

The Natural Resources Division staff rank eligible projects for funding based on information available from a variety of sources, including but not limited to the Natural Resources Division PPL application, the funding application, and other information available to the state. The Natural Resources Division staff may ask an applicant to provide documentation, if necessary, to receive points for a particular criterion. Any ranking criteria that cannot be verified by the Natural Resources Division will be awarded zero points at the discretion of the Natural Resources Division staff.

C. Priority Points Criteria

The measures that establish the priority ranking system are designed to prioritize projects that improve water quality, particularly for utilities struggling with compliance, and for projects that will improve water quality for impaired waters. Additionally, a heavy emphasis is placed on projects that are closer to being ready to construct, ensuring the efficient use of funds and quicker achievement of water quality benefits. Finally, the state awards points for state priorities rooted in best practices to ensure healthy, sustainable utilities, including points for:

- Small communities
- Green projects
- Multi-year funding (to ensure projects already begun can be completed)
- Utilities with asset management plans
- Utilities using the CWSRF to only fund a portion of the project
- Projects that include consolidation or are for utilities that have already undergone consolidation

The specific criteria and points associated with each are detailed in the table below. For more information and guidance on each criterion, please refer to the Natural Resources Division PPL Score Sheet which provides further details and links to more information. Any revisions to the priority points criteria will be documented and posted in a revised IUP. The point total results for each project are included in the attached PPL and will be published to the Natural Resources Division's website up to four times each year.

#	Criteria	Points Awarded for a "Yes" Answer
PROJECT BENEFITS		
Basic Eligibility		
1	Is the project (in total or in part) eligible for the CWSRF?	10
System Functionality		
2	Will the project improve, repair, upgrade, enhance, rehab, restore, create, or expand an engineered, constructed, or natural system that improves or protects surface water or ground water quality?	10
Permit Compliance		
3	Is the recipient required to meet a water quality-related permit that will be impacted by the project?	10
4	Will the project help an entity out of compliance with a water quality-related permit achieve compliance?	5
Improves Quality of Impaired Water Bodies		
5	Will the project benefit a water body that is listed as impaired on the State's 303(d) list--Category 4 or Category 5--or 305(b) list?	10
6	Will the project support implementation of a TMDL?	5
7	Will the project reduce phosphorous contamination in the Illinois River Watershed or improve water quality in the Buffalo River Watershed?	5
AFFORDABILITY & NEED		
8	Is the recipient a community with a population under 10,001 people?	5
	Is the recipient a community with a population under 1,001 people?	10
READINESS TO PROCEED		
9	Has a complete funding application been submitted for the project?	4
	Has the Arkansas Natural Resources Commission approved funding?	1000
	Has a complete Benefits Report been submitted for the project?	4
	Has the Environmental Review been completed for the project?	4
	Have the plans and specs been approved for the project?	4
	Has ADEQ completed permit review and/or issuance?	4
OTHER FACTORS		
GPR		
10	Will any aspect or portion of the project count as a Green Project?	5
MULTI-YEAR		
11	Is the project a continuation of an effort that received CWSRF funding in the past 2 years?	10
ASSET MANAGEMENT PLAN		

- 12 Does the borrower either have an asset management plan or will develop an asset management plan as part of this project? 5

CONSOLIDATION & REGIONALIZATION

- 13 Will the project include consolidation and regionalization between utilities, at least one of which has a population under 10,000 people? 30

If no, will the project be for a utility that was formed through consolidation or regionalization between utilities, at least one of which has a population under 10,000 people, that occurred in the past? 5

CO-FUNDING

- 14 Will another funding source (either the community or a different lending source) be contributing to the project? 10

D. Alternative Criteria for Non-Traditional Projects

In addition to the projects listed in the PPL that are scored as detailed above, the Natural Resources Division may also fund up to \$5 million in non-traditional projects in SFY 2025 that meet alternative criteria establishing the contribution they make to improving water quality.

Stormwater projects and NPS projects will be eligible for this pool of funding on a first come, first-served basis. These projects will still be subject to all applicable state and federal rules and requirements, and the terms of the funding package – including the interest rate and loan length – will be established by the Natural Resources Division. In addition, the Natural Resources Division will specify the steps to apply for project funding and determine how it will underwrite these projects.