

Appendix B-1: DWSRF Base/IIJA Supplemental Ranking Criteria

SFY 27 DWSRLF Proposed Priority Ranking System

The DWSRLF program uses a priority system for ranking individual projects for funding prioritization for both the Comprehensive and Fundable Project Lists which:

1. Address the most serious risk to human health.
2. Ensure compliance with the requirements of the SDWA; and
3. Assist PWSs most in need, on a per-household basis, according to National affordability criteria.

**Projects on the comprehensive lists are not ranked until they have met the requirements to be fundable and decided to move forward with funding.*

The total project score is the sum of the points with respect to six categories listed below to determine their ranking and prioritization for State Fiscal Year 2027 DWSRLF assistance.

1. Source Water Vulnerability
2. Safe Drinking Water Act Compliance
3. Affordability and Project Readiness
4. Regionalization
5. Water and Operational Efficiency
6. Sustainable Infrastructure

Criteria	Points
SOURCE WATER VULNERABILITY	
<u>Inconsistent Water Supply</u> : Project is for rehabilitation or a new source of raw water for drinking water systems that experience water outages or deficiencies in water production as demonstrated by planning documents or supporting data.	12
<u>Improve water quality in areas not currently served</u> : Project extends water service to existing residences that are not currently served by a centralized water system, or the local groundwater is contaminated.	8
<u>Backup source</u> : Project includes development of a second potable source of water, such as a backup well or surface water intake.	6
<u>Inadequate or decreasing water supply</u> : Project supplies future water production needs.	5
<u>Finished Water storage</u> : Project is for additional finished water storage capacity to ensure adequate supply during emergency situations and planned outages (excluding storage requirements for fire flow). It is recommended that finished water storage should supply the system's demand with water for 2 days of no production. Excess storage capacity where water quality may be impacted should be avoided.	5
<u>Source Water Protection Plan</u> : Water system maintains an active Source Water Protection Plan that has been updated in the last five years.	4
SAFE DRINKING WATER ACT COMPLIANCE	
<u>Acute violations</u> : System is in violation of acute treatment technique requirements or an MCL of an acute contaminant, and the proposed project will return the system to compliance.	20

<u>Ground Water Under the Direct Influence of Surface Water (GWUDI) Sources</u> : System has received a formal GWUDI determination requiring the installation of surface water treatment, and the proposed project will meet compliance requirements.	15
<u>Non-acute violations</u> : System is in violation of non-acute treatment technique requirements, significant deficiency within allowed time frames (in compliance with Corrective Action Plan (CAP) including extensions) or MCL exceedance of non-acute contaminants, and the proposed project will return the system to compliance.	12
<u>Maintains Compliance</u> : System is in compliance with state and federal drinking water regulations.	5
AFFORDABILITY AND PROJECT READINESS (Community Water Systems Only)	
<u>Disadvantaged Communities</u> : System serves a population whose MHI is greater than 75% but less than 100% of the National MHI based on the most recent 5-year average.	6
<u>Severely Disadvantaged Communities</u> : System serves a population whose MHI is 75% or less of the National MHI based on the most recent 5-year average.	10
<u>Small System</u> : System serves a population of less than 1,000 people based on the average household size for the county served by system.	5
<u>Very Small System</u> : System serves a population of less than 500 people based on average household size for the county served by system.	3
<u>Project Funded by DWSRLF</u> : This project will fund additional phases of a prior DWSRLF project, or the water system has participated in DWSRF program before even if the project is not the next phase of the previous project.	5
<u>Final Design Complete</u> : Project Final Design is 100% complete and approved by Drinking Water Bureau.	8
REGIONALIZATION	
<u>Regionalization Activities</u> : Project is a regionalization effort among two or more public water systems that results in the consolidation or physical connection of the public water systems that will begin to operate as one system, full time.	5
<u>Regional Water Authority</u> : System has completed the formation of a regional water authority in accordance with the New Mexico Regional Water System Resiliency Act.	5
<u>Formation of a Regional Water Authority</u> : The project will assist in the formation of a regional water system in accordance with the New Mexico Regional Water System Resiliency Act.	10
<u>Provide regulated water service to areas not currently served</u> : Project extends water service to existing homes or businesses not currently served by a centralized water system.	5
<u>Emergency Interconnection</u> : Project addresses the need for an emergency or back up source through an interconnection with another public water system.	5
<u>Regional Resource Coordination</u> : System participates in a regional sharing of resources with other water system(s).	3
WATER AND OPERATIONAL EFFICIENCY	
<u>Metering</u> : Project includes metering an unmetered system. Replacing existing broken/malfunctioning water meters with AMI or smart meters.	8
<u>Water Loss Program</u> : System implements water loss control strategies with the AWWA M36 method by completing annual audits.	5

