

**2016 INTENDED USE PLAN  
FOR THE  
NORTH DAKOTA DRINKING WATER STATE REVOLVING LOAN FUND**

**PREPARED BY THE  
DRINKING WATER STATE REVOLVING LOAN FUND PROGRAM  
MUNICIPAL FACILITIES DIVISION  
ENVIRONMENTAL HEALTH SECTION  
NORTH DAKOTA DEPARTMENT OF HEALTH**

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## **ATTACHMENTS**

- Attachment 1 - Eligible and Ineligible Projects and Project-Related Costs Under the Drinking Water State Revolving Loan Fund (DWSRF) Program
- Attachment 2 - Comprehensive Project Priority List And Fundable List
- Attachment 3 - Priority Ranking System for Financial Assistance Through the Drinking Water State Revolving Loan Fund (DWSRF) Program
- Attachment 4 - Nonproject Set-Aside and Loan Fee Activity Table
- Attachment 5 - Amounts Available to Transfer Between State Revolving Fund Programs
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## **A. 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 DWSRF federal allotments for fiscal years (FY) 1997 through 2015 totaled \$179,870,767 and the anticipated 2016 allotment is \$9,000,000. Allotted funds are provided by the EPA through capitalization grants and matched 20% by North Dakota.

DWSRF funds may be used for: loans, loan guarantees, as a source of reserve and security for leveraged loans (the proceeds of which must be placed in the DWSRF), to buy or refinance existing local debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993, and to earn interest prior to disbursement of assistance. To the extent that there are a sufficient number of eligible projects, at least 15 percent of the funds available for construction must be annually used 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 nonproject set-aside activities such as: administration (up to 4 percent), state program assistance (up to 10 percent), small system technical assistance (up to 2 percent), and 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. Attachment 1 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:

1. A priority list of projects, including a description of the projects and the present size of the PWSs served.
2. A description of the criteria and methods to be used for the distribution of funds.

3. A 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; and,
4. A 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 2016 and will stay in effect until superseded by a subsequent IUP. As per the authority granted to the North Dakota Department of Health (NDDoH) under NDCC Chapter 61-28.1, this document, as amended 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 \$9,000,000 (anticipated amount). State match bonds were issued in 2015 to provide the 20 percent match for capitalization grants through 2023.

## **B. Priority List of Projects**

### Background

States are required to develop and maintain a comprehensive priority list of eligible projects for funding and 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).

### Development Process

As part of the IUP development process, all potential DWSRF loan recipients were requested to notify the NDDoH if they had a drinking water project not presently on the list for which they were interested in pursuing DWSRF financial assistance. Systems with already ranked and listed projects were requested to provide the NDDoH with a written update for each project either not yet under construction, or under construction using other than DWSRF funds. The updates were to include a detailed project description and cost estimate, the amount of DWSRF funds needed, and, as applicable, the anticipated construction start date. In lieu of this information, systems were asked to inform the NDDoH 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 reranking 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 State Water Commission approval.

#### Comprehensive Project Priority List

See Attachment 2.

#### Fundable 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 Section E). 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 Section C).

### **C. Criteria and Methods for the Distribution of Funds**

#### Background

A DWSRF 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, and buy or refinance existing debt obligations (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993. Attachment 1 provides additional information concerning the types of projects and project-related costs that are eligible for DWSRF financial assistance.

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 NDDoH to select projects for potential DWSRF assistance.

### Priority Ranking System

The priority ranking system was developed by the NDDoH, the state agency with primary enforcement authority for the SDWA. The priority ranking system is designed to ensure that DWSRF funds are focused on projects that 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.

### Ranking and Project Bypass Considerations

It is the intent of the NDDoH that DWSRF funds are directed towards North Dakota's most pressing SDWA compliance problems and public health protection needs. To this end, the NDDoH reserves the right to require the separation, if feasible, of project components into separate projects if 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 (publicly-owned systems only) where the initial debt was incurred and construction started after July 1, 1993. Cross-cutter requirements apply to these projects, including American Iron and Steel requirements for projects with initial debt and construction after January 17, 2014. 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 NDDoH reserves the right to fund lower-ranked projects ahead of higher-ranked projects based on the considerations below. To the maximum extent possible, the NDDoH 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 included:

1. 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)
2. Willingness to proceed (i.e., applicant withdraws project from consideration, obtains other funding sources, or is nonresponsive)
3. Emergency conditions (i.e., an unanticipated failure occurs requiring immediate attention to protect public health)

4. Financial (includes inability to pay and loan repayment issues), technical, or managerial capability
5. Meet 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 annually used to provide loan assistance to PWSs that serve fewer than 10,000 persons)
6. Meet the Green Project Reserve (if required)
7. Initial ranking score cannot be verified

The NDDoH, without going through a public review process, reserves the right to fund unanticipated, non-ranked emergency projects determined to require immediate attention to protect public health. Such assistance will be limited to eligible PWS types and project features, and to 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. PWS capacity, in the context of the SDWA, refers to the overall technical, managerial, and financial capability of a PWS to consistently produce and deliver drinking water meeting all NPDWRs. The NDDoH has the legal authority and responsibility under NDCC Chapter 61-28.1 to ensure PWS capacity.

The NDDoH 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 requested in the loan application. Based upon input provided by the DWSRF Program regarding technical and managerial capability, the PFA will make recommendations to the DWSRF Program concerning financial capability. The final decision regarding overall capacity will be made by the DWSRF Program.

As required by the SDWA, DWSRF assistance will be denied to applicants that are considered a Priority System because they score eleven 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 NDDoH will utilize other specific legal authorities as control points to ensure capacity. This includes the review and approval of plans and specifications. Under North Dakota Century Code Chapter 61-28.1 and North Dakota Administrative Code Chapters 33-03-08 and 33-18-01, the NDDoH is both empowered and required to review and approve plans and specifications for all new or modified drinking water facilities prior to construction.

#### **D. Set-Aside and Fee Activities**

##### Background

Under the SDWA, states are required to set aside a certain 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 certain other project and nonproject activities, and assess fees on loans to help support administration costs. A description of the different set-asides and past/proposed activities related to both set-asides and fees follows.

##### Mandatory Small System Project Set-Aside

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 to the extent that there are a sufficient number of eligible projects to fund. States that exceed the 15 percent requirement in any one year are permitted to bank the excess toward future years.

One hundred ninety (190) loans totaling \$422,164,799 have been approved to date. One hundred sixty five (165) of these loans (totaling \$205,367,966 or 49 percent of loan total) represent PWSs that serve fewer than 10,000 people. The NDDoH envisions that additional loans will be made to small PWSs based on the comprehensive project list and fundable list (See Attachment 2).

##### Mandatory Additional Subsidization Set-Aside

Congress has mandated in several previous appropriations bills that 20 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 NDDoH has the authority under state law, N.D.C.C. Chapter 61-28.1, to provide financial assistance through the DWSRF as authorized by federal law and the USEPA.

Criteria for determining the amount of loan forgiveness is on a project specific basis. Loan forgiveness will be based on the relative future water cost index (RFWCI). The RFWCI is defined as the ratio of expected average annual residential user charge for water service resulting

from the project, including costs recovered through special assessments, to the local median household income (based on the American Communities Survey (ACS) 5-Year Estimate).

