	Water main replacement (Jetson St)	535	2021		Ackerman Estvold
139	5300425-20-03	Grenora	350	Storage tank replacement	3,225	2023		Ackerman Estvold
82	5300425-20-04	Grenora	350	Water treatment & softening	3,080	2025		Ackerman Estvold
216	5300425-20-05	Grenora	350	Well #1 rehabilitation	1,524	2025		Ackerman Estvold
213	5300425-20-06	Grenora	350	Well #2 rehabilitation	1,811	2025		Ackerman Estvold
185	1300432-21-01	Halliday	3,328	Booster station to increase pressure on the south end of town	750	2022		Interstate
245	3900433-20-01	Hankinson	919	Redundant raw water transmission main	2,000	2021		Bolton & Menk
23	2000446-09-01	Hannaford	150	Water tower replacement & pump house improvements	1,200	2021	20+	Moore
25	5200458-16-01	Harvey	1,783	WTP improvements	750	2021	20+	Moore
251	0900460-16-01	Harwood	718	Water main looping	1,000	2022		Moore
87	4900465-20-01	Hatton	777	Water tower replacement	1,700	2023		Moore
243	2900470-16-01	Hazen	2,411	Water tower	1,500	2021		Moore
180	3000473-20-01	Hebron	675	Water main replacement	1,009	2021		AE2S
257	3000473-21-01	Hebron	675	Water meter replacement	189	2021		AE2S

Priority Ranking	Tracking No.	System Name	Present Population	Project Description	Project Cost ($1,000)	Construction Start Date	Est. Loan Term[5]	Engineering Firm
65	0100476-20-01	Hettinger	1,200	Water main, gate valve, & hydrant replacement	1,250	2021		Brosz
126	4600487-08-01	Hope	258	Water main extension	200	2021		Moore
266	0900488-15-01	Horace	1,600	Water tower improvements	210	2021		Interstate
264	0900488-16-01	Horace	1,600	Water main, gate valve, & hydrant replacement	4,608	2021		Interstate
60	0900488-18-01	Horace	1,600	WTP improvements	5,915	2021	20+	Interstate
188	0900488-20-01	Horace	1,600	Connection to Cass RWD	1,717	2021		Interstate
83	0900452-15-01	Hunter	261	Pump house upgrades & water tower replacement	2,100	2021		Moore
158	0900452-15-02	Hunter	261	Water main replacement	3,100	2021		Moore
226	4700498-09-01	Jamestown	16,000	Remote reading water meters & software	2,835	2021		Interstate
227	4700498-13-01	Jamestown	16,000	WTP, storage, & distribution system SCADA improvements	455	2021		Interstate
172	4700498-13-02	Jamestown	16,000	WTP filter controls & filter media replacement	860	2021		Interstate
157	4700498-14-01	Jamestown	16,000	Transmission line replacement (WTP to state hospital)	2,760	2021		Interstate
197	4700498-14-02	Jamestown	16,000	Transmission line to improve flow to NE pressure zone	4,968	2021		Interstate
199	4700498-18-01	Jamestown	16,000	Pitless unit well improvements	200	2021		Interstate
200	4700498-18-02	Jamestown	16,000	Water main replacement	1,653	2022		Interstate
228	4700498-18-03	Jamestown	16,000	Lime slaker improvements	290	2021		Interstate
229	4700498-19-01	Jamestown	16,000	Backwash recycle system	400	2021		Interstate
230	4700498-19-02	Jamestown	16,000	Water tower improvements	350	2021		Interstate
201	4700498-21-01	Jamestown	16,000	Water main replacement	1,653	2022		Interstate
10	2300508-15-01	Jud	72	Distribution system & pump house improvements	300	2021	20+	Moore
233	5100515-15-01	Kenmare	1,200	Water main, gate valve, & hydrant replacement	575	2021		Ackerman Estvold
193	2300535-09-01	Kulm	354	Water tower replacement	1,200	2021		Moore
250	2300535-21-01	Kulm	417	Water main & valve replacement	-	-		-
28	3200536-21-01	Lakota	625	Water main, gate valve, hydrant, & service line replacement	1,100	2021	30	Bolton & Menk
170	2300537-14-01	LaMoure	889	Water main replacement & looping	500	2021		Moore
152	1000543-09-01	Langdon	1,878	Water main replacement	2,000	2021		Moore
258	1000543-09-02	Langdon	1,878	Water tower rehabilitation	450	2021		Moore
252	1000543-21-01	Langdon	1,878	Water main looping	740	2021		Moore
32	0300553-13-01	Leeds	427	Well & transmission line upgrades	450	2021	20+	Moore
93	0300553-13-02	Leeds	427	WTP improvements	400	2021		Moore
64	0300553-20-01	Leeds	427	Water main, gate valve, & hydrant replacement	500	2021		Moore
117	0300553-13-03	Leeds[4]	427	Lead service line replacement	650	2021		Moore
39	2600556-11-01	Lehr	80	Water main replacement	500	2022		Moore
18	3900567-16-01	Lidgerwood	652	Water main replacement	510	2021	30	Interstate
102	1500571-21-01	Linton	990	Curb stop replacement	1,500	2022		Ulteig
155	3700574-11-01	Lisbon	2,154	Water well	200	2021		Moore
84	3700574-11-02	Lisbon	2,154	Water main replacement	2,500	2021		Moore
106	3700574-14-01	Lisbon	2,154	WTP upgrades	1,000	2021		Moore
140	5100593-13-01	Makoti	154	Well improvements	400	2021		Moore
45	5100593-13-02	Makoti	154	Water main replacement	2,000	2022		Moore

