APPENDIX A1

CWSRF Project priority ranking system

The State is responsible for the determination of priority given to the construction of publicly owned treatment works and preparation of a State Project Priority List under Title II, Section 216 of the federal CWA.

The Priority Ranking System shall be used to rank the projects on the State Project Priority List. Priority ranking for the projects utilizes the following eight categories to determine total points awarded. The greater the total number of points, the higher the ranking. When necessary, a tiebreaker as described later, is used. Communities that were in mid-process will be automatically carried forward from the prior year. Although ranked with zero priority points, all late survey submissions may still be eligible for funding after the bypass date. The ranking of all municipality projects will be conducted in even numbered fiscal years, with only ranking of unique discovered needs in odd fiscal years.

CATEGORY 1. PROJECT BENEFIT

This category incorporates several factors, including the type of project and the relative level of the impact on the environment. Points for only one benefit are awarded. When a project has more than one significant benefit, the benefit with the highest point value is used. In addition to the priority points awarded according to the following schedule, projects receive five supplemental benefit priority points for regionalization if the project includes the consolidation of wastewater collection and treatment systems owned and operated by two or more communities.

Benefit:	System Code:	Priority Points:
Elimination of raw or primary waste discharge	A	35
Separation of combined sewers	B	35
Public health benefit by elimination of frequent sewer backups or septic tank system – drinking water well spacing conflicts	C	35
Municipal wastewater collection and treatment system to replace on-site treatment systems	D	30
Remediation or protection of drinking water supply in zone of influence of municipal well field	E	30
Replacement or upgrade of wastewater treatment system to assure compliance with secondary treatment standards (Total Suspected Solids (TSS) and Biological Oxygen Demand (BOD)	F	30
Disinfection of wastewater effluent	G	25
Replacement or upgrade of wastewater treatment system to meet water quality-based permit limits (Ammonia, E-coli & PH)	H	25
Remediation of ground water at landfill site	I	25
Sludge stabilization	J	25
Storm water management	K	20
Addition or repair of wastewater collection system or lift station	L	20
Beneficial reuse (Gray water reuse, land apply line, & equipment, etc...)	M	20
Water quality enhancement for a Nonpoint Source project	N	20
Water conservation	O	15
Other benefits	P	5

CATEGORY 2. BENEFICIAL USE AND CLASSIFICATION OF RECEIVING WATERS

This category addresses receiving water that is currently impacted or has the potential to be impacted by existing situations, and that would be enhanced or protected by the proposed project. Points for only one beneficial use or one ground water classification are awarded. The applicable use or classification with the highest point value is utilized. Some projects may impact both surface water and ground water, but only the primary receiving waters are considered. Wastewater treatment and collection systems to replace existing septic tank systems, will use the ground water classification for point allocation, unless there is documentation of extensive discharges to surface waters. Improvements to existing complete retention lagoons will use the assigned use of the stream that is being protected for point allocation, unless the problem is excessive seepage rather than inadequate capacity. Sludge stabilization, sewer, and lift station project point allocation is based on the assigned use of the stream that receives or could receive the effluent discharge. Sewer projects that eliminate the need for septic tanks are allocated points based on the ground water classification.

Assigned Beneficial Use of Surface Water:	System Code:	Priority Points:
Class A and Class B State Resource Waters	Q	25
Public Drinking Water	R	25
Recreation	S	20
Class A – Cold Water Aquatic Life (Flows all year)	T	10
Class B – Cold Water Aquatic Life (Seasonal flow)	U	10
Class A – Warm Water Aquatic Life	V	10
Class B – Warm Water Aquatic Life	W	5
Ground Water Classification:		
GA (public system)	X	25
GB (individual system)	Y	15

Classifications come from definitions in Nebraska Titles 117 and 118.

CATEGORY 3. WATER QUALITY OF RECEIVING WATERS

The quality of water in the receiving stream or aquifer is another factor in project prioritization. Priority is given to projects potentially impacting bodies of water that have been degraded by pollutants and are impaired for one or more assigned beneficial uses. Neither the specific source of these pollutants causing the impairment, nor the specific impact of the potential project is considered in this assessment.

Some projects may impact both surface water and ground water, but only the primary receiving waters shall be considered. The projects that primarily impact surface waters are those projects that received priority points for Assigned Beneficial Use of Surface Water in Category 2. The projects that primarily impact ground water are those projects that received priority points for Ground Water Classification in Category 2.

An assessment of the quality of water in surface water bodies to support assigned beneficial uses is presented in the current Surface Water Quality Integrated Report. This report includes a list of water bodies that are not supporting assigned beneficial uses due to impacts of one or more pollutants, commonly referred to as the Section 303(d) List. Projects that primarily impact surface waters are awarded priority points if the water body that receives or could receive the wastewater discharge is listed in the report as having one or more beneficial uses impaired by one or more pollutants. Water bodies impaired by natural causes or conditions are not awarded priority points.