For 2016, 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 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. The loan forgiveness cap for any one project is \$1.25 million.

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.

To meet Congressional and EPA capitalization grant spend-down intent for the DWSRF program, the loan forgiveness cap for FY2015 and earlier capitalization grants is removed. The max percentage of loan forgiveness will also be raised to 75 percent from 60 percent and to 40 percent from 30 percent for these capitalization grants.

Timely progression of additional subsidization projects is required. To ensure this, there will be an application deadline, a binding commitment 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.

It is unknown at this time if mandatory additional subsidization will apply to the FY2016 DWSRF allotment. To address this potential requirement, the fundable portion of the comprehensive project priority list depicts at least 20 percent (\$1,800,000) additional subsidization through loan forgiveness. Adjustments will be made, as necessary, based on the actual required subsidization level and capitalization grant amount.

#### Mandatory Green Project Reserve (GPR) Set-Aside

Congress has mandated in several previous appropriations bills that 10 to 20 percent of assistance provided from DWSRF capitalization grants, to the extent there are sufficient eligible project applications, be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. Where it is not clear that a project or component qualifies to be included as counting towards the requirement, the files for such projects will contain documentation of the business case on which the project was judged to qualify, as described in the DWSRF capitalization grant requirements.

It is unknown at this time if mandatory GPR will apply. Adjustments will be made to the priority list based on the actual GPR requirement and capitalization grant amount.

### Optional Project Set-Asides

States may 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 cannot exceed 30 percent of the amount of the federal capitalization grant for any fiscal year. The EPA is required to provide guidance to assist states in developing affordability criteria.

The NDDoH has not developed a disadvantaged community program, and is not proposing to do so in this IUP. This decision is based primarily upon majority opinions obtained during initial development of the DWSRF Program, and the NDDoH's desire to maximize the long-term availability of funds for construction purposes.

### Optional Nonproject Set-Asides

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

- DWSRF Administration - up to 4 percent
- State Program Administration - up to 10 percent
- Public Water Supply Supervision (PWSS) Program, source water protection program(s), capacity development program, and 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 an EPA-approved wellhead protection program

States may transfer funds among the nonproject set-aside categories, or between the loan fund and such set-aside categories, provided that the statutory set-aside ceilings are not exceeded. Nonproject 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 if payments have already been taken for the set-aside funds. Monies intended for the loan fund may be transferred to nonproject 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.

## Nonproject Set-Aside and Fee Activity

Attachment 4 depicts nonproject set-aside and fee activity. The anticipated FY 2016 federal DWSRF allotment for North Dakota is \$9,000,000. The NDDoH intends to set aside \$1,025,000 of the allotment for non-project activities. The NDDoH also intends to reserve \$415,000 of set-aside funds of the FY2016 capitalization grant for use in future years in addition to funds held in reserve from previous years. The state program administration (PWSS Program) set-aside is \$500,000 and an additional \$400,000 will be held in reserve for future years. The 2 percent set-aside for small system technical assistance is \$165,000 and an additional 15,000 will be held in reserve for use in future years. The 4 percent set-aside for DWSRF administration is \$360,000. The 4 percent set-aside will be held for ongoing and future DWSRF program administration. The 10 percent set-aside will also be held for ongoing and future PWSS administration. The 2 percent set-aside will be held for ongoing and future small system technical assistance. Should the capitalization grant be different from \$9,000,000, the set-aside for DWSRF program administration will be adjusted to 4 percent of the actual capitalization grant awarded. The amount held in reserve from the 2 percent and state program administration will be changed to hold in reserve the remainder of the set-aside that is not being taking in addition to funds held in reserve from previous Intended Use Plans.

The NDDoH has limited and will continue to limit the usage of set-asides to maximize funds available for construction. Set-aside usage has been restricted to that necessary to administer the program (4 percent set-aside), provide technical assistance to small PWSs (2 percent set-aside), to provide state program administration (10 percent set-aside), and to complete source water assessments mandated under the SDWA (15 percent set-aside).

The 4 percent set-aside is inadequate to cover the cost of administering the DWSRF Program. Also, Congress will choose at some point to no longer capitalize the program, at which time no new funds will be available for program administration. Based on these considerations, the NDDoH considers it both prudent and necessary to set-aside and hold the full 4 percent from each grant, and to hold accumulated loan administration fees to enable ongoing and future administration of the program.

Funds from the 2 percent set-aside have been used to assist small PWSs in capacity development, financial capacity, operator certification, managerial capacity and source water protection. Funds from this set-aside will continue to be used for these purposes and for new initiatives such as assisting these communities be in compliance with the new RTCR rule. The NDDoH closely monitors demand and need for this set-aside to avert over-accumulation of funds.

The 10 percent state program administration set-aside will be used to help fund administration of the PWSS program in pursuit of its mission. This set-aside requires 1:1 match by the state. One of the sources of funds for this 1:1 match is the 0.5 percent loan administration fee. Another source of funding for the 1:1 match is credit for state match funds spent in 1993 on administration of the PWSS program. This credit is good for up to half of the 1:1 match with a maximum credit of \$236,359 per year. This match credit does not represent spendable funds.

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 program administration costs allowable under the SDWA. To enable continued management of the DWSRF once it is no longer annually capitalized through federal grants, loan administration fees will be held and used for loan-bond servicing and DWSRF Program administration as allowed under the SDWA.

Starting in

2008, the loan administration fees are also used 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, \$327,112 (or what amount remains) from the FY2013 10 percent state program administration set-aside will be moved to the construction loan fund during 2016.

## **E. Financial Status**

### Background

States are required to provide a description of the financial status of their DWSRF Program. The information presented below describes the financial structure of the North Dakota DWSRF, the method used to generate the required state match, transfers between SRF's (State Revolving Loan Funds), 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.

### 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 loan demand exceeds the amount of DWSRF allotments and state match available for loans or

if 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.

The master trust indenture for the DWSRF provides that, in the event there are insufficient amounts available to make scheduled principal and interest payments on outstanding DWSRF bonds when payments are due, 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 through FY2023 match requirements.

#### Anticipated Proportionality Ratio

Bonds were sold in 2015 to provide the required 20 percent state match through FY2023. 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. Funds will be disbursed at a rate of 100 percent federal, state match, leveraged, or FCLA funds because of this over-match condition.

#### Disbursement of Funds

Funds will be dispersed in the following order: federal, state match, leveraged bond proceeds, and FCLA. To increase the rate of draw for both capitalization grant and leveraged funds, leveraged bonds proceeds will be used to fund loan payment requests. Capitalization grant funds will be immediately requested to replace the disbursed leveraged bond proceeds and deposited into the FCLA account.

The DWSRF is currently over-matched with no state match funds available for disbursement. 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 between SRF programs.

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

- 2002 - \$10.0 million from CWSRF to DWSRF
- 2004 - \$4.0 million from CWSRF to DWSRF
- 2007 - \$20.0 million from CWSRF to DWSRF (with provision to return funds to CWSRF as needed)
- 2009 - \$2.6 million of ARRA funds from CWSRF to DWSRF
- 2015 - \$60.0 million from DWSRF to CWSRF (with provision to return funds to DWSRF as needed)

The NDDoH is anticipating the continued transfer of funds to the CWSRF in 2016 as authorized in 2015. Approximately \$1,000,000 of non-federal funds will be transferred.

