

Drinking Water State Revolving Fund Intended Use Plan

October 25, 2023

Drinking Water Priority Ranking System

TDEC's DWSRF Loan Program uses a priority ranking system to develop the Priority Ranking List (PRL). Applicants seeking funding must submit a Questionnaire containing detailed project information such as project description, cost, construction timeline, loan amount, and term. The eligibility of projects for DWSRF funding is outlined in the EPA Eligibility Handbook. Projects are prioritized based on their ability to reduce health risks or improve compliance with the SDWA. Tennessee has implemented a priority ranking system aligned with

the SDWA, employing a 100-point scale. Priority points are assigned based on the project type and severity of the problem being addressed. Projects targeting acute health risks receive a maximum of 100 points, while others are assigned 20, 40, 60, or 80 points depending on problem severity and compliance status. Projects involving ineligible activities like fire protection or future growth do not receive priority points. The highest priority points are given to projects with the most significant health risks, followed by compliance-related projects, and then projects addressing other needs. In case of a tie in priority points, ranking considerations include the Ability To Pay Index (ATPI) and the population served to support small and disadvantaged communities.

Fundable Drinking Water Project Categories

- Water Quality Issues
- Source or Capacity Challenges
- Water Storage
- Leakage Problems
- Pressure Issues
- Replacement or Rehabilitation Needs
- Water Line Extensions
- Regional Drinking Water Consolidation
- New Drinking Water Systems

Projects and activities not eligible for funding and primarily intended for the following:

- Future growth
- Economic development
- Fire protection
- Dams
- Reservoirs
- Water rights
- Laboratory fees for monitoring
- Operation and maintenance expenses

Section 1452(3)(A)(i) and (ii) of the SDWA specifies that the DWSRF Loan Program cannot provide assistance to systems in significant non-compliance or with variances unless the State conducts a review. The review must determine that the project enables the system to return to compliance and maintain an adequate level of technical, managerial, and financial capability for continued compliance. This provision ensures that the DWSRF Loan Program focuses its support on systems with demonstrated commitment

and capability to meet national drinking water regulations, encouraging sustained