Pollution can also impact ground water and make it unfit for some uses. Watersheds were evaluated for ground water quality impairment for the Nebraska Unified Watershed Assessment. This evaluation considered contamination by nitrate and pesticides and administrative orders and notice of violations for public drinking water supplies issued by the Department. The SRF program will utilize information obtained from the Nebraska Water Quality Management Report, as prepared in accordance with Neb. Rev. State Statute 46-1304, and use the information to award additional points using the following assessment:

Indication of Water Quality Impairment	System Code	Priority Points
Water Body Assessment Category Listed in Surface Water Quality Integrated Report		
Category 4A or 4B	Z	20
Category 5	AA	20
Nebraska Unified Watershed Assessment, Ground Water Quality Resource Component Weighted Value		
100 Points	BB	20
50 Points	CC	10

CATEGORY 4. ENFORCEMENT ACTIONS

This category addresses enforcement actions initiated by the Department of Environment and Energy to address violations of the Environmental Protection Act and other related acts. Points are awarded for a project if the project can reduce or prevent future violations and essentially satisfy the enforcement action.

Enforcement Action	System Code	Priority Points
Consent Order	DD	25
Administrative Order or EPA Orders	EE	25
Referral to Attorney General	FF	25
Compliance Schedule in NPDES Permit	GG	20
Notice of Violation or EPA 308 Letter	HH	15

CATEGORY 5. READINESS TO PROCEED

This category addresses the status of project planning, preparation of plans and specifications, and readiness to proceed with project construction.

Project Status	System Code	Priority Points
Construction Permit Issued	II	60
Plans and Specifications Submitted to NDEE	JJ	50
Finding of No Significant Impact (FNSI) or Categorical Exclusion (CatEx) Issued	KK	40
Facility Plan Submitted to NDEE	LL	25

CATEGORY 6. POPULATION

This category addresses the existing populations to be served by the proposed project. The population is also an indication of the relative magnitude of the impact on the environment that is addressed by the proposed project. If the facility serves the entire community, the population shall be taken from the latest official census. If the facility serves only a part of the community, an estimate of the existing population served shall be used. Estimates of the population previously served shall be used for projects relating to facilities no longer in service, such as remediation of closed landfill sites.

Population Served	Priority Points
50,000 or Greater	10
10,000 - 49,999	8
5,000 - 9,999	6

Population Served	Priority Points
2,500 - 4,999	4
800 - 2,499	2

CATEGORY 7. ASSESSING WASTEWATER INFRASTRUCTURE NEEDS (AWIN)

This category addresses a community's sustainability risk to afford infrastructure projects in the future through the use of the AWIN Sustainability Model developed by NDEE. The AWIN Sustainability Model is a probability model that evaluates and scores a community based on the community's population trends, economic status, and resources. The low-risk range includes communities likely to have sustainable growth and needs little additional help. The moderate-risk range is comprised of communities with uncertain growth potential requiring further evaluation to determine the need for additional assistance. The high-risk range includes those communities that may need additional assistance to bring them into compliance without causing undeserved financial stress.

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Sustainability Risk:	Priority Points
High	25
Moderate	15
Low	0

CATEGORY 8. FINANCIAL IMPACTS

This category addresses the financial impact of the proposed project on the users that will provide the revenue to repay the loan. Priority points are awarded according to the annual cost of the loan per person as a percentage of the MHI of the community from the ACS five-year average. A 20-year loan shall be assumed with the interest rate based on the existing SRF market rate and rate system and MHI of the community.

Annual Loan Costs Per Person as a Percentage of Median Household Income	Priority Points
Greater than 0.2 Percent	10
0.05 to 0.2 Percent	6
Less than 0.05 Percent	2

TIEBREAKER

Two or more projects may receive the same total priority points on the IUP project list. Although communities are informed when there is doubt about funding availability, in projects with the same priority point total, ties are broken at first appearance. The priority of these projects is reviewed as they proceed to bid opening. Ties are broken by consideration of enforcement actions, specific provisions of the permit issued for the facility, and inclusion of the project as an integral part of a designated surface or ground water project established under state or federal law. The following table shall be used to break ties:

Factor	Priority
Enforcement Action	Higher
Compliance Schedule in Discharge Permit	↕
Project is Part of a Designated Water Quality Project	
None of the above factors	Lower

If consideration of the above factors does not break the tie, priority shall be based on the annual loan cost per person as a percentage of the MHI. The project with the higher percentage, shall have the higher priority.