Priority Ranking	Tracking No.	System Name	Present Population	Project Description	Project Cost ($1,000)	Construction Start Date	Est. Loan Term[5]	Engineering Firm
260	3000596-13-03	Mandan	22,752	Distribution system improvements (Boundary Road PRV)	568	2021		AE2S
187	3000596-16-03	Mandan	22,752	Raw water intake	36,587	2021		AE2S
242	3000596-19-01	Mandan	22,752	Collins Ave reservoir replacement	3,056	2021		AE2S
182	3000596-21-01	Mandan	22,752	Memorial Highway water main upgrade	6,444	2022		AE2S
261	3000596-21-02	Mandan	22,752	South end pump station expansion	371	2022		AE2S
105	0900613-20-01	Mapleton	1,034	Water main replacement & looping	500	2021		Moore
118	2800619-18-01	Max	334	Water main & service line replacement	551	2021		Ackerman Estvold
142	2800619-20-01	Max	334	Gate valve replacement	130	2021		Ackerman Estvold
99	4900622-16-01	Mayville	1,858	WTP upgrades	750	2021		Moore
33	4900622-20-01	Mayville	1,858	Water main, gate valve, & hydrant replacement	500	2021	30	Moore
4	4200626-19-01	McClusky	380	Water tower, transmission lines, & booster station	3,410	2022		Moore
59	4200626-19-02	McClusky	380	Water main, hydrants, & appurtenances	350	2022		Moore
68	4200626-19-03	McClusky	380	Lead service line replacement	50	2022		Moore
43	2801400-19-01	McLean Sheridan RWD	2,244	WTP & distribution system improvements	11,400	2021	20+	AE2S
12	3200636-19-01	McVille	331	WTP improvements	600	2022		Moore
24	4700637-16-01	Medina	300	WTP & well house improvements	800	2021	20+	Moore
69	4700637-16-02	Medina	300	Water main replacement	2,600	2021		Moore
72	4700637-16-03	Medina	300	Water tower replacement	1,000	2021		Moore
247	3200653-13-01	Michigan	345	Water tower improvements	75	2022		Moore
132	4101425-19-01	Milnor	638	Control replacement, booster station renovation, generator, water main	490	2021		Interstate
253	3800695-14-01	Mohall	757	Water main looping	490	2021		Ackerman Estvold
153	3800695-21-01	Mohall	757	Water main replacement	600	2022		Ackerman Estvold
81	3900703-11-01	Mooreton	197	Gate valve replacement, control upgrades, & bladder tank storage	200	2021		Interstate
61	2400715-13-01	Napoleon	707	Service to residents on private wells, water storage, well, meter, & water main replacement	1,000	2021	20+	Moore
186	2100726-20-01	New England	600	Water main replacement & looping	500	2021		Moore
50	1400732-12-01	New Rockford	1,391	Water main replacement & WTP upgrades	5,800	2021	20+	Interstate
119	3000736-16-01	New Salem	911	Refinance of water main replacement- Phase 1	1,283	-		AE2S
120	3000736-20-01	New Salem	911	Refinance of water main replacement- Phase 2	404	-		AE2S
97	3000736-21-01	New Salem	911	Water main replacement- Phase 3	799	2021		AE2S
214	3100744-18-02	New Town	2,524	Water main & service line replacement	406	2021		Ackerman Estvold
195	1200748-18-01	Noonan	144	Water main replacement (Main St)	671	2022		Ackerman Estvold
134	1200748-20-01	Noonan	144	Water main replacement (Washington St)	551	2022		Ackerman Estvold
202	5101189-19-01	North Prairie RWD	11,354	Generators at reservoirs & booster stations	650	2021		Interstate
92	5101189-19-02	North Prairie RWD	11,116	Service to Benedict as individual users	450	2021		Interstate
74	5101189-20-01	North Prairie RWD	11,354	Distribution system improvement	1,250	2021		Interstate
207	5101189-20-02	North Prairie RWD	11,116	Mountrail County rural water expansion	2,500	2021		Interstate
41	1001380-21-01	Northeast RWD	2,900	Pipeline to increase capacity to Adams	700	2021	30	AE2S
175	1001380-21-02	Northeast RWD	2,900	Service to Milton	892	2022		AE2S