The NDDoH transfers funds on a net basis, since prior transfers have occurred between the two SRFs. Transferring funds will not impact DWSRF set-aside funding. The long-term impact to the DWSRF of the \$20 million transferred to the CWSRF in 2015 is estimated to be an average revolving level decrease of \$2 million/year over the next 20 years. With this transfer, the CWSRF Program will be able to fund additional water projects during 2016. The net transfer between programs is \$4,415,627 million from the DWSRF to the CWSRF. Attachment 5 itemizes the amount of funds transferred to and from the DWSRF program.

### Funding Process

Projects may be submitted to the NDDoH 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 reranking of already-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 NDDoH 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 20 years following project completion. The NDDoH may utilize shorter repayment periods on a project-by-project basis. Candidate projects include low-cost projects for which minimal water rate increases will be required to retire the loan debt. The present loan interest rate is 2.0 percent for PWSs that qualify for tax-exempt financing and 3.0 percent for those that do not qualify for tax-exempt financing, with the exception of projects that use leveraged bond proceeds. Leveraged bonds will be discussed later in this section. As discussed under Section D, 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. The NDDoH will monitor compliance with this requirement by establishing as the market interest rate the average interest rate received by the North Dakota political subdivisions on bond issues with twenty-year maturity 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 fourth quarter 2015 North Dakota twenty-year competitive bond sales, the current market interest rate is 2.95 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 regular DWSRF interest rate, which currently is 2.5 percent (which includes the 0.5 percent administration fee).

There is now an option for extended term financing beyond the base 20-year loan repayment period. Extended term financing allows for repayment periods to be 30 years or the useful life of the project, whichever is less. 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 that are considered to have a 20-year or less useful life are: process equipment, pumps, electrical equipment, controls, and auxiliary equipment. Project components that are considered to have a 30-year or more useful life are: buildings, concrete, other structures, conveyance structures (piping), and earthen structures.

Extended term financing will be given to the extent that loans to projects on the fundable list with repayment periods of more than 20 years do not decrease expected DWSRF program repayments by more than 10% annually over the next 5 years, as compared to 20-year repayment at the same rate. Allowing extended term financing for projects on the Fundable List could cause

the loan repayments over the next five years to decline by an average 9.61%. Refinancing of existing DWSRF loans will not be allowed using extended term financing.

### Sources and Uses of Funds

Attachment 6 depicts a detailed breakdown of sources and uses of funds from FY1997 through FY2016. Sources of funds include \$3,399,188 in funds available from prior years. An additional \$7,975,000 of new funds are anticipated to become available in 2016. Thus \$10,374,188 of funds is available for projects. All of the funds are allocated to projects as shown in the Comprehensive Project Priority List and Fundable List (Attachment 2). This amount does not include any leveraged bonds, but the NDDoH is prepared to issue bonds if the near-term loan demand exceeds available funds.

### State and Tribal Assistance Grants

State and Tribal Assistance Grants (STAG grants) are grants that pass through EPA and go straight to drinking water systems. These grants are for 55 percent of the project. The system must provide the remaining 45 percent of the project as a local match. To avoid the higher cost of issuing municipal bonds, most systems wish to utilize DWSRF loan funds to satisfy the match requirement for these grants. By EPA policy, only non-federal DWSRF funds may be used toward the match. Non-federal funds are limited to loan repayments, earnings, bond proceeds in excess of the capitalization grants, and other state contributions in excess of the required 20 percent state match. Initially the North Dakota DWSRF had insufficient non-federal funds to satisfy match requirements for these grants. Consequently, the NDDoH in the past has transferred \$14.0 million from the CWSRF to the DWSRF to acquire sufficient non-federal funds to assist systems in this matter. The DWSRF has transferred back \$10 million in federal funds to the CWSRF.

Currently Grafton has an open STAG grant and must provide a 45 percent local match. Systems in North Dakota have received a combined \$28.7 million in STAG grants since 1999 and must provide a combined \$23.0 million in matching funds. The NDDoH will fund loans to these and other systems that are awarded STAG grants as long as the program has non-federal funds available. Should the program not have non-federal funds to make loans, loans will be made in future years as these funds become available.

## **F. Short- and Long-Term Goals**

### Background

The 1996 SDWA Amendments authorize a DWSRF Program to assist PWSs finance the costs of infrastructure needed to achieve or maintain compliance with SDWA requirements and to protect public health. The objectives of the NDDoH'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, 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 revised total coliform rule, ground water treatment 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 that systems in the state are having problems maintaining in compliance. These include revised total coliform rule, ground water treatment rule, arsenic, disinfection byproduct rule series and the surface water treatment rule series.
2. Assist the PWSS Program meet their 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, systems return to compliance, and systems 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, 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. Continue to integrate to the maximum extent possible 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 United States Department of Agriculture, Community Development Block Grant Program, North Dakota Department of Land Trusts, and the North Dakota State Water Commission.

## Environmental Results

### 3. Loan Fund

- a. Through 12/31/14, the fund utilization rate, as measured by the ratio of executed loans to funds available for projects, was 96 percent, which is above the national average of 93 percent. For 2016, the goal of the DWSRF program is to maintain the fund utilization rate at 90 percent or above.
- b. Through 12/31/14, the rate at which projects progressed as measured by disbursements as a percentage of assistance provided was 73 percent. This is below the national average of 80 percent. The 2016 goal is to return the construction pace to 80 percent.
- c. The DWSRF program funded 6 projects in the first nine months of 2015 totaling \$11.7 million and serving a population of 8,285. For 2016, the goal of the DWSRF program is to fund 7 loans, totaling \$10.8 million and serving a population of 15,000.

### 4. Set asides, Small System Technical Assistance

- a. The goal for systems receiving training is 120.
- b. The goal for systems receiving on-site technical assistance is 50.

## G. Public Participation

### Background

States are required to make their 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 it responded to major comments and concerns that were received.

### Process

The public was invited to comment on the draft 2016 IUP at a public hearing held in Bismarck on November 10, 2015. Written comments were also accepted until November 17, 2015. No comments were received.

## **ATTACHMENT 1**

### **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 a 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

Note: The cost of complying with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act) is an eligible cost.
- Planning (including required environmental assessment reports) , design, and construction inspection costs associated with eligible projects

