

SOURCES AND USES - Emerging Contaminants Grants TABLE 3c				
	Cumulative Total thru 6/30/2023		7/1/23 - 6/30/24	Cumulative Total thru 6/30/2024
<b>SOURCES:</b>				
Federal Grants	7,555,000	a	7,640,000	15,195,000
<b>Sources Total</b>	7,555,000		7,640,000	15,195,000
<b>USES:</b>				
Loan/Grant Agreements Entered:				
Large Systems (>10,000 population)	-		-	-
Small Systems (≤10,000 population)	-	b	-	-
<b>Set-Asides:</b>				
<b>4% Administration</b>	215,600		150,000	365,600
<b>2% Small System Technical Assistance</b>	40,300			40,300
<b>10% State Program Management</b>				-
PWSS Program Augmentation	201,500			201,500
Source Water Administration			100,000	100,000
Operator Certification				-
Capacity Development Program Oversight				-
PD Database				-
State Program Management Total				301,500
<b>15% Local Assistance/Other State Programs</b>				-
Local Assistance & Capacity Development Outreach	300,000			300,000
Capacity Development Project				-
Source Water Assessments				-
Wellhead and GIS tracking				-
<b>LA/Other State Program Subtotal</b>				300,000
<b>Uses Total</b>	757,400		250,000	1,007,400

Notes:

- Total federal appropriation through FFY 2022 Capitalization Grant. DDW uses a FIFO methodology for Unliquidated Obligations which can be found in Table 7 "2022 and 2023 Cash Flows and Cash Draw Proportionality" on page 28. (Grants for 2023 were not awarded until October 2023.)
- First EC project (Green Hills \$.5M) closed on 9/10/2024.

## B-2 Loan Program

Utah Administrative Code (UAC) R309-705 establishes criteria for financial assistance to public drinking water systems in accordance with the Federal SDWA. It was recently updated; the current version (effective 22 May 2023) of UAC R309-705 can be found at <https://adminrules.utah.gov/public/search/drinking%20water/current%20rules>. The 2024 DWSRF capitalization grant—along with carry forward funds from previous grant awards, repayments, interest and fee payments, and investment earnings—will provide the funds the Division needs to help public water systems finance needed drinking water projects.

### Description of Criteria and Method Used for Distribution of Loan Funds

The complete description of the criteria and methods used for distribution of funds is outlined in Utah Administrative Code (UAC) R309-705-6. As described in R309-705-6, the priority system assigns points to systems showing a deficiency in source, storage, treatment, and/or the

distribution system. Points are assigned based on the relative risk of each deficiency and are divided as applicable between health risk and compliance with SDWA. The applicant's priority points are modified by a financial factor, known as the Rate Factor, and the AGI Factor. Their calculation is shown below:

***Priority rating*** = (Average number of points received) X (Rate Factor) X (AGI Factor)

***Where: Rate Factor*** = (Average System Water Bill / Average State Water Bill)

***AGI Factor*** = (State Median AGI / System Median AGI)

The priority points for demonstrated deficiencies are multiplied by the Rate Factor and AGI Factor to arrive at a final priority rating. This method addresses financial hardships present in less affluent communities and in those already experiencing higher water rates.

Upon arriving at a final priority rating for each applicant, each application is rated and added to the priority list. The Board may, at its option, modify a project's priority rating based on the conditions described in R309-705. The Board sets the effective interest, hardship fee and/or technical assistance fee rate and decides the amounts allowed for principal forgiveness or grants. The most current Revenue Bond Buyer Index (RBBI) is used as the base rate. Table 2 in UAC R309-705-6 is used to determine the reduction of the interest rate (or other rate) which potentially may be reduced to zero percent.

### **Project Priority List (PPL)**

DDW operates with a continuous project priority list. When applications are received throughout the year, they are reviewed to ensure compliance with federal and state drinking water regulations and scored based on the rating factors indicated in the previous paragraph.

Applications meeting requirements are prepared for presentation to the Board for authorization. (The Board is required by Utah law to meet at least quarterly.) Since the applications are submitted throughout the year and may be scored and closed quickly, on occasion a water system project may not have been included in any intended use plan. However, the continually updated PPL is posted on the division website and additions or changes are approved by the Board (see Table 4).

The PPL will be used for 2024 DWSRF capitalization grants and any other funds used for SRF projects. Projects authorized by the Board that have not been closed are entered in the section titled "Authorized Funding." Staff is working with these systems to meet EPA requirements to close the loans; see Table 5 for lists of authorized projects not closed (funded) by June 30, 2024.

### **Green Infrastructure or Green Project Reserve**

Since 2012, DWSRF capitalization grants do **not** require projects to meet a minimum percentage to be used for water efficiency, energy efficiency, green infrastructure, or other environmentally innovative activities. Though recently proposed and currently authorized projects do not reflect a Green % in the current PPL, DDW is always pursuing green projects including technological innovations to enhance green development.