Priority Ranking	Tracking No.	System Name	Present Population	Project Description	Project Cost ($1,000)	Construction Start Date	Est. Loan Term[5]	Engineering Firm
131	1100758-09-01	Oakes	1,856	Water reservoir, pumping station, & transmission line	720	2021		Moore
191	1100758-11-01	Oakes	1,856	WTP improvements	2,000	2021		Moore
192	1100758-11-02	Oakes	1,856	Well & well house replacement	400	2021		Moore
116	0300762-15-01	Oberon	104	Distribution system replacement	3,100	2021		Moore
112	0300762-15-02	Oberon	104	Well & pump house replacement	550	2021		Moore
51	0200763-09-01	Oriska	128	Reservoir & pump house replacement	550	2021	20+	Moore
224	3100775-21-01	Parshall	903	Water main looping	650	2021		AE2S
254	3100798-16-02	Plaza	171	Hydrant rehab or replacement	530	2021		AE2S
262	0700800-19-01	Portal	150	Water main looping	150	2022		Ackerman Estvold
125	4900803-08-01	Portland	606	Water tower replacement	1,400	2022		Moore
177	2800825-20-01	Riverdale	226	Gate valve replacement	1,217	2021		Ulteig
161	2800825-20-02	Riverdale	226	Raw water supply line replacement	1,752	2021		Ulteig
29	2200827-16-01	Robinson	37	Pumping system improvements & water main, gate valve, hydrant, & curb stop replacement	250	2021	20+	Moore
104	4000834-20-01	Rolla	1,280	Water main, hydrant, lead service line, and storage tank replacement	300	2023		AE2S
58	3500842-20-01	Rugby	2,911	WTP upgrades- Phase 3	1,000	2022		AE2S
57	3500842-21-01	Rugby	2,911	Distribution system replacement	1,500	2022		AE2S
73	3500842-21-02	Rugby	2,911	CO_2 tank for WTP	180	2022		AE2S
13	3500842-21-03	Rugby	2,911	Raw water line & air release valve replacement	7,700	2022		AE2S
114	4100848-16-01	Rutland	163	Water main replacement & looping	500	2022		Interstate
128	5100849-21-01	Ryder	80	Water tower replacement	1,800	2021		-
174	0200858-13-01	Sanborn	194	Water main, service line, gate valve, & hydrant replacement	625	2022		Moore
169	5100868-14-01	Sawyer	367	Water main, gate valve, & hydrant replacement	750	2021		Moore
194	3800877-15-01	Sherwood	256	Water main replacement	414	2021		Ackerman Estvold
56	1400879-15-01	Sheyenne	204	Water main replacement	3,100	2021	30	Moore
133	0500887-20-01	Souris	100	Water main replacement	600	2021		Moore
173	4500891-19-01	South Heart	307	Water main replacement	2,982	2021		Brosz
225	3901068-14-01	Southeast WUD	8,862	Automated meter reading system	2,000	2022		AE2S
179	3901068-20-01	Southeast WUD	8,862	Consoidation or regionalization of water treatment	12,645	2021		AE2S
241	3100898-20-01	Stanley	2,611	Refinance of water main replacement	680	-		Brosz
154	3100898-19-01	Stanley[4]	2,400	Water main, service line, gate valve, & hydrant replacement	450	2021		Brosz
30	4700922-12-01	Streeter	170	Water main extension & looping	500	2021	30	Moore
21	4700922-13-01	Streeter	170	WTP improvements	500	2021	20+	Moore
16	4700922-13-02	Streeter	170	Well & pump house improvements	860	2021	20+	Moore
20	4700922-19-01	Streeter	170	Water tower replacement	1,000	2021	20+	Moore
63	4701303-19-01	Stutsman RWD	6,600	Service to Streeter	554	2021		Bartlett & West
76	4701303-19-04	Stutsman RWD	6,600	Transmission lines & WTP improvements to accommodate new well	2,930	2021		Bartlett & West