#### **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

## Attachment 2

## State of North Dakota

## Drinking Water State Revolving Loan Fund Program

Comprehensive Project Priority List and Fundable List for 2016<sup>(1)</sup>

Shaded projects are on the fundable list

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
14	21	0901530-01	Alexander	1,100	Replacement of aging distribution, water treatment, wells, meters and looping of mains	2016	3,000	3,000	
103	12	3200023-02	Aneta	222	Fire hydrant replacement	2016	291	3,291	
131	10	0900030-03	Argusville	475	Watermain replacement and looping	2016	1,066	4,357	
92	12	2701506-01	Arnegard	700	Distribution system improvements	2016	4078	8,435	
69	14	0900035-01	Arthur	337	Water tower replacement	2016	1,400	9,835	
57	15	0900035-02	Arthur	337	Watermain, hydrant, gate valve, and service replacement	2016	3,025	12,860	
82	13	0501057-03	ASWUD	764	Water supply increase by parallel and looping	2016	796	13,656	
122	11	0501057-04	ASWUD	1,130	Water system improvements	2016	27,919	41,575	
12	22	4001153-05	ASWUD	670	New transmission line, WTP upgrades, well field expansion, new water storage	2016	10,463	52,038	
48	16	1700059-01	Beach	1,300	Distribution system repair, water tower rehabilitation	2017	1,996	54,034	
174	7	4500065-01	Belfield	1,005	New transmission line	2017	1,343	55,377	
23	19	2900074-01	Beulah	3,121	WTP improvements and water storage	2016	6,000	61,377	
208	5	2900074-02	Beulah	3,121	Watermain, hydrant, and gate valve replacement	2016	1,000	62,377	
184	7	2900074-03	Beulah	3,121	Water tower rehabilitation	2016	1,000	63,377	
151	9	0600119-01	Bowman	1,800	Watermain replacement	2016	1,320	64,697	
112	11	0600119-02	Bowman	1,800	Watermain replacement	2017	1,000	65,697	
100	12	0900134-02	Buffalo	225	Replace existing watermains, gate valves and hydrants	2016	1,900	67,597	
74	13	0900134-03	Buffalo	225	New pump house and reservoir	2016	650	68,247	
49	15	5100138-01	Burlington	1,060	New water tower, transmission main and pump station	2017	2,594	70,841	
61	14	4800152-01	Cando	1,115	Water treatment plant improvements and well replacement	2016	1,500	72,341	
181	7	4800152-02	Cando	1,115	Watermain replacement	2016	1,750	74,091	
56	15	1900162-01	Carson	293	Watermain replacement	2016	3,941	78,032	
206	5	0900166-02	Casselton	2,329	Water tower replacement	2017	1,955	79,987	
17	21	3400170-01	Cavalier	1,302	Water tower rehabilitation	2018	2,006	81,993	
173	7	3300174-02	Center	580	Watermain replacement (Main St)	2016	525	82,518	
62	14	3900183-02	Christine	150	Watermain replacement and looping	2016	580	83,098	
109	11	3900196-01	Colfax	141	Watermain replacement and looping	2016	478	83,576	
9	24	0700198-03	Columbus	125	Watermain replacement, smart meters, treated water storage reservoir	2016	1,585	85,161	20 yr
87	13	2000203-08	Cooperstown	984	Reservoir replacement	2016	600	85,761	
3	31	0901060-05	CRW	13,385	Leonard Area Arsenic Project	2016	2,500	88,261	20 yr