<u>Real Water Loss Reduction</u> : Project replaces or rehabilitates failing or inadequate distributions lines and real water loss has been identified through water loss accounting to be reduced.	5
<u>Water Pressure</u> : Project addresses a water pressure problem.	4
<u>Infrastructure Rehabilitation</u> : Project replaces or rehabilitates failing or inadequate infrastructure or equipment, other than a water source.	4
<u>Operational Improvements</u> : Project streamlines, automates, or improves operations of the system (e.g., radio read meters, looping, SCADA, additional valves).	3
<u>Water Use Management</u> : Water system utilizes drought contingency or water conservation policies to manage customer demand seasonally or as needed in water shortages.	10
<u>Cybersecurity Assessment</u> : Water system has completed a cybersecurity assessment with the NM DoIT Cybersecurity Office.	5
<u>Cybersecurity Products</u> : Project involves utilizing secure-by-design principles for software upgrades, SCADA systems, and phone upgrades.	5
<u>Cybersecurity Management</u> : Water System has proactive cybersecurity management plan.	10
SUSTAINABLE PROJECTS AND ACTIVITIES	
<u>Asset Management Plan</u> : Systems that have developed or are in the process of developing an asset management plan will receive one point for each core component completed. The core components are asset inventory, level of service, critical asset assessment, life cycle costing, and long-term funding strategy.	5
<u>Asset Management Plan Project</u> : Project is part of a current asset management long term funding strategy.	2
<u>Energy Efficiency</u> : Project implements renewable energy or energy conservation to reduce the amount of energy consumed from the grid to produce, treat, and deliver water.	2
<u>Green Stormwater Infrastructure</u> : Project preserves or restores natural landscape features and establishes policies such as infill and watershed redevelopment to reduce imperviousness. Local green infrastructure practices include bio-retention, green roofs, rainwater harvesting, or grey water use.	2
<u>Environmentally Innovative Projects</u> : Project uses environmentally innovative concepts to produce, treat, store and/or deliver water.	2
<u>Resiliency</u> : Project increases resiliency to long term effects of drought and or extreme weather. (Ex. Single source water system adding additional sources, high treatment cost reduced by project making more economically sustainable, or natural disaster mitigation)	10
<u>Water Reuse Project</u> : Project increases water efficiency, to increase potable water supply by replacing potable uses with non-potable sources, such as grey water systems and wastewater effluent reuse systems.	3
<u>Education</u> : System Participates in Educational Activities to promote water and energy efficiency.	5
<u>Declared Emergency</u> : The water system has a declared emergency in conformance with the Emergency Conditions of the IUP and the project will assist the community to maintain or restore water service.	100
<u>Rate Study</u> : The water system has conducted a recent rate study that evaluates the current rates and proposes rate increase schedules that will allow the water system to operate, maintain, and improve the water system in the future.	10

Appendix B-2: DWSRF Lead Service Line Ranking Criteria

SFY 27 DWSRLF Lead Service Line Proposed Priority Ranking System

The DWSRLF program uses a priority system for ranking individual projects for funding prioritization for the fundable project lists which:

1. Address the most serious risk to human health.
2. Ensure compliance with the requirements of the SDWA; and
3. Assist PWSs most in need, on a per-household basis, according to National affordability criteria.

**Projects on the comprehensive lists are not ranked until they have met the requirements to be fundable and decided to move forward with funding.*

The total project score is listed below to determine their ranking and prioritization for State Fiscal Year 2027 DWSRLF assistance for Lead Service Line Replacement (IIJA).

Criteria	Points
Lead Service Line Replacement Priority Ranking	
Acute violations: System is in violation of acute treatment technique requirements or an MCL of an acute contaminant, and the proposed project will return the system to compliance.	7
Non-acute violations: System is in violation of non-acute treatment technique requirements, significant deficiency or MCL exceedance of non-acute contaminants, and the proposed project will return the system to compliance.	4
Maintains Compliance: System is in compliance with state and federal drinking water regulations.	3
Inventory Submittal: System has successfully submitted their Service Line Inventory through the SWIFT Submittals Portal.	10
Private Side Replacement Workplan: The system has submitted a private side service line replacement plan that includes an outreach plan and coordination of replacement of both public and private sides at the same time.	20
Disadvantaged Communities: System serves a population whose MHI is greater than 75% but less than 100% of the National MHI based on the most recent 5-year average.	25
Severely Disadvantaged Communities: System serves a population whose MHI is 75% or less of the National MHI based on the most recent 5-year average.	50
Small System: System serves a population of less than 1,000 people based on the average household size for the county served by system.	5
Very Small System: System serves a population of less than 500 people based on average household size for the county served by system.	10
Project Funded by DWSRLF: This project will fund additional phases of a prior DWSRLF project, or the borrower has participated in DWSRF prior.	2
Rate Study: The water system has conducted a recent rate study that evaluates the current rates and proposes rate increase schedules that will allow the water system to operate, maintain, and improve the water system in the future.	10