Priority Ranking	Tracking No.	System Name	Present Population	Project Description	Project Cost ($1,000)	Construction Start Date	Est. Loan Term[5]	Engineering Firm
217	5200927-13-01	Sykeston	117	Water main, corporation, curb stop, & hydrant replacement	1,000	2021		Moore
108	5301152-16-01	Tioga	2,500	Water main replacement	9,500	2021		Moore
203	0900945-09-01	Tower City	252	Water tower improvements	250	2021		Moore
79	0900945-12-01	Tower City	252	Water main & hydrant replacement	2,100	2021		Moore
178	0900945-19-01	Tower City	252	Refinance of gate valve & service line replacement	600	-		Moore
40	2500946-21-01	Towner	571	Connection to rural water or WTP improvements	2,000	2021	20+	AE2S
54	2800949-20-01	Turtle Lake	575	Water main replacement & looping	600	2021	30	Moore
237	2800953-20-01	Underwood	1,000	Water meter replacement	250	2021		-
263	2800953-21-01	Underwood	1,000	Water tower improvements	185	2021		-
95	2500956-16-01	Upham	133	Water main, gate valve, hydrant, & service line replacement	508	2021		Ackerman Estvold
235	5101074-20-01	Upper Souris WD	1,365	Water meter replacement	550	2021		AE2S
147	5101074-21-01	Upper Souris WD	2,435	Parallel pipelines, pump station improvements, & SCADA to increase flow & pressure	4,072	2022		AE2S
163	0200958-20-01	Valley City	6,585	Water main & service line replacement (7th Ave NW & 2nd Ave NE)	594	2021		KLJ
164	0200958-20-02	Valley City	6,585	2021 water main & service line replacement	825	2021		KLJ
88	0200958-21-01	Valley City	6,585	Water main & service line replacement (6th Ave NW)	350	2022		KLJ
86	2500964-19-01	Velva[4]	1,265	Water main & service line replacement	588	2021		Ackerman Estvold
27	2300969-12-01	Verona	85	Water main & meter replacement	515	2021	20+	Moore
37	2300969-14-01	Verona	85	Reservoir & pump house replacement	300	2021	20+	Moore
146	2300969-19-01	Verona	85	Water meter replacement	100	2021		Moore
156	3900973-04-01	Wahpeton	7,766	Water main replacement & looping (4th St, Oakwood Court, 8th Ave S, 5th Ave N)	284	2023		-
78	3900973-16-01	Wahpeton	7,766	WTP improvements	10,707	2025		Stantec
135	3900973-18-01	Wahpeton	7,766	Water main replacement (12th St & Loy Ave)	1,326	2022		Interstate
136	3900973-18-03	Wahpeton	7,766	Water main replacement (15th Ave N & 14th St N)	1,102	2024		-
137	3900973-18-04	Wahpeton	7,766	Water main replacement (8th Ave N)	1,715	2023		Interstate
162	3900973-19-01	Wahpeton	7,766	Well field relocation, well house, & controls	6,654	2023		-
196	3900973-20-01	Wahpeton	7,766	Water main & service line replacement (Dakota Ave side streets)	1,098	2022		Interstate
138	3900973-19-02	Wahpeton[4]	7,766	Water main replacement (2nd St N)	1,196	2021		Interstate
98	5001075-19-01	Walsh RWD	3,358	Service to residents on private wells, pipelines to increase capacity, & interconnection with NRWD	849	2021		AE2S
46	5001075-20-01	Walsh RWD	3,358	Service to Drayton	550	2021	30	AE2S
231	2800989-18-01	Washburn	1,313	Intake, wet well, & pump house	4,657	2021		AE2S
248	5301686-20-01	WAWSA	0	Acquisition of Williston WTP	8,565	-		AE2S
111	5301686-21-01	WAWSA	0	2021 improvements & expansion	28,215	2021		AE2S
183	0900999-19-01	West Fargo	35,000	Water main replacement	2,000	2021		-
236	5101447-16-01	West River WD	650	Service line replacement	453	2021		Ackerman Estvold
198	0501001-09-01	Westhope	429	Water main & service line replacement	462	2021		Ackerman Estvold