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
193	6	0901060-06	CRW	7,750	Increased capacity to Horace Area - wellfield, WTP, reservoir, and transmission main improvements	2016	6,800	95,061	
146	9	0901060-07	CRW	7,750	System elevated tower	2016	3,584	98,645	
142	9	0901060-08	CRW	13,385	New transmission lines, distribution lines, and storage	2017	2,750	101,395	
113	11	2001061-01	Dakota RWD	3,523	Watermain replacement, upgrade vaults	2016	1,325	102,719	
18	20	0900217-01	Davenport	252	New transmission main, increased storage and control replacement	2016	616	103,335	
77	13	3400269-02	Drayton	824	Replace clearwell, replace chemical feed and rehab water tower	2017	2,000	105,335	
59	15	1900303-01	Elgin	642	Watermain replacement	2016	1,076	106,411	
8	24	1100306-01	Ellendale	1,394	Storage tank replacement, WTP improvements, distribution system improvements	2016	2,013	108,424	20 yr
140	10	3700314-04	Enderlin	886	New wells & transmission line	2016	1,648	110,072	
117	11	3700314-05	Enderlin	886	Watermain replacement	2016	773	110,845	
30	18	3700314-06	Enderlin	886	New line softening WTP & storage	2016	8,065	118,910	
118	11	3700314-07	Enderlin	886	Water tower replacement	2016	1,957	120,867	
36	17	3900333-02	Fairmount	367	Water tower and controls replacement	2016	950	121,817	
111	11	3900333-03	Fairmount	367	Watermain replacement and looping	2016	655	122,472	
164	8	0900336-04	Fargo	105,549	Water tower rehabilitation 2019	2019	2,300	124,772	
139	10	0900336-05	Fargo	105,549	Water system regionalizaion project	2016	12,000	136,772	
165	8	0900336-06	Fargo	105,549	Water tower rehabilitation 2016	2016	528	137,300	
97	12	0900336-07	Fargo	105,549	Water tower level and distribution controls	2018	1,489	138,789	
166	8	0900336-09	Fargo	105,549	Water tower rehabilitation 2017	2017	3,110	141,899	
167	8	0900336-11	Fargo	105,549	Low lift transfer pump station	2021	8,221	150,120	
168	8	0900336-12	Fargo	105,549	WTP residuals facility	2018	23,361	173,481	
169	8	0900336-13	Fargo	105,549	Water tower rehabilitation 2018	2018	2,257	175,738	
170	8	0900336-14	Fargo	105,549	Water tower rehabilitation 2021	2021	2,178	177,916	
98	12	0900336-15	Fargo	105,549	Ground storage reservoir 2 and pump station	2021	11,774	189,690	
202	6	0900336-16	Fargo	105,549	WTP study	2016	7,500	197,190	
55	15	3000342-01	Flasher	230	Watermain replacement	2016	409	197,599	
31	18	0700344-01	Flaxton	66	Watermain replacement and additional well	2016	282	197,881	
53	15	1100346-1	Forbes	53	Watermain, gate valve & hydrant replacement	2016	1,000	198,881	
150	9	4100357-01	Forman	504	Water tower replacement	2016	1,000	199,881	
60	14	4100357-02	Forman	504	New well, well upgrades and transmission line replacement	2016	400	200,281	
107	11	4100357-03	Forman	504	WTP rehabilitation and new conrols	2016	500	200,781	
145	9	4100357-04	Forman	504	Watermain replacement	2016	500	201,281	
94	12	0900387-01	Gardner	74	Watermain replacement and looping	2016	400	201,681	
162	8	2800389-03	Garrison	1,453	Replacement of water intake structure	2016	2,000	203,681	
136	10	2800389-04	Garrison	1,453	WTP expansion, new intake and pumps	2016	5,000	208,681	
137	10	2800389-05	Garrison	1,453	Watermain Replacement	2016	4,500	213,181	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
214	4	2801430-02	Garrison RWD	1,525	New reservoir and pump station	2017	2,536	215,717	
83	13	3000400-01	Glen Ullin	804	Watermain replacement	2016	242	215,959	
91	12	3800397-01	Glenburn	380	Watermain replacement and looping	2016	1,640	217,599	
121	11	3800397-02	Glenburn	380	Water tower rehabilitation	2016	2,350	219,949	
134	10	5000408-04	Grafton	4,913	Park River water intake improvements	2018	1,146	221,095	
52	15	5000408-05	Grafton	4,913	Pretreatment and advanced oxidation WTP improvements	2020	9,100	230,195	
25	19	1800410-03	Grand Forks	55,158	WTP, facility plan, and design	2016	137,000	367,195	
84	13	1800410-04	Grand Forks	55,158	Watermain looping	2019	4,784	371,979	
124	11	1801062-03	Grand Forks-Trail RWD	6,753	Upsizing transmission lines	2017	4,120	376,099	
116	11	2500415-02	Granville	241	Water main replacement	2016	306	376,405	
144	9	5300425-02	Grenora	300	Watermain replacement	2016	410	376,815	
65	14	3900443-03	Hankinson	919	Watermain looping	2016	575	377,390	
41	17	2000446-02	Hannaford	131	Water tower replacement	2016	1,200	378,590	
11	23	1500469-02	Hazelton	235	Well house improvements	2016	200	378,790	
176	7	2900470-02	Hazen	2,534	Watermain replacement	2016	409	379,199	
178	7	3000473-01	Hebron	747	Watermain replacement	2016	888	380,087	
182	7	0100476-01	Hettinger	1,226	Watermain replacement	2016	600	380,687	
104	12	4600487-02	Hope	303	Service to west side of railroad tracks	2016	185	380,872	
216	2	0900488-01	Horace	2,430	Gate valve and fire hydrant replacement, new watermain	2016	494	381,366	
185	7	0900488-02	Horace	3,400	Water tower rehabilitation	2016	150	381,516	
212	4	0900488-03	Horace	3,400	Water meter replacement	2016	546	382,062	
76	13	0900492-01	Hunter	401	Pump house upgrades, water tower replacement	2016	2,000	384,062	
101	12	0900492-02	Hunter	401	Watermain replacement	2016	3,000	387,062	
132	10	4700498-06	Jamestown	16,000	North east pressure zone improvements	2016	1,725	388,787	
96	12	4700498-07	Jamestown	16,000	Phase 3 - Transmission line	2017	3,695	392,482	
194	6	4700498-08	Jamestown	16,000	Water meter replacement	2017	2,550	395,032	
195	6	4700498-09	Jamestown	16,000	SCADA Improvements	2016	403	395,435	
157	8	4700498-10	Jamestown	16,000	Filter bay renovations and media replacement	2016	800	396,235	
196	6	4700498-11	Jamestown	16,000	East end reservoir renovations	2016	495	396,730	
148	9	4700498-12	Jamestown	16,000	Watermain replacement (WTP to State Hospital)	2016	2,620	399,350	
197	6	4700498-13	Jamestown	16,000	Transmission main	2016	5,140	404,490	
198	6	4700498-14	Jamestown	16,000	Water tower rehabilitation	2016	490	404,980	
199	6	4700498-15	Jamestown	16,000	WTP filter rehabilitation	2016	800	405,780	
149	9	4700498-16	Jamestown	16,000	Watermain replacement	2016	1,675	407,455	
21	20	2300508-01	Jud	74	Watermain replacement and pump house updates	2016	300	407,755	
175	7	5100515-03	Kenmare	1,200	Watermain, gate valve & hydrant replacement	2016	575	408,330	
64	14	0900524-01	Kindred	692	Water tower and watermain replacement	2017	1,220	409,550	
37	17	2300535-02	Kulm	354	Water tower replacement	2016	1,200	410,750	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
24	19	3200536-02	Lakota	672	Water treatment improvements or connection to rural water	2016	300	411,050	
78	13	2300537-01	LaMoure	889	Water tower replacement, reservoir upgrade and pumping upgrade	2016	1,200	412,250	
179	7	2300537-02	LaMoure	889	Chemical feed replacement	2016	400	412,650	
180	7	2300537-03	LaMoure	889	Watermain replacement	2016	500	413,150	
189	6	1000543-02	Langdon	1,878	Water main replacement	2016	700	413,850	
190	6	1000543-03	Langdon	1,878	Water tower rehabilitation	2016	450	414,300	
35	17	1000543-04	Langdon	1,878	Intake structure and raw water transmission line improvements	2016	3,200	417,500	
152	9	1000543-05	Langdon	1,878	WTP rehabilitation and equalization basin upgrade	2016	7,000	424,500	
19	20	1000543-06	Langdon	1,878	New well field	2016	6,000	430,500	
46	16	0300553-04	Leeds	427	Upgrade wells, transmission lines, pumps	2016	325	430,825	
39	17	0300553-05	Leeds	427	WTP improvements	2016	325	431,150	
47	16	0300553-06	Leeds	427	Watermain replacement and looping	2016	575	431,725	
6	26	2600556-01	Lehr	80	Well and watermain replacement	2016	400	432,125	20 yr
4	31	0901530-01	Leonard <sup>(2)</sup>	223	Consolidation of existing users to regional water system (arsenic)	2016	3,600	435,725	30 yr
51	15	3700574-08	Lisbon	2,154	Upgrade to well #1	2016	150	435,875	
50	15	3700574-09	Lisbon	2,154	WTP rehabilitation	2016	1,000	436,875	
119	11	3700574-10	Lisbon	2,154	New well field and raw water transmission main	2016	560	437,435	
120	11	3700574-11	Lisbon	2,154	Watermain replacement	2016	2,500	439,935	