Priority Ranking	Tracking No.	System Name	Present Population	Project Description	Project Cost ($1,000)	Construction Start Date	Est. Loan Term[5]	Engineering Firm
159	5301011-20-01	Wildrose	150	Water main replacement	489	2022		Ackerman Estvold
270	5201012-19-04	Williston	30,000	Water main improvements (47th St, 6th Ave, 44th St)	690	2022		AE2S
267	5201012-19-05	Williston	30,000	Water main improvements (Borsheim Addition)	2,200	2022		AE2S
268	5201012-19-06	Williston	30,000	Water main improvements (Front St & Reiger Dr)	1,449	2022		AE2S
269	5201012-19-07	Williston	30,000	Water main improvements (Sunset, Kettler, & Morelli Subdivisions)	743	2022		AE2S
150	0801031-18-01	Wilton[4]	750	Water main replacement	2,946	2021		Ulteig
9	0801036-20-01	Wing	152	Distribution system replacement	1,400	2021	30	Moore
38	0801036-21-01	Wing	152	Chemical feed building & equipment, decommissioning of well house & well, controls & gate valve for water tower	425	2021	20+	Moore
2	0801036-19-01	Wing[2]	152	Water tower, water main, hydrant, & gate valve replacement	1,400	2021	20+	Moore
204	2601037-18-01	Wishek	1,002	Water meters and meter reading software	410	2021		Interstate
205	2601037-20-01	Wishek	1,002	Hydrant replacement	350	2021		Interstate
115	2601037-20-02	Wishek	1,002	Iron & manganese removal equipment	1,200	2021		Interstate
35	3901043-08-01	Wyndmere	429	Distribution system improvements	1,000	2022		Bolton & Menk
67	3901043-16-01	Wyndmere	429	Service line, water meter, & SCADA system replacement	1,000	2022		Bolton & Menk
17	3901043-20-02	Wyndmere	429	Distribution system improvements (Phase II & III- from 3rd St to the west)	8,000	2023		Bolton & Menk

Total Project Cost: 680,518

[1] It is unknown at this time if mandatory additional subsidization will apply to the 2021 DWSRF allotment. To address this potential requirement, a funding level of $2,202,200 has been assumed for additional subsidization (as loan forgiveness). Adjustments will be made, as necessary, based on the actual requirements and capitalization grant amount.

[2] These projects appear eligible for 75% loan forgiveness. The actual loan forgiveness amount is dependent upon available funds. Loan forgiveness eligibility will be confirmed when the loan application is submitted.

[3] These projects appear eligible for 40% loan forgiveness. The actual loan forgiveness amount is dependent upon available funds. Loan forgiveness eligibility will be confirmed when the loan application is submitted.

[4] These projects appear eligible for lead service line replacement loan forgiveness. The actual loan forgiveness amount is dependent upon available funds. Loan forgiveness eligibility will be confirmed when the loan application is submitted.

[5] Estimated length of the loan term only. The loan term will be set at the time of loan approval.

Appendix C

STATE OF NORTH DAKOTA

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

DWSRF PROGRAM
DIVISION OF MUNICIPAL FACILITIES
NORTH DAKOTA DEPARTMENT OF ENVIRONMENTAL QUALITY

October 2019

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

- Water Quality (35 points maximum)
- Water Quantity (20 points maximum)
- Affordability (15 points maximum)
- Infrastructure Adequacy (15 points maximum)
- Consolidation or Regionalization of Water Supplies (10 points maximum)
- Operator Safety (5 points maximum)

Maximum Total Points = 100

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

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

Water Quality (select all that apply, 35 points maximum)[1,2]	
A. Documented waterborne disease outbreaks within last 2 years.	20
B. Unresolved nitrate or nitrite maximum contaminant level (MCL) exceedance(s), OR acute microbiological MCL exceedance(s) within last 12 months.	15
C. Exceedance(s) of EPA-established unreasonable risk to health (URTH) level(s) within last 4 years for regulated chemicals or radionuclides (excludes nitrate and nitrite).	10
D. Disinfection treatment inadequate to satisfy one of the following: • The Surface Water Treatment Rule (SWTR) • The Enhanced SWTR (ESWTR) • The Groundwater Rule (GWR) once finalized • Groundwater source(s) deemed by the PWSS to be under the direct influence of surface water • Multiple turbidity treatment technique requirement (TTR) violations within last 2 years (includes at least one event where the maximum allowed turbidity was exceeded)	8
E. Multiple turbidity TTR violations within last 2 years (no events where the maximum allowed turbidity was exceeded), OR 3 or more non-acute microbiological MCL violations within last 12 months.	7
F. MCL or TTR exceedance(s) (no URTH level exceedances) within last 4 years (excludes microbiological contaminants, nitrate, nitrite, and turbidity).	6
G. Potential MCL or TTR compliance problems based on most recent 4-year period (excludes microbiological contaminants and turbidity).	
75% to 100% of MCL or TTR	5
50% to 74% of MCL or TTR	4
H. General water quality problems (see table on page 5).	
Significant general water quality problem	4
Moderate general water quality problem	3
Minor general water quality problem	2

Water Quantity (select all that apply, 20 points maximum)[2,3]	
A. Correction of a critical water supply problem involving the loss or imminent loss of a water supply in the near future.	20
B. Correction of an extreme water supply problem. Maximum water available <150 gallons per capita per day (gpcd) (community water systems only), OR continuous water shortages during all periods of operation (non-profit non-community water systems only).	10

C. Correction of a serious water supply problem. Maximum water available <200 gpcd (community water systems only), OR daily water shortages, or inability to meet peak daily water demand at a frequency of at least once per week during all periods of operation (non-profit non-community water systems only).	7
D. Correction of a moderate water supply problem. Maximum water available <250 gpcd (community water systems only), OR occasional daily water shortages, or occasional inability to meet peak daily water demands on a seasonal basis (non-profit non-community water systems only).	4
E. Correction of a minor water supply problem. Maximum water available <300 gpcd (community water systems only), OR sporadic water shortages or occasional inability to meet peak water demands (non-profit non-community water systems only).	2

Affordability (for the applicable subcategory, select one for each item, 15 points maximum)	
A. Community Water Systems	
Relative income index- ratio of local or service area annual median household income (AMHI) to the state nonmetropolitan AMHI (based on the most recent ACS 5-Year Estimates)	
≤60%	8
61% to 70%	7
71% to 80%	5
81% to 90%	3
91% to 100%	1
Relative future water cost index- ratio of expected average annual residential water user charge resulting from the project, including costs recovered through special assessments, to the local AMHI (based on the most recent ACS 5-Year Estimates)	
>2.5%	7
2.0% to 2.5%	6
1.5% to 1.9%	5
1.0% to 1.4%	3
0.5% to 0.9%	1

B. Non-profit Non-community Water Systems	
Relative income index- ratio of local or service area AMHI to the state non-metropolitan AMHI (based on the most recent ACS 5-Year Estimates)	
≤60%	8
61% to 70%	7
71% to 80%	5
81% to 90%	3
91% to 100%	1
Relative future water cost index- ratio of expected annual water service expenditures resulting from the project to total annual operating expenses	
>20%	7
15% to 20%	6
10% to 14%	5
5% to 9%	3
2% to 4%	1

Infrastructure Adequacy (select all that apply, 15 points maximum)	
A. Correction of general disinfection treatment deficiencies - excludes improvements necessary to directly comply with the SWTR, the ESWTR, or the GWR.	3
B. Correction of well construction or operating deficiencies.	3
C. Correction of distribution system pressure problems (dynamic pressure <20 psi).	3
D. Replacement of deteriorated water mains.	3
E. Replacement of deteriorated finished water storage structures.	3
F. Replacement of distribution system piping/materials shown via DWP-approved testing to contribute unacceptable levels of lead or asbestos.	3
G. Water treatment plant operating at or above design capacity.	3
H. Water treatment plant operating at or beyond useful or design life.	3
I. Correction of specific design or operating deficiencies associated with water treatment plant unit processes (excludes disinfection treatment).	2
J. Correction of specific design or operating deficiencies associated with surface water intake facilities.	2
K. Correction of specific design or operating deficiencies associated with finished water storage facilities.	2
L. Correction of specific design or operating deficiencies associated with raw or finished water pumping facilities.	2
M. Correction of specific design or operating deficiencies associated with raw or finished water distribution system piping.	2

N. Correction of specific design or operating deficiencies associated with chemical feed installations (excludes disinfection).	2
O. Provision of a second well where only one functional well exists for systems relying solely on their own groundwater supplies.	2
P. Replacement of inoperative, obsolete, or inadequate instrumentation or controls.	2

Consolidation or Regionalization of Water Supplies (select all that apply, 10 points maximum)	
A. Correction of Safe Drinking Water Act (SDWA) compliance problem(s) or extreme to critical water supply problem(s) for one or more PWSs through consolidation with another PWS or regionalized service provided by another PWS.	4
B. Correction of contamination problems (regulated contaminants) or extreme water quantity problems (no water, imminent loss of water supply, or continuous/frequent daily water shortages) for individual residences or businesses through consolidation with another PWS or regionalized service provided by a PWS.	3
C. Correction of potential MCL or TTR compliance problems, general water quality problems, or moderate to serious water quantity problems for one or more PWSs through consolidation with another PWS or regionalized service provided by another PWS.	2
D. Correction of general water quality problems or moderate water quantity problems (occasionally daily or seasonal water shortages) for individual residences or businesses through consolidation with another PWS or regionalized service provided by a PWS.	1