67	14	5100593-01	Makoti	154	Well repair, new well and transmission line	2016	375	440,310	
16	21	5100593-02	Makoti	154	New reservoir	2016	1,400	441,710	
42	17	5100593-03	Makoti	154	Watermain replacement	2016	2,750	444,460	
143	9	3000596-06	Mandan	24,227	Transmission main replacement	2017	5,642	450,102	
106	11	3000596-07	Mandan	25,227	Pressure problem correction and water tower rehabilitation	2017	2,320	452,422	
158	8	3000596-08	Mandan	24,827	New raw water intake	2017	14,682	467,104	
155	8	3000596-09	Mandan	23,827	WTP expansion	2017	4,260	471,364	
187	6	3000596-10	Mandan	23,827	High service pump capacity upgrade	2017	3,236	474,600	
159	8	0900613-03	Mapleton	762	Watermain replacement	2017	750	475,350	
5	29	0500620-01	Maxbass	120	Connection to rural water	2016	266	475,616	30 yr
171	7	2800650-01	Mercer	120	Watermain replacement	2016	191	475,807	
160	8	3200653-01	Michigan	294	Water tower rehabilitation	2016	75	475,882	
63	14	5000691-01	Minto	604	Watermain replacement	2017	727	476,609	
186	7	5000691-02	Minto	604	Portion of new public works building that is directly related to the drinking water system	2017	326	476,935	
210	4	3800695-01	Mohall	812	New watermain	2016	403	477,338	
205	5	3800695-02	Mohall	812	Water tower replacement	2016	1,199	478,537	
127	10	3900703-01	Mooreton	197	Replace gate valves and add bladder tank	2017	244	478,781	
138	10	2400715-01	Napoleon	792	Extend water service to residents with wells	2017	900	479,681	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
70	14	2100726-01	New England	600	Watermain replacement	2016	3,500	483,181	
86	13	2100726-02	New England	600	New water tower and transmission line	2016	2,000	485,181	
71	14	1400732-02	New Rockford	1,391	Watermain replacement	2016	5,400	490,581	
161	8	1400732-03	New Rockford	1,391	Water tower rehabilitation	2016	260	490,841	
123	11	1001380-01	NEWD	2,350	Water distribution expansion	2016	8,000	498,841	
15	21	1001380-02	NEWD	2,350	New water supply	2017	25,000	523,841	
81	13	2801487-04	NPRWD	4,110	Expansion of water distribution system	2018	2,600	526,441	
45	16	5101189-02	NPRWD	5,903	Water storage rehabilitation	2016	1,820	528,261	
154	9	5101189-03	NPRWD	5,903	Distribution, storage & pumping improvements	2016	4,820	533,081	
125	11	5101189-05	NPRWD	12,152	Rehabilitation of Anamoose water tower	2016	200	533,281	
89	13	1100758-04	Oakes	1,856	WTP expansion	2016	1,700	534,981	
90	13	1100758-05	Oakes	1,856	Well and well house replacement	2016	400	535,381	
105	12	1100758-06	Oakes	1,856	Water tower rehabilitation	2016	400	535,781	
141	10	1100758-07	Oakes	1,856	New reservoir, pump station and transmission main	2016	720	536,501	
40	17	0300762-01	Oberon	105	Distribution system replacement	2016	2,000	538,501	
102	12	0300762-02	Oberon	105	New well and pump house	2016	500	539,001	
108	11	0200763-01	Oriska	128	Pump house and reservoir replacement	2016	550	539,551	
126	10	1000768-01	Osnabrock	160	Watermain rehabilitation	2016	200	539,751	
115	11	0900769-03	Page	232	Watermain replacement	2016	2,550	542,301	
72	14	5000773-04	Park River	5,042	Watermain replacement	2018	2,067	544,368	
27	19	2900789-03	Pick City	123	100,000 Gallon Water Tank	2016	1,125	545,493	
13	22	2900789-04	Pick City	123	Watermain replacement	2016	1,500	546,993	
177	7	4900803-01	Portland	606	Water tower replacement	2016	1,300	548,293	
79	13	5300809-05	Ray	1600	New treated water storage reservoir, transmission main and watermain replacement	2016	4,501	552,794	
10	23	4500821-01	Richardton	548	Pump station rehabilitation	2017	875	553,669	
26	19	4500821-02	Richardton	548	Watermain replacement and looping	2017	687	554,356	
1	46	2200827-01	Robinson <sup>(2)</sup>	83	Improvements to wells, pumping facility, treatment, and storage	2016	200	554,556	20 yr
34	18	4000833-02	Rolette	594	Watermain replacement	2016	4,600	559,156	
88	13	4000834-01	Rolla	1,280	New well	2016	180	559,336	
2	34	3100838-02	Ross <sup>(2)</sup>	97	New water supply, storage and watermain replacement	2016	699	560,035	20 yr
93	12	3500842-01	Rugby	2,900	WTP rehabilitation	2018	1,700	561,735	
110	11	0200858-01	Sanborn	194	Watermain replacement	2016	500	562,235	
133	10	0200858-02	Sanborn	192	Water tower rehabilitation	2016	400	562,635	
172	7	5100868-03	Sawyer	367	Watermain replacement	2016	500	563,135	
209	4	5100868-04	Sawyer	367	Transmission line and well replacement	2016	560	563,695	
163	8	0801154-04	SCRWD	17,044	Water service distribution expansion	2016	7,416	571,111	
201	6	0801154-05	SCRWD	19,181	New water storage tank	2016	1,350	572,461	
114	11	3901068-11	SEWUD	16,672	Distribution system expansion	2016	7,200	579,661	
200	6	3901068-12	SEWUD	16,673	Water meter replacement	2016	1,100	580,761	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction Start Date	Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
							Project	Cumulative	
66	14	3700876-01	Sheldon	116	Pump and control replacement	2016	175	580,936	
203	5	3800877-02	Sherwood	242	Watermain replacement	2016	406	581,342	
188	6	3800877-03	Sherwood	256	Watermain looping	2016	608	581,950	
43	17	1400879-02	Shenenne	204	Watermain replacement	2016	3,000	584,950	
29	18	4701303-05	SRWD	3,048	Treated water reservoir, booster station, watermain and WTP improvements	2016	16,600	601,550	
80	13	4701303-06	SRWD	5,000	Reservoir expansion, water tower, pipeline improvements	2016	5,881	607,431	
7	25	4000854-02	St. John	341	Well rehabilitation and transmission main replacement	2016	375	607,806	20 yr
20	20	1501310-02	State Line WC	386	Water tower replacement, system maintenance	2016	222	608,028	
32	18	4700922-01	Streeter	170	Watermain replacements	2016	500	608,528	
33	18	4700922-02	Streeter	170	WTP improvements	2016	500	609,028	
22	20	4700922-03	Streeter	170	New well	2016	500	609,528	
54	15	5200927-01	Sykeston	117	Watermain replacement	2016	2,400	611,928	
68	14	3201072-03	TCWD	2,475	WTP rehabilitation and expansion, Phase II	2016	1,399	613,327	
128	10	5300936-01	Tioga	1,600	Watermain replacement (Welo St, 3rd St, 6th St)	2016	2,061	615,388	
129	10	5300936-02	Tioga	1,600	Watermain replacement (Simons Addition)	2016	892	616,280	
130	10	5300936-03	Tioga	1,600	Watermain replacement (S Main St)	2016	398	616,678	
153	9	0900945-01	Tower City	253	Water tower rehabilitation	2016	250	616,928	
85	13	0900945-02	Tower City	253	Watermain replacement	2016	2,000	618,928	
207	5	4901071-02	Trail RWD	2,800	Mayville and Hillsboro treatment capacity	2016	1,650	620,578	
44	17	2800949-01	Turtle Lake	581	Water tower replacement	2016	3,025	623,603	
99	12	2300969-01	Verona	85	Watermain and water meter replacement	2016	515	624,118	
75	13	2300969-02	Verona	85	Water reservoir and pump house replacement	2016	300	624,418	
135	10	3900973-03	Wahpeton	7,766	Lime storage, slaker additions & misc WTP improvements	2017	1,373	625,791	
147	9	3900973-04	Wahpeton	7,766	Watermain replacement and looping	2017	440	626,231	
38	17	5001075-03	Walsh RWD	3,404	Distribution system upgrade	2016	2,543	628,774	
191	6	2700990-02	Watford City	2,566	Looping and transmission main project	2017	6,658	635,432	
211	4	2700990-03	Watford City	2,556	Fox Hills water tower	2017	2,587	638,019	
192	6	2700990-04	Watford City	2,566	New water tower (SE)	2017	4,003	642,022	
217	2	0900999-03	West Fargo	28,500	South side water tower	2016	2,334	644,356	
156	8	5101447-01	West River WD	625	Service line replacement (from water main to curb stop)	2016	468	644,824	
204	5	0501001-02	Westhope	429	Watermain replacement	2016	456	645,280	
183	7	3101775-01	White Earth	98	Distribution improvements (new system)	2016	2,500	647,780	
213	4	5301012-06	Williston	30,000	4 MG of storage on reservoirs	2017	6,500	654,280	
218	2	5301012-07	Williston	30,000	Distribution improvements (Hi-Land Heights)	2016	5,087	659,367	
219	1	5301012-09	Williston	30,000	Distribution improvements (Wegley)	2016	1,415	660,782	
95	12	0801031-01	Wilton	750	Watermain replacement	2016	818	661,600	
28	19	0801036-01	Wing	160	Water storage rehabilitation	2016	1,000	662,600	
215	3	5301079-02	WRWD	8,800	Transmission Main	2017	6,190	668,790	

Priority Ranking	Priority Points	Project No.	System Name	Present Population	Project Description	Construction		Cost (\$1000)		Est. Loan Term <sup>(3)</sup>
						Start Date		Project	Cumulative	
58	15	3901043-01	Wyndmere	429	Watermain looping	2017		487	669,277	
73	14	2601055-01	Zeeland	141	Water meter replacement	2016		200	669,477	

(1) - It is unknown at this time if mandatory additional subsidization will apply to the 2016 DWSRF allotment. To address this potential requirement, a funding level of \$1,800,000 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 with a cap of \$1,250,000 of loan forgiveness. The actual loan forgiveness amount is dependant upon available funds. Loan forgiveness eligibility will be confirmed when the loan application is submitted.

(3) - Estimated length of the loan term only. The loan term will be set at the time of facility plan approval.

#### **Abbreviations**

SCADA = Supervisory Control and Data Acquisition  
 MG = Million Gallons  
 RWD = Rural Water District  
 WC = Water Company  
 WD = Water District  
 WTP = Water Treatment Plant

ASWUD = All Seasons Water User District  
 CRW = Cass Rural Water  
 NPRWD = North Prairie Rural Water District  
 SCRWD = South Central Regional Water District  
 SEWUD = Southeast Water Users District  
 SRWD = Stutsman Rural Water District  
 TCWD = Tri-County Water District  
 WRWD = Williams Rural Water District  
 NEWD = Northeast Regional Water District

**Attachment 3**

**STATE OF NORTH DAKOTA**

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

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

**OCTOBER, 2015**

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

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

**Maximum Total Points = 100**

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

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

CATEGORY

POINTS

1. Water Quality - Select All That Apply (Maximum Points Limited to 35)<sup>1,3</sup>
  - A. Documented waterborne disease outbreak(s) within last 2 years 20
  - B. Unresolved nitrate or nitrite maximum contaminant level (MCL) exceedance(s), OR acute microbiological MCL exceedance(s) within last 12 months 15
  - C. Exceedance(s) of EPA-established unreasonable risk to health (URTH) level(s) within last 4 years for regulated chemicals or radionuclides (excludes nitrate and nitrite) 10
  - D. Disinfection treatment inadequate to satisfy the Surface Water Treatment Rule (SWTR), the enhanced SWTR or ESWTR, or the groundwater disinfection rule (GWDR) once finalized, OR groundwater source(s) deemed by the DWP to be under the direct influence of surface water, OR multiple turbidity treatment technique requirement (TTR) violations within last 2 years (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 problem (see page 7)
    - significant general water quality problem 4
    - moderate general water quality problem 3
    - minor general water quality problem 2

2. Water Quantity - Select One If Applicable (Maximum Points = 20)<sup>2,3</sup>
  - A. Correction of a critical water supply problem involving the loss or imminent loss of a water supply in the near future 20
  - B. Correction of an extreme water supply problem 10
    - Maximum water available <150 gallons per capita per day (gpcd) (community water systems only), OR continuous water shortages during all periods of operation (nonprofit noncommunity water systems only)
  - C. Correction of a serious water supply problem 7
    - Maximum water available <200 gpcd (community water systems only), OR daily water shortages, or inability to meet peak daily water demand, at a frequency of at least once per week during all periods of operation (nonprofit noncommunity water systems only)
  - D. Correction of a moderate water supply problem 4
    - Maximum water available <250 gpcd (community water systems only), OR occasional daily water shortages, or occasional inability to meet peak daily water demands, on a seasonal basis (nonprofit noncommunity water systems only)
  - E. Correction of a minor water supply problem 2
    - Maximum water available <300 gpcd (community water systems only), OR sporadic water shortages or occasional inability to meet peak water demands (nonprofit noncommunity water systems only)
3. Affordability - For the Applicable Sub-Category, Select One For Each Item (Maximum Points = 15)
  - A. Community Water Systems
    1. Relative income index - ratio of local or service area annual median household income (AMHI) to the state nonmetropolitan AMHI (based on 2006-2010 ACS 5-Year Estimates)
      - < 60% 8
      - 61% to 70% 7
      - 71% to 80% 5
      - 81% to 90% 3
      - 91% to 100% 1

2.	Relative future water cost index - ratio of expected average annual residential user charge for water service resulting from the project, including costs recovered through special assessments, to the local AMHI (based on 2006-2010 ACS 5-Year Estimates)	7
	>2.5%	6
	2.0% to 2.5%	5
	1.5% to 1.9%	3
	1.0% to 1.4%	1
	0.5% to 0.9%	
B.	Nonprofit Noncommunity Water Systems	
1.	Relative income index - ratio of local or service area AMHI to the state nonmetropolitan AMHI (based on 2006-2010 ACS 5-Year Estimates)	8
	≤ 60%	7
	61% to 70%	5
	71% to 80%	3
	81% to 90%	1
	91% to 100%	
2.	Relative future water cost index - ratio of expected annual water service expenditures resulting from the project to total annual operating expenses	7
	>20%	6
	15% to 20%	5
	10% to 14%	3
	5% to 9%	1
	2% to 4%	
4.	Infrastructure Adequacy - Select All That Apply (Maximum Points Limited to 15)	
A.	Correction of general disinfection treatment deficiencies - excludes improvements necessary to directly comply with the SWTR, the ESWTR, or the GWDR (once finalized)	3
B.	Correction of well construction or operating deficiencies	3
C.	Correction of distribution system pressure problems (dynamic pressure <20 psi)	3

- D. Replacement of deteriorated water mains 3
  - E. Replacement of deteriorated finished water storage structures 3
  - F. Replacement of distribution system piping/materials shown via DWP-approved testing to contribute unacceptable levels of lead or asbestos 3
  - G. Water treatment plant operating at or above design capacity 3
  - H. Water treatment plant operating at or beyond useful or design life 3
  - I. Correction of specific design or operating deficiencies associated with water treatment plant unit processes (excludes disinfection treatment) 2
  - J. Correction of specific design or operating deficiencies associated with surface water intake facilities 2
  - K. Correction of specific or design or operating deficiencies associated with finished water storage facilities 2
  - L. Correction of specific design or operating deficiencies associated with raw or finished water pumping facilities 2
  - M. Correction of specific design or operating deficiencies associated with raw or finished water distribution system piping 2
  - N. Correction of specific design or operating deficiencies associated with chemical feed installations (excludes disinfection) 2
  - O. For systems relying solely on their own groundwater supply, provision of a second well where only one functional well exists 2
  - P. Replacement of inoperative, obsolete, or inadequate instrumentation or controls 2
5. Consolidation or Regionalization of Water Supplies - Select All That Apply (Maximum Points = 10)
- A. Correction of Safe Drinking Water Act (SDWA) compliance problem(s), or extreme to critical water supply problem(s), for 1 or more PWS through consolidation with or regionalized service by another PWS 4

- B. Correction of contamination problems (regulated contaminants), or extreme water quantity problems (no water, imminent loss of water supply, or continuous/ frequent daily water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS 3
  - C. Correction of potential MCL or TTR compliance problems, general water quality problems, or moderate to serious water quantity problems for 1 or more PWSs through consolidation with or regionalized service by another PWS 2
  - D. Correction of general water quality problems, or moderate water quantity problems (occasional daily or seasonal water shortages), for individual residences or businesses through consolidation with or regionalized service by a PWS 1
6. Operator Safety - Select One If Applicable (Maximum Points = 5)<sup>2</sup>
- A. Correction of a problem that poses a critical and chronic safety hazard for operators 5
  - B. Correction of a problem that poses an intermittent safety hazard for operators 3
  - C. Correction of a potential significant safety hazard for operators 1

<sup>1</sup> Applies to community and nonprofit noncommunity public water systems only. Water quality problems must be ongoing and unresolved under the present system configuration. Analysis applies to finished water after all treatment (raw water if no treatment is provided).