Operator Safety (select one if applicable, 5 points maximum)	
Correction of a problem that poses a critical and chronic safety hazard for operators.	5
Correction of a problem that poses an intermittent safety hazard for operators.	3
Correction of a potential significant safety hazard for operators.	1

General Water Quality (select all that apply)				
Total Dissolved Solids (TDS)		Manganese (Mn)		
500 - 999 mg/L	1	0.05 - 0.25 mg/L		1
1,000 - 1,499 mg/L	2	0.26 - 1.00 mg/L		2
≥ 1,500 mg/L	3	> 1.00 mg/L		3
Total Hardness as Calcium Carbonate (TH)		Sodium (Na)		
200 - 424 mg/L	1		200 - 424 mg/L	1
425 - 649 mg/L	2		425 - 649 mg/L	2
≥ 650 mg/L	3		≥ 650 mg/L	3

Iron (Fe)			Sulfate (SO_4)	
0.3 - 0.89 mg/L	1		250 - 499 mg/L	1
0.9 - 2.0 mg/L	2		500 - 750 mg/L	2
> 2.0 mg/L	3		> 750 mg/L	3

Total From Above	Category for Water Quality Item H
≥ 6	Significant general water quality problem
4 or 5	Moderate general water quality problem
≤ 3	Minor general water quality problem

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

Appendix D

Non-Project Set-Aside and Fee Activity[1]

North Dakota Drinking Water State Revolving Loan Fund Program

Set-Aside	Set Aside Through 6/30/2020	Transferred to Loan Fund	Expended Through 6/30/2020	Balance Available as of 6/30/2020	Planned Set-Asides for 2021[4]	Total Set-Aside Funds Available 2021	Reserved Through 2020	Reserved from 2021 Allotment	Total Reserved Through 2021
DWSRF Administration	9,603,814	-	9,089,858	513,956	0	513,956	-	513,956	513,956
10% State Program Assistance									
PWSS Supervision	6,270,000	704,685	3,117,438	2,447,877	0	2,447,877	2,407,173	1,100,100	3,507,273
Source Water Protection									
Capacity Development									
Operator Certification									
2% Small System Technical Assistance	3,735,612	-	3,257,307	478,305	0	478,305	155,860	220,020	375,880
15% Local Assistance[2]									
Land Acquisition									
Capacity Development									
Wellhead Protection									
Source Water Petition Programs									
Source Water Protection	1,255,880	820,612	435,268	-	NA	-	-	NA	-
Totals	20,865,306	1,525,297	15,899,871	3,440,138	0	3,440,138	2,563,033	1,834,076	4,397,109

Fee Type	Collected Through 6/30/2020	Transferred to Loan Fund	Expended Through 6/30/2020	Balance Available 6/30/2020	Projected Funds 1/1/21 - 12/31/21	Estimated Funds Collected Through 12/31/21	Total Funds Held Through 12/31/21
Loan Fee[3]	14,915,280	0	4,389,928	10,525,352	1,872,691	16,787,971	12,398,043

[1] The FY 1997 through 2020 allotments have been awarded. The allotment for FY 2021 is $11,001,000. The FY 2021 allotment will be applied for by July 1, 2021.

[2] No more than 10% may be used for any one activity with a maximum of 15% for all activities combined.

[3] The loan fee amounts reflect loans approved up to June 30, 2020. The amounts may increase based upon repayments due (if any) under loans approved after this date.

[4] DWSRF Administration is calculated as 0.2% of the valuation of the fund.

Appendix E

Amounts Available to Transfer Between State Revolving Fund Programs[1]

North Dakota Drinking Water State Revolving Loan Fund Program

Year	Transaction Description	Banked Transfer Ceiling	Transferred from DWSRF to CWSRF	Transferred from CWSRF to DWSRF	DWSRF Funds Available for Transfer	CWSRF Funds Available for Transfer
1998	DW Grant	4.1			4.1	4.1
1998	DW Grant	6.5			6.5	6.5
2000	DW Grant	9.0			9.0	9.0
2000	DW Grant	11.5			11.5	11.5
2001	DW Grant	14.1			14.1	14.1
2002	DW Grant	16.7			16.7	16.7
2002	Transfer	16.7	10.0	3.0	9.7	23.8
2003	DW Grant	19.4			12.4	26.4
2003	Transfer	19.4	0	5.9	18.3	20.5
2004	DW Grant	22.1			21.0	23.2
2004	Transfer	22.1	0	2.6	23.7	20.6
2005	DW Grant	24.9			26.4	23.3
2005	Transfer	24.9	0	0.1	26.5	23.2
2006	DW Grant	27.6			29.2	25.9
2006	Transfer	27.6	0	1.5	30.8	24.4
2007	DW Grant	30.3			33.5	27.1
2007	Transfer	30.3	0	4.9	38.3	22.2
2008	DW Grant	33.0			41.0	24.9
2008	Transfer	33.0	0	3.0	44.1	21.9
2009	DW Grant	35.7			46.8	24.6
ARRA	DW Grant	42.1			53.2	31.0
ARRA	Transfer	42.1	0	2.6	55.8	28.4
2009	Transfer	42.1	0	0.7	56.5	27.7
2010	DW Grant	46.6			61.0	32.2
2010	Transfer	46.6	0	0.8	61.8	31.4
2011	DW Grant	49.7			64.9	34.5
2012	DW Grant	52.7			67.8	37.5
2013	DW Grant	55.4			70.6	40.3
2014	DW Grant	58.3			73.5	43.2
2015	DW Grant	61.2			76.4	46.1
2015	Transfer	61.2	19.1	0	57.4	65.1
2016	DW Grant	64.0			60.1	67.9
2017	DW Grant	66.7			62.8	70.6
2017	Transfer	66.7	0	4.1	66.9	66.5
2018	DW Grant	70.4			70.6	70.2
2018	Transfer	70.4	0	22.2	92.8	47.9
2019	DW Grant	74.0			96.5	51.6
2020	DW Grant	77.6			100.1	55.2
2020	Transfer	77.6	0	1.5	101.6	53.7
2021	DW Grant	81.3			105.3	57.3
2021	Transfer	81.3	0	**20.0**	125.3	37.3

Bold number indicates planned transfer

[1] All amounts are in millions of dollars

Appendix F

Sources and Uses Table
North Dakota Drinking Water State Revolving Loan Fund Program
Cumulative Amounts as of June 30, 2020

	SOURCES	
Federal Capitalization Grants	226,868,100	
State Match	51,432,137	
Transfers from CWSRF	53,045,447	
Net Leveraged Bonds	193,941,728	
Investment Earnings	52,004,184	
Interest Payments	65,858,408	
Principal Repayments	192,448,654	
TOTAL SOURCES OF FUNDS	835,598,658	
	USES	
Administration	9,603,814	
2% SSTA	3,735,612	
10% DW Program Set-Aside	5,565,315	
15% Local Asst. Set-Aside	435,268	
Transfers to CWSRF	29,061,000	
Bond Principal Repayments	74,538,703	
Bond Interest Expense	70,408,214	
Arbitrage	785,241	
Reserves	2,650,545	
Closed Agreements	666,669,174	
Loans Approved But Not Closed	17,997,000	
TOTAL USES OF FUNDS	881,449,886	
DWSRF Funds Available for Projects in 2021		-$45,851,228
	ANNUAL SOURCES FOR 2021	
FY21 Capitalization Grant		11,001,000
Set-asides taken from FY21 Capitalization Grant		-
State Match (if applicable)		5,000,000
Leveraged Bonds (if applicable)		80,000,000
Transfers with CW +/- (if applicable)		20,000,000
Total New 2021 Funds		$116,001,000
TOTAL DWSRF FUNDS AVAILABLE FOR 2021		$70,149,772
TOTAL DWSRF PROJECTS ON FUNDABLE LIST		$70,149,772
AVAILABLE FUNDS		$0

Appendix G

Abbreviations

ACS	American Community Survey
AMHI	Annual median household income
CWS	Community water system
CWSRF	Clean Water State Revolving Fund
DWSRF	Drinking Water State Revolving Fund
EPA	Environmental Protection Agency
ESWTR	Enhanced Surface Water Treatment Rule
FY	Fiscal year
GPCD	Gallons per capita per day
GPR	Green project reserve
GWR	Ground Water Rule
IUP	Intended Use Plan
MCL	Maximum contaminant level
NDAC	North Dakota Administrative Code
NDCC	North Dakota Century Code
NDDEQ	North Dakota Department of Environmental Quality
NPDWR	National Primary Drinking Water Regulations
PFA	Public Finance Authority
PRV	Pressure-reducing valve
PWS	Public Water System
PWSS	Public Water System Supervision
RFWCI	Relative future water cost index
RO	Reverse osmosis
RWD	Rural Water District

SCADA	Supervisory control and data acquisition
SDWA	Safe Drinking Water Act
STAG	State and Tribal Assistance Grants
SWTR	Surface Water Treatment Rule
TTR	Treatment technique requirement
URTH	Unreasonable risk to health
WAWSA	Western Area Water Supply Authority
WD	Water district
WRD	Water Resource District
WS	Water system
WTP	Water treatment plant
WUD	Water Users District