<sup>2</sup> Applies to community and nonprofit noncommunity public water systems only. Projects intended mainly to increase water availability for or to improve fire protection are not eligible for DWSRF assistance. Fire protection features, in order to be eligible, must represent an ancillary project benefit or secondary project purpose.

<sup>3</sup> Projects intended to address multiple community and/or nonprofit noncommunity public water system water quality and/or quantity problems will be ranked based on the highest level problem to be solved.

## GENERAL WATER QUALITY

### DEFINITIONS

Significant General Water Quality Problem (4 points) = Score of 6 or greater  
Moderate General Water Quality Problem ( 3 points) = Score of 4 or 5  
Minor General Water Quality Problem ( 2 points) = Score of 3 or less  
All values expressed in milligrams per liter

Total Dissolved Solids (TDS)	
500 - 999	Score of 1
1,000 - 1,499	Score of 2
≥1,500	Score of 3
Total Hardness as Calcium Carbonate (TH)	
200 - 424	Score of 1
425 - 649	Score of 2
≥650	Score of 3
Iron (FE)	
0.3 - 0.89	Score of 1
0.9 - 2.0	Score of 2
>2.0	Score of 3
Manganese (MN)	
0.05 - 0.25	Score of 1
0.26 - 1.00	Score of 2
>1.00	Score of 3
Sodium (NA)	
200 - 424	Score of 1
425 - 649	Score of 2
≥650	Score of 3
Sulfate (SO <sub>4</sub> )	
250 - 499	Score of 1
500 - 750	Score of 2
>750	Score of 3

**Attachment 4**  
**Nonproject Set-Aside and Fee Activity (1)**  
**North Dakota Drinking Water State Revolving Loan Fund Program**

Set-Aside		Set Aside Through 9/30/2015	Transferred To Loan Fund	Expended Through 9/30/2015	Balance Available as of 9/30/2015	Planned Set-Asides For 2016	Total Set-Aside Funds Available 2016	Reserved Through 2015	Reserved From 2016 Allotment	Total Reserved Through 2016
4% Administration		7,072,684	0	6,947,130	125,554	360,000	485,554	0	0	0
10% State Program Assistance										
PWSS Supervision		2,370,000	0	981,016	1,388,984	500,000	1,888,984	763,200	400,000	1,163,200
Source Water Protection										
Capacity Development										
Operator Certification										
2% Small System Technical Assistance		2,804,332	0	2,535,832	268,500	165,000	433,500	93,640	15,000	108,640
15% Local Assistance (2)										
Land Acquisition										
Capacity Development										
Wellhead Protection										
Source Water Petition Programs		1,255,880	820,612	435,268	0	NA	0	0	NA	0
Source Water Protection (3)		13,502,896	820,612	10,899,246	1,783,038	1,025,000	2,808,038	856,840	415,000	1,271,840
<b>Totals</b>										
<b>Fee Type</b>	<b>Collected Through 9/30/15</b>	<b>Transferred to Loan Fund</b>	<b>Expended Through 09/30/15</b>	<b>Balance Available 09/30/15</b>	<b>Projected Funds 01/01/16 - 12/31/16</b>	<b>Total Funds Available Through 12/31/16</b>	<b>Total Funds Held Through 12/31/16</b>			
Loan Fee	8,083,967	0	1,516,192	6,567,775	885,849	8,969,816	7,453,624			

(1) The set-aside amounts are based on percentages (4%, 2%, or 10%) of the respective federal DWSRF allotments. The FY 1997 through 2015 allotments have been awarded. The anticipated allotment for FY 2016 is \$9,000,000. The FY 2016 allotment will be applied for by July 1, 2016. The loan fee amounts reflect loans approved up to September 30, 2015. The amounts may increase based upon repayments due (if any) under loans approved after this date. (2) No more than 10% may be used for any one activity with a maximum of 15% for all activities combined. (3) Only the FY 1997 allotment may be used to complete the mandatory source water assessments. All funds not used by April 25, 2003, from this set aside were transferred to the Loan Fund.

**Attachment 5****Amounts Available to Transfer Between State Revolving Fund Programs  
North Dakota Drinking Water State Revolving Loan Fund Program**

<b>Year</b>	<b>Transaction Description</b>	<b>Banked Transfer Ceiling</b>	<b>Transferred from DWSRF to CWSRF</b>	<b>Transferred from CWSRF to DWSRF</b>	<b>DWSRF Funds Available for Transfer</b>	<b>CWSRF Funds Available for Transfer</b>
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	19.6	0	56.8	65.7
2016	DW Grant	64.2			59.8	68.6
2016	Transfer	64.2	1.0	0	58.8	69.6

**Attachment 6**  
**Sources and Uses Table**  
**North Dakota Drinking Water State Revolving Loan Fund Program**  
**Cumulative Amounts as of September 30, 2015**

SOURCES	
Federal Capitalization Grants	179,870,761
State Match	46,432,137
Transfers from CWSRF	25,177,672
Net Leveraged Bonds	103,941,728
Investment Earnings	39,912,356
Interest Payments	40,835,558
Principal Repayments	120,988,172
<b>TOTAL SOURCES OF FUNDS</b>	<b><u>557,158,384</u></b>

USES	
4% Administration	7,072,684
2% SSTA	2,804,332
10% DW Program Set-Aside	2,370,000
15% Local Asst. Set-Aside	435,268
Transfers to CWSRF	29,593,299
Reserves	6,953,332
Bond Principal Repayments	39,576,698
Bond Interest Expense	38,476,573
Arbitrage	763,211
Closed Agreements	422,164,799
Loans Approved by Industrial Commission	3,549,000
<b>TOTAL USES OF FUNDS</b>	<b><u>553,759,196</u></b>

DWSRF Funds Available for Projects in 2016	<b><u>\$3,399,188</u></b>
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ANNUAL SOURCES FOR 2016	
FY16 Capitalization Grant	9,000,000.00
Set-asides taken from FY16 Capitalization Grant	(1,025,000.00)
State Match (if applicable)	
Leveraged Bonds (if applicable)	
Transfers with CW +/- (if applicable)	(1,000,000.00)
<b>Total New 2016 Funds</b>	<b><u>\$6,975,000</u></b>
<b>TOTAL DWSRF FUNDS AVAILABLE FOR 2016</b>	<b><u>\$10,374,188</u></b>
<b>TOTAL DWSRF PROJECTS ON FUNDABLE LIST</b>	<b><u>\$10,374,188</u></b>
<b>AVAILABLE FUNDS</b>	<b><u>\$0</u></b>